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Crossing Oceans

Can Israelis and Americans Move Beyond Cultural Differences, To Maximize Marketing Of Israeli Technology?

By JOEL ALPERT

(ATLANTA) Are the business and cultural differences between Israelis and Americans as wide as the Atlantic and Mediterranean Oceans? Can these differences be overcome to introduce Israeli technology to American markets with maximum efficiency and profitability?

Before I signed up with my fellow Atlanta business associates on an American-Israel Chamber of Commerce (AICC) mission to Israel, I was warned by some of my associates that the lack of understanding about American styles of strategy and marketing would inhibit Israeli interest in pursuing these processes. Although not usually articulated, many American business partners view these key marketing processes as both a necessary means of communicating the value of Israeli technology to them in the buying cycle, and as a tacit measure of the Israeli company's marketplace sophistication.

The AICC business mission set off to teach delegation members about Israeli companies...help Israelis establish a beachhead in the U.S....and make business contacts that could help cross two oceans.

As one of the Atlanta businesspeople in that group, I met with 50-60 companies, met many more at a Telecom show, and I stayed on an extra week for additional meetings. Occasionally, when schedules got too demanding, a company meeting lasted only 10 minutes...which underscored just how vital good strategy and positioning is, when Israelis had only a short time to present.

In total, I was introduced to almost 100 high-tech companies through their presentations and meetings, with companies ranging from an electro-stimulation device that speeds the healing time of stroke victims...to advanced technologies for triple-play communications convergence...to a remarkable surveillance technology now being used at our own Hartsfield-Jackson International Airport.

While I was thoroughly impressed with Israeli technological innovations, I also noted the lack of perspective from emerging Israeli companies in over 90% of my meetings about how to sell and market their technology in the U.S. Too many assumptions were made by these young Israeli companies that the value of their product

would be obvious, based on their explanations. Too many attempts at positioning and marketing missed their mark, and our delegation members made this evaluation again and again..

The truth is that many American companies in emerging technology companies miss their mark, too, in these mission-critical marketing areas, but companies crossing oceans can't afford to have any additional barriers standing their way.

These initial evaluations of strategy, positioning and marketing are familiar. Part of my job as a business and marketing specialist — with expertise in Direct Marketing, Positioning, and Business Strategy — with experience in telecom, technology, financial services, publishing, and more — is making these evaluations. But every other member of my delegation — who ranged from lawyers to distribution specialists, to venture capitalists and other technologists — also had the ongoing experience of meeting new companies, and making a fast evaluation of the company, what they do, their relative value, what connections we could help them establish, what next steps we could recommend.

So is that experience we Americans brought enough to “cross the pond” and the Mediterranean Sea, in order help emerging Israeli companies and do business, on the basis of a match of interests? Is the language of business and marketing universal? Will Israelis take advantage of the expertise that U.S. strategic and marketing specialists offer? To a great extent that answer is “yes” —but there's a bit of a communications “disconnect” between the U.S. and Israeli culture and business style. And while that seems to be changing, there's more we have to work on together.

Word On The Street

Before I went on this business mission, the word on the street in the U.S. from some of my business buddies at AICC was that Israelis do business and marketing the way they defend themselves — commando-style. That they're gutsy, emotional negotiators, with a kamikaze approach, willing to risk all or nothing. That they don't seem to value “goodwill gestures” in business, such as some consulting at no charge that might lead to a formal agreement, an offering that many American companies appreciate.

Many Israelis are great technologists, and strong negotiators, but don't know why you would go through the trouble of doing business strategy and marketing... they'd prefer to send e-mails or hand-written faxes to prospects and see what works. And since one guy knows another guy from the *Zahal* (Israel Defense Forces) and can get the cellphone number of a CEO with a phone call or two, why in the world would you employ “strategy” or “positioning” or “marketing”...when a phone call gives you the connection you need?

It may be true that Israelis have developed innovative sophisticated technologies ...but even though most wouldn't admit it, many emerging Israeli companies are still unaware of the wide gap between American needs for strategic and marketing “packaging,” and their style. While Israelis are besieged by the enemies at their borders, American are besieged by an onslaught of marketing communications — we don't understand the messages unless they're well-positioned, and must quickly reject what we don't understand, or our brains will explode trying to understand what's relevant to us, and figure out what to reject. In strategy, positioning, and marketing to American companies, this lack of “communications overload” that dictates the need for marketing processes can spell an automatic disconnect, and lost opportunities.

One marketer I met in a Tel Aviv suburb says “Israelis never learn, even at my own company. We send our sales guys to seminars, but they don't use what they learn, because they think they know it all...because it's worked for them already here (in Israel). They eventually learn, but it's little by little.” He adds with a smile, “obviously, my comment is ‘anonymous.’”

A progressive CEO a stone's throw from The Old City says “Most guys need to understand the extent of the gap in their understanding (of American marketing and

sales), and they don't. There are Israelis who have some success in the States, but it could be a lot more."

$$I - S/MA + C = LO$$

Meeting with many companies, I began to figure out the secret mathematic equation for this lack of awareness in the high-tech Israeli universe. Let's assume that the Israeli technology is terrific and valuable in the U.S. marketplace. We need to add (forgive me, friends in Israel) the reputation Israelis have for strong-headedness — they think "I have something *magneev* (*cool*) ... *yalah*, (*c'mon*) buy it now!" We need to add the obvious fact that most high-tech companies almost anywhere in the world have been developed by tech-savvy entrepreneurs and finance people, so they are not by nature into S&M — painfully, they don't understand the nuances of Sales and Marketing. So they are chained by their own lack of awareness, which keeps vital functions such as isolating market segments, positioning and branding, targeted marketing, and more, completely off the radar, not available as business-building tools they could use.

So the secret mathematical equation that has limited Israeli success in the United States may very well be:

$$I - S/MA = LO$$

Innovation *minus* Strategic & Marketing Awareness,
equals Limited Opportunity

Do Israelis want to hear this? The smart emerging companies do. Because the smart ones are changing this orientation, and, in fact, following the lead of their more successful Israeli friends. We saw a few presentations which were excellent on every level, by any standard, American, Israeli, or anywhere in the world. And in ongoing contact with a few CEOs, I'm impressed that some are really "getting it." I believe that shift is continuing on a wider basis, because Israelis are really great at improvising and adapting.

This shift is evident in the cultural exchanges that I saw, which is a vital starting point, where the perspective on "American"-style marketing comes face-to-face with Israeli culture. One particular example that struck me, was at a series of presentations at IBM's Global Technology Unit in Petach Tikvah.

In the middle of a PowerPoint presentation, one of the Israelis in the back of the room gets a phone call, and starts chattering loudly — drowning out the speaker, who is trying to ignore this disturbance. A few Americans turn around and look at this guy on the phone, thinking that if they turn and look at him with an annoyed expression, the guy will stop talking. But the guy in the back doesn't understand this American gesture, and keeps talking loudly. Finally, after lots of turning around and embarrassed expressions on the faces of a few Israelis and Americans, one of these Israelis stands up halfway and tells him out loud in Hebrew "Get off the phone now, the Americans don't talk on phones in the middle of a meeting! You are making them angry!" Mr. Cellphone was annoyed for just a moment, but then "got it" ...and learned a lesson he was likely to remember.

The lessons about cultural differences, must be learnt, in order for Israelis and Americans to do business more effectively together. Americans have greater experience in this area, because we're so into "cultural diversity" and understanding each other, and singing *Kumbayah* around campfires. But this is foreign stuff to Israelis, and it extends to their perception of what they need to do overall in the marketplace to maximize their success.

Yes, Israelis do sell innovation all over the world, and sometimes it works big. But all too often it seems this lack of Israeli marketing and presentation savvy delays and limits introduction of a product into the American market — causing a loss of marketplace acceptance, loss of momentum, lower market share, opportunity for competitors to catch up, or even the failure of the company when funding runs out. So it's important for Israelis to understand that not learning these vital aspects of business

and marketing has real financial and growth implications. And Israeli businesspeople need to learn this with the same immediacy they give to threats on her borders.

It's also important for Israelis not to flock to any American solution, the same way that they consume American culture — they need to understand that not all seemingly-sophisticated American strategy and marketing companies can do a good job for them. Some of Israeli skepticism about American approaches is very well founded. Frankly, there's a huge amount of "blah-blah-blah" strategic planning, and lots of weak marketing mumble....and that's not only useless, but can be counterproductive, causing painful opportunity cost.

Have some Israeli companies bridged this gap, adopting more sophisticated marketing approaches? The answer is yes. However, Israelis, like Americans, must continue to be discerning in the critical approaches they use — it's not enough to slap some Flash animation on a website for it to be "sophisticated," any flash and razzle-dazzle, if needed, must reflect the focused positioning of the company and product.

Should Americans Adapt Their Marketing And Styles To Meet Israeli Needs?

American strategic and marketing resources can also meet Israelis halfway. For example, since most high-tech selling can be targeted to a select group of business buyers, there's no reason why One-To-One marketing should not be used, even though most American marketing organizations do not use this approach. These 1-to-1 campaigns need to not only position and market the Israeli company...but also need to incorporate the needs and interests of the specific American company they're pitching. This 1-to-1 personalized marketing is a specialized Direct Marketing technique — it's really salesmanship at its best, setting up the buyer to be predisposed to the sale before the vendor even walks through the door.

One-To-One approaches are ideal for targeting select American corporations, venture capitalists, even for making their own pitch to sales firms and distributors. That's just one example, there are many more opportunities to adapt U.S. marketing techniques to Israeli needs.

As far as communication styles goes, a native New Yorker, I'm not too concerned about "style" differences — I happen to appreciate Israeli directness a bit more than the Southern style, which is friendly but sometimes indirect. I also appreciate that Israeli's like "out of the box" thinking — great, "big ideas" have great power.

The *bottom line* is "the bottom line" — Israeli companies want to produce success, and have every right to expect the companies that support them to be competent at doing do.

Over lunch one day I learned an expression from a telecom friend from Israel, Tzachi Shpinner — he told me the attitude among many Israelis is "*cab-day-hu, v'chash-day-hu*" — respect the guy, but be suspicious of any background motives. Hey, I like that just fine, because it puts all our cards on the table.

Israelis and Americans have much to learn from each other, and we seem to be doing that. As the oceans become smaller, I expect that will include growing respect. Maybe a little less suspicion. And a few good bellylaughs over a plate of hummus as we sort this out and create great results together.

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