

The expat entrepreneur

BY MORGAN WOOD



Starting a new business is no easy task; there are business plans to write, finances to be arranged, logistics to be planned, materials to be sourced, and customers to be targeted. Accomplishing all of this while living in a foreign country complicates the process. However, the challenges and risk of failure does not seem to deter new entrepreneurs. The European Commission estimates that, on average, 1.8 million new enterprises are established annually within the European Union.



Indeed, small and medium-sized enterprises (SMEs), are the engines of national economy. In the Netherlands, SMEs account for 99.7% of all enterprises, with micro-enterprises (less than 10 employees) comprising a robust 90%. Despite the recent global economic downturn, there has been an overall increase in micro-enterprises in the Netherlands, from approximately 660,000 in 2006 to 770,000 in 2009.

It is important to understand that there is no instruction manual, no ‘one size fits all’ solution to getting started. Individual entrepreneurs are faced with their own unique set of challenges and will draw upon individual experience to confront those challenges. While a lot of information is in English, more support is available in Dutch, so learning the local language or partnering with a Dutch national will only increase the chances of success.

Professional networks

In addition to government-run resources that provide “what you know,” several professional organisations exist to help with ‘who you know’. The Women’s Business Initiative International (WBII), an organisation that includes both local Dutch and international members, provides the tools and network it takes to strengthen a new enterprise. Suzy Ogé, founder and director of the WBII stresses that in order to survive

as an entrepreneur “you need to somehow become integrated into the business community here.”

The Amsterdam American Business Club (AABC) works to help improve business contacts between Dutch and American companies in and around Amsterdam. John Mahnen, an AABC Board Member, explains, “The Amsterdam American Business Club is in fact a great incubator for expat startups. Many of our members have done just that and are proactive in helping new ventures with the right information and leads.”

A great way to learn more about starting a business is to speak to those that have been through the process already. We sat down with three expats to hear their stories and to get some good advice. »

Resources

KvK (Chamber of Commerce)
www.kvk.nl
The Hague International Centre
www.thehague.com
WBII
www.womensbusinessinitiative.net
AABC
www.aabc.nl
Answers for business
www.answersforbusiness.nl

Jim Bowes
GreenGraffiti®

www.greengraffiti.com

As founder and CEO of GreenGraffiti®, Jim Bowes has been creating a buzz with an environmentally-friendly form of outdoor advertising that combines reverse graffiti and stylish design.

Originally from the US, Jim has spent the past 20 years in Amsterdam. After working in advertising and building his network, he came across a project involving the repurposing of steel from decommissioned battleships. The idea of using old to create new in an environmentally friendly way, inspired him to look at new options for his industry. After a bit of

research, he found that although the green movement was picking up momentum in other areas, the advertising industry had decidedly hit the snooze button.

“Traditional outdoor advertising is anything but sustainable,” Jim points out, which means that while an organisation can be ‘green’, their choice in an advertising partner may not. This is where he has positioned GreenGraffiti® to his customers, saying “now you have a choice.”

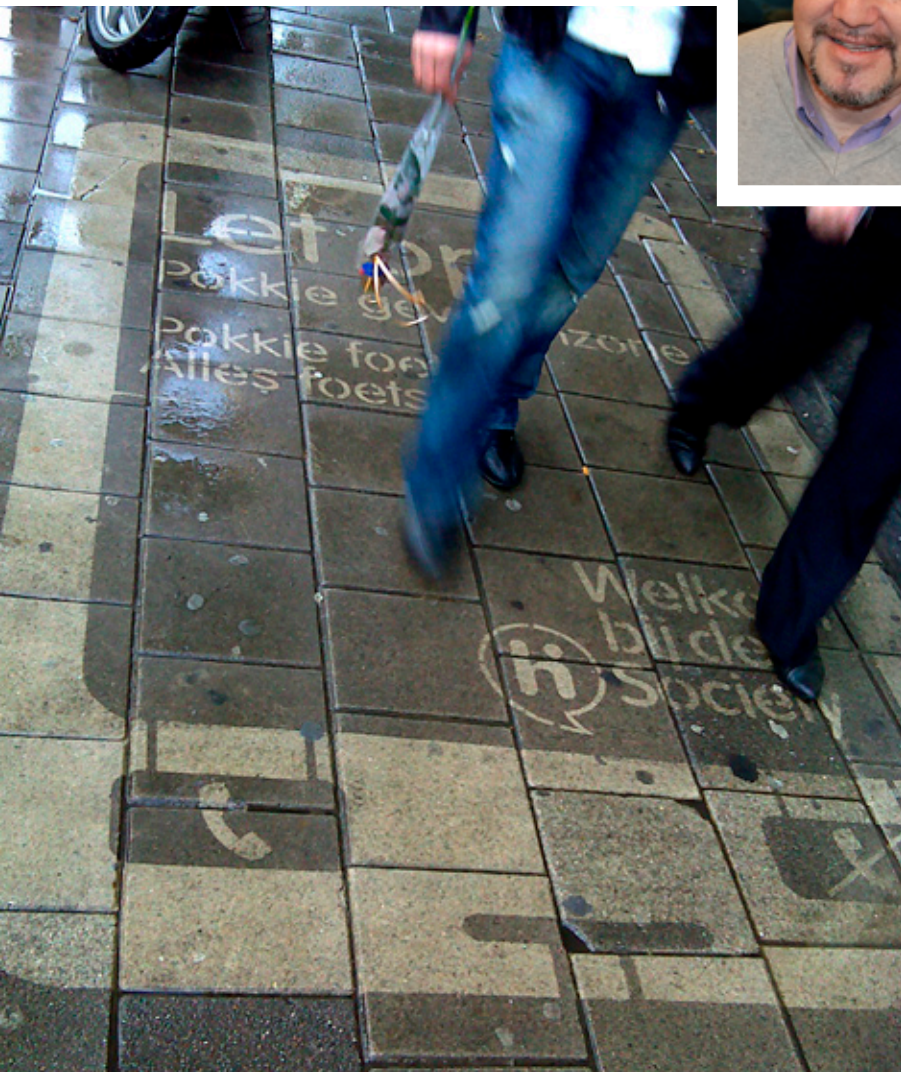
Jim admits that what he is doing may not be new but points out, “it doesn’t have to be reinventing the wheel, it just has to be using the wheel in a slightly different way.” The “wheel” in this case is a high-pressure water sprayer and a customised steel template used to clean an advertisement out of the dirt on a surface. To offset their water consumption, GreenGraffiti® contributes to water projects in developing countries by setting aside 10 cents per litre used.

Advice for expat entrepreneurs

Jim cautions prospective entrepreneurs to be aware of the national labour laws and the strong rights of workers. The costs associated with firing an employee has a big impact on SMEs and he says that “this is a challenge that the Netherlands hasn’t really cracked yet.”

Asked where he sees the business going in the next five years, Jim’s eyes light up with the same fire that has brought him this far, “we want to get away from the ‘bumper sticker’ on the ground and move more into city beautification projects.” An ambition with roots in social entrepreneurship, GreenGraffiti® hopes to bring cities and advertisers together to clean up neighbourhoods.

“It doesn’t have to be reinventing the wheel”



Zoe Elizabeth Gottehrer CAKE Amsterdam

www.cakeamsterdam.com

Attention to detail is essential to the success of a small business, even more so if the business is baking. Luckily, Zoe Elizabeth Gottehrer has baking in her genes and with the launch of CAKE Amsterdam in October 2010, Zoe has brought her unique style and approach to the evolving tastebuds of the Dutch.

Born and raised in New York City, Zoe traces her culinary lineage back to her mother and grandmother, both American home bakers. With an education in visual arts, and professional experience in graphic design and the music industry, she brings a fresh approach to an age-old profession, “I am an artist first and cake is my medium. I work with clients to produce delicious custom made cakes.”

Time for a change

After getting caught up in the human swell of big-city living, in 2002 Zoe decided it was time for a change of pace. Having initially planned a short-term stay in the Netherlands, this bloomed into a new life in a country she now calls home. “My decision to move to Holland was personal. To find work I’ve relied on a network of expats and Dutch friends I’ve made along the way.”

In a previous position as Head Cake Artist at a specialty cake shop in Utrecht, Zoe learned first-hand what it took to run a cake business. “I was constantly taking notes of how I would do things differently and that’s when I really came to terms with the fact that I wasn’t going to be happy unless I was doing it for myself,” she says.



“Zoe stresses the importance of patience and clear communication”

Advice for expat entrepreneurs

Zoe stresses the importance of patience and clear communication, “It can be quite frustrating, you ask a question and get an answer, nothing more, nothing less. Choosing your questions well, rephrasing and asking them several times over, is sometimes necessary.” She also notes that the KvK and the local *stadhuis* (townhall)

have been very helpful in opening doors to subsidies and small business counsellors that she never knew existed.

Using social media, especially Facebook, Zoe sees her client base growing at a healthy pace. Within two years, she hopes to have her own small bakery and shop-front with 1-2 employees. »



“I’ve learned that for things that I’m not an expert in, to go seek advice.”

Nina sets herself and her business apart in her detailed, thorough approach to interior design. Her process begins by interviewing the client to find out exactly what it is they want to achieve, “it’s really important for me that I am attuned to my client’s needs,” she emphasises. After taking a survey of the room, she creates a master plan with a furniture layout, lighting plan, and a sample board of suggested materials (sourced locally). Her approach is designed to create unique spaces by combining the underlying values of practicality and beauty.

Advice for expat entrepreneurs

Doing business in a foreign country is not always as easy as copying and pasting, so Nina has turned to organisations such as the Women’s Business Initiative International and the KvK for help. She greatly values these resources, saying, “I’ve learned that for things that I’m not an expert in, to go seek advice.”

As an entrepreneur, Nina can point to three things that have brought her success thus far; being passionate, seeking advice, and being open to opportunity. She stresses that “if you are running your own business, it is hard work, so it has got to be something you believe in.” «

Are you inspired?

Do you think it’s time to get the gears turning on your own small business idea? For further advice and information visit www.access-nl.org to download our ACCESS Guide, Starting Your Own Business (PDF). And as the Dutch say, “Success!”

Nina du Pré Interior Solutions

www.ninadupre.com

Sometimes, moving to a different country just means new customers. When Nina du Pré came to the Netherlands it didn’t stop her from continuing to do what she loves, interior design. Through her business, Nina Du Pre Interior Solutions, Nina’s aim is to help her clients realise their dream interiors.

A mobile career

After gaining a diploma from the KLC School of Design in London, Nina worked on several interior design projects back in her native UK before moving to the Netherlands with her husband in 2005. After getting oriented, she decided to continue with interior design and establish a business in The Hague. “I always say that if you are a hair dresser you can work all over the world and for me, interior design is the same, I could do this anywhere”, Nina says.

Legal aspects of setting up a business in Holland

Statistics show that an increasing number of expats and/or their spouses create new business ventures. Statistics also show that the entrepreneurial enthusiasm often gets dampened once the unfamiliar rules and regulations start to kick in. Let me therefore provide you with some legal tips.

Legal structure and liability

Most expats who set up a business in the Netherlands establish either an *eenmanszaak* (sole trader) or a VOF, *Vennootschap onder Firma*, (partnership). The legal structure has consequences regarding liability. For sole tradership, there is no distinction between your business and personal assets: the sole trader is personally liable for the fulfilment of business obligations and personal creditors can make a claim on your business assets. It's even trickier when you are married on the basis of the 'general community of property regime'. Then, there is no distinction between your business, your personal and your spouse's business and personal assets! Business creditors can demand that you pay your business obligations from your spouse's assets and that your spouse's personal creditors can also make a claim on your business. It is wise, therefore, to draw up a marriage settlement to limit liability. For partnerships, the partners are both personally liable for business obligations, and when married without a marriage settlement, your spouse's assets are also at risk (legislation to limit personal liability is pending). Private creditors, however, cannot make a claim on your business assets.

Agreements

Even though Dutch law recognises verbal agreements, it is of the utmost importance to put down all agreements in writing. Remember the saying: 'Verba volant, scripta manent', that is 'spoken words fly away, written words remain.' No need to elaborate on this one.

General terms and conditions

As too many unpaid invoices may very well jeopardise your business' financial balance, it is wise to draw up sound general terms and conditions to limit the number of outstanding invoices.

Experience shows that a sound debtor policy and the accuracy of written warnings to be quite effective.

Employment contracts

Once you can afford to hire employees, your employment contracts must include, among others: an accurate job description, the type of employment agreement (permanent, temporary, on-call, zero hours), the length of the employment (definite or indefinite period), the length of the trial period, the notice period, rules on sickness leave and holiday allowance, salary agreements, work conditions, and pension schemes if any. Furthermore, contracts should not be in breach of mandatory law or a collective labour agreement, which unfortunately is often the case.

Lease agreement

As a lessor of business premises it is of great importance that you use a lease agreement that protects your interests. Most probably you'll be faced with a standard contract usually covering a period of five years. Standard, but not compulsory! These terms, like many others, can be negotiated. As you don't know whether your business is going to be a success, it's wise to start with a short-term lease (one or two years).

This is just the tip of the iceberg - should you have further questions, please don't hesitate to contact me.



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