

Fuga



David Driessen,
Director of Sales and Client Services - Fuga

Industry: Tech / Music

Mission statement: "We provide flexible music distribution and marketing services, powered by our industry-leading technology. With a full suite of products and a team of music industry experts, you can manage and monetize your repertoire on the terms that work for you."

Headquarters: Amsterdam (IV, Prinsengracht 583, 1016 HT Amsterdam)

Founded: 2006

Fuga is an Amsterdam based technology solutions provider that helps you take complete control of your digital music strategy. With a growing list of both U.S. clients and European clients who were looking to break into the U.S. music scene, the company decided to expand its international footprint overseas, setting its sights on New York.

We spoke with David Driessen, the Director of Sales and Client Services, who led the company's expansion to NYC.

Key takeaways:

- The Dutch Consulate really came in handy and connected us with immigration lawyers and other consultants we needed to complete the process
- Assign someone in your organization who will be specifically dedicated to helping the team get set up and administrative support. There is a lot of admin, both with setting up a company, managing employees, and visa application process.
- Seek clear advice around corporate structure
- Know what you want to achieve with this expansion
- Be aware that the level of client services and employee benefits required in NYC are very different
- Decide what company values from HQ are key to keeping, while understanding there is a different workplace and business culture so your local organization should reflect this. Send employees to Amsterdam once or twice a year to get to know the team and go through key organizational processes.

What motivated you to expand to New York City?

When we started this company, we were already very Anglo-American-facing, the biggest markets in North America, the UK and Benelux. We started with the expansion in 2017 and by that time we already had a large client base there.

Can you tell us a bit about your expansion strategy?

We were kind of lucky because we already had a consultant working for us in the U.S. for a year and a half before we expanded. Before that, we had someone else for three years.

So we started our expansion strategy already having one person on the ground who knew the business and who were closing sales, making client acquisitions and bringing in new business. Shortly after creating the U.S. entity we hired this person, and an account manager, and I relocated from the Netherlands. This gave us a solid foundation of both in-market expertise and knowledge about our company to expand rapidly.

What were some of the most important steps you took before leaving the Netherlands?

The most complicated part for me was the visa preparation process. But for the business, understanding the different company structures that were available to us and considering all the changes in administration in the U.S. were the most critical parts. Second, I would say trying to get advice around the corporate structure of the industry was difficult.

“
We started our expansion strategy already having one person on the ground who knew the business and who was closing sales, making client acquisitions and bringing in new business.”



What sort of expertise or networks did you leverage during your expansion process?

The Dutch consulate were invaluable. They gave us several options and contacts to talk to in terms of immigration, legal advice and for setting up the corporate entity. So, we hired an immigration lawyer based in New York and a consultant to help us with other legal matters.



Important to note are the numbers.

According to our survey, legal and immigration matters were the top challenge entrepreneurs needed support with. 65% recommended hiring a service or legal representative.*



Looking back on the expansion process, is there anything you would have done differently?

When we started the expansion, we were somewhere between a start-up and a large entity, so we could have benefited from having someone in the organization, for example an administrative lead, dedicated to helping us get set up. Also, seeking clear advice around corporate structure, and knowing what you want to achieve in-market. We knew we had products that were already popular in the U.S. market, and our expansion was about better serving an existing market and that if we put the right people on the ground to service the market, we would grow significantly. The limitations with having a single consultant 6 hours time difference away were clear to us, and in hindsight we would like to have made this move even sooner.

* Source: Halve Maen's Best Practices Report, "How to Make it Big in the Big Apple"



Fuga team

How did this expansion influence your operations?

It has definitely increased our ability to both serve and acquire new clients. It has made our operations a lot easier because now a larger number of clients based in the U.S. can receive client support that is U.S. based. That means less resources from head office are required to provide basic support. It has also focused our efforts on becoming a more remote friendly global organization. We needed to think differently about how we held company wide meetings, and constantly have to fine tune our internal communications seeing as there are 6 people from 3 different service departments based in New York. We invested in better video cameras and speakers so remote teams felt part of HQ. Also, the expansion allowed us to provide the level of customer support that our U.S. based clients required.

What cultural differences did you experience in terms of doing business in NYC?

One thing we experienced was cultural differences in terms of expectations when it comes to client services. And then obviously, the approach to employee benefits like health insurance for example. The way we deal with employee contracts benefits in the U.S. is quite different than in the Netherlands. Get some advice around this before you enter the market.

Are there any specific methods you're using to keep your company culture going in your NYC office?

Promoting a remote company culture is something that often comes up. We generally try and mirror the Netherlands in terms of vacation days for example, we try to stick with the general employee guidelines. We also have a global company summer event and mirror what's happening in our original offices - for example this year HQ went on a canal trip, and we went on a yacht cruise around New York harbor. We also try and send people back to Amsterdam once or twice a year to get to know the teams better.

“
Trying to get
advice around
the corporate
structure of the
industry was
difficult.”

What are some of the biggest successes you've experienced since going through with this expansion?

We have been able to sign a lot more and it has definitely deepened our relationship with the U.S. client base. This relationship has expanded to levels that we had not previously seen or experienced. Now we are able to compete on a certain level with major record labels and this is something we were not able to do in the U.S. because we were always seen as being only a European company. Now our clients don't need to call someone in Amsterdam after hours and wait for a reply the next morning, instead they have someone in their timezone to help out - this gives those clients a better feeling in terms of support. Basically, word of mouth and trust have enabled the company to grow immensely. It's been a great experience so far.

That's great! Is there a piece of advice you would give to other Dutch entrepreneurs who are thinking of expanding their business?

Keep in mind that New York is expensive to expand into and each situation is very unique. You really need to prove that you have a real business to open here, otherwise it can get very expensive very fast. Also, lean in at the earliest stage possible and start with the administrative work first, otherwise the pace of bureaucracy can delay things.