

Doing Business in Post-Crisis USA

The global economic crisis has opened a window of opportunity, particularly in the Washington, D.C. area.

Today's world gives you two options. Either you look back to the "good old days" and perhaps try to understand the logic of the crisis ("German approach"). Or you accept the situation as it is and move on by trying to make the best of things and planning for the future ("American approach").

In June of this year we conducted a survey among 350 companies in Northrhine Westfalia, all of which have had a business presence in the US for at least 3 years. In particular the question was asked whether they presently see new potential for their business in the US and what role Washington as the nation's capital plays for them.

As to the background of these questions: three major events have taken place in the greater Washington area in 2008 (the crisis year) and 2009, the first "post-crisis year".

1 The failure of a great many US investment banks. Prior to this event, New York was the hub for international business and most major decisions in global business were made there. Now NYC investment banking is no longer what it used to be a couple of years ago and it is no overstatement to say that many to most key business decisions are now being made in Washington, D.C. where the federal government is setting the rules for the new global economy.

2 The greater Washington, D.C. area itself has gone through major changes as well. To see this you only need to drive along the Washington beltway or look around when you go from Dulles airport to downtown Washington. Or just

consider why Volkswagen and other big and small German companies are moving their US operations to Virginia.

- 3 There is also the “Obama effect”. This is not a political movement, but rather the revival of good old American values such as transparency, communication and cooperation. It is the old “American way” of doing things: together rather than one person (or country) taking the lead and expecting everyone else to follow. And rather than people keeping opinions to themselves, they are discussing these with friends, colleagues, even political opponents. The US has become a “positive thinking” country again – and Washington, D.C. is taking the lead.

What can we learn from this? Businesses, whether US or German based, which are looking for “potentials” which can be developed, cannot leave Washington out of their planning, but rather must build it into their strategies. If you want your business in the US to grow and be successful, you have to do it the “modern American way” by becoming part of a network of people who are looking for success. This includes associating yourself with those in Washington who are close to your particular industry as well as to the movements in

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politics and business affecting your company’s particular area of operation - not to mention the global institutions in Washington such as the World Bank which will likely take on an increasingly important role in the global economy. You have to become a part of the international American business community in Washington, D.C. in order to find out which direction your market in the US could take in the future.

In summary, Washington is no longer just a political center for the world, but has also become an economic power house for the US and beyond.

Back to the survey mentioned above. On the positive side, about 25% of the respondents said that

they see potential for their business in the US and consider Washington an important place to network. On the other hand, however, about 75% did not have this realization. You may decide for yourself to which group your company belongs and what you want to do about it. But one thing is certain: the US government has become an opinion leader in almost all key global subjects – with “renewable energy” being just one example for the post-2009 world. There is currently a window of opportunity for building a strategic network for your company. But do not wait too long. The window may close sooner than you think and those who miss this opportunity could have a more difficult time getting into the most effective networks later on. **GAT**



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