



Belfast-based APT-X has played a starring role in Hollywood's film industry

## Success takes persistence and a long term perspective

THE US economy is having a slow recovery but for some Northern Ireland exporters 2011 could be an ideal time to either establish in the market or push ahead if already in the US market.

While it is difficult not to be influenced by negative news about the economy, smart companies understand that when a market economy is weak this can provide time for a company to position itself strategically in a market reaping benefits when the economy rebounds.

This is particularly true for high tech products which are often less price sensitive than consumer products, have unique selling characteristics and serve a specialized application for which there is a long sales cycle.

TextHELP Systems and APT-X are excellent examples of companies that stayed focused on their long-term business objectives throughout the recessions of 2001-2003 and 2009-2010.

TextHELP Systems, based in Antrim, entered the North American market in the fall of '01 just as the North American economy was reeling from the effects of "9/11". Mark McCusker, TextHELP's CEO, and Martin McKay, TextHELP's CTO, each made approximately 20 trips to North America between the fall of '01 and the fall of '03! They were not deterred by the weak economy and fierce indigenous competition in the marketplace. They had "done their homework" and had good reason to believe that TextHELP's product was unique and addressed the needs of readers with learning difficulties (or language difficulties) in a more effective way than any product in the market. Also, they understood that the regulatory environment provided incentive and funding for school systems to utilize new technology tools for students with reading difficulties.

In the early days TextHELP experienced some of the common problems many new entrants to the market face such as "trial and error" in finding the right talent to manage TextHELP's US subsidiary and

challenges with getting established as a unique solution in the face of strong competition. TextHELP's persistence paid off and now half of the company's education revenues come from North America.

Doing business in the US is not for the faint hearted. But as **KATHLEEN HAGAN**, president of Hagan and Company, an international management consultancy based in Boston reports, Northern Ireland firms are showing a gritty determination to succeed in this aggressive market



Mark McCusker believes that "unless management is fully engaged in and committed to North American expansion and willing to sustain a concerted effort - investing senior management time and company resources for the long-term - they shouldn't even try. A lot of people focus on the travel and subsistence costs because the market is not local; however, by far the most significant cost is management time. Half-hearted attempts do not work!"

APT-X, which is based at the Northern Ireland Science Park in Belfast's Titanic Quarter, launched in 1989 as a spin-out of Queen's University (APT) with innovative sound compression hardware and software developed to meet the post-production needs of the film industry.

The company has grown by globally diversifying its product range to include audio coding technology for the broadcast, consumer electronics and gaming markets. APT established its first US presence in California in 1995 to serve the Hollywood film industry for post-production sound editing.

While successful selling to prestige US clients including George Lucas' Skywalker and Steven Spielberg's Dream Works Studios, APT-X realized by 2001 that the larger broadcasting market on the US East Coast held even

greater growth potential for the long-term. In 2002 - despite the fact that the US economy was in a downturn from the economic effects of "9/11" and many UK executives were hesitant to travel to the US, APT-X moved its US headquarters to Massachusetts.

Noel McKenna, APT-X CEO, and Jon McClintock, APT-X Senior Vice President, then began a three year campaign to position the company in the broadcasting market. Either Noel or Jon were in the US every month for three years building up APT-X' distribution network and cultivating new customers.

According to Noel McKenna "We soon established a reputation with our distribution partners as being committed for the long haul and willing to jump on a plane on short notice to call on clients to help close a sale."

The strategy worked - the company's technology has become an industry standard in the US and globally. In 2009 APT-X successfully sold its sound compression business to a French firm, Audamat, and continued developing the company's intellectual property for sound technology. In 2010 wireless technology leader CSR acquired APT-X bringing APT-X' advanced digital audio technology to wireless consumer applications.

TextHELP and APT-X have succeeded in the US by not retrenching when the US economy was weak or when the "going got tough". TextHELP launched in the US during a weak economy and APT-X moved its offices and shifted

strategic direction during a weak economy. While each company's path to success was different they both took a long-term view of the US market and had senior management in the US frequently to demonstrate commitment so that their business partners and customers knew that they were in the US "to stay"....and to succeed!

The success in the US of Northern Ireland companies like TextHELP and APT-X and others like them such as Andor Technology which has grown its US business dramatically in the past 12 years, is a testament to technology excellence from Northern Ireland.

These Northern Ireland entrepreneurs have demonstrated that they are every bit as smart, gritty and strategic as their US counterparts.

Northern Ireland may have a tiny economy compared to the giant US economy but there is no doubt that the region can have global impact because it has both world class innovation in technology and some world class entrepreneurial leaders.

The success of companies like TextHELP, APT-X and Andor offers lessons and encouragement for Northern Ireland exporters seeking to expand into the US. Succeeding will take time and persistence but these role models have demonstrated that the commercial prize is well worth the sustained effort of competing in one of the world's largest and most competitive markets.