

Speakap



Erwin van der Vlist,
CEO - Speakap

Industry: Social Business Software

Mission statement: "Put communication at the heart of your company. Connect employees across teams, share important news, and schedule events, all in one app."

Headquarters: Amsterdam (Pedro de Medinalaan 5, 1086 XK Amsterdam)

Founded: 2009

During their student days, Erwin van der Vlist and Patrick van der Mijl worked as shift managers in the retail sector. There, they quickly noticed the ineffective and inefficient communications that took place within large organisations. With the rise of the smartphone and mobile internet, they knew things had to change and believed in a new, better form of communication. From there, Speakap was born.

Speakap provides a unique, customisable internal communications platform to over 300 organisations around the globe.



Important to note are the numbers.

Speakap is part of the **65%** of businesses in the Netherlands that decided the importance of tapping into and expanding into new markets was a crucial next big step.*

Today, almost 10 years later, Speakap has offices in seven locations around the world, employing more than 60 people in their Amsterdam HQ alone.

In an interview with Speakap's founder Erwin van der Vlist, we learnt more about the Speakap story, and how the company grew their operations from Amsterdam, to the U.S., and then the rest of the world.

Key takeaways:

- Being a global competitor requires having roots in the U.S.
- Timing is very important, apply for a visa as soon as possible as it can take up to 6 months
- Hiring a local manager to lay down the groundwork is very helpful
- It's much faster to enter an American market than a European (UK or Spanish) one
- There's a lot of hidden costs under the American payroll, so hire consciously
- People in the U.S. value one-on-ones more, be prepared to book more meetings
- It took 2-3 months after truly settling in NYC to start penetrating the market with products and services

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

Why New York?

After several years of building within the Netherlands initially, Speakap reached a point of accelerated growth across Europe. Having reached such a point, the U.S. became an important target for Speakap. As Erwin points out, “if you truly want to become a global winner in your market segment, you need to go to the U.S., because if you are not a winner in the U.S., you will definitely not be a winner in the world”.

The logic behind settling in New York was closely related to Speakap’s U.S. country manager at the time who was living there and able to provide significant on-the-ground guidance and operational support, enabling them to grow into the U.S. market.



Important to note are the numbers.

This is unique as only **4%** of Dutch companies choose NYC or Boston based off of current employees in the area. *



* Source: Halve Maen’s Best Practices Report, “How to Make it Big in the Big Apple”

The nitty gritty - making the move

“Timing is very important,” Erwin points out. “If you’re thinking of setting up your startup’s operations in the U.S., whether you’re a founder, or a regular team member, I recommend immediately applying for a visa, as the process can take up to six months”.

In line with this, Erwin highlights the importance of overcoming these administrative challenges as soon as possible. “Getting an apartment without a social security number and without a credit card - these things are really tough. Make sure to take care of these personal things, and to feel comfortable within your new surroundings. That way, you’ll be able to excel at the work which needs to get done.

A softer landing

Soon after their U.S. country manager was hired, Erwin himself moved over to New York. In this regard, he points out that, by having hired a local country manager and someone local and on-the-ground to work with, the landing in New York was much gentler than what it could have been, saving considerable hassle.

With their U.S. country manager in New York, Erwin was quickly able to find an apartment for himself, arrange many of the basics, and then truly focus on the tasks at hand: “building up a team, restructuring for the American market, even finding out what works well from a product standpoint and a sales standpoint here in the U.S. And then, once we had the team up and running, after two or three months, we really started hitting the market and showcasing our product to prospects and clients.”

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Expanding in the U.S.

When asked about the overall impact of the move on Speakap’s operations, Erwin mentioned the added complexity that it brings to the table, “because it’s another, huge market which we have to operate in. It’s an extra bank account, extra bookkeeping, and extra HR processes, which can be especially difficult to manage between timezones.

But overall, I think it’s very good in the sense that it creates more brand awareness, it enables us to position ourselves as a truly global company, and it opens up our business to plenty of new avenues, aside from what we’re doing in Europe.

This ties in closely with us naming New York as the new headquarters - enabling us to show that we are really here, and we take it very seriously. And that’s also why I moved to New York for an indefinite period of time, to really make sure and showcase to the market that we’re not here for, let’s say, just testing it a bit for a few months. Now we are really here, and we’re committed to make it successful.

Today, we’re happy to have a great team here, working very hard. Since moving here, we’ve grown our client base considerably, and at a rapid speed that’s proven to be much faster than entering into a new market in Europe, like the UK or Spain, for example.”



Speakap team

Navigating through cultural differences

When it comes to the differences between how businesses operate in Europe versus in the U.S., Erwin pointed out that, in NYC, people make decisions faster and are generally more direct.

“If they don’t like your offering, you just don’t hear back from them, or they say no - they’re not interested”. Conversely, the same applies - “if they are interested, then they truly are. They then generally want to keep the pace high and move the deal forward as quickly as possible.

The sales happen faster, but you should also say goodbye to certain opportunities if they’re not moving forward. That was a key learning for us.”

From a team culture perspective, Erwin also highlighted that, “on the work floor, people need a lot of attention here. In Amsterdam, I never did one on one meetings. But here, they really like that - to express their feelings and express what they need and sometimes what they don’t need. So they also value those one-on-ones, I would say, more than we do in the Netherlands.”

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What other key learnings do you have for entrepreneurs wanting to make the leap?

“The country is super big. Like super, super big. So I’m flying a lot for business to speak at events and just taking a flight from here to Austin to do an event is very normal. But if you think about it, that’s further than if you cross Europe. Going from New York to California is further than from here to Amsterdam. So the size of the country is enormous. But the size of the opportunity is also enormous.

We also originally had the idea that we would build up a team here in New York and they would service all of North America. But we have an enterprise type of product so you also need to go to events and visit clients, sometimes in person. So we actually switched away from that strategy and now have a territory focused approach. So we now have people in the southeast, northeast, midwest, southwest and the Pacific. For each of those five territories we have one person minimum and then we build up the team from those territories.

Another thing I learned is, you really have to look at legislation for your type of product. Our product is an app which needs to be installed on mobile devices and can also be installed by hourly workers and people who work part time, let’s say at McDonald’s. However, in the U.S., if an employer asks hourly workers to be active outside their work hours, they have to pay them a salary for that time. So we found out, because we have a solution that’s being installed by these hourly workers on their phones, the employer is liable for that salary and therefore it’s a risk for them to start with our solution. So based on that, we adjusted our product.

Another learning is, if you hire employees, you better be sure that your payroll is very good. Because you could do that yourself. But you have federal tax, you have state tax, you have city taxes. And those taxes are calculated and need to be filed and paid differently based on where the person lives and commutes to for work. So there’s a hidden cost under it.

We decided to use a service called Trinet. And it’s not cheap. But they do everything. You don’t have to think about it. They get the money from the bank and they will make sure that everything is done correctly. Also with expenses, with the tax, with the 401k, if you offer that in the health care package, etc., everything is completely self service. I would strongly suggest also looking at that when you hire people.