



An Introduction to US Expansion – Choosing your Location

Created by:

Strive

Created for:

SaaS companies looking
to expand to the USA

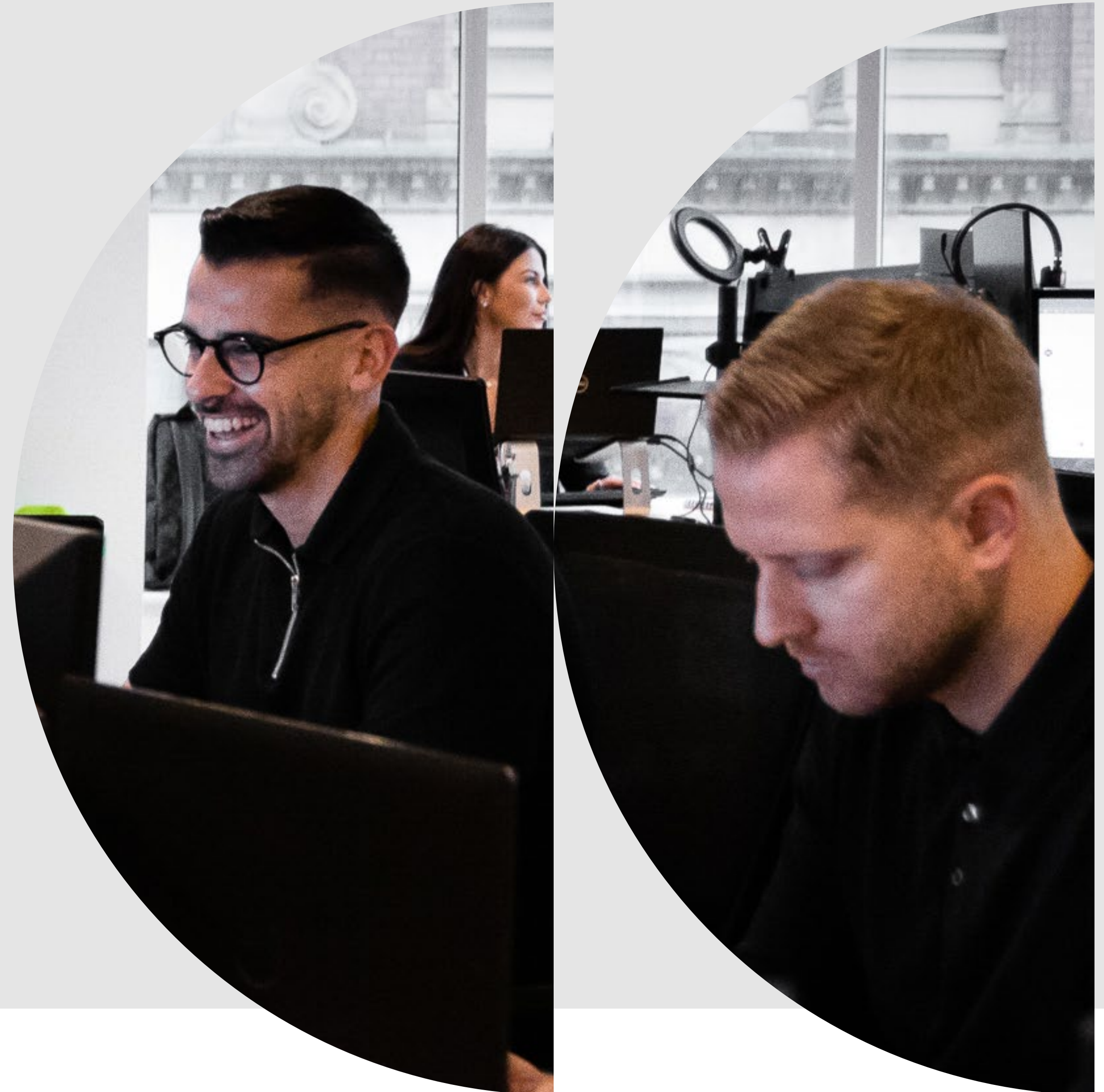
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Introduction

We know that expanding internationally can be a challenge and the preparation and research into expansion requires a lot of time, effort and attention.

At Strive, we have recently opened our first US office and the aim of this guide is to share some of the methodologies we used, along with some of the key areas we researched. In addition, we will share some of the main lessons learnt throughout our research process.

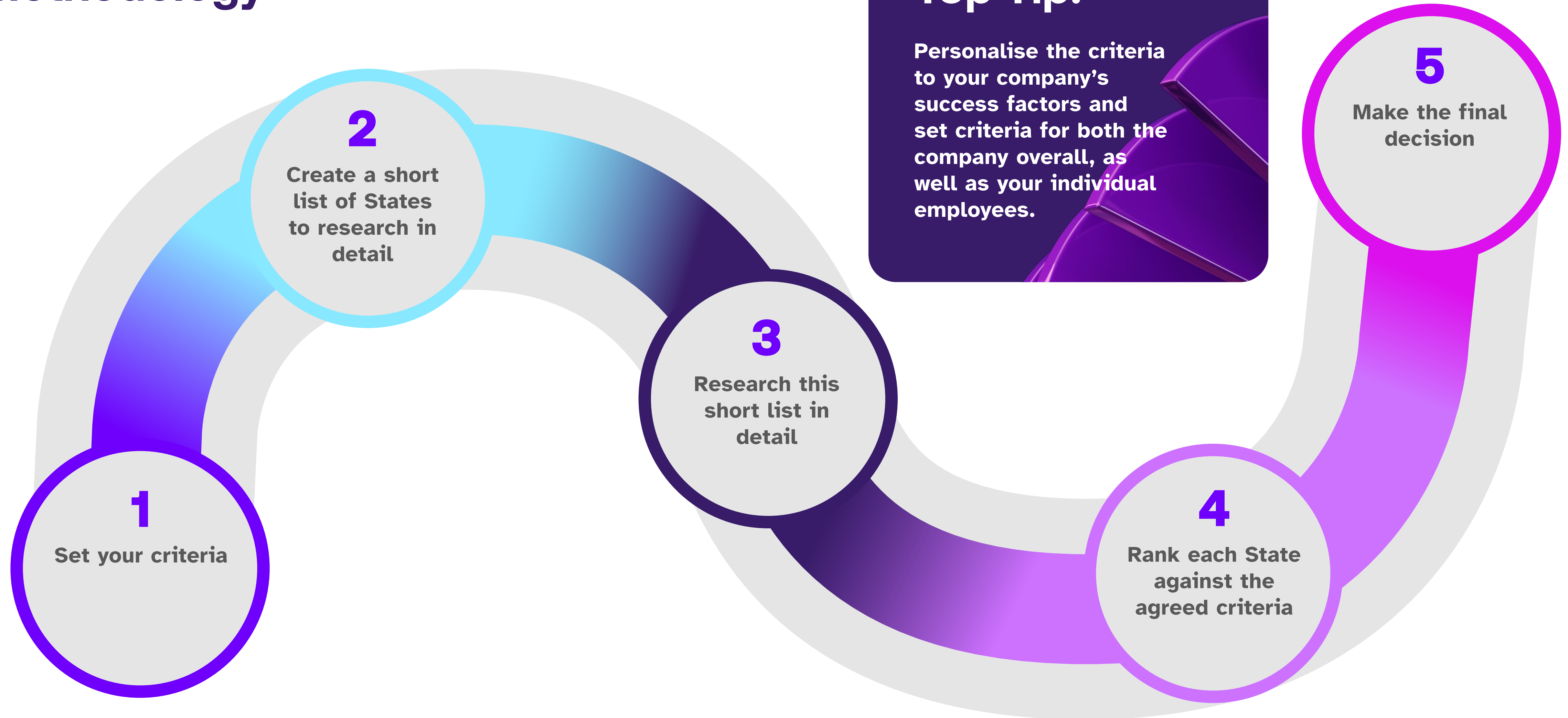
From financials and economic trends to lifestyles and talent pools, we highlight what you need to know when you're looking to expand your business in the USA.



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Methodology



Key Considerations: Financials

Taxation

- Corporation Tax – Federal, State and Gross Receipt Tax
- Sales Tax – State and Local Level
- Payroll Tax – Will vary between States – Medicare, Social Security, Reemployment (SUTA) and Federal Unemployment (FUTA)

Salaries

- Comparison of base salaries across your different short-listed States

Business Incentives

- Grants – a lot of States have attractive grants for start-up companies
- Training incentives

So, what does this mean in practice, and what are some of the recommended and required steps to take?

Top Tip:

Do some dummy budgets to understand the tax implications of each state



Key Considerations: Talent Pools

Universities

- Number of universities
- Number of students and graduation rates
- University rankings

Unemployment rates

Net migration trends

- Domestic and International

Competition

- What other companies are based in the area / relocating to that area?
- Volume of jobs advertised
– LinkedIn, job boards, top recruiters in the area



Top Tip:

Remember to research the number of students who stay in that area post graduation!

Key Considerations: Lifestyle

Cost of living

- Example pay packet comparisons – average salaries and income tax brackets (Federal and State level)
- Cost of (e.g.) rent, utilities, groceries etc.

Public Transport

- Available options / known traffic issues etc.

Diversity

Weather

- Seasonality (or lack of)

Feedback Sites / Awards

- Best places to live awards
- Trip Advisor

Top Tip:

Compare the cost of living back to that of your current HQ location



Key Considerations:

Timezones

Timezones

- Time difference to EMEA and other key target areas, globally

Flights

- Flight times and frequency
- Costs (from your Head Office location)

Top Tip:

Budget for a number of research trips to your location in advance of opening your new office



Sources of information

- Economic Development Councils
- Department for International Trade
- Staffing Industry Analysts (SIA)
- APSCo
- Podcasts
- Articles / Research
- Market research – via your contacts

Top Tip:

**Speak to your current
Lawyers and Accountants
to see if they have
contacts in the US**



Lessons learnt

Researching from another country

- Use of VPN to get more localized search results
- Hard to get comparative data across different states
- Due to the different ways different States cut their data, getting true comparative data can be difficult

Salary Research

- Whilst posting a salary for a job is now a legal requirement in places like New York, other areas are deliberately 'secretive' with this information

Qualitative Data

- This can be very subjective and hard to gather – for example around lifestyle

Ranking – bias in opinion

- Similar to the above, when the Senior team are ranking different areas against the criteria, there can be natural unconscious bias
- Ensure the person heading up the research project does not have a vested interest in the location – i.e., not someone planning to relocate as part of the expansion.

Time

- Our research project took around three months – this is a time-consuming piece of work!



“When first embarking on the journey of the US expansion, it was quite an overwhelming concept, however by connecting with the right people, building the right relationships with professionals, you develop a support network who can provide the information and guidance you need.

This is not a project that will happen overnight, ensure you research and plan, be flexible with your landing date as some tasks are in the hands of USA officials which may enforce delays.

I would advise dedicating one person to head up the project, informing stakeholders along the way and delegating decisions and actions when necessary. This puts ownership on the project lead ensuring there is no misconceptions on the process and timelines.

Last of all, enjoy the journey! It is a project that not everyone is fortunate to be exposed to – it is an incredible learning curve with highs and lows and many celebrational milestones along the way!”

McKenzie Powell – Operations Manager

Summary

We know that expanding internationally can be a challenge and the preparation and research requires a lot of time, effort, and attention – but if you get this part of the project correct, it will prevent a lot of problems further into your expansion.

As a final reminder, and something we mentioned at the start of this document, it is important to set criteria for both the company overall, as well as your individual employees – a key part of your expansion will be getting internal stakeholder buy-in to the area. As well as being right for your business, do people actually want to live and work in the selected area?

After your research, should you decide that now is not the right time

to establish a company and formal office base in the US, but do still want staff to be based there, an ‘Employer of Record’ service might be of interest. Please see the below links to access discounted rates with three of the market leaders:

Omnipresent

Deel

Multiplier*

*Please quote Strive at point of contact for discounted rates

We hope that this document has given you some insight into the key areas to consider when looking to expand to the USA and if we can assist any further, please contact us.



Contact Us



Reece Mills

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Scaling go-to-market teams
for the world's leading,
VC-backed SaaS companies

Founded in 2017, Strive is a specialist go-to-market talent partner whose network spans the globe.

With offices in the UK and US and a headcount of 30, Strive has the size to offer talent acquisition services at scale, whilst also the capability to deliver on strategic hires.

Working with leading VC's, Strive has helped scale their portfolio of B2B SaaS companies, placing key hires within the go-to-market function.

**For more information,
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