# Doing Business in the United States: A BDO Roadmap

April 2024

**Businesses are targeting growth opportunities and searching for ways to thrive by building a long-term competitive advantage. Geographic expansion can provide a valuable boost, and many businesses are eager to tap into the U.S. market. The U.S. is known for offering a stable legal and investment climate, specific competitive advantages and a large market, which helps attract hundreds of billions of dollars in foreign direct investment (FDI) annually. This market represents a lucrative opportunity for growth—especially for businesses looking to diversify their assets, geographic footprint and customer base.**

Even amid economic volatility and heightened uncertainty, the U.S. remains a desirable long-term expansion target for foreign entities. In the 2022 U.S. News & World Report rankings of the **Best Countries To Invest In**, the U.S. once again took the top spot. And according to the Organisation for Economic Co-operation and Development (OECD), **global flows of FDI in 2021** increased 88% year over year and topped $1.8 trillion, which surpassed pre-pandemic levels by 37%. The U.S. received the largest amount of FDI and was the largest source of it as well. Despite some ongoing macroeconomic challenges, those trends signal renewed confidence in the benefits of international expansion generally and the advantages of investing in the U.S. specifically.

Businesses that successfully navigate market shifts and changing consumer behavior will be better positioned to thrive for the long term. **Building organizational agility and resilience** can help identify and capture opportunities to gain a competitive advantage.

In addition to the relative ease of setting up a business, the U.S. offers access to the world's largest consumer market in terms of consumer spending—with strong household spending and enhanced access to customers in other countries via free trade agreements.

## Customer Access in the United States

Access to almost **800 million** consumers through domestic companies and **free trade agreements with 20 other countries**

At more than **$15 trillion,** the **highest household spending globally**

**$347 billion** in **U.S. goods exports** from majority foreign-owned firms with U.S. operations

Source: **SelectUSA**

*"With an exceptionally strong market, and a supportive business climate, expanding your organization's footprint to the U.S. is an exciting opportunity to pursue new avenues of growth. But it can also be daunting. Preparation is vital to ensure you are minimizing risk and maximizing opportunity when establishing a successful U.S. presence."*

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The U.S. offers ample opportunities for investors, and the rules of business are relatively easy to navigate compared with other jurisdictions. But there are still challenges unique to the U.S. market—particularly given the size, business culture, and workforce across the 50 states, the District of Columbia, and U.S. territories.

To successfully capitalize on available opportunities, foreign organizations considering investment in the U.S. should have a clear, proactive expansion plan in place. To develop that plan appropriately and support key business objectives, several areas deserve additional focus:

1. Determining the most advantageous location(s) for expansion.
2. Evaluating options for the business' legal structure and understanding related tax implications.
3. Assessing setup costs and available financing in capital markets.
4. Attracting and retaining talent to build the right workforce.
5. Ensuring compliance with all applicable laws and regulations.
6. Planning business strategy to support ongoing growth and success.

In Doing Business in the United States: A BDO Roadmap, we outline these six steps—and questions and considerations for each—that can help guide your action plan.

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# CHOOSE A STRATEGIC LOCATION

Identifying the right location for your U.S. business can be one of the most consequential decisions a business leader will make. With 50 states, 3,000-plus counties, and thousands more incorporated cities and towns, the U.S. presents a complex web of different geographic, demographic, legal, financial, tax and regulatory environments.

A successful site selection journey begins with a thorough and objective analysis that compares sites based on a variety of measurable project parameters. The first step in that analysis is for the company to identify and detail the project's core business goals and then define location criteria that can serve as indicators of those goals.

These location criteria will vary by project and industry. For manufacturing projects, key criteria may include proximity to natural resources, low-cost power, affordable land, airports, rail and road access and skilled production labor. Research laboratories may look for concentrations of skilled scientists and locations near prominent universities and international airports. Office requirements previously focused on access to talent and customers, but that has shifted somewhat due to the rise of hybrid working models and collaboration tools.

**Location criteria will guide site selection analysis and identify qualified communities.**

### LABOR

- Population demographics and projections.
- Availability of employees with specified skill sets.
- Educational opportunities.
- Availability of training programs.
- Presence of colleges, universities and vocational programs.
- Presence of unions and rates of unionization.

### REAL ESTATE / LOCATION

- Size, shape, topography of site and room for expansion.
- Elevation and risk of flooding.
- Climate and weather.
- Nearby land uses.
- Geotechnical status—bearing capacity, seismic risk and water table elevation.
- Environmental status—wetlands, contamination, and archeological significance.
- Risk of natural and man-made disaster.

### BUSINESS CLIMATE, INCENTIVES AND COSTS

- State and local tax rates.
- Availability and cost of employees, especially those with specialized skill sets.
- Cost of utilities, real estate, construction, etc.
- Regulatory environment.
- Permit requirements.
- State and local fiscal position and outlook.
- Availability of tax and other incentives.

### INFRASTRUCTURE AND UTILITIES

- Proximity to airports, highways and rail.
- Utility capacity (water, sewer, gas, electric, telecommunications).
- Utility costs.
- Reliability of utilities.

### SUPPLIERS AND CUSTOMERS

- Locations of key suppliers.
- Proximity of production inputs/resources.
- Access to key markets.

### QUALITY OF LIFE FACTORS

- Cost of living.
- Cultural amenities.
- Recreational options.
- Quality of air and environment.
- Crime rates.
- Hospitals and healthcare.
- Quality of schools.

Based on the location criteria and geographical preferences, the company can identify suitable communities and begin gathering and analyzing data to evaluate and rank locations objectively.

Next, the project team should visit communities, tour specific real estate sites, and begin negotiations of incentives. Site visits offer valuable opportunities to meet government officials and members of the business community in order to assess the local business climate and quality of life. Following site visits, detailed incentive negotiations, and further due diligence on the communities and real estate, the company can make a location decision with confidence.

It is critical to note that in the U.S. the various incentives offered by state and local governments are competitive. Thus, they must be negotiated before committing to a particular site or building.

**Knowing which steps to take from the outset is key to making a strategic location decision.**

### ANALYSIS

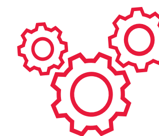
- Define project parameters and location criteria.
- Develop list of qualified communities.
- Gather and analyze data on key criteria in each community.
- Identify and quantify potential incentives in each community.

### INCENTIVE NEGOTIATIONS & SHORT LIST

- Develop a Request for Offers of Incentives.
- Arrange visits to the shortlisted locations.
- Negotiate major discretionary incentives—such as free land, cash grants, tax abatements and exemptions, utility discounts, infrastructure contributions and special legislation—where required.
- Manage the political process among competing jurisdictions.
- Obtain formal offers of incentives from state and local officials in the shortlisted locations.

### SELECT SITE & SECURE INCENTIVES

- Select finalist site.
- Complete and file incentives applications.
- Attend public meetings and hearings to secure formal approvals.
- Complete all agreements related to incentives.



### COMPLIANCE

- Conduct ongoing review of progress.
- Collect incentive savings.
- Identify enhancement strategies.
- Submit annual compliance forms.

**BDO'S QUICK TAKE:**

*"A sound site selection and incentives strategy can serve as a catalyst for business success by helping secure access to key talent and maximizing political support and media coverage, all while attempting to reduce the financial risk of the investment by securing impactful financial incentives that go directly to the bottom line."*

**TOM STRINGER**
Partner, National Site Selection & Incentives Practice Leader

Contact Tom Stringer to learn more about how to choose the best location for your organization. ▶

## MORE ABOUT DEVELOPING A COMPREHENSIVE INCENTIVES STRATEGY

Federal, state and local governments offer various benefits to encourage economic development activity and reward businesses for engagement in expansion projects and job creation. State and local economic development officials utilize statutory income tax credits and discretionary incentives as tools to generate new jobs and investment for their jurisdictions. These credits and incentives vary significantly from state to state. In some cases, a comprehensive incentives package can mean a return on investment greater than 25%.

Companies starting operations in the U.S. can benefit from tax credits and incentives when conducting the following activities:

- New location or expansion projects.
- Job creation, retention and workforce training.
- New or recurring investment in real and/or personal property.
- Employing targeted disadvantaged individuals.
- Investment in research and development (R&D) equipment or activities.
- Investment in ESG initiatives and renewable energy.

## DISCRETIONARY BUSINESS INCENTIVES

Business incentives can be awarded at the discretion of state and local governments and/or administering agencies. These benefits typically require negotiation and procurement before creating jobs, making capital investments and/or making a public project announcement. Discretionary benefits are generally performance-based and require regular reporting of project milestones.

### COMMON TYPES OF INCENTIVES

- **Cash grant:** A discretionary incentive that offers cash funds to offset upfront project costs. Available in certain states and generally awarded to economic development projects that result in a significant amount of net-new jobs and/or capital investment.
- **Property tax abatement:** A discretionary incentive that reduces real and personal property taxes for eligible businesses over a period of five to 20 years. Larger projects may be eligible for an incentive term up to 30 years.
- **Income tax credit:** A statutory incentive that generally offsets corporate income tax liability. In certain cases, tax credits may be utilized against state withholding liability or may be refundable and/or transferrable.

## STATUTORY TAX CREDITS

State and local taxes represent a significant business cost, and understanding the potential tax burden is a crucial part of a strategic location decision. Statutory tax credits are an important tool for reducing costs and improving operating margins.

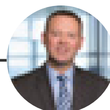
States offer income tax credits to encourage job creation, capital investment and other business activities. States often target tax credits toward desirable industries or activities they wish to develop, such as manufacturing or R&D. It is also common for states to offer tax credits to promote growth in underdeveloped areas with programs like enterprise zones. Enterprise zone incentives commonly take the form of income tax credits, sales tax refunds and property tax exemptions for doing business inside the boundaries of specific underdeveloped areas.

Many states recognize that tax credits are not useful to companies operating in a loss position. With no tax liability projected for many years, tax credits have little value. Increasingly, states are offering refundable or transferrable tax credits to enable companies to realize cash savings. A thorough review of tax credits may reveal significant cost differentials among locations and can be an important component of the location decision.

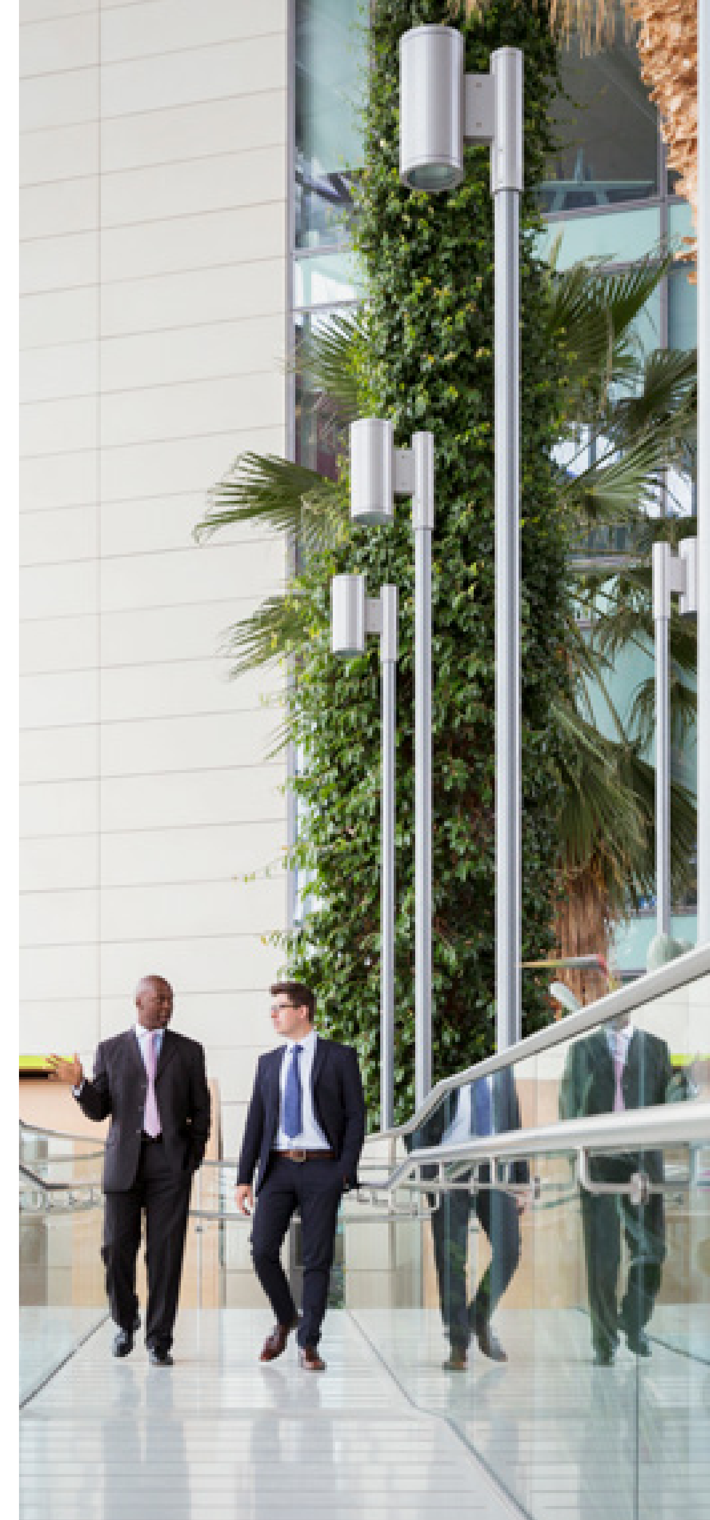
**BDO'S QUICK TAKE:**

*"Credit and incentive programs offer an important way to reduce expansion costs and ongoing operating costs. It is important that companies evaluate their unique situation and the potential opportunities from which they could benefit. The types of credits and incentives, their value and their specific provisions vary widely from state to state. Establishing a sound methodology for timely identification of credits and incentives is critical to ensure all available savings are captured."*

**TIM SCHRAM**
Partner, National Credits and Incentives Practice Leader



Contact Tim Schram to learn more about statutory incentives. ▶



# ESTABLISH A STRONG FOOTING

## CHOOSING THE RIGHT STRUCTURE

In the U.S., federal and state governments impose a variety of taxes. The federal government and most states impose income taxes. States generally impose property, sales and use taxes, among others. The U.S. is among the few countries worldwide that does not have a VAT. Instead, states impose sales and use taxes. Employers and employees must also pay U.S. social taxes.

The level and nature of federal and state income taxes a business must pay depend on the legal entity structure the business chooses when expanding to the U.S. The choice of entity has implications for the business's day-to-day operations, total tax liabilities and financing strategies.

The following section outlines the general characteristics, including key benefits and pitfalls, of some of the most common U.S. legal structures.

## Partnerships, LP, and LLCs

A general partnership is comprised of two or more owners operating as co-owners who share in profits and losses. The owners, called "partners," are allocated income and loss items from the partnership based on the partnership agreement, which is a legal document that outlines the structure and business practices of the entity. While a general partnership is considered a separate entity from any of the partners, the partners can be financially liable should anything go wrong. If enough partners decide to leave the business, and only one partner remains, the partnership is treated as dissolved, including for U.S. federal income tax purposes.

To address the concern of unlimited liability of a general partnership, a limited partnership or LP can be formed. A limited partnership, relatively easy and inexpensive to set up, also operated through partnership agreement that clearly outlines the duties, responsibilities, and economic relationship between partners. The LP has two types of owners: a general partner which has unlimited liability, or a limited partner, with limited liability capped at their investment. In an LP, limited partners are permitted to make some binding decisions for the business, though the general partner typically has most decision-making authority.

To provide all owners of the entity with better liability protection, a limited liability company or LLC can be formed under state law. The LLC can be owned by one or more persons, including one individual or one non-U.S. corporation while still offering limited liability protection. The LLC can be managed by the owner(s), also called "member(s)," who hold decision-making power that could be structured to increase in proportion to the percentage of their ownership in the LLC. Alternatively, the LLC structure allows the entity to be run by someone other than the member(s).

General partnerships, LPs and LLCs with more than one partner or member are, by default all treated as partnerships for U.S. income tax purposes. A single member LLC, by default is treated as a branch of its owner. All income, gains, losses, deductions and credits of these transparent entities (whether classified as a partnership or a branch) will flow through and be taxed to the partners or members rather than the entity itself. For entities with more than one owner, profits and losses are typically shared between partners in accordance with their overall economic arrangement. The flexibility of income and loss allocations in a partnership is a primary advantage of the entity choice. That flexibility often results in greater tax compliance complexity in order to ensure income is allocated in accordance with the legal agreement. While this structure facilitates one level of tax on income at the partner or member level for partners or members that are U.S. persons or non-U.S. individuals, this entity's form will require the owner to file a U.S. federal and state income tax return. Another advantage of this entity choice is that an election can be made to classify these legal entities as non-transparent entities for U.S. income tax purposes – see the next section.

When owned by only one person or entity, an LLC is treated as disregarded for U.S. federal income tax purposes. In this situation, the sole owner is required to file U.S. federal and state income tax returns. If the sole owner is a non-U.S. individual or company, this may trigger an unwanted annual U.S. compliance requirement. As an alternative, an LLC has the flexibility to elect to be treated as an association taxed as a C corporation for U.S. federal and state income tax purposes.

## C corporations (non-transparent entities)

C corporations are separate legal entities that pay corporate income tax directly to the government. Shareholders of C corporations are subject to U.S. income tax on profit distributions made by the corporation. Unlike US partnerships and branch structures, a non-US shareholder of a C corporation is not required to file U.S. income tax returns which may be a significant benefit for non-U.S. owners that do not want to file with the U.S. tax authorities. C corporations are usually subject to "double taxation" which is the term that refers to the company's profits being taxed twice, once at the company level and again when a shareholder receives a dividend distribution.

Non-U.S. shareholders that own C corporations may benefit from favorable U.S. federal income tax benefits established between the U.S. and the foreign government. These income tax treaties may provide reduced or zero U.S. federal income tax rates on dividends paid by U.S. corporations to non-U.S. shareholders that resided outside the U.S. However, further investigation is needed to confirm if the U.S. has an income tax treaty with a country and to what specific benefits have been agreed.

Because legal entities and their owners have different tax obligations and reporting requirements, organizations or investors interested in U.S. expansion should consider these matters deciding on a legal entity structure. It is also important to stay current on any changes in tax policy and carefully review how these may affect

your tax liabilities. For example, the Tax Cuts and Jobs Act (TCJA), which went into effect beginning with the 2018 tax year, included a passthrough deduction that allows individuals to deduct up to 20% of business income from certain passthrough entities, which include limited liability companies (LLCs), S corporations, partnerships and sole proprietorships. However, this deduction will not apply to taxable years beginning after December 31, 2025, unless Congress takes legislative action to extend the benefit.

The Inflation Reduction Act, **signed into law in August 2022**, introduced a new alternative minimum tax (AMT), which is 15% of the adjusted financial statement income (AFSI) of an applicable corporation less the corporation's AMT foreign tax credit. An applicable corporation is a corporation (other than an S corporation, a regulated investment company, or a real estate investment trust (REIT)) whose average annual AFSI exceeds $1 billion for the prior consecutive three years.

### Investment entities

Investment entities are specialized types of companies formed in the U.S. There are various entity types and classifications that can be used in specific circumstances. An experienced advisor can help you assess the options for your business.

## DETERMINING YOUR TAX YEAR

Depending on the nature of your business and when your heavier revenue periods fall, you will want to choose between filing your taxes according to the calendar year or fiscal year.

The calendar year must be used if an organization does not have an annual accounting period or its present tax year does not qualify as a fiscal year, among other factors. A fiscal year is 12 consecutive months ending on the last day of any month except December.

**BDO'S QUICK TAKE:**

*"It is critical that foreign entities understand how U.S. tax will impact their cost of doing business in the U.S. by considering their total tax liability, including U.S. federal income tax, state income tax, sales and use tax, property tax, and customs and duties. Organizations should model these tax impacts to understand how to best position U.S. operations. It is also important that they consider U.S. tax implications and tax reporting obligations of cross-border payments from related-party arrangements, capital investments, and financing structures for existing or future U.S. operations."*

**MARK SCHUETTE**
Partner, International and Transfer Pricing Leader

Contact Mark Schuette to learn more about how to establish strong footing in a way that makes the most sense for your organization.

# FINANCE YOUR BUSINESS

## A CHECKLIST FOR DETERMINING SETUP COSTS

The U.S. is known for its diverse, flexible and efficient financing markets—making it an attractive option for international expansion. After deciding which business and legal structure is appropriate for your business, you need to decide on the best method of financing. The first step in this process is to determine the amount of capital you need to fund your U.S. operations.

### HUMAN CAPITAL

- ☐ How many employees do you need stateside in the initial phase?
- ☐ How could that number grow over the next six-month, one-year or five-year timeframes?
- ☐ Will you need to pay fees to secure work visas for employees you are expecting to recruit or relocate from overseas?
- ☐ What funds do you need to recruit and retain your workforce? (Note that these costs could be higher if you need a highly skilled workforce or have to recruit or relocate from overseas.)
- ☐ How often will your employees need to travel, and what associated expenses will you incur?

### RENT AND UTILITIES

- ☐ If your business requires one or multiple physical spaces, how much will you need to cover lease and associated utility costs? Are there certain locations that have more favorable costs or that offer certain incentives?
- ☐ How might lease and utility costs increase over time, and how much capital will you need to cover those increases?

### INVENTORY AND UPCOMING ORDERS

- ☐ Do you have access to the materials necessary to operate your business, and do you have contingency plans in place should the cost of those materials increase?
- ☐ How much capital do you need to secure your operations for the next 12 months, two years or five years?

### INSURANCE

- ☐ What type of assets will you need to insure to protect your business? These can include physical assets, such as real estate, manufacturing sites and/or equipment, supplies and your workforce. Intellectual property is another type of asset to consider.
- ☐ Are you offering health or dental benefits to your employees? Often a consideration unique to the U.S., given its largely privatized healthcare system, it is important for companies coming from abroad to be mindful that many U.S. citizens and permanent residents receive health, life, and dental insurance through their employers. Properly accounting for costs associated with health and other benefits will be important to becoming an attractive employer in the market.
- ☐ Are you prepared in case of a disaster? Determine what type of insurance policy you will need to protect against physical damage, as well as non-physical damage, such as lack of access to facilities, government declarations of emergency, cancellation of events or loss of utilities, and others. Ensuring you have adequate insurance coverage is critical.

### EQUIPMENT

- ☐ What types of equipment do you need to run your business? If your business is heavily dependent on computers and connected devices, what types of cybersecurity software and protective measures will you need to set up and fund?

### LICENSING AND PERMITS

- ☐ Which licenses and permits do you need to legally operate your business?
- ☐ How much money do you need to pay for licenses and permits, and how many of them will require recurring fees?

### MARKETING

- ☐ Do you need to set up a U.S. domain for your website or a completely different website? Will you need to pay for translation services?
- ☐ What federal, state or local data privacy or cybersecurity regulations does your website or customer management system need to comply with?
- ☐ How will you reach your customers?
- ☐ What advertising or marketing investments will you need to make to build and communicate with your customers?

### OTHER EXPENSES

- ☐ Will you need to enlist external local advisors to help you secure certain contracts and/or navigate laws and regulations to set up your business operations in the U.S.?
- ☐ Will you need to retain an attorney to secure your intellectual property or provide ongoing counsel?

## EVALUATING CAPITAL OPTIONS

Now that you have determined how much capital you need to set up and maintain your business, you should evaluate which financing options are available and make the most sense for your business needs.

The U.S. market differs from many others in that capital investors are not often involved in day-to-day operations of companies they fund, giving owners and executives more autonomy than they may expect in other countries.

## Most Common Capital Sources

**Banks: As of February 2023, the U.S. banking system had more than $22 trillion in assets, underlining its heavy concentration of private capital and diversity in banking organizations. Organizations have two general paths to consider:**

### Commercial banks

- Offer retail and commercial financial services to companies of various sizes.
- Are regulated by the federal government or state governments depending on the institution, though the government does not own or manage them.

### Investment banks

- Offer strategic guidance on how organizations can raise capital for greenfield investments or mergers and acquisitions.
- Help companies secure capital through stock offerings, bond issues, securities or derivative trades.
- Are regulated by the federal government as well as the SEC.

**Private Equity (PE): A foreign concept to many countries, private equity is an option pursued by many companies without the levels of capital needed to feasibly refinance bank loans. In 2022, for example, private equity firms invested more than $1 trillion in U.S.-based organizations for the second year in a row. There are numerous types of private equity to consider. Below are some of the most common routes:**

### Leveraged buyout (LBO) fund

- Combines investor capital with borrowed money to purchase companies and improve their performance.
- Allows the target company to pursue other types of strategic acquisitions.
- Typically takes a majority stake in the company or buys it entirely, meaning the acquired entity gives up control of its strategy and direction.

### Venture capital (VC)

- For startups and early-stage entities with high growth potential.
- Typically takes a minority stake, preserving the acquired entity's control over strategy and direction.

### Growth capital

- Like VC, a growth capital fund gives a company capital to support growth and just takes a minority stake—again preserving the acquired entity's control over strategy and direction.
- For entities with a longer track record than startups or early-stage companies.

### Real estate

- Funds that invest in lower-risk rental properties with more predictable capital flows.
- Funds that invest in land or early-stage development deals—often creating greater risk and bigger rewards.

### Infrastructure

- Invest in utilities or transportation infrastructure, such as airports, roads, electricity and gas networks, solar and wind farms, and hospitals.

### Distressed private equity

- Funds that specialize in lending to or investing in companies in financial distress.
- Allow funds to purchase shares cheaply, with the goal that the infusion of capital will help turn operations around and ultimately generate a profit for investors.

**BDO'S QUICK TAKE:**

*"U.S. regulation of securities offerings and capital raising is quite complex and may appear overwhelming to an issuer accessing the U.S. capital markets for the first time. However, given the large amount of dry powder and the myriad capital providers for all types of situations, the U.S. capital markets offer a highly competitive landscape in which companies can often negotiate a lower cost of capital at more advantageous terms. Meanwhile, senior bank lenders and non-bank lenders continue to look for healthy opportunities to finance special projects, expansion, M&A and leveraged buyouts."*

**BOB SNAPE**
President, BDO Capital Advisors, LLC

Contact Bob Snape to learn more about how to strategically—and sustainably—finance your business. ▶

# ACCESS THE RIGHT WORKFORCE

## UNDERSTANDING THE TALENT POOL

The U.S. has been a jobseeker's market for nearly a decade, which has created challenges even for domestic companies trying to attract and retain top talent. The unemployment rate has remained below 6% since 2014, except for a COVID-19-related spike in April 2020. Unemployment returned to 6% within a year, and dipped below 4% by the end of 2021.

Many companies have struggled to hire recently due to a shortage of top talent and a glut of job vacancies and postings, as well as rapid wage growth. Some industries and regions still face unmet demand for talent, so organizations considering expansion into the U.S. should monitor the evolving situation closely.

## ATTRACTING AND RETAINING TALENT

Today's technology-enabled society offers the workforce more flexibility than ever before to choose the type of job they want—or create it for themselves. To attract and retain the best talent, employers have needed to work harder and be more creative with their total rewards packages, especially in light of an ongoing worker shortage coupled with rising inflation. This dynamic is especially challenging when it comes to recruiting and retaining highly skilled and experienced professionals, even during periods of downturn. According to the **2024 BDO Middle Market CFO Outlook Survey**, 66% of CFOs say the talent shortage poses at least some risk to their business, with 20% of those classifying the risk as significant.

To recruit and successfully integrate top candidates into U.S. companies, regardless of the economic outlook, organizations should focus on developing a total rewards strategy that focuses on more than just compensation. A total rewards strategy is based on the company strategy where you define the nature and type of talent needed and then determine how various rewards will work together to attract and retain talent. Key rewards include:

- Compensation (salary, bonuses/annual incentives, and long-term incentives/equity).
- Benefits (health benefits, retirement, paid time off, work-life balance, etc.).
- Affiliation—the alignment of your talent with the mission of the company and "being proud" of working for the company.
- Career opportunities.
- Culture.

While compensation typically ranks among the top reasons for switching jobs, a good company culture and career opportunities are often key for retaining employees. Accurately defining these is critical to ensure that you know what it will cost to fill key positions and can articulate the company's vision to applicants.

The total rewards strategy provides a framework for the following:

**1. Evaluating the compensation environment in your industry and U.S. jurisdiction to offer competitive packages**

Compensation and benefits are typically the largest expenses for most employers and should be reviewed carefully. Compensation plan design is informed by the type of roles, the size of the organization, the industry, and the geographic location within the U.S. In addition, it is important to ensure that the plan is equitable relative to compensation arrangements within the organization across all countries where it operates. Compensation arrangements in the U.S. may include annual performance incentives, long-term incentives and equity compensation. Using these forms of compensation varies by the nature of the role and company structure.

**2. Assessing benefits packages as a tool for recruitment and retention**

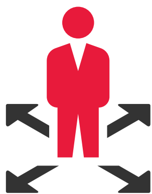
While ensuring a competitive salary is important, today's U.S. workforce also values other benefits. Primary benefits include health insurance, paid time off and retirement savings plans. Other benefits that can be valuable tools for recruitment and retention may include some combination of financial planning support, health and wellness programs and even pet insurance. Options for work-life benefits are also highly attractive and can include extended maternity and paternity leave, as well as flexible and remote working options.

It is important to think about the types of people you need to recruit and what they might value according to the demands and schedules of their jobs—and how that might vary by generation. You should also consider offering relocation benefits, particularly for candidates moving from abroad who may require more support compared to domestic hires.

### 3. Creating recruitment strategies

The best talent is not looking for any job—they are looking for the right job. This makes it crucial to ensure that candidates—both domestic and expatriates—know what sets your company apart from the beginning. Then you can work to recruit and retain them throughout their journey with your company.

This process can include investing in a talent acquisition specialist or a human resources function with a strong recruitment track record; leveraging diverse digital recruitment platforms; offering a candidate referral program; increasing employee engagement while working remotely, from home, in a hybrid mode or from an office/place of business; and holding recruitment events either locally or virtually to increase visibility. However, businesses that decide to recruit virtually and hire remote employees in different states should be mindful of any administrative considerations, such as tax implications and compliance with applicable state labor regulations. (See the "Navigating Employment Law" section below.)



### 4. Broadening your hiring and onboarding approach

Especially if you need to recruit or bring over expatriate talent, consider which demographics are most likely to relocate, and think through what types of relocation benefits would be most enticing. If you are only looking at the workforce within the area where you're expanding, then you may be missing out. You can also consider hiring full¬-time remote employees to expand the pool of potential talent. Another option is using outsourced human capital management or other resource solutions—such as managed IT services—to address targeted needs, which can help increase agility and allow your business to scale more quickly.

### 5. Ensuring regular and transparent candidate communications

Whether through technology-enabled platforms or not, it is important to regularly thank candidates after they complete each step, provide an honest and timely update on the status of their application, and most importantly, let them know if your hiring strategy has shifted focus. In the future, that candidate may be a fit for another role, so it is important to preserve the relationship.

### 6. Implementing thoughtful onboarding processes and procedures

It is not enough to successfully secure candidates—it is important to set them up for success from the beginning. This could include creating a "cheat sheet" document they can reference while they become familiar with regular processes and internal dynamics, giving them an internal supervisor or formal mentor to guide them through internal and even external dynamics, and providing regular and constructive professional reviews to update them on their progress.

### 7. Outlining your path to digital transformation and making sure you are implementing employee education to support its success

Digital transformation will be key to your organization thriving with a digitally enabled workforce and operations. However, lack of skills, insufficient employee training and employee pushback are among the top reasons that digital initiatives fail. Supporting employees across your organization in digital transformation efforts will be key to ensuring your long-term success, particularly because a digitally driven customer experience plays a greater role in customer loyalty.

## Leading a Reimagined Workforce

COVID-19 forced changes to traditional U.S. workforce norms in a short time frame, and many of these changes will likely continue. Organizations should be prepared to support and guide their workforce in this new reality where remote, work-from-home, and hybrid working models have become much more common.

Data from the University of Chicago's Becker Friedman Institute estimates that 37% of all U.S. jobs can be performed entirely from home. And recruitment services provider Zippia found that 74% of U.S. companies either use, or plan to use, a hybrid work model on a permanent basis. Overall, many organizations will likely shift to a hybrid model with some employees on-premises and others remote or have an increased number of work-from-home days for all employees, which allows greater flexibility for where and when work is conducted.

As organizations continue to reimagine their new reality for how work is conducted, they should continue what has been working, reinvent what has not, and build more agility and flexibility into work. To do that, they will need to focus on three areas—people, place and productivity—and ensure that each is designed to support the company's mission and strategy.

## PEOPLE

**Focus on Culture**
Ensure culture is positive and reflects the mission.

**Past Is Not Prologue**
Create staffing forecasts based on historical data but without relying on historical assumptions.

**Maintain Morale**
Evolve cultural and camaraderie-building activities to fit a new, more flexible work environment.

**Get Personal**
Provide guidance for professional relationship-building that accounts for changed dynamics.

**Rethink Travel**
Reassess opportunities where travel could continue to be replaced by virtual meetings.

**Review Professional Skill Sets**
Continually reassess needed skill sets for a new—and evolving—environment.

**Serve Others**
Reconsider your organization's ability to make an impact.

## PLACE

**Assess Workplace Space**
Assess changing space needs to determine the ideal physical footprint.

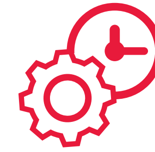
**Optimize Office**
Rethink the open floor plan and redesign for safety and productivity.

**Change Collaboration Style**
Enable and support online meetings when possible and appropriate.

**Recruit From Anywhere**
Expand your talent pool by recruiting virtually from around the country—or world—for remote positions.

**Work From Anywhere**
Plan to accommodate geographic change of employees in roles that allow them to work from any location.

**Evolve Expense Policy**
Consider evolving gas or parking perks to reimburse Wi-Fi or connection costs. Consider an office setup stipend for remote workers.



## PRODUCTIVITY

**Drive Digital Transformation**
Increase productivity and identify new revenue opportunities.

**Accelerate Automation**
Streamline routine tasks, processes and jobs that can be automated.

**Adjust Employee Shifts**
Consider flex hours to allow employees to work at the times best for them.

**Focus on Innovation**
Establish an innovation lab for creative approaches to new problems or opportunities.

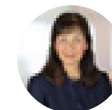
**Invest in Infrastructure**
Ensure your IT is aligned with long-term strategy.

**Connect in the Cloud**
Ensure adoption of cloud-based collaboration tools.

**Craft Customer Service**
Tailor new customer service strategies to individual needs.

Organizations that are able to reimagine their workplace will ultimately demonstrate resilience to their internal and external stakeholders.

For more on this topic, dive into our **What's Next for Work** series, or reach out to **Greg Gratteau** (Managing Director, Human Capital Management Services Leader), **Judy Canavan** (Compensation Surveys Practice Leader, Global Employer Services Managing Director), or **Ric Opal** ((BDO Digital Principal, National IT Solutions and Strategic Partnerships Leader) for more information. ▶



## NAVIGATING EMPLOYMENT LAW

Because of the litigious nature of the U.S., navigating employment law is an important part of ensuring a successful expansion into the market. Doing so is no small feat—the U.S. Department of Labor (DOL) administers and enforces more than **180 federal laws**, covering workplace activities for about 10 million employers and 150 million U.S.-based workers. Though each state has its own additional nuances, U.S. employment law generally can be viewed under several lenses:

**Wages and hours:** Under the Fair Labor Standards Act, U.S.-based employers must comply with certain wage and overtime pay standards. These include:

- Paying specific employees at least the federal minimum wage and overtime pay of 1.5x the regular rate of pay.
- Restricting hours that children under 16 work and prohibiting children younger than 18 from working in certain jobs.
- Prohibiting the employment of children younger than 16 during school hours for agricultural operations.

Workplace health and safety: The Occupational Safety and Health Administration (OSHA) administers the Occupational Safety and Health Act, which requires employers to:

- Comply with broad regulations, as well as safety and health standards.
- Provide employees with work and a workplace free from safety hazards.
- Comply with workplace inspections and investigations.

**Workers' compensation:** The DOL's Office of Workers' Compensation Programs does not administer or oversee private company or state government compensation programs, so organizations should consult with the office overseeing the program for the state in which they are interested in operating. The DOL does oversee and require certain measures relating to:

- Compensation and medical care for certain maritime employees.
- Payment and prospective medical benefits to employees of the Department of Energy and contractors and subcontractors due to cancer or illness caused by radiation exposure.
- Monthly payments and medical benefits to miners who have suffered disabilities from their work.

**Family and medical leave:** The law requires employers with at least 50 employees to offer up to 12 weeks of unpaid, job-protected parental leave, or leave for serious illness of an employee or the employee's close family member. Employers coming from abroad that are accustomed to offering more generous family leave may find that this is an area where they can differentiate themselves in the marketplace.

**ERISA and retirement plans:** The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets the minimum standards for most voluntarily established retirement and health plans to protect plan participants. Employers that implement retirement plans must comply with certain IRS requirements in order to maintain tax-qualified status and comply with DOL requirements in order to avoid adverse consequences from the DOL. These regulations include, but are not limited to:

- Establishing plans for the benefit of employees and not designed in favor of highly compensated employees, as applicable.
- Providing annual disclosures to participants on certain plan features, investments, and administrative expenses.
- Meeting minimum standards for participation, vesting, benefit accruals, and funding.
- Establishing and upholding fiduciary responsibilities for those who manage and control plan assets.
- Providing a grievance and appeals process for plan participants.

It is important for employers to partner with qualified service providers to ensure plans are administered in a compliant manner.

**Worker classification:** It is critical to ensure workers are properly classified as employees or independent contractors (freelancers). Generally speaking, the IRS considers individuals to be employees if the company has the right to direct and control the specific services to be performed and the manner in which they are performed. It typically costs an employer more to pay an employee than an independent contractor for the same services due to employment taxes and providing employee benefits required under federal and/or state laws.

The IRS has viewed worker classification as a major contributor to the gap between total taxes owed and total taxes paid in the U.S. ("tax gap"). Consequently, the IRS has devoted significant resources to auditing the proper classification of workers and is traditionally very aggressive in wanting to treat every worker as an employee who could possibly be considered one. Below is a high-level summary that illustrates some of the key differences between an employer's responsibilities associated with paying an employee versus an independent contractor.

| EMPLOYEE | INDEPENDENT CONTRACTOR |
|---|---|
| Form W-4 and other new-hire paperwork | Form W-9 |
| Tax withholding required from payments | No tax withholding required from payments |
| Employer pays additional taxes | No employer taxes |
| Form W-2 | Form 1099 |
| Generally receives certain benefits | Does not receive benefits |

**Remote workers:** As more companies consider using full-time remote employees, it is important to understand and comply with requirements for proper reporting, tax withholding, and tax remittance. Generally, the employee's resident state or country will dictate which tax jurisdiction has the right to tax the employee, but this varies by jurisdiction and can depend on whether—and for how long—the employee travels for work or works remotely in a nonresident work location. Also, many states do not directly address this issue in laws and regulations. The employer must navigate the state-specific rules to determine the proper reporting, tax withholding, and tax remittance for remote employees in each state, which can result in a host of compliance difficulties and potential exposure for employers.

**BDO'S QUICK TAKE:**

*"Organizations of all sizes and types have had to rethink their workforce strategies, and for those with international operations, the future of global mobility has never been more interesting. The uncertainty of the pandemic and the resulting 'work from home' situations have led to many employees working remotely across borders, which may become more of the norm. As such, global employers will need to be tuned into the logistical and regulatory challenges that will come from these more unique situations. As companies continue to compete for top talent, being flexible and adaptable to remote workers, whether domestically or abroad, will be a critical element in shoring up the right workforce while staying in compliance with local law and reporting requirements."*

**ALEX LIFSON**
Managing Partner, Global Employer Services
National Practice Leader

Contact Alex Lifson to learn more about global mobility considerations. ▶

# ENSURE ONGOING LEGAL AND REGULATORY COMPLIANCE

Foreign companies considering U.S. expansion should pay close attention to requirements for legal and regulatory compliance. Due to the substantial complexity of the U.S. legal and regulatory environment, it is critical to assess compliance needs and potential risks in the following areas:

- **Accounting and financial reporting:** Reporting requirements have evolved, and the regulatory regime has taken a tougher stance on noncompliance.
- **Data protection:** Consumer data privacy laws can vary by state and local jurisdiction, as well as by industry.
- **International trade:** There can be shifting risks related to customs duties and tariffs.
- **Taxation:** The evolving U.S. tax environment has different requirements at the federal, state and local levels. It is also important to understand compliance needs for applicable tax credits and incentives, as well as transfer pricing issues for cross-border operations.

These considerations should not pose a barrier to U.S. expansion for foreign companies, but it is critical to assess and clarify all requirements so you can clear a path to ongoing success.

## Top Global Barriers to U.S. Expansion

**U.S. Laws & Regulations**

**Site Selection & Incentives**

**Customs Duties & International Trade Tensions**

**Navigating U.S. Taxation**

## Top 3 Barriers to Entering the U.S. Market By Region or Country

**CANADA**

1. Navigating U.S. Taxation
2. Customs Duties & International Trade Tensions
3. Physical Distance

**EUROPE**

1. Site Selection & Incentives
2. Customs Duties & International Trade Tensions
3. Navigating U.S. Taxation

**ASIA/PACIFIC**

1. U.S. Laws & Regulations
2. Site Selection & Incentives
3. Political Climate

**LATIN AMERICA & CARIBBEAN**

1. Obtaining Credit Capital
2. Credential Transfer
3. U.S. Laws & Regulations

**AFRICA/MIDDLE EAST**

1. Site Selection & Incentives
2. Obtaining Credit Capital
3. Immigration

**OCEANIA**

1. Customs Duties & International Trade Tensions
2. U.S. Laws & Regulations
3. Human Rights

## NAVIGATING TOP-OF-MIND U.S. LAWS & REGULATIONS

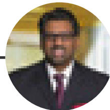
### Accounting & Financial Reporting Requirements

Unlike many other countries, the U.S. does not have blanket statutory audit requirements. Audits are generally conducted at the direction of the company or its shareholders; if required by a financial institution; or, if a public company, required by U.S. regulators.

From time to time, U.S. regulators introduce new or amended accounting and auditing standards. These new requirements cause companies to continually assess their accounting and financial reporting practices, and they often require significant new and more complex data sources. In addition to impacting internal accounting policies and procedures, adoption of new standards may materially impact capital resource allocation, tax planning and management of resources.

To navigate changing accounting and audit requirements, organizations should:

- Ensure they fully understand new and shifting requirements—including financial statement preparation, tax planning, compliance and reporting implications, information systems, technology and business processes.
- Conduct a gap assessment to identify and prioritize areas for resource allocation and continuing education.
- Consider the appropriate financial reporting standards (International Financial Reporting Standards or United States Generally Accepted Accounting Standards) required by investors/lenders and which accounting software to support the business and financial reporting..
- Reassess financial reporting and disclosure risks and opportunities, and update internal controls.
- Assess the impact of new standards on other business transactions or acquisitions they might be planning.



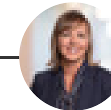
Contact Thiru Govender to learn more about accounting and financial reporting requirements. ▶

### Privacy and Data Protection

U.S. companies have grown increasingly reliant on transforming their digital capabilities, resulting in the need to improve consumer privacy and protection practices. U.S. policymakers at the local, state and federal levels are swiftly updating data protection laws for the always-connected digital users.

Any failure by companies operating in the U.S. to adequately protect individual privacy rights can have severe reputational, financial and legal consequences. Therefore, all businesses operating in the U.S. should:

- Identify locations of personal data and map the risks associated with that data.
- Map a privacy and data protection strategy that aligns with U.S. federal and state privacy laws, as well as applicable foreign rules.
- Implement holistic data governance programs, including enterprise information management, security controls, and incident response programs, which must include internal training and awareness.
- Assess and consider privacy implications of new technology implementations, business processes and transformation projects.
- Have systems in place to assist with responding to privacy breaches, including crisis management, timely notification, fraud prevention, investigations and insurance recovery.



Contact Karen Schuler to learn more about privacy and data protection. ▶

## INTERPRETING VARYING SITE SELECTION & BUSINESS INCENTIVES

As mentioned above, the U.S. is a large, diverse market with varying opportunities and challenges depending on location. This is especially true when it comes to choosing the right location, and many foreign executives are challenged by the numerous incentives, political landscapes, and processes for obtaining formal offers from state and local communities.

In general, organizations must navigate incentives at the federal, state and local levels related to free or subsidized real estate, utilities cost reductions, renewables, workforce recruitment, and tax credits or rebates, among others. See the section on developing an incentives strategy in the **Choose a Strategic Location** chapter.

**Contact Tom Stringer** to learn more about site selection and incentives. ▶

## MITIGATING RISK AROUND CUSTOMS DUTIES & INTERNATIONAL TRADE TENSIONS

The growing uncertainty around customs and international trade regulations has brought the issue to the forefront of foreign executives' U.S.-specific concerns. Shifting alliances between the U.S. and its largest global trading partners can lead to new policies and regulations that may prompt significant changes to current processes, standards and operations. For example, a range of new tariffs were announced during the Trump administration. And the Biden administration has taken steps to prevent the **import of products that use forced labor**, which requires companies to have greater visibility into their supply chains. Imports from Russia Into the U.S. Also now attract the "Column 2" highest duty rates reserved for "pariah" states like Iran and North Korea.

Notably, the United States-Mexico-Canada Agreement (USMCA), which replaced the 26-year-old North American Free Trade Agreement (NAFTA), took effect **July 1, 2020**. While USMCA retains most of NAFTA's rules, it does make several changes, including some with significant implications for the auto industry.

Organizations whose U.S. operations depend on imported goods could see their production costs increase, while manufacturers targeted by retaliatory tariffs may find their products becoming less competitive overseas. With significant changes to U.S. controls related to emerging technologies and tightening economic sanctions, companies that export from the U.S. also need to ensure they are in compliance with all U.S. export controls and other restrictions (e.g., the Russia sanctions).

Historically, companies operating in the U.S. were able to take a more reactive approach to customs and trade requirements. Today's reality is different. **Companies should be proactive with customs planning** to help mitigate risk in an appropriate and timely manner. They cannot rely on third-party customs brokers/freight forwarders to provide sophisticated advice on the many complex issues facing global traders in a fast-changing regulatory and enforcement environment.

**Contact Damon Pike** to learn more about customs duties and international trade. ▶

## NAVIGATING A DIVERSE TAXATION ENVIRONMENT

Navigating the continually evolving U.S. tax environment is one of the most formidable obstacles for foreign executives, especially because rules vary by state and local jurisdiction. Most foreign executives are not accustomed to accounting for the large number of jurisdictions, including state and local as well as federal, in the U.S. market.

### State and Local Tax Issues

The U.S. has 50 states and thousands of local tax jurisdictions—each with its own set of rules and regulations. For most organizations operating in the U.S., state and local taxes represent the bulk of the overall tax burden.

Companies—especially foreign companies unfamiliar with the various jurisdictions and reporting requirements—might not even realize they have incurred tax liabilities, which may result in penalties and interest for failure to comply. For instance, most U.S. tax treaties do not apply to states and localities. A non-U.S. business may not have a permanent establishment in the U.S. to be subject to federal income tax, but that does not mean it is immune from state and local income taxes, even if the business has no physical U.S. presence. Even if a non-U.S. business is not subject to a state's income tax, it must assess compliance with rules that allow states to tax remote sales based on their economic nexus statutes. (See BDO's **Economic Nexus Standards by State guide**.)

When it comes to their state and local tax liability, organizations expanding into the U.S. should consider:

- Income, franchise and gross receipts tax compliance.
- Property tax burden both for real and personal property.
- Sales and use tax compliance, and when and how to automate.
- Excise tax reporting requirements.
- Unclaimed property compliance.

### Understanding Transfer Pricing

Transfer pricing issues are some of the toughest and potentially most costly issues facing organizations with cross-border operations. Under Internal Revenue Code Section 482, the IRS can make transfer pricing adjustments in transactions between commonly controlled entities if the parties do not set the price on arm's-length terms. The arm's-length principle requires that the amount charged by a related party to another related party for a specific product, service or use of funds must be the same as if the transaction were between unrelated parties.

IRC Section 482 applies to organizations owned or controlled, directly or indirectly, by the same interests. Organizations that fall into this category and are expanding operations to the U.S. will need to develop transfer pricing policies that are defensible, flexible and aligned with their larger tax strategy. In addition to properly documenting the transactions, establishing an arm's length price and creating documents to support such price, common issues to consider include:

- The transfer or use of tangible property.
- The creation, transfer or use of intangible property.
- The use of funds through loans and advances.
- The provision of services.

### Capitalizing on Innovation – Research and Development (R&D) Tax Credits

R&D tax credits can directly offset organizations' total tax liability. Though many companies do pursue this option every year—recouping billions of dollars in credits—many other companies leave billions unutilized because they do not realize they are eligible.

Beginning in 2022, companies, however, should capitalize on R&D expenditures if they have spent resources on the development of new products, processes, or software, regardless of whether those efforts were successful or not. When it comes to claiming R&D tax credits, organizations should keep in mind:

- Credits are available federally and in many states in the U.S. allowing for multiple levels of benefit based on where qualified activities are being performed.
- Eligible expenditures for R&D are generally eligible for a 10% tax credit to the extent that they exceed a base amount.
- Organizations can claim a 20% R&D tax credit for qualified basic research payments.

For tax years beginning after December 31, 2021, taxpayers are now required to capitalize R&E expenditures over a five-year period for activities performed within the U.S. and over a 15-year period for those performed outside the U.S., which increases the importance of tracking this information.

(See BDO's **U.S. R&D Tax Credit Calculator**.)

## Supporting Renewables – Clean Energy Tax Credits

The Inflation Reduction Act introduced new tax credits and structures that support investment in clean energy and modified many energy-related tax credits. Under the new credit structure, tax incentives are subject to a base rate as well as a bonus rate that has specific requirements for qualification. There are also new options for monetizing tax credits through direct pay and transferability, which is a significant shift.

Companies may qualify for available credits in multiple areas, including:

- Renewable electricity investment and production.
- Energy storage.
- Carbon capture.
- Production of clean hydrogen.
- Sustainable aviation and biofuels.
- Electric vehicles and charging infrastructure.
- Advanced domestic manufacturing.
- Greenhouse gas reductions.

Contact Mark Schuette to learn more about the potential tax implications of expanding your business to the U.S.

## THE GROWING FOCUS ON ESG

In the last few years, investors, consumers, regulators and other stakeholders have significantly increased their focus on environmental, social, and governance (ESG) risks. As regulatory requirements and industry standards related to these factors evolve, it is important to stay up to date on new developments.

To learn more, visit BDO's ESG Center of Excellence and read our recent insights, ESG and the Inflation Reduction Act of 2022 and The Path to ESG Reporting and Attestation Readiness.

# NAVIGATE THE ROAD AHEAD

As business leaders focus on the future and develop growth plans, they should consider how to best chart a path toward sustainable success for the months and years ahead. Although domestic and global economies will experience ups and downs, savvy leaders look for favorable long-term trends in market conditions to help support their investments. Expanding into the lucrative U.S. market can help achieve growth goals thanks to a stable and advantageous business climate and a wide range of opportunities.

## CONTINUING THE RECOVERY

Economic recovery from the pandemic-related recession in 2020 has been progressing well in the U.S., aided in part by the Federal Reserve's favorable monetary policy and multiple relief packages passed by federal lawmakers. During 2022, a confluence of macroeconomic factors has slowed that recovery somewhat amid rising geopolitical tensions, ongoing supply chain challenges and talent shortages, and high inflation that has prompted repeated interest rate hikes.

Despite some recessionary pressures, the U.S. remains an advantageous location for expansion, and there is cause for optimism about what lies ahead. According to the OECD, **global FDI in H1 2022** reached the highest half-year levels since 2013 at $972 billion, and the U.S. remained the top destination for FDI. **The 2024 BDO Middle Market CFO Outlook Survey**, also shows that 76% of CFOs anticipate a rise in profitability during 2023, while 12% expect it to remain the same.

Recently passed federal legislation can also drive additional investment and support business activity more broadly and raise the **potential for more public-private partnerships**. The Infrastructure Investment and Jobs Act (also known as the Bipartisan Infrastructure Law) was signed into law in November 2021. It provides $550 billion in new spending above baseline levels, and the focus areas include roads and bridges, airports and ports, public transit, passenger rail, electric vehicle charging and power infrastructure.

Similarly, the Inflation Reduction Act includes the largest-ever U.S. investment to combat climate change. It allocates $369 billion to energy security and clean energy programs over the next 10 years and introduces significant energy-related tax credits. These measures further add to the favorable business climate in the U.S.

## BUILDING AGILITY AND RESILIENCE

Although there are ample opportunities to explore in the U.S. market, all businesses should prepare for challenges and address risks accordingly. It is critical to adopt a posture that mitigates economic volatility by fostering agility and developing operational resilience for the long term. As part of this process, companies should consider the following steps:

- Conducting thorough, regular risk assessments of global business operations—taking a holistic approach—to improve response and recovery times and prevent foreseeable threats.
- Reviewing the pace of expenditure in relation to expansion plans to help ensure capital efficiency and cost optimization.
- Identifying **tax planning opportunities** to increase liquidity by reviewing resources and programs and maximizing available benefits.
- Assessing any impacts of changes in customer behaviors and sales to shift resources where appropriate and capitalize on emerging market opportunities.
- Evaluating potential business transformation for new business models, products and/or services, shedding unprofitable business segments when necessary.
- Exploring opportunities for partnerships and M&A to drive growth, diversification and new market development.

# Land of Opportunity

We have an opportunity to reinvent the rules of business in our global marketplace. At this inflection point, the choices we make to transform our businesses and adapt quickly to our new reality will likely mean the difference between thriving or being left behind.

Technology has connected organizations, customers and the global supply chain more than ever before—making international expansion more realistic and attractive. With the right combination of foresight, focus and preparation, businesses can turn uncertainty into opportunity and seize the moment.

The U.S. market encourages and rewards those with an entrepreneurial spirit who are driven to find success for their ideas, products and services. This is the moment to embrace innovation and change so you can pave the way for a thriving U.S. business and long-term growth.

**Reach out to learn more about successfully expanding into the U.S.:**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**People who know, know BDO.**[SM]

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