



Challenges of Doing Business with USA

*Indo-American Chamber of Commerce
Cochin, March 6, 2010*

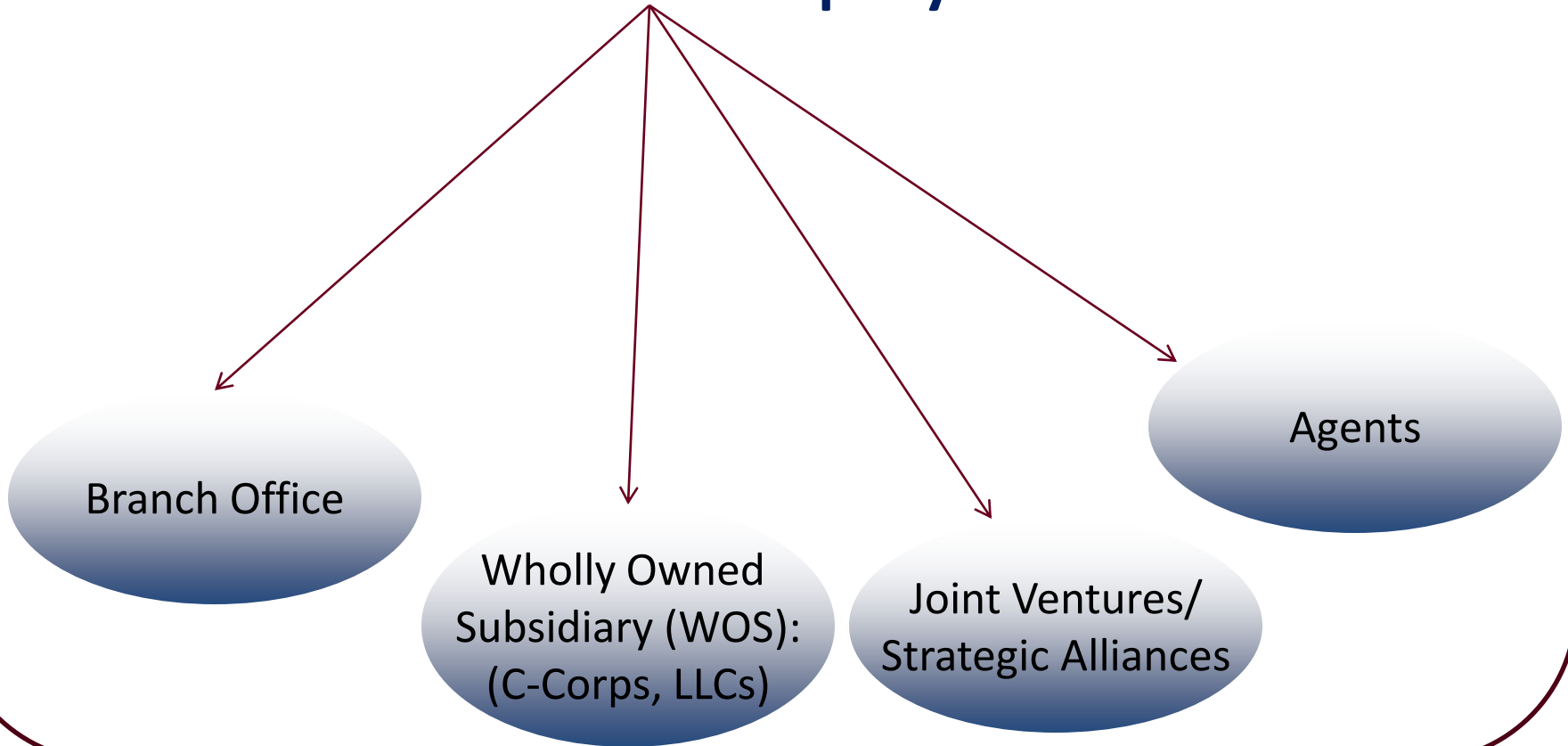
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Agenda

- Challenges of entry strategy into new customers – the Buyers Mind
- Pricing strategies, delivery commitments – leveraging existing client relationships
- Indian Cases showing Best Practices
- Strategy – keeping in alignment
- The pitfalls - what not to do?
- Creating value- systematic innovation & entrepreneurship

Business Structures

Indian Company



Roadmap to the US

Incorporating a Company in the US / Opening a Branch Office

AD / RBI
Approval

Obtain permission
to remit forex

Incorporation
Formalities

- Select a State
- File Documents

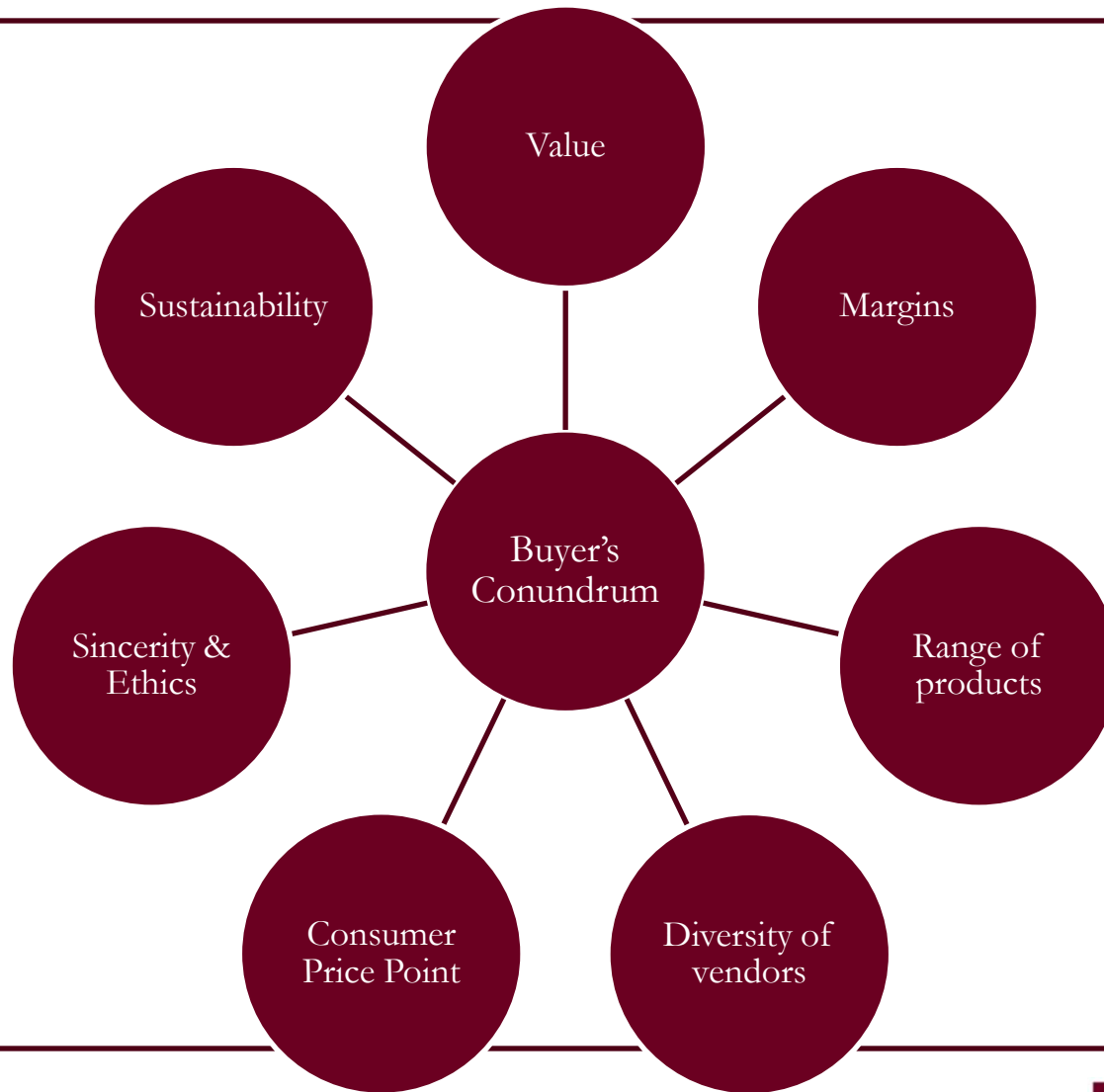
Running
a Corporation

Regulatory
Compliances

Challenges: The Buyers Mind

- International Buyer is very sophisticated
- Extremely Time Pressurized
- Has a wide choice of vendors
- Has a specific mind set and a purchase plan
- Has to optimise all stake holder expectations

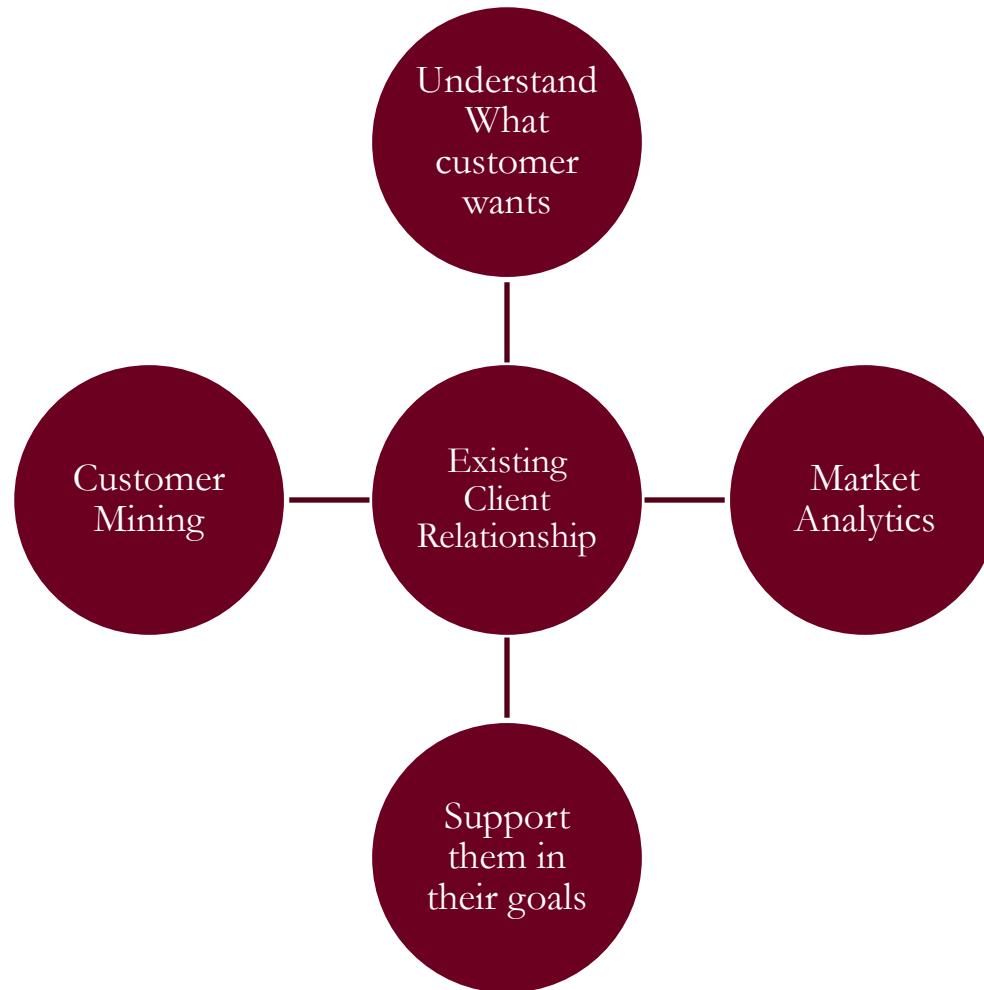
Challenges: The Buyers Mind



Challenges: The Buyers Mind

- What exactly is it the customer wants and expects in a product and it's provider?
- How do you convince customers that you have what they need or want?
- How do you keep customers interested in you and your products or services?
- What relationships can you cultivate with your customers?

Leveraging Client Relationship



Pricing Strategy and Delivery Commitments

Pricing

- \$19.99
- Leave \$ on the table

Delivery

- Strict in Time
- Deliver what you have committed

Pricing – Customer's Perception

- High Price – Loss in Market share and product sales
- Low Price – ‘A common problem – Leaving money on table’
- Make the customer realize or reminding the customers the value they derive
- It is the responsibility of the marketing team to understand how the offering is valued.

Indian Cases showing Best Practices

- A leading tools manufacturer selling to Home Depot
- A leading Garment Manufacturing Company selling to Wal-Mart
- A leading Jewelry Exporter supplying B2B Market/Large Retail Chains (Tiffany)
- Pharmaceutical Companies marketing to pharmacies (Walgreens)

Indian Cases showing Best Practices



**A leading tools manufacturer
selling to Home Depot**

- Timely deliveries
- Quality consistency
- Responsive to customer comments
- Price changes and adaptiveness
- Relationship building

Indian Cases showing Best Practices



A leading Garment Manufacturing
Company selling to Wal-Mart

- Cost consciousness at every level
- Quantity scale up capabilities
- Quality at all levels - Inspections
- Price challenges
- Policies & procedures

Indian Cases showing Best Practices



A leading Jewelry Exporter supplying to B2B Market & Large Retail Chains

- Design innovation and trends
- Quality of gemstones
- Craftsmanship and quality of work
- Ability to match international demands

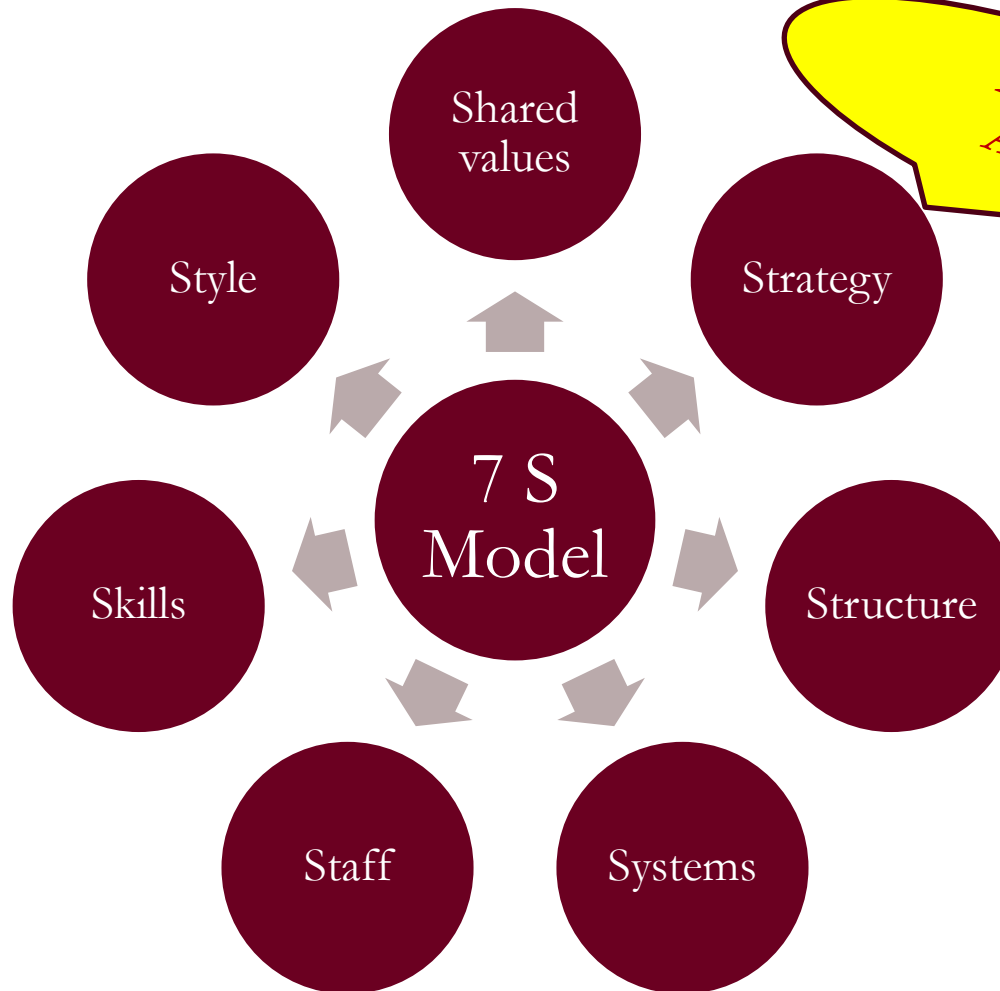
Indian Cases showing Best Practices

Walgreens

Pharmaceutical Companies marketing to pharmacies

- FDA Approved Plants
- Highest levels of quality in all functions
- Educating the pharmacist
- Ethical marketing

Strategy – Keeping in Alignment



The Pit Falls: What not to Do?

- Don't 'Cream' The Market
- Don't over commit and underachieve
- Don't try to do everything
- Don't stagnate in Product Offerings
- Don't be afraid of 'change'
- Don't over-leverage
- Don't have all eggs in one basket – avoid regional sales traps

Creating Value – Systematic innovation & Entrepreneurship

Systematic Innovation

- Incongruity
- Innovative Culture
- Process Need
- Unexpected Failure or Success
- Demographics
- New Knowledge

Entrepreneurship

- Systematic Entrepreneurship - Don't mix innovative and managerial units
- Entrepreneurial Spirit
- Ecological Niche
- Hit them where they ain't

Wholistic Prespective to US Markets

- Adaptive Entrepreneurial mindset
- Deep understanding of the International Buyer and the US Markets
- Make sure your strategies are practical and work.
- Keep your organization in alignment

A business advisory firm which has a presence in both countries can add wholistic perspective to your needs

Systems & Compliances

- **Systems, Processes, Policies & Procedures**
 - Knowledge Repositories
- **Be compliant**
 - **Tax Returns**
 - Federal Tax return and State Tax return
 - Franchise Tax return/Excise Tax return
 - Payroll tax return
 - **Annual Report** - most states require corporations to **file** an annual report. The report is filed with the office of the Secretary of State.
 - **Other compliances**
 - Secretarial compliances
 - RBI submissions
 - **Audit** of JV/WOS/Branch

Be on the right side of law.....always!!

Thank you



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