

The Cirqle



Steven Lammertink,
CEO - The Cirqle

Industry: Media, Marketing

Mission statement: "The only influencer marketing platform that can tie engagement to sales. We connect brands with influencers, cutting out the middlemen, injecting technology that tracks conversion."

Headquarters: Amsterdam (Overtoom 141, 3rd floor, 1054 HG Amsterdam)

Founded: 2015

For this fascinating interview with a Dutch entrepreneur gone global, we chatted to Steven Lammertink, co-founder and CEO of The Cirqle - touted as the only influencer marketing platform that ties engagement to on-and-offline sales.

The platform has over 500,000 content creators with varying degrees of online influence and claims to reach over 5 billion consumers in 50 countries. Launched in Amsterdam in 2014 by Steven, together with Daan Nederlof, the platform is a giant today with more than 80 clients - and 90% of its revenue coming from the USA.

Key takeaways:

- Read up as much as you can about working with, or hiring, Americans
- Hiring and retaining talent in New York is expensive and challenging - don't make snap decisions on hiring
- You should have some U.S. clients already in place and some traction on the ground before setting up shop there
- When you do so, locate yourself where most of your clients or potential clients are
- Make sure you have enough cash on hand to fund exploratory trips to the U.S.
- Stay lean and agile, even once you grow significantly - for example, co-share a workspace and consider remote employees
- Measure the cash you put in versus the returns you get out - business networking events are pricey but can lead to big deals
- Learn from entrepreneurs or business owners in your industry who are further down the path than you are with their U.S. expansion.

Big in New York (but mostly not actually in New York)

“So we run influencer campaigns for a lot of different brands, big brands” begins Steven, “and around 90% of our revenue comes, in fact, from the city of New York.”

Interestingly, despite that figure, The Cirqle is still managed operationally from Amsterdam:

“I think like, two years ago, we officially launched in New York, and it came through us partnering with an agency that was there, and they brought us some really big clients.”

The Cirqle solidified that partnership further, drew more local clients on board and the company’s New York footprint grew. That success has proved “fundamental” in terms of driving the business forward, affirms Steven. Budgets from New York based clients are much, much higher than in Amsterdam - and new business can happen much faster, too; the Americans are quick decision-makers.

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The U.S. has about nine other cities with populations of a million or more, all of which are more affordable to do business in than New York City. So why choose the Big Apple?

“Good question”, answers Steven. “So we’re in digital marketing, and all of the (relevant) bigger kind of agencies or large corporations - Fortune 500 companies - are centralised in New York. I really like San Francisco; I worked there for Adobe a long time ago, but it’s very much focused around the technology kind of businesses. At the end of the day, you want to move where you know the money is and where you can also find the talent. In our case, that combination sits in New York.”

Did The Cirqle opt for a slow U.S. roll-out or launch more aggressively?

Steven describes how the company went for a phased approach, starting very small by pulling just one talent from the U.S. into the Amsterdam office, who had connected with The Cirqle via Twitter.

“We never really saw the U.S. as a key market to begin with, because you guys are a few thousand miles away. But bringing in that first employee opened so many doors and led us to see the U.S. as a breeding ground for more leads and more sales.”

Bringing on board their first U.S. employee - Tyler Ridings - put The Cirqle on a path to where Steven was making regular exploratory trips to New York with Tyler. He began to realise three things:

- that New York budgets were a lot bigger;
- that The Cirqle had a competitive edge because it offered a high quality service at a lower price than was usual in the city; and
- that New Yorkers appreciated the bluntness of Dutch people.

Later we touched on this third point again. New Yorkers like the Dutch, says Steven, partly because of historical ties. He also mentioned the cost of making exploratory trips to New York:

“You really need about eight to ten thousand dollars per week for hotels, food, transport ... you need to have a bag of cash that enables you to do that. Dallas would be 50% less than New York.”

Growing your footprint while treading lightly

Soon The Cirqle was landing a lot of deals in the U.S., which naturally led the company to shift more focus onto that market. That didn’t mean setting up a big operation though, says Steven:

“We stayed agile, we stayed flexible (and we remain so, just with more people). We share a working space in Tribeca, which is primarily just a sales office. Our operation is still managed and run from Amsterdam.”

Then we moved on to some of the perks that have come out of expanding to New York:

“It has given us a global footprint, certainly,” says Steven. The Cirqle has also found itself in a position, thanks to knowing the various cultures in Europe first-hand, to help U.S.-based clients gain traction in the European Union - and to help EU clients do so stateside, thanks to The Cirqle’s established network there.

Having a New York presence has helped The Cirqle to really understand the nuances and differences between the states and the EU, which is beneficial whenever aiding clients to penetrate either market.

We get to key cultural differences between doing business in the U.S. vs the EU

“I think that the U.S. people are really good at selling,” he muses. “They are also very motivated to make deals at all times - I can have a 100,000 dollar deal in 30 mins, after just having met someone for the first time. That is highly unlikely in the Netherlands, or in the UK for that matter. We don’t have the market size and it’s just not in our culture to close deals that fast.”

In the U.S., people are more opportunistic he says; they act quickly if they see the value - and you may not even need to meet with them in person. If you want to make a deal in the Netherlands, there would usually be a physical meeting; a coffee; maybe some wining and dining. That said, Steven points out that there is a lower level of loyalty in the U.S., as a flipside to its opportunistic culture. In the Netherlands, clients tend to stay with a company longer - and it’s much the same in terms of staff. In the U.S., people frequently job-hop when bigger opportunities arise - retaining talent is a major challenge:

“We must have spent \$50,000 trying to hire (the right) people, and we failed miserably,” says Steven.

That experience clearly proved to be a learning curve. When the company hires in New York today, he says, it tends to favour people it has worked with before, or those that it has developed a relationship with over several months -

“We don’t do quick hires anymore.”

How did The Cirqle grow its U.S. network initially?

“A company has to ask where are our clients? For most of our clients, their decision makers, are CMOs of Fortune 500 companies, so we had to see where they collect,” explains Steven. The company invested in events run by GDS Summits, which grants business prospectors face-time with these CMOs, at high-end venues in places like Palm Springs. For a series of face-time sessions with these people, Steven says they paid \$40,000.

“That may sound expensive, a big investment, but in essence if you had to allocate money to setting up meetings with these people - Subway, P&G, Barnes and Noble, which are all our clients - we’ve had the luck to find them through these conferences.” The GDS Summits have helped the company both acquire and retain clients.

Did expanding to New York cause the company to change, or offer new services?

“The U.S. is very far ahead compared to Europe with new innovations and with communicating and talking about them,” he says. This has helped the company to create a value proposition whereby they are seen as very innovative in the U.S. with their range of services. At the same time, their profile in the U.S. market has led them to be seen as innovative in EU markets as well. In essence, the company’s presence on either continent amplifies its brand image on the other. He concludes: “Coming to the U.S. has contributed to our innovative edge 100% definitely.”

And the biggest challenge of doing business in the U.S. is ...

Steven doesn’t hesitate:

“Finding talent and team members who you can count on, who can drive value for the business.”

Nowadays the company takes more time before it invests in someone full-time - because every business needs to identify its best culture fit in terms of staff. Still, as competitive as hiring is in New York, there are advantages to being a Dutch company in terms of market appeal:

“A lot of New Yorkers love to go to Amsterdam for training ... and we are very flexible in how we set things up; it’s not ‘weird’ that you can take a two-week holiday in Europe, which is very non-New York. There if you took a two week break, your job would be on the line.”

Although Steven has read a lot about working with Americans, it is “something you have to experience yourself. They are opportunistic, they are switched on; but if you hire the right people they can bring a ton of value to the company.”

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At the end of the day, you want to move where you know the money is and where you can also find the talent.”

Last word of advice for entrepreneurs setting their sights on New York:

“Learn from people in your industry who have made their U.S. expansion a success, Steven suggests - but remember, talking to someone with a brand new start-up is going to be very different from talking to someone who has already entrenched their business in New York. Try to connect with like-minded, relevant people, who are at the same phase as you or maybe further ahead of you (in terms of expansion).

Make sure you already have some clients, some kind of traction in New York, before setting up a base there. Otherwise there is a lot of leg work you will have to do before you can settle there full-time.”