

Ultimaker



Jos Burger,
CEO - Ultimaker

Industry: 3D Printing

Mission statement: "From the very beginning, our mission has been to accelerate the world's transition to local digital manufacturing. And thanks to our talented team, that's just what we're doing."

Headquarters: Geldermalsen

Founded: 2011

In our quest to share the successes and learnings of Dutch entrepreneurs in the U.S. we quizzed Jos Burger, CEO at Ultimaker. Launched in 2011, Ultimaker is a market-leader in building powerful, professional and accessible desktop 3D printers. With offices in the Netherlands, New York and Boston - plus production facilities in both Europe and the states - Ultimaker has a team of over 400 people and continues to design disruptive technology imbued with Dutch quality.

Key takeaways:

- Establish some sales and clients in the U.S. before setting up there physically
- A good way to do that is by developing an indirect sales channel stateside, for example tech re-sellers
- Go where your U.S. clients are
- The biggest challenge is hiring the right U.S. talent
- It's also an expensive challenge; U.S. salaries are much higher
- Hiring all-local cuts international travel/relocation costs and allows your Dutch employees to stay focused on the business there
- Contact companies like Tabs, that actively assist Dutch companies with U.S. expansion

Setting Sights on Boston

Jos explains that a third of Ultimaker's global revenue is generated from the States, so it made sense to the company to set up a physical presence there. Why Boston though specifically?

Because, he explained, it's the epicenter of 3D printing in the United States. He added that Ultimaker has also opened an office in New York. The East Coast's more amenable time difference with the Netherlands (six hours behind, versus nine for the west coast) made Boston a logical choice for Ultimaker's U.S. HQ.

Did Ultimaker launch full-scale in the U.S. or grow its presence there more slowly?

Jos said it set up a solid presence quite quickly by hiring six to eight people for the U.S. operation but grew quite gradually from there, to a complement of about 25 people today, in various parts of the U.S. All of them, he points out, are U.S. nationals. But he did not have to rely purely on recruitment agencies to hire talent as many other Dutch companies do; having an already established tech industry network in the states helped Jos to source and recruit the first layer of people.

What steps were taken in the Netherlands before opening the U.S. office?

"We did what most companies are doing in terms of looking at what we would need to do in terms of basic set-up", says Jos - opening up an office, setting up as a company."

To do these things they partnered with relevant support agencies, including a law firm with a presence in Boston and New York, an accountancy firm, and a company called Tabs:

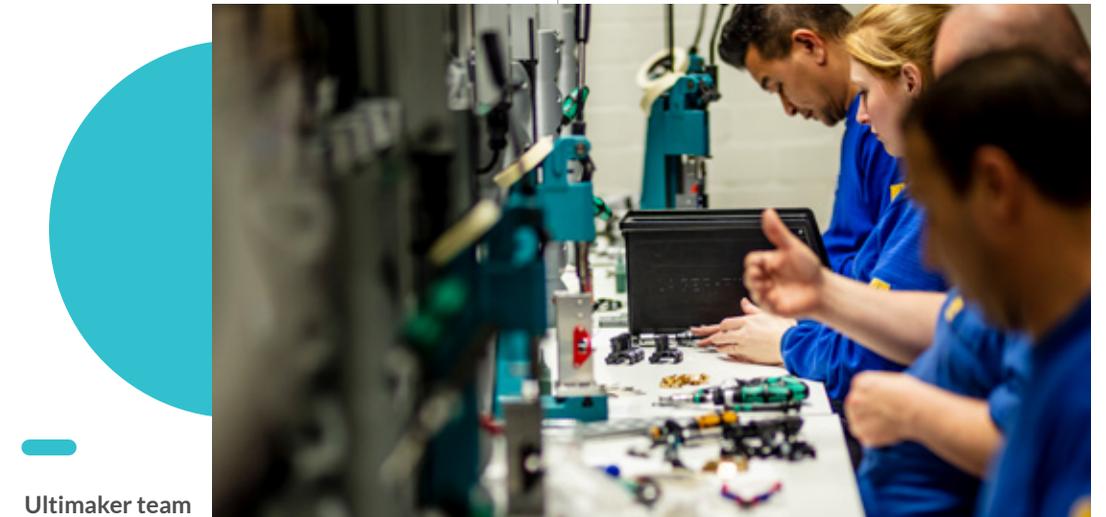
"Tabs is a company in New York run by a Dutch guy that specifically supports Netherlands-based companies to take their first steps in the United States. That was quite instrumental. Then we just took it from there, using my network to hire people and get going."

The main challenges of a U.S. expansion?

Jos highlights putting new people in place as the number one priority:

"You spend a lot of time finding people, having meetings, doing interviews, getting people in and onboarding them. So, the people aspect. The rest is fairly straightforward and easy. It all boils down to people. If you have the right people - and it's all about quality people - then things get rolling, and if you don't have them, then that's a big issue."

Thanks to Jos' background experience working with U.S. companies for some 20 to 25 years, he fortunately had a depth of insight on what it took to hire the right people in the U.S. - how to appeal to their ambitions, structure payment terms and bonus schemes, stock options and so on.



Ultimaker team

The U.S. is a huge market and many Dutch companies, on first setting foot there, struggle to get their name out; they have to invest heavily in branding and marketing. Ultimaker, on the other hand, was already generating up to 25% of its business in the U.S., so it was by no means starting with a blank slate, according to Jos:

"We kicked off our business in the states by signing deals with five big resellers all over the place and they basically acted for us, at arm's length, in bringing our products to the marketplace. That was quite a strong basis for incredible expansion of the organisation, and of course the business."

Ultimaker's 3D printers also quickly gained traction at a number of U.S. universities; a huge market segment in their own right.

What impact did expansion have on Ultimaker's EU based operations?

It didn't have much of an impact for Ultimaker in the Netherlands in terms of assembling or servicing our products, says Jos, because Ultimaker contracted a company in Memphis, Tennessee, to handle those things stateside. This was deemed a good move what with the U.S. being such a large and important market. The only real impact on the EU side was felt by one individual, the company's CFO, who now had to deal with the complexities of having operations in different geographies, as well as TAX-specific terms, compliance and regulations.

Aside from increased revenue, what have been some benefits of the U.S. expansion?

Ultimaker is a global-minded company, and what it benefits from in the U.S. is being able to do deals with large corporates, and then approach other corporates in the same competitive domain. Many of these corporates, by nature, have an international operation, which in turn broadens Ultimaker's footprint around the world.

"We've been quite successful in doing that said Jos. "In the automotive, aerospace, consumer electronics and retail sectors. And, of course, we signed up some big, European car manufacturers like Volkswagen and BMW, which opened up easier discussions with (U.S.) car manufacturers. Then also, the tech scene. If you are dealing with Apple, of course, it makes it easier to deal with European tech firms because if brands like that approve of you, or are using you, there must be a reason for that."

Jos highlights the educational market in the United States, which is so much bigger than in Europe and offers major inroads in comparison to Europe. Having a presence in the U.S. has led to a number of the Ivy League universities and other tech/education institutes to procure Ultimaker 3D printers, which are used to educate students on the technology's potential across science, technology, engineering, art and mathematics.

Ultimaker is replicating the formula of its U.S. growth in other territories, for instance Germany and Switzerland:

"There (in Germany), we have a local presence; local manufacturing, local marketing ... Germans dealing with Germans. In that sense, it's no different from the States."

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It all boils down to people. If you have the right people, then things get rolling. ”



Jos' advice for Dutch entrepreneurs expanding to the U.S.

"Well, you know, I'm being approached by quite a few startups in the Netherlands and beyond. I've been active in the venture capital space, so I have a good network there and mobile startups approach me on how to get into the U.S. market."

In order to expand to the U.S., the no.1 point he emphasizes is to have your funding in place, because a U.S. launch is a costly affair.

Secondly, but also cost-related:

"What I see quite often, when things are really going down the drain is the expectation that you can recruit a sales guy or an engineer in the United States, you know, at a cost level that is similar to what you're paying in the Netherlands - and that is simply not the case."

Furthermore, it is key to have a strong and consistent messaging in place, so people know what

your brand stands for. Our vision at Ultimaker is to accelerate the world's transition to digital distribution and local manufacturing and we work hard everyday to achieve this by making our 3D printing solutions, from hardware, software to materials as accessible as possible.

Finally, Jos highlights the best way to gain traction in the U.S.:

"A lot of start-ups, I am sorry to say, but they have no clue of how to get into the market. They'll say oh, so we need a few sales guys and they will travel around ... they have no clue what they're talking about. I always say, if you can build up an indirect sales network or a channel network in the U.S., that is really the preferred scenario. You can also do the other thing and that's hiring people. It takes a lot of time, you have to be lucky, and it's costly. So, again, my recommendation is to look for indirect sales channels; partner with others who can kick off the initial sales in the United States. It basically boils down to that."