Our solution for

NETĒZZA

Based just outside Boston, Massachusetts, Netezza designed data warehouse appliances for businesses that were looking to analyse large, complex and rapidly growing volumes of data.

The company experienced significant growth in the US before setting up operations in another 11 countries. In 2010, Netezza was acquired by IBM.

Looking to new horizons

After establishing a commanding position in the US, Netezza started looking at the possibility of expanding overseas.

"*It made sound business sense,*" says Drew Santaniello, Technical Accounting Manager at the time.

"*We'd gained a lot of traction in the telecommunications and financial services sectors in the US. There was obviously potential in those markets overseas - not to mention sectors like utilities, healthcare and media.*"

The cost of local knowledge

"*Setting up a new team overseas takes an awful lot of effort. You've got to find somebody who has local knowledge on tax issues, VAT and filing requirements, as well as experience of setting up a new legal entity. And then you've got to find your first people on the ground!*"

"*Nine times out of ten,*" he adds, "*there is no one person you can rely on for that knowledge. You need two or three specialists, and that can be very expensive - especially in the early stages of business when there's often a lot of inactivity.*"

As luck would have it, Netezza's CFO Pat Scannell knew exactly who to turn to. Several years earlier, he had worked with Andy Hooper, a former European CFO with over 20 years' experience managing legal entities for US technology companies in Europe. Hooper had recently established USA2Europe, a business dedicated to helping organizations in North America expand into Europe and Asia. This in turn meant that Netezza were also

introduced to Emerald Technology, an Executive Search firm founded by Mike Jones in 2000. Mike and his team had worked with some of the largest technology vendors within the Tele-communications and Big Data space and were eager to expand their portfolio of success by assisting with Netezza's expansion requirements.

Boosting revenues in the UK

Netezza's first target country outside the US was the UK.
"*As a major financial hub and an ideal jumping off point for the rest of Europe, London made a lot of sense,*" says Santaniello.

Scalable and flexible

According to Santaniello, it wasn't just the local knowledge that USA2Europe brought to the table in those early months. It was the fact that they were so scalable as an organization.

"*As our business grew in the UK, USA2Europe were able to start adding in the services we needed. But in the beginning, they only turned on' what we really needed - which kept costs down.*"

Boots on the ground

After successfully staffing out the UK, Netezza rolled out to Japan and Australia, before expanding into France, Italy and other parts of Europe. Emerald Technology was largely responsible for placing the first boots on the ground in these countries.

"*It was really a case of following the customers, wherever we saw opportunities, we'd start putting people*"

That was only possible, of course, because Emerald Technology had each country covered.

"*Emerald Technology put boots on the ground straight away,*" says Santaniello, adding "*They had a knack for scoping out exactly what we needed in each country too.*"

"*Whatever the country, whatever our intentions, they understood the unique needs of our business, and what needed to be done to minimize our costs.*"

Solving unique problems

A case in point was Netezza's import duty liability.

Netezza imported large, high dollar data warehousing systems.

These were huge machines the size of a refrigerator, and they cost hundreds of thousands of dollars each. So import duty was potentially a very large expense.

"Initially, we looked at using a bonded warehouse," says Santaniello, *"so that we could ship all our items in and out of a central location. But that would only have gone so far in reducing our VAT liabilities."*

It was Andy who suggested it would make more sense to set Netezza up with VAT numbers in the countries where they did most of their business.

"That saved us more money in the long run," says Santaniello.

Staying focused on customers

At the end of the day, working with an organizations like USA2Europe and Emerald Technology offered Netezza much more than just financial savings.

"Trying to stay on top of compliance and hiring in 12 different countries ourselves would not only have been hugely expensive," says Santaniello - *"it would have taken us away from what we needed to be doing."*

"Knowing that Andy and Mike were on top of the day-to-day running of the business and keeping us up to date with our filing requirements and hiring process meant we could really focus on how to improve services for our customers, and that's how we managed to grow so fast."

A more attractive proposition for acquisition

"If we weren't as large as we were, and we hadn't been able to expand our global presence as much as we did, I don't think we'd have been as attractive a proposition."

"Would IBM still have purchased us? Probably, but I don't think the value they paid for the company would have been as high if we didn't have Emerald Technology and USA2Europe helping us expand internationally."

"And that," he says, *"sums up just how valuable they've been"*.