



# Europe offers opportunities for Israeli firms with a local presence

There are attractive markets in Europe for Israeli technology companies.

**Bert van der Heide of Kurtz Marketing & Management in the Netherlands describes how Israeli firms can take advantage of available incentives to open branches in Europe and better access the burgeoning opportunities.**

## Europe, an increasingly important market

Although the US has traditionally been a major trading partner for Israeli industry, Europe is becoming increasingly important as a market for Israeli high-tech companies. This is a logical consequence of the expanding European Union that now consists of 27 countries and nearly 500 million citizens. The standard of living is relatively high, and consumers, who are demanding advanced products and solutions, are willing to pay for quality and innovation. A case in point is the opportunity that has arisen for both life science and ICT companies in medical diagnostics, prevention and treatment. Europe's aging population has created a strong demand for both remote monitoring solutions (using wireless, telecom or Internet technologies) and medical devices, areas in which Israeli companies have considerable expertise.

## Complementary industries

European industry includes many global corporations (e.g. Philips, Siemens, Océ, Zeiss, SKF) and large scientific institutes that are highly focused on fundamental research. In contrast, Israeli high-tech industry is characterized by an application orientation. These varying approaches serve to make European and Israeli industries highly complementary to each other.

Europe needs entrepreneurship and innovation, which Israeli industry offers in abundance, and Israeli high-tech companies require substantial international markets to sell their technology and products. Teaming up with a "big brother" in Europe in order to bring their products to the market is an option to which Israeli companies should give serious consideration.

## Starting an office in Europe

Proximity to the customer is always a wise approach, and therefore Israeli companies seeking to do business in Europe should consider opening

a regional office to coordinate business development and sales activities. A local presence increases visibility and promotes contact with potential customers as well as strategic partners. It shows a level of commitment to the market.

In addition to finding a location near customers, site selection for a new Europe-based office should consider tax issues, the availability of a well-educated workforce and physical and knowledge infrastructure.

Many cities in Europe are welcoming of international companies seeking to open offices in their region and offer benefit packages to the newcomers. This is mainly accomplished by short-term financial incentives, such as the payment of rent, for a specified period of time.

The start-up phase of a new office is usually the most difficult, and it has been our experience that companies need to look beyond short-term incentives and solidify long-term relationships in order to optimize chances for success.

## Proactive approach by Rotterdam

One city that has taken a particularly pro-active approach and adapted its offering to support international companies – with a particular eye toward Israeli firms – is Rotterdam in the Netherlands. In October, the city of Rotterdam organized a seminar in Tel Aviv, in conjunction with IVC, that focused on business opportunities in Europe for Israeli life science and ICT companies and the unique benefits extended by Rotterdam when opening an office there. The seminar laid out the cooperation and financing possibilities, and individual meetings were held between the Israeli high-tech firms and the Rotterdam delegation.

In addition to Rotterdam's central location, high level of human resources, excellent infrastructure and support from the City Development Corporation, Rotterdam offers free strategic marketing and business development services through Kurtz Marketing & Management, a Rotterdam-based consultancy. Kurtz is also active in arranging cooperation with researchers at Rotterdam's Erasmus University Medical Center, one of Europe's leading institutions in the life sciences.

In conclusion, Europe offers considerable opportunity for Israeli companies in advanced technology. Both government and private organizations are well prepared to help Israeli firms overcome the hurdles and penetrate this growing market. ■

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