

# Appical



**Peter Straatsma,**  
VP of Sales - Appical

## Industry: HR

**Mission statement:** “Create a personalized onboarding experience for your new employees. Boost employee engagement, increase productivity and reduce turnover with a simple and easy-to-use onboarding platform. Appical, the fully customizable solution for creating a tailored onboarding experience.”

**Headquarters:** Amsterdam (Tt. Vasumweg 58, 1033 SC Amsterdam)

**Founded:** 2012

Human Resources is a function of the business world that is being disrupted by technology to a greater extent than almost any other. For many people, the influx of tech means a loss of the human touch, in what has been a person-to-person industry for decades.

Yet technology like Appical, a Dutch platform for onboarding new employees, shows that tech can actually help to make HR more human. Appical has raised millions in venture capital and was procured for enterprise-wide deployment by U.S.-based giants, PepsiCo and HP - but the company keeps its U.S. operations lean and economical. We spoke with VP of Sales, Peter Straatsma, to get the inside story on how it broke into the U.S. market.

## Key takeaways:

- It forged ties with similar companies that were doing the same thing in the U.S., i.e. delivering a HR SAAS product that was cloud based
- It aligned with fellow HR tech companies to do lead-generating events together, combining different HR solutions to provide one solution to potential customers
- Appical and these other companies shared their networks with each other as well as leads on employable talent
- The use of social media has proven useful, especially LinkedIn
- They attend relevant HR industry conferences and events
- The “customer success” strategy: Appical approached its Dutch clients like Heineken, ASML, Rituals and asked if it could reach out to their U.S. operations
- With 300 customers globally, it looked for other clients that had a New York office

### Sights set firmly on New York

Appical's U.S. office is actually in Florida and is peopled by just one sales agent, while a second sales agent mans an office in Washington. According to Peter, who flies out to the U.S. often - Appical hopes to launch a New York office soon, probably in early 2020. When it does, it will apply learnings from its recent successful launch in the United Kingdom:

"We'll duplicate the blueprint we've been using there, which starts off with organising our own event, hiring the first sales rep, and then we go from there. At some point we will grow to up to five staff members (marketing & sales), probably within the first six months".

### Did previous expansions - to the UK and Asia - help with expansion to the U.S.?

"Well", says Peter, "there are many differences between Europe and the U.S., and especially with Asia. A very important difference is time zones. It's difficult to manage remote teams, nurture prospects and align with customers when there is a time zone difference of six to nine hours. It's not a problem with the UK office, nor with local partners in Spain, France, and Germany - that's pretty easy. But going to the U.S. it's a different ball game, and especially so in going to Asia. So we've had to figure (that aspect) out for ourselves along the way".

### Why New York for the next office, as opposed to tech-central San Francisco?

Peter points out multiple deciding factors that came out of an Appical roadshow back in 2016/2017.

"We did a lot of travel around the U.S. - West Coast; East Coast; annual conferences like SXSW (Austin, Texas); onboarding- or HR-relevant conferences in New York, Saastr in San Francisco and so on".

At the time, Appical had a few customers spread around the U.S., so it was starting to gain traction. In looking at New York, the time zone issue was definitely a factor, because New York is six hours behind Amsterdam, while San Francisco is nine hours - "That's a huge difference if you're going to build a team there." The cost of regular flights to either coast (from the Netherlands) was also a factor. A third decider was the fact that Appical had some direct competitors in San Francisco, as well as in Los Angeles. So it made sense for the company to take ownership of its "own" region, says Peter.

Next, Appical looked at its ideal (U.S.) customer profile, which was retail, fashion and financial services. A lot of those industries were entrenched in the Greater New York area. Finally, a New York office - when added to the offices in Florida and Washington, would give Appical a geographical footprint area around the U.S.

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### What have been the biggest challenges, in terms of Mission: New York?

"Personally, I think where we had the most challenges in the beginning, is getting all the shareholders (i.e. investors, partners and all team members across the board) excited and committed to the idea and execution of the expansion.

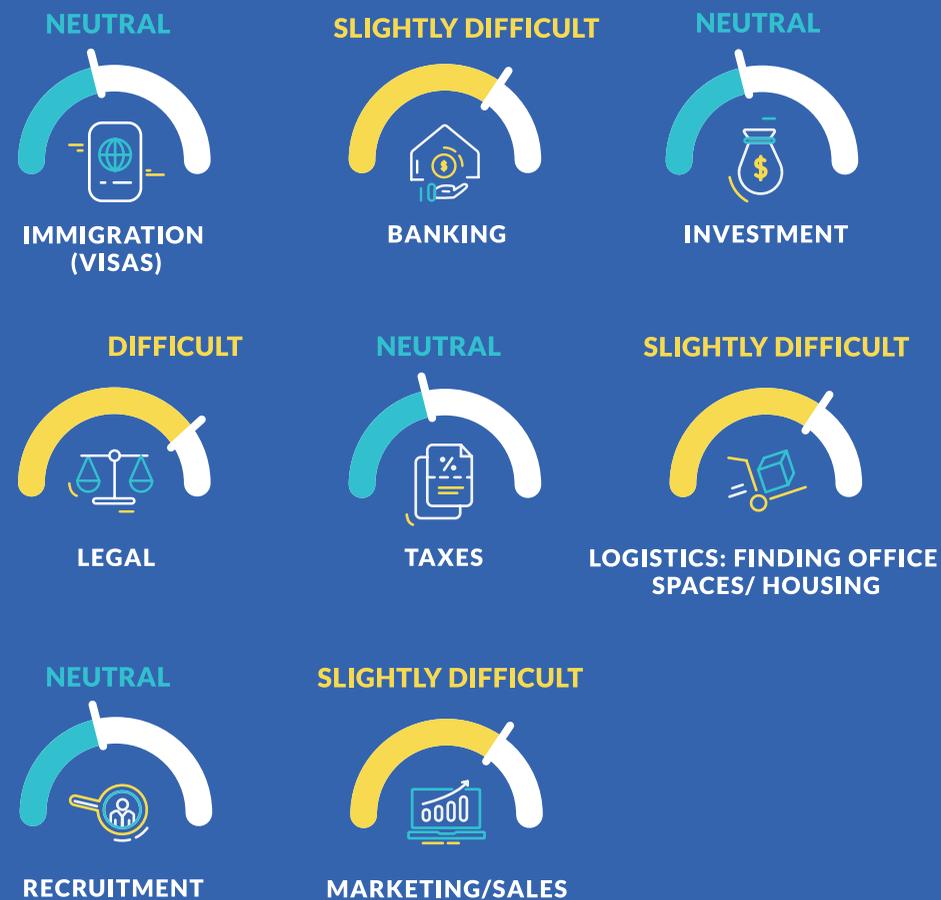
Peter explains that it took a long time to get them on board in terms of the international expansion plans and strategy - "because we know how expensive it is to go to the U.S., both in terms of time and money, and specifically to New York. There's a cost for new hires, equipment costs, marketing and legal costs, etc. To get that money, basically allocated from the existing funding, and time - from an already overloaded team - was a very difficult challenge".

When that hurdle was cleared everything was arranged in collaboration with Julia from the Dutch embassy (this would be Julia Knoeff, Senior Economic Officer at the Consulate General of the Netherlands), and with assistance from other legal parties.

# Halve Maen's research finds...



The Dutch startups and scale-ups that have expanded to the U.S. encounter the following challenges the most:



Source: HM Video Report

**On cultural differences: You say to-maa-to, I say to-may-to ...**

Peter explained that the Appical team had just had a meeting about that very topic, chuckling:

“My personal experience is that, in the Netherlands, we are more direct – and it may be a cliché, but in the U.S. it’s like they all say Yeah, it was nice, we want this, great, awesome ... but when you ask them to sign the contract they completely “go-dark” (meaning, you never hear back from them) or its; Okay, you can go to legal – “which is way more intense than in the Netherlands; especially when you have a product like us; we have a SaaS solution. Especially since we’re fully running in the cloud (AWS), and asking for multiple personal data points,” (data protection is known to be a contentious issue in the U.S., specifically).

The expectations of doing sales in the U.S. are also very different from in the Netherlands Peter pointed out, with the U.S. being further down the road in respect of setting up sales with a degree of sophistication:

“I think (the U.S.) is a ‘sales country’; the expectations are higher. I think the work ethic is also higher. And also, I think that what new hires expect from their employer is different than here in the Netherlands.”

The second challenge Peter mentioned is hiring the right people. There is a lot of competition for talent in areas like New York and San Francisco, especially with the tech industry booming to such an extent in the last few years. So what about sending people out from the Netherlands HQ, as an alternative?

“We could (do that) in order to build a team locally, but then the moving and housing costs will be insane of course, so we’ll see.”

“Lastly, it’s important to keep close to your core-business and not lose focus. Entering a new market and business culture can force and/or seduce you into all kinds of exotic off-track projects. Don’t do it.”



Appical team

#### Any other learnings from earlier new-country launches?

“I think our mistake there was like, trying to run before we could walk. So we got some funding, we hired somebody, we gave him or her an office to work from and a laptop and it was off you go! - but the internal company, HQ, wasn't ready for it. There was no communication policy; there was no roll-out strategy.”

Since then, as mentioned earlier, Appical has worked to a success blueprint, for example, by replicating their UK launch. Appical also hosts regular events - Onboard Amsterdam, Onboard London, etc. - and is planning Onboard New York in early 2020:

“What we do is we create an event but, six months before the event, we hire an Account Executive with a rolodex of potential clients. They'll invite people to that event, and then we go to

the event to basically make it a success for them. In London, we already signed up five customers (within six months). We travel lights and maintain a bootstraps operation that needs limited funding. When you have your first successes, you can build from there.”

Being transparent to internal stakeholders about new developments is also key, said Peter; for example you might invite key stakeholders to fly out to New York to see developments first-hand. It's all about getting the internal company on the same page:

“It's not only a board that you're sharing with, or your investors; you also need your internal team on board when making an important decision so you can ask for their feedback. Because at the end of the day, this person (your person in New York) will need help with things like marketing, product, sales...”

When you fail to involve everyone in the company with your U.S. expansion, Peter explained, they are less inclined to help out, leaving the person or personnel in New York isolated and less likely to succeed.

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**Lastly, it's important to keep close to your core-business and not lose focus. Entering a new market and business culture can force and/or seduce you into all kinds of exotic off-track projects. Don't do it.**”