International Expansion

Open a subsidiary?
Distribution Models

• Direct
  ▸ Inside sales
  ▸ Field sales

• Indirect
  ▸ Exclusive distribution
    • Company branded
    • Non branded
  ▸ Non exclusive distribution
  ▸ Single tier
  ▸ Multi tier
Japanese market

- Tough market to crack
- Home of Sony, Matsushita & others
- Requires localization
- Specific cultural requirements
- Demanding customers

Map of Japan is in the public domain. Source: Wikimedia Commons.
Customer Relationships vary by market

- Broadcasting market unique
- Mission critical
- Very demanding
- Technical expertise required
Direct

Pros
- Control
- Inspection
- training

Cons
- Expensive
- Little leverage
Direct

Field Sales

- Good for complex sales
- High base salary for reps
- Likely to sell high ASP
- Uncapped commission plan
Inside sales

• Less expensive
• Training required
• Good for lower asp
• High turnover
• Transactional business
Opening a subsidiary

• How should you price the product?
• What is the revenue ramp?
• Can it be profitable?
• How long?
Opening a subsidiary

- Is the subsidiary strategic?
- Where do you put sales reps?
- How do you comp them?
- Who do you hire?
  - Men
  - Women
Which Sales Culture?
Indirect

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Indirect

**Pros**
- Coverage
- Leverage

**Cons**
- Lack of control
- Training
- Mindshare
What Makes a good partner?

• Focus
• Market coverage
• Previous experience
• Like product
• Customer relationships
• Technical expertise
How to recruit partners

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