

Veylinx



Rainier van Rietschoten,
CCO - Veylinx

Industry: eCommerce, Marketing

Mission statement: "Veylinx is the fastest solution for getting realistic consumer insights."

Headquarters: Amsterdam (Keizersgracht 203, 1016 DS Amsterdam)

Founded: 2013

Starting as an academic project, Dutch consumer insights startup Veylinx surged becoming the first online experimental auction platform. Since its inception, the company has expanded into several markets across the globe, including more recently the U.S. market. We spoke with Co-founder and CCO Rainier van Rietschoten about what it takes to expand from the Dutch canals to Hudson Bay.

Key takeaways:

- Set objectives and know what you want to achieve within a defined timeline
- Be prepared to spend a number of months in the U.S. setting everything up
- Recruiting and hiring in the U.S. isn't easy, candidates are used to selling themselves so you need to keep this in mind when assessing candidates
- Setting up a corporation is easy, but setting up a bank account as a foreign entity is a challenge and takes time
- Talk to entrepreneurs who have already expanded to the U.S. to get tips beforehand
- Many foreign consulates have programmes set up to help startups get started in NYC and are willing to provide advice (even if your startups isn't from that country)
- Do the dirty work yourself: one cofounder should go to set everything up and see for yourself the state of play

So first of all, what motivated you to expand to New York City?

I'm the founder of Veylinx responsible for commercial activities. Veylinx is a company that helps fortune 100 companies with their innovation research. If a company thinks of a new product and they need to make a decision about whether they should put this product on the market or not, we can help them to validate whether people are going to buy it, what the price should be and how to position it. We do this worldwide. Often fortune 100 companies test their products in multiple markets at the same time and the U.S. is the number one market to test in. A lot of our clients are also located in the United States. So we already had a lot of business coming from the U.S.

This meant that, before we even had an office there, I was travelling back and forth to our customers quite frequently, about six times a year. Ultimately, we felt that, in order to make it more efficient and to better serve our customers in the U.S., it made sense to open an office in the United States.

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Could you describe your expansion strategy? Did you go for a full scale rollout or did you just start with a couple of people in one small office?

We're a self funded company so we needed to do it the startup way. What we did is we said: we want to start with one or two commercial people in the United States really to manage and build the relationships that we have with our clients there. So I moved there myself for half a year and my objective was basically three fold:

One was to improve and build relationships with our current customers and new customers.

Two is that I hired the first key personnel in the United States to continue that once I headed back. So I also was very much onboarding them and getting them up to speed.

The third goal was setting up all the legal elements like setting up a corporation, the bank accounts, finding an office, all the practical stuff.

I gave myself half a year to achieve that and it worked out well.

What would you say was the most challenging part of this process?

Hiring and recruiting in the U.S. was not easy. We did not know what platforms were used. Also, the way candidates present themselves is very different. In Europe, you see that people by nature are sometimes a bit more humble. In the U.S., it's really like a sales pitch where people are actively selling themselves. So if you use your set of references to evaluate a candidate from a European standpoint, when you move to the U.S. you really need to read candidates a little bit different.

And in terms of setting up all the legal work, we saw that setting up a corporation is very easy but getting a bank account as a foreign entity was quite a challenge and that took quite some time.

Were there any services or networks that you found particularly helpful during this process?

Before I left I met with a few Dutch founders, who had already done it before. So they had some helpful tips, in particular there was a company called Tabs which was really helpful.

Is there anything else that you think would have helped you during the process?

I actually had help from the Belgian and German consulates.

The Belgian Consulate has quite an extensive programme. They actually have an office space in New York where Belgian companies can settle themselves for a period of time at reduced rates and they really support you with getting your legal structure in place, they have a network of lawyers and a network of banks that can help you and they really help you to get up to speed because it's a strategic priority for the Belgian government to help their businesses expand.

And also Germany has the same thing. They had a German accelerator programme that helps German companies expand across the border. And they also had a whole office just with people there to support you. And I've had meetings with both of them and both were limited in what they could do for me because I was Dutch. But the things that they did, like giving me some good recommendations and some good introductions, were helpful for me.

What were some of the benefits that you saw from expanding your business?

What you hear from everyone is that it's really difficult to expand to the U.S., it's expensive and it often fails. But when you succeed, you have access to the biggest consumer market in the world. So we have seen quite a positive uplift behind our revenue, the expansion of our team and also the credibility of our company by establishing a branch in the U.S.

For instance, we are now talking with some investors who also see it as a big plus if a company is able to demonstrate that they were able to transition to the U.S. successfully. So it opens up a lot more opportunities, a lot more markets and it had a very positive influence on our revenue.

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What were some of the main learnings that you took out of the expansion process?

One thing that I realised more and more that, while culturally it might feel that we're quite close to the U.S., it's really, really a different market. It's important to understand the cultural differences between doing business in Europe and doing business in the U.S. Especially when it comes to hiring.

Also, that you need to be aware that the infrastructure in the U.S. is quite different. Some things are more modern than they are in Europe. And some things are way more bureaucratic and also take way more time. So It's good to be informed about that in advance.

And I think people should not underestimate the investment correlated to expanding to the U.S. Things are a lot more expensive there, not only cost of living and offices, but also for instance, the salaries for your personnel are a lot higher. So people should also be aware of the cost impact. But you should also have a plan to make it worthwhile because typically, you can charge more for products in the U.S. than you can in Europe.

If a Dutch entrepreneur came to you today and told you they were thinking of expanding to the U.S., what is the number one piece of advice you would tell them not to forget?

The key piece of advice is I think a founder should move there to start and do the dirty work yourself. I think that's crucial because then you can see it with your own eyes, you can act on it. And some things in the U.S., like setting up a bank account or getting a visa, can take quite some time so be aware of that.