

US expansion:
Is your business
ready?



HSBC Innovation Banking

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If your aim as a founder is to build a generational business that delivers the kind of returns that investors demand, then sooner or later it is likely that you will need to take your innovation into new markets.

One of the most attractive markets for tech companies to scale in is the United States. The country offers access to a vast number of specialist investors and gives founders a direct line to a massive market of tech-savvy consumers; not to mention several established tech hubs built to accelerate promising startups.

However, while this move may seem like an inevitable milestone, it is not a decision to be taken lightly, founders often need to be on American soil for an extended time. From family and visa challenges to the cost of talent and complex tax regulations, it's a process that will challenge founders on a personal and professional level.

We have created this guide to help founders build their understanding of the personal and business considerations that come with expanding to the US.



Section 1

Personal considerations

“The great companies get built by their founders.”

Marc Andreessen,

Co-founder, Andreessen Horowitz

Founders need to have their feet on the ground – literally – to scale to the US, but it is a demanding journey that brings with it tremendous personal pressure. In this section, we explore key personal considerations to keep in mind before making the decision to build abroad.

Chapter 1

The 4 pillars of US expansion

If you're a founder in tech, the money is in the US market. With some 6175 active VCs¹, several exciting tech hubs, and one of the world's biggest, wealthiest customer bases², the appeal is evident.

However, successfully opening shop in the US is a challenge – as many as

70%

of startups fail³.

While there's no silver bullet to make US expansion less complex, there are certain core principles that can help you approach the challenge in a structured way.



Pillar 1: Founder commitment

Founders are resilient, resourceful, and brave – traits that are essential in enduring the inevitable challenges that come with building a successful business.

Building your business in a new market will test your resolve to the limits – especially if you've already spent years establishing yourselves locally.

Matt Oxley, founder of Opal and Managing Director at US Expansion Partners, has

successfully scaled to the US and subsequently returned to the UK. He is quick to stress the importance and impact of the human side of expansion as a first point of consideration.

The emotional highs and lows, the exhaustion of travelling back and forth, and the complexity of navigating new networks and cultural differences make scaling into a new market particularly demanding – even for experienced founders.

Prepared to give it your all? Time to assess whether your business is ready to do the same.



Pillar 2: Business readiness

Your business is flying and you keep hitting your milestones. Is it the right time to focus on the US?

Expansion means travelling to and from the US consistently for around 18 months. How do you know if you're ready?

Ask yourself:

1. Is my business bringing in enough money to keep growing and to cover the cost of new hires?
2. Can I leave my team to deal with whatever challenges arise?

"I believe that the first feet on the street need to be founder feet. If you want to go after a generational opportunity and really make it happen, you have to be ready and be prepared to give it everything."

Matt Oxley,
Managing Director,
US Expansion Partners

References

1. Financial Times, Number of US venture capital firms falls as cashflows to tech's top investors, January 2025
2. Research FDI, Understanding the US Consumer Market: Key Trends and Insights, March 2023
3. Startups Magazine, Why Startups Fail: Lessons From 150 Founders, March 2025



Pillar 3:

Pick the right partners

There are hundreds of steps on the journey to the US – steps that are too complex and time-consuming for founders to take alone.

These challenges mean that it can be immensely valuable to seek expert advice around not only fundraising, but banking, hiring, and legal considerations, too.

Building a specific strategy to help narrow your search for investors, and working with a banking partner that helps you navigate the practicalities of day-to-day banking, payroll, helpful introductions

and so on can help alleviate the strain of managing your money and resources across two continents.

It's also recommended to work with a local expert when it comes to building your go-to-market sales team. Unlike in the UK, there are specific state and federal rules around hiring that can feel totally alien. Work with an expert to find the best in the business and ensure you get a return on your talent investment.

Similarly, working with specialist lawyers is a gamechanger. Avoiding costly delays can help you to hit the ground running without getting caught up in red tape.



Pillar 4:

Prepare, prepare, prepare

Scaling to the US calls for careful consideration and thorough planning. Although it can feel like a leap of faith, it is a process that can, and arguably should, be gradual.

Taking the time to speak to other founders, attend webinars, and do research in the market (competitors and available investors) allows you to make strategic, informed decisions.

While you can definitely move too early, it's never too early to start planning for the move in a systematic, structured way.

“Successful expansion requires careful planning, execution, and a deep understanding of the US environment. Complete each phase in order to give your company the best opportunity.”

David Rose,
CEO and Founder,
US Expansion Partners

Steps for US formation and operation

1. Readiness

HR Services Provider Selection
Payroll Set-up & Processing
State Tax Withholding Numbers
State Unemployment Tax Numbers
Employee State & Federal Forms (W4)
Employee Compensation Packages
Job Descriptions
Employee Offer Letters, NDA, Agreements
Employee Background Checks
Health Insurance
401K
US PTO Policies
Sales Policies
Human Resource Policies
New Hire Onboarding Process
Employee Stock Option Plan (ESOP) |
Talent Vetting

3. Operations

Accounting Operations (AR / AP, Payroll)
Chart of Accounts
Monthly Financial Reporting
Annual Franchise Tax
Annual Report Filing
Transfer Pricing
Federal Income Tax Return
State Income Tax Returns
Sales Tax Reporting
1099 & W2 Processing
Sales Commissions
Expense Reporting & Processing
Employee Handbook
HQ Integration
Standard Operating Procedures
US Vendor Management

2. Launch

Site Selection
US Office & Address
US Law Firm Selection
Articles of Incorporation
By Laws
US Corporate Officers
Certificate of Incorporation
Employer Identification Number
Registered Agent
Corporate Insurance Coverages
Certificate of Authority (State)
Certificate of Good Standing
Form BE-13B
BOI / Beneficial Ownership Information (CTA)
US Bank Accounts
US Credit / Debit Cards
Accounting Software Setup
US Client Contracts & Agreements
Founder's Visa
Executive Relocation
CPA Firm Selection

4. Scale Up

Fractional Executive Leadership
US Go-To-Market Strategy
Demand Generation
Sales Enablement
US Venture Capital Fundraising

In summary

- US expansion puts founders and their families under immense strain; it's not a step to be taken lightly.
- Your business needs the right human and capital resources to fund the move while remaining viable in your local market.
- Partnerships matter; banks, law firms and consultants can help you navigate the unknown.
- It's a process US expansion is a strategic play that requires patience and thorough planning.

Chapter 2

The ultimate test of founder resilience?

Expanding to the US can be an unglamorous, uncomfortable experience. No matter how brilliant the business, and resilient the founder, moving to a new country with limited contacts, weighty expectations and pressure is not a move to be made lightly.

If you are weighing up the pros and cons of expanding your business into the US, it's crucial to understand the personal commitment required to make the move work.

Flying the flag: The founder's role

"The founder should personally lead key sales engagements and make strategic decisions."

David Rose,
CEO and Founder,
US Expansion Partners

It may be tempting to think that the founders' role is relatively light touch; that sales at home translate to instant interest abroad. The truth is that the founder needs to be on the ground, essentially building a new business from scratch.

Being on the ground to build again in a new market is a must – but what does that commitment really involve?

The ripple effect

"It can be lonely, it's extremely hard – really it's the hardest thing you could ever do as a founder. So, if you see the future of your business in the US, make sure you're ready for everything that entails and try and embrace this chapter of your business' journey." – Matt Oxley, US Expansion Partners.

The move to a new market can feel like a marker of success, it's a challenge to start again – and can be far from glamorous despite local market traction.

Having likely already spent considerable time putting your own comfort aside to get your business going locally, doing it again can be demoralising.

Then there's the question of family responsibility. You are going into build mode again, but this time, without whatever local support you may have at home. Instead of being able to lean on friends and family, you're likely entering a scenario where you will feel even more isolated.

"If you're a founder, you might be taking your partner and your immediate family over there, and that change creates a lot of human pressures. You could be leaving your wider family and friendship groups behind. It's really hard, and that can sometimes get overlooked."

Matt Oxley,
Managing Director,
US Expansion Partners

Make sure you 'learn American'

In addition to potential family pressure, you need to understand the challenge of adapting to a new culture.

"... social and cultural elements are important, and without them you're losing a lot of your influence in sales meetings, because the appeal of a British accent wears off pretty quickly. It can get you in the door, but then you've got to build those deeper relationships." – Matt Oxley, US Expansion Partners

Building meaningful relationships takes time, and is more difficult without shared cultural experiences – commodities in short supply for founders exploring new markets.

Even if you've got impressive proof of product-market fit locally, you are essentially asking investors to invest in you – likely an unknown – and a team that's still being formed. In those conditions, your ability to instil confidence in person is crucial.

"The founder's active involvement is crucial for US expansion. From identifying product-market fit to building partnerships, leading sales, selecting the HQ site, recruiting the team, and fostering investor relations, the founder ensures alignment with the company's vision and goals."

David Rose,
CEO and Founder,
US Expansion Partners

Chapter 3

Is your business ready?

In the highly competitive tech sector, there's arguably more pressure to make key strategic decisions at the 'right' moment. Moving quickly can keep you ahead of advancing competitors and position you to take advantage of emerging technologies and shifting regulations.

However, there are some situations that may require a more measured approach – and expanding into a new market is one of them.

It's now, or not yet: When should a business expand to the US?

"I think there are two stages of the business where US expansion may make the most sense.

"The first moment that might work for your business is the 'burning the boats' or early phase. This is when you commit very early and identify that the US is the true end destination.

"The second is after you have some ARR (annual recurring revenue) in the UK, some semblance or identified PMF (product-market fit) and, perhaps crucially, some stability within your business – you will need to feel comfortable handing over the keys to the business while you, as the founder, go and focus on the US. This might be harder than you think!" – Matt Oxley, Partner, US Expansion Partners.

There are two broad schools of thought when it comes to scaling into the US, each of which poses unique challenges.

The first option is to go early, before you've really built local market traction. This is a bold move suited to experienced founders who

know the US market well, and have the network needed to raise investment and use the US as their ultimate business base. Think of it more like relocating than trying to do business in both markets.

"You can definitely go too early – if you don't have the capital or strong product-market fit at home, you're likely to spend lots of cash running down dead ends."

Matt Oxley,
Managing Director,
US Expansion Partners

The second route is to build a business that is stable enough locally for the founder to commit to being on the ground, raising investment and making key hires and setting up shop Stateside.

Ready, set, go: Key questions to assess business readiness

There are multiple factors that may influence your decision to expand, but there are three broad categories that serve as a foundation for this decision.

▼ **Resources: Do you have a trusted team and ample cashflow?**

Do you have the turnover and team to continue to reach key growth milestones while your founder is on the ground in the US for as much as 18 months? How about 'basics' like banking solutions?

▼ **Product market fit: Have you already got traction?**

Do you have paying customers locally, and do you need to adjust to appeal to the US market, or meet different regulatory expectations?

▼ **Operational readiness: Are you 'America ready'?**

Does your founding team speak English well enough to sell your culture to US investors and build meaningful connections, while your local team continues to grow your footprint locally?

Chapter 4

UK to US expansion: Founder FAQs

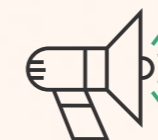
Establishing your business in the US consists of **3 key activities**:



entity formation



establishing operations



go-to-market approach.

What do I need to register a business in the US?

To open a business in the US, founders need to set up a Legal entity and secure both Federal and State identification numbers. To do so, you will need to decide which type of entity to form – for example, a Limited Liability Company (LLC) or C-Corporation – based on your business needs.

Next, that entity needs to be registered with the Secretary of State where you've formed the business. Many assume that a Delaware Flip – a process in which you create a US holding, typically in Delaware, to hold all of the shares in your existing UK company

– is the only option. But remember that you do not need to limit operations to the state of Delaware just because that's where you're incorporated.

In addition, you will also need several key documents, such as Articles of Incorporation, Articles of Bylaws and Officer appointments to obtain your Federal Tax Identification Number (FEIN) from the Internal Revenue Service (IRS).

Finally, get your State tax withholding numbers and unemployment numbers, and hire a registered agent to receive any official correspondence, and you are almost there, because you will now have everything you're likely to need to set up a US bank account for your business.

Where should I set up my business?

The next step is choosing a site. The US is vast, with several key tech hubs and varied regulations by state, so there are multiple factors to take into consideration. For example:

- ▶ Which time zone is most manageable?
- ▶ How expensive is office space?
- ▶ Will you be able to secure the level of talent you need locally?
- ▶ How healthy is the innovation community in the area?
- ▶ How deep is the local customer base?
- ▶ Are potential partners located close by?

What essential operations should I prioritise?

Before you're officially open for business, you need to ensure the back-end necessities are in place.

We've already mentioned the need to open a US account. In addition to integrated account software to manage all of your accounts and payroll, many founders choose to work with a State Certified accounting firm to manage and file federal and state taxes.

Should I hire a local legal firm?

Deciding when to connect with a US law firm is an important decision.

come with company formation, drafting and signing various contracts.

While there may be additional costs to consider, local knowledge is indispensable in navigating the myriad processes and procedures that

If you are shopping around for a firm, be sure to consider any Visa and immigration needs your founding team and family may have.

What will the role of HR be?

US employment protocols mean that benefits and insurance are key differentiators for attracting talent – and you will need someone to help you structure those packages, vet candidates, and help you build a resilient, resourceful local team. That's where HR comes in.

Section 2

Business considerations

Having built an understanding of the demands that US expansion will put on the founder and home business, let's explore further practical steps for making the move.



Chapter 1

Building a bulletproof budget

Understanding where you will be spending your money, and how much you may need, is essential to picking your moment and making your expansion plans successful.

Although these are illustrative figures typical of establishing a presence in a smaller tech hub, and actual costs vary significantly by region, this breakdown of one-off, monthly and annual costs should be enough to shape your budget.

One-off costs

Many of the one-off costs to be covered are associated with registering your business as a legal entity – including the actual incorporation fees, and State-specific prices for filing various documents.

Below is an example of the potential one-off costs you may encounter. Fees will vary depending on location.

Incorporation:	\$2000
State Filing Fees:	\$750
BE-13B Filing*:	\$500
Transfer Pricing Study:	\$4000 – \$8000
Estimated Total:	\$9250



Don't forget the **Transfer Pricing Study** – an important accounting process that determines the most tax-efficient ways for goods or services to be exchanged by different parts of the same core business.

Monthly operating costs

Although your monthly costs depend on your chosen location and service providers, it's good to get a sense of what costs you may need to consider beyond employee salaries and benefits, which will represent the bulk of your monthly expenditure.

Costs like renting office space, a phone line, and accounting software alongside basics like banking fees and Wi-Fi can cost anything from \$300 to \$5000 – and that can add up quickly. Selecting your site carefully and shopping around are crucial for founders and CFOs as they try to maximise value and spend wisely.

* The BE-13 form is mandatory for all non-US residents or entities that are forming or acquiring a business in the United States, and must be completed in the following scenarios:
 1. New establishment: You have established a new business in the U.S. that you own 10% or more, directly or indirectly, of the voting interest.
 2. Acquisitions: You have acquired at least 10% of the voting interest in an existing U.S. business.
 3. Expansions: You have expanded an existing U.S. business that you own, either by opening a new facility or by increasing operations significantly.¹

¹ Clemta, Understanding the Form BE-13: What It Is and What Foreign Investors Need to Know, accessed March 2025

Annual costs

The majority of the annual costs to be considered are related to your State and Federal tax obligations.

Given the nuances by State it is helpful to work with a registered local tax specialist to ensure you file all taxes correctly, and take advantage of any available benefits.

Typical annual costs

Federal & State Tax Returns:	\$3500
Registered Agent:	\$250
Franchise Tax:	\$400
Certificate of Authority:	\$250
General Liability Insurance:	\$1500
Estimated Total:	\$5900

Talent and taxes

To attract top talent, it's important to build attractive packages.

Health, dental, vision, life and disability insurance are all tools to attract the very best. Each is calculated using different contribution strategies, and will see the company covering a specific percentage of the total monthly cost – often 50% or 100%.

The table below gives you an idea of these costs for your go-to-market sales team.

Employee Salaries

	Salary	Variable	Total
Sales Executive	\$82,506	\$73,312	\$155,818
Customer Success	\$73,979	\$22,030	\$96,009
Sales Engineer	\$86,544	\$59,382	\$145,926

3-5 years of experience, located in Atlanta, Georgia via Glassdoor

Similarly, you will have to cover each employee's 401K: the employer-sponsored, defined-contribution, personal pension (savings) account for your employees. While there is no annual fee, you will need to pay a one-off implementation fee of \$500, and select the appropriate contribution option, which can be 0%, "basic" where the employer matches 50% on the first 6% of employee contributions, and direct, 1:1 matching.

Don't forget about taxes! These include:

▼ **FUTA – Federal Unemployment Tax**
6% tax on the first \$7000 in wages

▼ **FICA – Federal Insurance Contribution Act Tax**
7.64% tax on the first \$147,000 in wages

▼ **SUI – State Unemployment Tax**
Varies by state and job code

Additional budget items

Additional taxes and insurance should also be included when calculating your overall expansion costs. These may include:

Federal Income Taxes: 21% of Profits

State Income Taxes: 2.5% – 11% of Profits

Sales Tax: Varies

Errors & Omission Insurance

Directors & Officers Insurance

Cyber & Privacy Insurance

Employment Practices Insurance

US Licenses & Agreements

Chapter 2

3 steps to targeting US investors

Meeting and impressing US investors can prove difficult. Apart from the sheer volume of investors Stateside

there are over

5000

VC firms in the United States,

there is also exponentially more competition, and far fewer opportunities to meet people in person to engineer an opportunity to present your pitch.

Here is a 3-step process to sharpen your search.

Once you have a sense of the budget needed to fund your expansion, you're ready to find US-based investors to fund your expansion into the market.

Step 1:

Understanding potential investors' theses

The majority of VC firms in the US aim to maximise their chances of generating their target 10x returns by focusing all of their attention and expertise on a clearly defined type of opportunity. For instance, they may only back startups at a certain stage, or within a specific sector. Some only invest once a startup has hit a key Annual Return Revenue (ARR) number, recently raised a ticket of a certain size, or reached a specific valuation. In some instances, what's required is a combination of these qualities; a VC could only back Health techs from the US once they've raised their Series B, for example.

This laser focus means the VC is highly specialised in growing companies of a certain type, on a specific trajectory. It also means they are extremely selective when it comes to entertaining pitches, so a 'spray and pray' email approach to cold contacts is unlikely to land. In fact, some firms only explore opportunities when they're made through a direct personal referral.

The goal for founders hoping to expand and scale into the US, then, is to try and engineer these introductions, remotely or in person.

Step 2:

Create a shortlist of relevant investors

One of the challenges facing founders seeking to expand to the US is that it is extremely difficult to make meaningful connections with founders, investors and other ecosystem players remotely.

Many hopeful founders choose to play the percentage game and cast a wide net when it comes to cold outreach, with little likelihood of success.

Instead, CEO and Founder of US Expansion Partners David Rose advises founders take a far more systematic approach:

"The start of your US fundraising journey is to research which specific US VC firms

have a target investment thesis that aligns with your company."

The good news is that, for the price of a modest subscription, platforms like Pitchbook and Crunchbase allow you to search for US VC funds and filter them by their investment thesis; essentially allowing you to create a shortlist of potential investors that may have a genuine interest in your startup.

Once your shortlist is in place, it's time to become a desktop detective and do some research on the firms' partners. Visit the VCs' websites and explore their Partner profiles or bio pages. In most cases, Partners' areas of specialism are listed, so you can start to build a list of possible contacts.

Step 3:

Reach out on LinkedIn

If a VC's investment thesis matches your vision, visit LinkedIn and see if you have any common connections.

This is where your networking efforts at home will often pay dividends, as you will hopefully have a few common connections. Of course, this is far more likely if you have a wider, varied network comprising not only fellow tech founders, but well-connected ecosystem partners, too. Spending time meeting bankers, lawyers, investors and policy makers means you've a far greater chance of 'crossing paths' with people on professional networking platforms like LinkedIn.

These common connections are the perfect frame for you to introduce yourself and ask for a connection to a potential investor without necessarily needing to meet them in person first.

Even with a narrowed list you are likely to have to make hundreds of these investor introduction requests to multiple mutual connections. Be as clear and concise as possible, and include your slide deck so connections can quickly decide whether to pass on key information to the Partner themselves.

Don't be discouraged if they don't feel you're a fit. The more you grow your network and sharpen your pitch, and the more traction

David suggests founders following the process use a text similar to the below when reaching out to shared connections:

Hi Mark,

Do you know NAME at COMPANY well enough to introduce us? I see the two of you are connected on LinkedIn.

My company is a B2B SaaS Fintech startup based in London with \$1M ARR and targeting a \$5M equity raise this year. Our company appears to align well with Dodson's investment thesis.

If you're able to help with an introduction, I'd be happy to send you a separate email requesting an introduction to Cooper that includes some background and metrics on our company, plus our investor deck you can easily forward along to her. If not, no worries.

you get on home soil, the better your chances of landing a referral.

If your contact doesn't connect you, thank them for their time and move on; the last thing you want is a reputation for rudeness instead of resilience.

Once you've identified potential investors with a thesis that matches your business, and have a sound budget, it's time to start thinking about where to set up shop.

Chapter 3

7 criteria for US site selection

“The belief that Silicon Valley or New York City are the only viable options for UK and European tech scaleups expanding to the US is a misconception that can be costly.”

David Rose,
CEO and Founder, US Expansion Partners

When choosing a base for your business in the US it is all too easy to be drawn into the notion that there are only two options: Silicon Valley and New York – but these epicentres of the economy come with extremely high costs, both for your business and personally, and intense competition for talent.

For founders, it's important to step back and assess all the available options to find a fit that's affordable but puts you in the best position based on your size, sector, and goals.

7 site selection criteria

When selecting possible sites for your US subsidiary, there are 7 factors to consider, grouped into personal and business considerations.

Business considerations

1. The time zone

US customers and partners have high expectations, and it's important that you can move quickly to meet them. By choosing a site in the Eastern Time Zone, you are giving both your local and US teams the best chance of collaborating and moving quickly.

2. The strength of the local tech sector

Access to potential partners, peers and of course customers is crucial. Your site should put you in close contact with the kind of people you need in your network. Keep an eye out for startup-friendly policies, initiatives, and regulations.

3. Affordability of operating costs

Your rent, taxes and the cost of essential services will vary greatly by state. Given the

need to budget conscientiously, it's important that you consider sites that give you the most affordable access to the market and talent possible.

4. The health of the local tech ecosystem

Startup founders tend to cluster in specific locations. Look for a vibrant community that makes it easy to connect with peers: it's likely already on the radar for potential investors, partners and customers.

5. Innovation infrastructure

Travelling nationally across the US can be time consuming and expensive. A hub that is well-connected for road and air travel is more appealing to talent and potential business connections alike.

Personal considerations

6. Quality of life

Scaling to the US is taxing on founders and their families. Your well-being matters, so it can be helpful to try and relocate to an area that gives you easy access to the kind of lifestyle you need. For example, you may need to access schools or universities, or favour a location that is near to nature, to help you clear your mind. Maybe you feel it's finally time to live somewhere

warm! These are all considerations you should make. Plus, an area that appeals to your family may appeal to others – another arrow in your quiver to attract talent.

7. A strong sense of community

Exploring new markets is daunting, and the support of like-minded expats can make a difficult transition more manageable.

Feel like you need additional guidance? A site selection tool can help you to generate a shortlist of possible subsidiary sites.

Chapter 4

America's got talent: How to find the best and brightest

Employment regulations in the US mean that businesses are constantly competing for the best talent, structuring benefits and packages to lure talented, resilient employees in.

While it's suggested founders work with experts to understand hiring practices in detail, there are 3 steps to make sure your business is 'talent ready'.

Step 1

Write a clear job description

Once you've decided to expand to the US and ensured you are as committed as your business is ready to support a move of this scale, then you can start to think about your team on the ground.

It can be tempting to bring in an experienced hire from the outset, but they may not have the flexibility you need to build something brand new.

What you're really looking for is someone with a proven track record who has the tenacity and adaptability to get involved in multiple different challenges.

To do that, you need to be as upfront and descriptive as possible when drafting their job description. Arbitrary titles will likely attract a series of mismatched candidates.

“Bringing on senior executives such as a CEO, CRO, or VP too early can be costly and risky. While it might be tempting to recruit someone with extensive experience and industry ‘connections’, most of these candidates will not have startup experience or the ability to navigate the early stages of growth effectively.”

David Rose,
CEO and Founder,
US Expansion Partners

Instead, the job description needs to include the following:

- ▼ A clear, accurate job title describing level and broad remit
- ▼ A detailed description of the role
- ▼ An overview of key responsibilities
- ▼ Expected qualifications and skills
- ▼ Required work experience
- ▼ A breakdown of the benefits package
- ▼ Company details, like location and mission.

It's a bit like tracking down the right US investor; the more specific and strategic you are, the better.

Step 2

Put together a compelling package

One of the most powerful factors in attracting talent is the package that you offer early employees.

The flexibility of US employment policies means you can adjust specific factors like benefits and commission to gain a competitive edge – but only if you know what potential employees want and expect.

“In the US, employers are expected to provide insurance for health, dental, vision, life, plus health savings accounts, and 401K retirement plans for their employees (in lieu of government programs). Enhanced employee benefit programs are one of the key tools to attract and retain talent in the US.”

David Rose,
CEO and Founder,
US Expansion Partners

But expectations in the tech sector, specifically at early stages of a startup's journey, may also include stock options, particularly if their salary is largely commission-based.

That's where an Employee Stock Option Plan (ESOP) comes in.

“Employees in the US tech industry often expect stock options as part of their compensation package and are savvy in their understanding of these programs. A robust ESOP should cover the number of shares outstanding, the price per share, vesting schedule, and the most recent 409 A valuation of the company.”

Finally, it's also important to factor in various compensation models. Variables like your chosen site, whether you're open to remote work, and bonus payments will all affect salaries, as will state taxes.

For sales staff, it's important to understand exactly what will trigger a commission payout.

When it comes to sales commissions, it is crucial to establish precise parameters for calculation and disbursement. Clearly outline the trigger events for commission payments – whether it is upon contract signing, shipment, or invoice payment collection. Additionally, decide on the frequency of recurring revenue payouts, considering options such as monthly disbursements or an annualised basis.

With those details bedded down, your HR team can advertise and attract candidates.

Step 3

Prepare for intensive interviews

Employees in the US are extremely well versed in the nuances of compensation and package discussions, and you can expect an intensive interview process where you and your HR team will be peppered with questions about benefits, compensation, your ESOP and so on.

However, it's equally important that you look beyond potential candidates' ability to sell themselves and understand what they bring.

Make sure you really explore their past experience and skills, and try to assess whether

they possess the personal tenacity required to help you break the market.

The importance of making the right choice cannot be understated, so be systematic and take your time to make sure you find a great fit who can really deliver.

Final word: Should I stay or should I go?

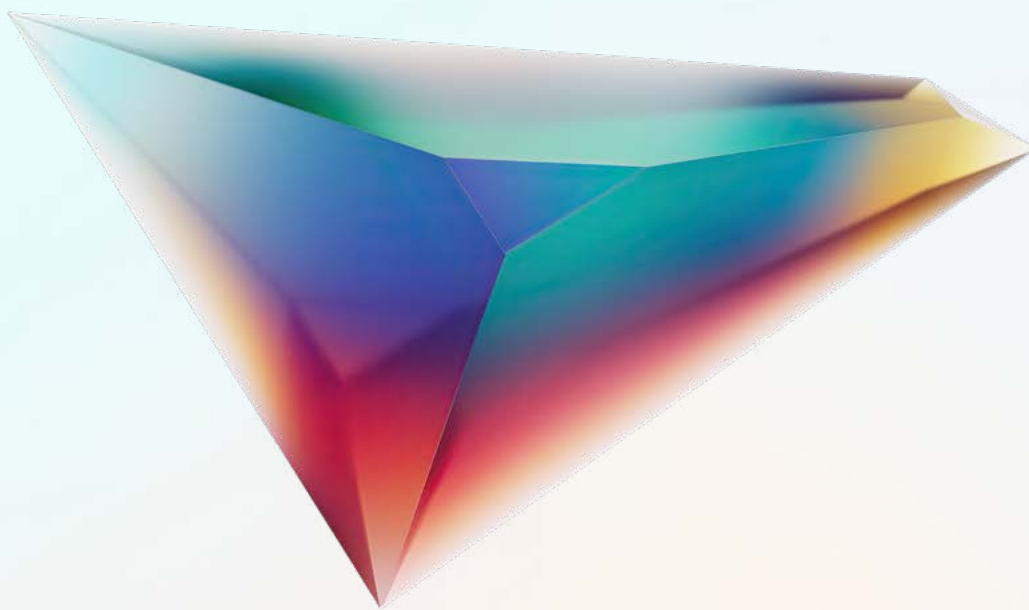
Expanding to the US is a goal for many founders; it could be argued that if you're equity-backed and growing, trying to scale to the US is inevitable.

Navigating this complex process calls for significant planning and serious commitment.

Understanding the personal commitment is the first step in assessing whether it's the right moment to brave a new market. If you've got the conviction, you need to make sure your business is prepared to 'lose you' but not momentum. That means building the right team and generating enough cashflow to cover costs like regular travel and potentially pricey new hires.

If you and your business are ready, gather a team of experts to give you the financial, legal and hiring advice you'll need to build a new network of potential investors, and open your doors in a state that is suited to your business and personal needs.

Always remember, expanding to the US is a lengthy process and timing is crucial. It's exciting, but there's no need to rush your expansion strategy – sharpen your approach and you'll have a chance to land it big in America.



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