

// A BOARD LEVEL PLAYBOOK FOR FINANCIAL LEADERS

The CFO's Guide to U.S. Expansion

The Shift From Capital Preservation to Enterprise Value Creation

Foreword

// UNITED STATES

Somewhere in the United States this morning, a CFO of a venture-backed tech company poured a first cup of coffee and asked one question: How do we increase enterprise value today?

// EUROPE

Somewhere in London, Berlin, or Amsterdam, a CFO at a company of similar size, similar growth rate, similarly backed by top-tier venture capital, poured a first cup of coffee and asked a different question entirely: How do we preserve capital today?

Same title. Same responsibilities on paper. Fundamentally different operating systems.

Neither instinct is wrong. Capital discipline is, in most contexts, exactly what a CFO should be optimizing for. But **US expansion is not most contexts**. It's the one decision in a company's lifecycle where capital preservation, applied reflexively, becomes the biggest risk on the table — because the US market rewards speed and share capture in a way that a conservative, wait-and-see budget cannot keep pace with.

// THE SHIFT

This guide exists to help you make that shift deliberately, not accidentally. Not by abandoning capital discipline — you'll need it more than ever — but by pointing it at a different target: **growth, market share, and enterprise value**, instead of runway extension alone.

// THE CFO'S ROLE

The board makes the call to expand. You make it work. This guide is about that second part.

One decision. Two financial lenses.

The lens you choose determines what the expansion optimizes for — and what it quietly puts at risk.

// CAPITAL PRESERVATION

What's the cheapest way to get this done?

OPTIMIZES FOR

Current-quarter spend

RISKS

A cautious entry that never earns market share.



// ENTERPRISE VALUE

What gets us to defensible share fastest?

OPTIMIZES FOR

Speed + managed risk

RISKS

Disciplined investment before certainty arrives.

// THE CFO QUESTION

What creates enterprise value — not merely the lowest bill this quarter?

Why Companies Expand to the US

The scale of the US market is easy to state and genuinely hard to internalize until you're operating inside it.

// MARKET SCALE

The United States represents over **330 million** consumers inside a single regulatory and economic bloc — no customs borders, no currency conversion, no cross-border logistics between your first customer in Austin and your hundredth in Seattle. It's a **\$26.9 trillion** economy, the **largest in the world**, generating more annual GDP than the next three largest economies combined.

// CAPITAL SCALE

For venture-backed companies specifically, the US is also where the capital is. Roughly **\$300 billion** in venture capital is deployed in the US annually — more than the rest of the world's venture markets combined. It's home to the **NYSE and NASDAQ**, the two exchanges every high-growth company eventually measures itself against, whether or not an IPO is on the current roadmap.

// THE CFO'S REFRAME

For a company that has already found product-market fit at home, the US isn't just another market to enter. It's usually the market — the one place where the total addressable market, the capital availability, and the competitive benchmark all point in the same direction at once.

That's the opportunity. It's also exactly why so many companies get the execution wrong.

What Keeps a CFO Up at Night

Ask a CFO what they're actually afraid of when it comes to US expansion, and the answer is rarely "we won't grow." It's more specific, and more uncomfortable, than that:

- Expenses come in materially higher than forecast — because the pro forma was built on assumptions from the home market, not the market you're actually entering

- Revenue ramps slower than the board was told to expect — because go-to-market assumptions didn't account for how differently US buyers evaluate, budget, and close

- A compliance issue surfaces months after the fact — a missed state filing, a misclassified worker, a sales tax obligation nobody knew existed — and it lands on your desk as a penalty, not a warning

- Turnover among early US hires disrupts the one function — sales — that the entire expansion depends on getting right in year one

- The board loses confidence — not because the strategy was wrong, but because the numbers you're reporting keep moving, and you're the one explaining why

// THE PATTERN IS PREDICTABLE

None of these are hypothetical. They're the recurring, predictable failure points behind expansions that don't deliver what the board approved — and independent research backs up how common they are. A Gartner survey of software providers found that **30% of first-time geographic expansions** are still unprofitable two years after launch, with over-reliance on home-market playbooks cited as a leading cause.¹ For a CFO, that's not an abstract statistic — it's a direct description of what happens when the pro forma, the hiring plan, and the compliance framework are all built on assumptions imported from somewhere else.

// WHAT THIS GUIDE DOES

This guide is not written to help you decide whether to expand. That decision, in most cases, has already been made at the board level by the time this guide is useful to you. It's written to help you get ahead of the specific failure points above — before they show up as a line item you have to explain.

// WHAT STRONG CFOs SHARE

The CFOs who avoid these outcomes almost always share one trait: they treated execution as a discipline requiring dedicated expertise, not a project to be absorbed into an already full plate. The chapters ahead will make clear exactly why that distinction matters as much as it does.

¹ Gartner, "Gartner Survey Finds 30% of Software Providers' First-Time Geographic Expansions Remain Unprofitable After Two Years," March 2025.

Who This Guide Is For

This guide is written for the CFO of a venture-backed European or UK tech company that has:

01

Meaningful recurring revenue, with product-market fit already established at home

02

Significant growth capital raised or committed

03

A board that has approved, or is actively evaluating, expansion into the United States

// BUILT FOR YOUR SEAT

If that's your seat, the chapters ahead are built around the actual sequence of decisions you're about to face — not a generic "how the US works" primer, and not a step-by-step operations manual.

How to Use This Guide

This guide is deliberately not a how-to manual. You will not find state-by-state tax filing instructions, sample visa applications, or line-by-line payroll setup steps here. That's intentional, for two reasons.

01

BUILT TO STAY CURRENT

First, that level of detail goes stale fast — regulations, thresholds, and requirements shift constantly, and a static guide that tries to be your execution manual will mislead you the moment something changes.

02

BUILT FOR BOARDROOM JUDGMENT

Second, and more importantly: the goal of this guide is to **build your credibility in the boardroom**, not your competence in the compliance filing. Every chapter is built to give you the judgment, the vocabulary, and the framework to ask the right questions, evaluate the right tradeoffs, and know precisely where your team's expertise ends and where specialized help becomes non-negotiable. What you do with that judgment — build in-house, hire a partner, or some combination — is your call. This guide's job is to make sure it's an informed one, and one you can defend confidently to your board.

// HOW TO READ IT

Read it in order the first time. After that, use it as a reference — pull the chapter you need when the board asks the question you weren't expecting.

01

Are You Ready?

A readiness framework for the CFO.

A two-step framework, six diagnostic lenses, and the questions that turn readiness from a feeling into a board-level decision.

01

Framework

02

TAM Check

03

Home PMF

04

Capital

05

Demand

06

Team Depth

Are We Actually Ready to Do This?

// THE READINESS QUESTION

Before a board approves US expansion — or holds a founder to a launch date — someone needs to answer a harder question than "do we want to do this?" **The real question is "are we actually ready to do this?"** That's rarely a gut call. It's a structured assessment, and it's one you can own.

This part gives you that structure: **a two-step framework, six diagnostic lenses, and a set of questions you can bring straight into a board meeting.** None of it requires outside help to walk through.

01

TWO-STEP FRAMEWORK

02

SIX DIAGNOSTIC LENSES

03

BOARD QUESTIONS

// THE BOARDROOM OUTCOME

All of it will change the quality of the conversation you have with your board about timing.

1. The Two-Step Readiness Framework

Readiness breaks into two distinct phases, and conflating them is where most premature expansions start.

01

ASSESS CURRENT STATE

Step One: Assessment of Current State. Before anyone plans a single US hire or lease, the company needs an honest read on where it stands today — product market fit at home, financial position, existing signals of US demand, and leadership bandwidth. This step answers one question: is this company, as it exists right now, a credible candidate for US expansion?

02

PREPARE FOR EXPANSION

Step Two: Preparation for US Expansion. Only once Step One clears does planning begin — founder commitment, site selection, financial modeling, compliance infrastructure, talent readiness, and go-to-market strategy. This is the execution layer, and it's where the rest of this guide lives.

// THE MISTAKE TO AVOID

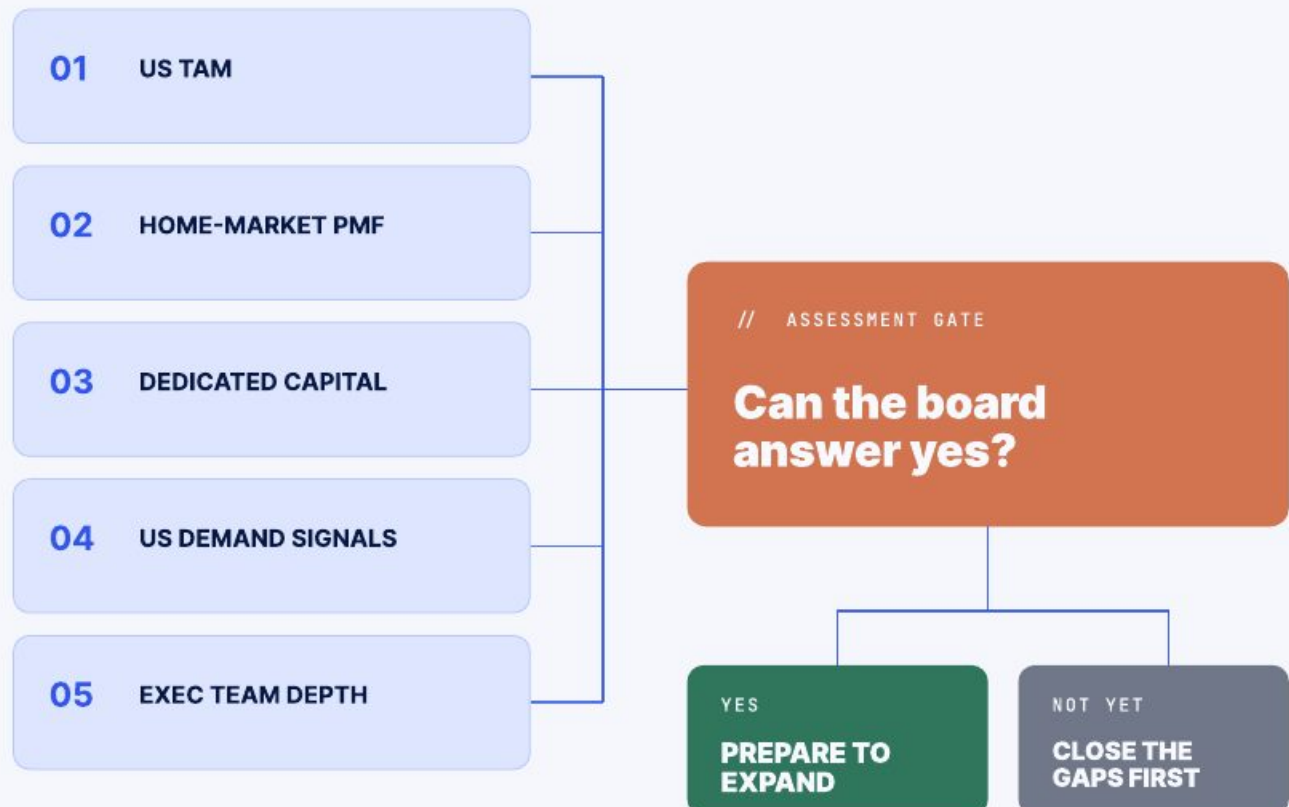
The mistake to avoid: skipping straight to Step Two because expansion feels urgent or a competitor just announced a US office. A board that lets planning get ahead of readiness is planning for a market that hasn't been validated yet.

// BRING TO YOUR BOARD

Have we formally assessed our current-state readiness, or have we moved straight into planning because expansion feels overdue?

Five signals enter. One decision comes out.

A shared vocabulary for management and the board: did we actually pass the gate?



**A “no” is not disqualifying.
An invisible gap is.**

The purpose of the gate is clarity before capital is committed.

2. Is the US Actually Your Market? (TAM Check)

The first readiness gate is deceptively simple: does the US represent more than 50% of your total addressable market?

>50%

OF TOTAL ADDRESSABLE MARKET

The threshold that makes the US a defensible priority.

// INTERROGATE THE WHY

If it doesn't, that's not necessarily a reason to stay home — but it is a reason to interrogate why US expansion is the priority over other markets, or over deepening penetration at home. Boards and founders are often pulled toward the US by prestige and capital-market gravity as much as by TAM math. The CFO's job here is to make sure the decision is being driven by **where the addressable revenue actually sits**, not by where it feels most important to be.

// BRING TO YOUR BOARD

What share of our global TAM does the US actually represent, and is that the real basis for this decision — or is it something else?

3. Home Market Product-Market Fit: The Real Litmus Test

Exporting a business model to the US before it's proven at home is one of the most common — and most expensive — readiness failures. Six metrics tell you whether home-market PMF is real enough to export:

01

Total ARR — is there a meaningful, defensible revenue base?

02

12-Month Revenue CAGR — is growth accelerating, flat, or slowing?

03

Sales Targets vs. Actuals — is the sales team consistently hitting plan, or is forecasting itself unreliable?

04

Inbound Lead Velocity — is demand pulling the company forward, or is growth entirely outbound-driven?

05

% of Sales Reps Over Target — is success concentrated in one or two star performers, or is the model repeatable across a team?

06

Retention / Churn % — are customers staying, or is growth masking a leaky bucket?

// THE REAL LITMUS TEST

A company that's shaky on more than one or two of these isn't lacking a US strategy — it's lacking a proven model to replicate. The US market will expose those cracks faster and more expensively than the home market did.

// BRING TO YOUR BOARD

Which of these six metrics would we be least comfortable presenting to a new US investor today?

4. Capital Readiness — Two Separate Numbers, Not One

This is the single most common budgeting mistake CFOs make at the readiness stage: treating US expansion capital as an extension of the existing runway, rather than as its own dedicated pool.

Capital readiness actually requires two separate numbers, held side by side:

01

HOME-MARKET RUNWAY

Current burn rate, covered for 18–24 months — the capital required to keep the existing home-market business running and healthy, independent of anything happening in the US

02

DEDICATED US CAPITAL

Dedicated US expansion capital — a distinct budget for the US launch and operations, sized specifically against the US pro forma (covered in Part 4)

// WHAT A BLENDED NUMBER HIDES

Blending these into a single number is how boards end up surprised six months in — either the home business gets starved to fund the US effort, or the US effort gets under-resourced to protect home-market runway. Neither is a decision anyone consciously made; it's what happens by default when the two aren't separated from the start.

// BRING TO YOUR BOARD

Do we have two distinct, fully funded numbers for home-market runway and US expansion capital — or one blended budget doing double duty?

5. US Market Demand Signals — Proof Before You Invest

Readiness isn't just about being capable of succeeding in the US — it's about having evidence that demand already exists before committing real capital. Five signals matter most:

01

Number of US paying customers (even a small handful, prior to any formal launch)

02

US revenue as a % of overall revenue

03

Velocity of US revenue — is it accelerating on its own, organically?

04

US inbound direct leads

05

US inbound partner leads

// PROOF BEFORE CAPITAL

Companies with zero organic US signal aren't necessarily unready — but they're making a higher-risk bet, and the board should understand that distinction clearly. Companies with some existing signal are, in effect, **already being pulled into the US market**; expansion becomes about resourcing something that's already happening, rather than manufacturing demand from scratch.

// BRING TO YOUR BOARD

Is there already organic evidence of US demand, or would this expansion be the first time we test whether the US market wants what we sell?

6. Executive Team Depth — Can You Actually Run Two Continents?

The last readiness gate is the one boards most consistently underweight: does the leadership bench have the depth to run two markets simultaneously?

90%

FOUNDER FOCUS ON THE US

12-18

MONTHS OF EXPECTED COMMITMENT

// THE LEADERSHIP DEPTH TEST

Founder-led US expansion is, in almost every successful case, non-negotiable — the founder needs to be leading investor relationships, site selection, early sales, and strategic partnerships in the US personally. That's not a part-time commitment layered on top of existing responsibilities — it typically means the founder is **roughly 90% focused on the US** for the **first 12-18 months**. That only works if there's a **strong second executive** capable of running the corporate office at home while the founder is almost entirely US-focused. Without that person in place, one of two things happens: the home business drifts without leadership, or the founder never truly commits to the US, and the expansion stalls in a permanent half-measure.

// BRING TO YOUR BOARD

If our founder/CEO were roughly 90% focused on the US for the next 12-18 months, who is running the company at home — and are they ready for that today?

Chapter Summary: The Readiness Gate

Before moving into Part 2, a CFO should be able to answer six questions with confidence:

01 Have we assessed current-state readiness before jumping to expansion planning?

02 Does the US genuinely represent the largest share of our addressable market?

03 Is our home-market PMF strong enough across all six metrics to be worth replicating?

04 Do we have two distinct, fully funded capital pools — not one blended budget?

05 Does organic US demand already exist, even in small signal form?

06 Is there a leadership bench deep enough to run two continents at once?

// A "NO" IS NOT DISQUALIFYING

A "no" to any of these isn't disqualifying — but it's a gap the board needs to see clearly, not one the CFO should be absorbing quietly. The chapters in Part 2 pick up from here: what happens once the board has weighed these answers and made the call to move forward.

// FREE READINESS ASSESSMENT

The six gates above can be worked through narratively, as this part has done — or scored formally through USXP's free online US Expansion Readiness Assessment, which walks through these same dimensions and returns a structured result you can bring directly into a board conversation: usxp.co/readiness-assessment

02

The Board Has Decided — Now What?

The operating sequence begins after the strategic yes.

The CFO now translates board intent into budget lines, hiring plans and governed execution.

07

EXECUTION

08

VALUE LENS

09

DIY TRAP

From Strategic Yes to Operating Reality

The readiness gate has cleared. The board has approved US expansion. And somewhere in the days that follow, the mandate lands on the CFO's desk with a scope far broader than anyone anticipated when the decision felt like a strategic yes/no. This is the part of the guide where **the real work begins** — and where the two competing mindsets from the Foreword stop being abstract and start showing up in actual budget lines and hiring plans.

01

BUDGET LINES

02

HIRING PLANS

03

GOVERNED EXECUTION

// THE CFO'S MANDATE

Translate board intent into an operating system the company can actually execute.

7. From Approval to Execution

// THE VISIBILITY GAP

Board approval is a *single moment*. Execution is *eighteen months of decisions*, most of which the board will never see in detail — they'll only see the outcomes.

// WHAT THE BOARD DOESN'T SEE

That gap matters more than it first appears. A board can approve a strategy with full confidence and still have no visibility into whether it's being executed well, because the day-to-day decisions — which state to register in first, how to structure the founder's early sales trips, which vendor handles payroll — are exactly the kind of operational detail that never makes it into a board deck. Execution quality is judged after the fact, in quarterly numbers, not in real time.

// THE CFO TRANSLATION LAYER

This creates a specific kind of pressure for the CFO: you are the person closest to both the strategic mandate and the operational reality, and you're the one who has to translate between them. Get that translation right, and the board sees a **controlled, well-governed expansion**. Get it wrong, and the board finds out about problems only once they've become expensive.

// GOVERN IT WELL

The chapters ahead exist to help you close that gap — not by doing every operational task yourself, but by knowing enough to govern it well.

8. The Enterprise Value Lens

Here's where the mindset shift from the Foreword becomes operational. Every decision in the chapters that follow can be run through one of two lenses:

// CAPITAL PRESERVATION

The capital-preservation lens asks: **What's the cheapest way to get this done?** It optimizes for minimizing spend in the current quarter, and it treats every expansion cost as a deduction from runway.

// ENTERPRISE VALUE

The enterprise-value lens asks: **What gets us to defensible market share fastest, with the least risk of a costly mistake?** It treats expansion spend as an investment in a specific, board-approved outcome — and it recognizes that the cheapest option now is often the most expensive option in twelve months, once you account for redone work, missed deadlines, or compliance exposure.

// WHEN THE ANSWERS DIVERGE

These two lenses don't always produce different answers. Plenty of decisions are genuinely both cheap and low-risk. But when they diverge — and in US expansion, they diverge constantly — defaulting to capital preservation is usually the wrong call, because it's solving for the wrong risk. **The risk that sinks US expansions isn't overspending. It's under-resourcing execution** in a market that punishes hesitation and rewards speed.

// APPLY THIS NEXT

This is the lens to apply to every chapter that follows, and especially to the one immediately after this: the temptation to keep execution in-house to save money.

9. The DIY Trap

// THE INSTINCT

USXP's biggest competitor for this work isn't another expansion partner. It's the DIY CFO — the financial leader who looks at the scope of US expansion and, reasonably enough, thinks: my team is smart, capable, and has handled complex projects before. We can figure this out ourselves.

// THE MISREAD

That instinct comes from a good place. It's also, in the majority of cases, wrong — not because the team isn't capable, but because the scope of what "figuring it out" actually requires is almost always underestimated until it's mapped out in full.

// THE DIAGNOSTIC

The exercise below does that mapping. It's not a how-to guide — you won't find instructions for any individual task here, deliberately. It's a scope-of-work self-assessment: every task required to stand up and run a US operation, flagged for the kind of complexity it actually carries. Read it not as a checklist to execute, but as a diagnostic to run against your own team's current bandwidth and expertise.

THE REAL SCOPE

58 discrete tasks. Three dependent phases.



$$21 + 17 + 20 = 58$$

// WHY THE DENSITY MATTERS

Every task has an owner, a sequence and a cost of getting it wrong.

The Real Scope of US Expansion

A Self-Assessment for CFOs Considering the DIY Route

Legend:

-  Licensed expertise required — legally requires a licensed professional (CPA, attorney, insurance broker, licensed appraiser)
-  Hard deadline / penalty risk — tied to a fixed deadline with financial or legal consequences for missing it
-  Sequencing dependency — must happen in the correct order relative to other steps, or downstream steps fail
-  Local expertise required — doesn't require a license, but requires US-specific knowledge, norms, or relationships a team without US experience won't have
-  Ongoing, not one-time — a recurring obligation, not a task completed once and set aside

The three phases below are sequenced deliberately — most of Phase 2 can't begin until Phase 1 is substantially complete, and Phase 3 is the operating rhythm that begins once Phase 2 is in place.

01 // FORMATION & FOUNDATION

Phase 1: Formation & Foundation (21 tasks) — Site selection, US-specific budget and pro forma financial model, law firm selection, corporate officers, by-laws, articles of incorporation, registered agent, EIN, US office, banking, corporate insurance, certificate of authority, CPA firm selection, accounting software setup, Form BE-13B, founder's visa, executive relocation, client contracts.

The most sequencing-dependent phase in the entire expansion — site selection informs the budget, the budget informs entity decisions, officers have to be named and by-laws drafted before Articles of Incorporation can be filed, Articles filed before a registered agent is formally engaged, and the entity has to exist before an EIN — and then a bank account — can follow. Get the order wrong and downstream steps stall or have to be redone.

02 // PEOPLE & HR INFRASTRUCTURE

Phase 2: People & HR Infrastructure (17 tasks) — HR services provider selection, payroll set-up, state tax withholding and unemployment numbers, employee compensation packages, offer letters and agreements, background checks, health insurance, 401(k), PTO and HR policies, onboarding, ESOP, talent vetting.

None of this can responsibly begin until Phase 1's legal and financial foundation is in place — trying to hire before the entity, EIN, and bank accounts exist is one of the most common sequencing mistakes CFOs make.

03 // OPERATIONS & SCALE

Phase 3: Operations & Scale (20 tasks) — Accounting operations, chart of accounts, monthly financial reporting, annual franchise tax and report filings, transfer pricing, federal and state income tax returns, sales tax reporting, 1099/W-2 processing, sales commissions, expense processing, employee handbook, HQ integration, SOPs, vendor management, US go-to-market strategy, demand generation, sales enablement, US venture capital fundraising.

The permanent operating rhythm the team inherits once the company is formed and staffed — almost everything here is recurring.

// FULL ANNOTATED CHECKLIST → APPENDIX B

The Question to Ask Your Board

Of the ~58 discrete tasks across these three phases:

01  How many require a licensed professional your team doesn't currently have on retainer?

02  How many require US-specific local expertise no one on your team has, because no one has done this before?

03  How many carry a hard deadline with financial or legal consequences for getting it wrong?

04  How many become permanent, recurring obligations rather than one-time projects?

05  How many have to happen in a precise sequence your team has never navigated before?

// THE REAL QUESTION

If the honest answer to any of these is "most of them," the real question isn't whether your team can do this. It's what your team should be doing instead — while someone who has done this hundreds of times handles it correctly the first time.

Every hour your team spends becoming amateur experts in state tax registrations, entity formation sequencing, and US employment norms is an hour not spent on the thing your board actually cares about: increasing enterprise value.

// BRING TO YOUR BOARD

Have we scoped US expansion execution against our team's actual current capacity and expertise — or are we assuming we'll figure it out as we go?

03

Site Selection — the foundation everything else is built on.

Choose the location before the cost structure chooses you.

Location shapes budget, entity structure, hiring, compliance and go-to-market execution.

10

7 CRITERIA

11

SEQUENCE

12

COST MODEL

13

CFO ROLE

Part 3: Site Selection — The Foundation Everything Else Is Built On

01 // THE DECISION

Site selection isn't a logistics decision to hand off once the board has approved expansion — it's the decision that everything else in this guide depends on.

02 // WHAT IT SHAPES

Your budget, your entity structure, your hiring costs, your compliance obligations, even your GTM strategy will all be shaped by where you land.

03 // THE SEQUENCING RISK

Getting this sequence backward — building a budget before a location is chosen — is one of the most common and most expensive mistakes UK and EU tech companies make.

CRITERIA FIRST. CITY SECOND.

Time-zone overlap narrows the map before preference enters.



UK / EU WORKING-HOURS OVERLAP

EASTERN • MOST **CENTRAL** **MOUNTAIN** **PACIFIC • LEAST** **ILLUSTRATIVE TECH HUB**

// WHY IT MATTERS

The map makes the tradeoff visible in seconds: overlap, talent access and ecosystem density narrow 50 states fast — before cost modeling begins.

Illustrative state-level grouping; several states span more than one time zone. Hub sizing is indicative only and remains a placeholder pending final density data.

10. The 7 Criteria

With 50 states and hundreds of viable cities to choose from, site selection can feel unbounded. In practice, it comes down to seven criteria:

01 Time Zone — overlapping operating hours with your home office matters more than most first-time expanders expect. For UK and EU companies, the US Eastern Time Zone is generally a strategic imperative, not a nice-to-have.

02 Access to Talent — proximity to major universities, large tech employers, and other startups is a reliable formula for recruiting well.

03 Operating Costs — talent, office space, professional services, and taxes vary significantly by state and city, and location has a material, compounding impact on burn rate.

04 Ease of Travel — proximity to an international airport with frequent direct flights to and from major US and home-market cities, given how much travel the first 12–18 months will require.

05 Startup Ecosystem — regions with strong startup density give direct access to the right talent, service providers, and venture capital.

06 Proximity to Customers & Partners — depending on your go-to-market motion, being physically close to strategically important customers and partners can be a real advantage.

07 Business Climate — favorable tax policy, supportive government initiatives, streamlined regulation, and access to funding all vary meaningfully by location.

// ALSO WEIGH • SECONDARY CONSIDERATIONS

Two additional factors are worth weighing alongside the core seven: sector fit (is this city a recognized hub for your specific tech vertical, giving access to talent with relevant domain experience?) and social disposition (does the regional political and cultural environment align comfortably with your company's own positioning and your team's expectations?).

// THE JUDGMENT CALL

No single location wins on all seven criteria. The right choice is the one that wins on the criteria that matter most for your specific business model — which is a strategic judgment call, not a spreadsheet exercise alone.

// BRING TO YOUR BOARD

Which two or three of these seven criteria matter most for our specific business, and does our current leading location actually win on those — or just feel familiar?

11. Why Site Selection Must Come First

01 // THE NATURAL ORDER

Here's a scenario that plays out constantly with first-time expanders: the board asks for a US expansion budget, the CFO builds one using reasonable general assumptions, and only afterward does the conversation turn to "so, where are we actually setting up?"

02 // THE CREDIBILITY COST

This ordering feels natural — budget first, details later — but it produces a budget built on guesswork rather than data. Salary benchmarks, real estate costs, state tax exposure, and even talent availability all shift meaningfully by location. A pro forma built before site selection isn't wrong exactly — it's unanchored, and it will need to be substantially revised the moment a real location is chosen. That revision, delivered to a board that already approved a number, is a credibility cost the CFO didn't need to take on.

03 // THE BOARD POSITION

Boards have a responsibility to understand the financial implications of a major strategic decision like this one. When management presents a budget without having done site selection first, boards are being asked to approve a number that isn't yet real — putting both the board and the CFO in a difficult position.

// THE FIX

The fix is straightforward: site selection comes first, and the budget gets built on top of it, not in parallel with it. Part 4 of this guide picks up exactly there.

// BRING TO YOUR BOARD

Is our current budget grounded in a specific, chosen location — or is it a placeholder we'll need to revise once we actually select one?

12. Cost Modeling by Market

// THE CFO DIMENSION

Once a shortlist of candidate locations is in hand, the real work is comparing them on the dimension that matters most to a CFO: total cost of operating there.

01 // WHAT TO MODEL

Cost modeling by market means pricing out the same categories consistently across every candidate city — comparable salary bands for your key early roles, realistic office/co-working costs, state and local tax exposure (including franchise tax and any state income tax), and professional services costs (legal, accounting) that vary by market density. The goal isn't to find the cheapest location — it's to understand what each candidate actually costs, so the tradeoff against talent access, time zone, and business climate is made with real numbers instead of assumptions.

02 // HOW TO DECIDE

This is also where the enterprise-value lens from Part 2 does real work: the lowest-cost location isn't automatically the right one if it means compromising on talent access or time zone overlap in ways that slow down execution. Cost modeling should inform the decision, not make it in isolation.

// BRING TO YOUR BOARD

Have we compared our candidate locations on a consistent, apples-to-apples cost basis — or are we comparing a cost estimate for one city against a general impression of another?

13. The CFO's Role in Site Selection

01 // THE ROLE BOUNDARY

Site selection sits at an unusual intersection: it's frequently treated as a founder or GTM decision (where do we want to be, who do we want to be near) when it's fundamentally a financial decision with strategic inputs. The CFO's role here isn't to pick the city — that's rightly a collaborative call involving the founder and go-to-market leadership — but to make sure the financial implications of each candidate are fully understood before a decision is locked in.

02 // THE CFO'S RESPONSIBILITY

Concretely, that means: ensuring cost modeling happens before commitment, ensuring the tradeoffs between cost and strategic fit are made explicit rather than left implicit, and ensuring the final choice is defensible to the board as a financially sound decision — not just a compelling one.

// THE FIRST PROOF POINT

Get this right, and site selection becomes the first concrete proof point that this expansion is being run with financial discipline. Get it wrong — or skip it — and the CFO inherits a budget with no solid ground underneath it.

// BRING TO YOUR BOARD

If asked to defend our site selection purely on financial grounds, could we do it — independent of the strategic or personal reasons the team may also have for preferring this location?

04

Budgeting — turning location data into a real financial plan.

Build the number the board can actually defend.

A real budget links every assumption to a location, a hiring sequence and a measurable outcome.

14

CAPITAL

15

PRO FORMA

16

12-MONTH PLAN

17

TRIGGERS

18

BOARD CASE

Part 4: Budgeting — Turning Location Data into a Real Financial Plan

04

// BUDGETING

**BUILD
PRESENT
MONITOR**

FROM ESTIMATE TO DEFENSIBLE PLAN

With a location chosen, the budget stops being an estimate built on general assumptions and becomes something you can actually defend — grounded in real salary bands, real tax exposure, and a real cost structure. This part walks through how to build that budget, present it credibly, and know when it's telling you something has gone off track.

[REAL LOCATION DATA → REAL FINANCIAL PLAN](#)

14. Capital Requirements

// SIZE THE DEDICATED POOL

Part 1 introduced the principle that US expansion capital has to be sized as its own dedicated pool, separate from home-market runway. This chapter is about actually sizing that pool.

01 // WHAT DRIVES THE REQUIREMENT

US expansion capital requirements are driven by a small number of major cost categories: headcount (the largest single driver by far), office/workspace, professional services (legal, accounting, compliance), travel between markets, marketing and demand generation, and a contingency buffer for the inevitable costs that weren't in the original plan. Underestimating the contingency line is one of the most common early mistakes — first-time expansion budgets are built on assumptions, and assumptions are rarely exactly right.

12–18

MONTHS OF US RUNWAY

02 // THE DISCIPLINE

A useful discipline: size the capital requirement to cover a full 12–18 month runway for the US operation specifically, independent of how quickly early revenue signals look promising. Expansion capital that's sized to "get started and see how it goes" tends to run out at the worst possible moment — right as the operation is starting to gain traction but before it's self-sustaining.

// BRING TO YOUR BOARD

Is our US expansion capital sized to a full 12–18 month runway, or to an optimistic early-traction scenario?

15. Building the US Pro Forma

// TWO HALVES • ONE US-SPECIFIC MODEL

The US pro forma is the operating plan that turns strategy into numbers. It has two halves, and both need to be built on US-specific assumptions — not home-market assumptions with a currency conversion applied.

01 // REVENUE ASSUMPTIONS

Revenue assumptions include the number of US customers you expect to close, annual sales productivity per rep, the sales ramp-up period (how long before a new hire is fully productive), average contract value, MRR/ARR, the mix of direct versus channel sales, SQL-to-sale conversion rate, and expected churn. Every one of these will likely look different in the US than at home — US buyers often have different budget cycles, different competitive sets, and different expectations around vendor evaluation.

02 // EXPENSE ASSUMPTIONS

Expense assumptions include headcount and salaries, commissions, rent, healthcare, 401(k) contributions, marketing spend, and travel. US employee costs in particular are easy to underestimate: a senior sales hire's true cost includes not just gross wages but FICA, FUTA, and state unemployment taxes, workers' compensation insurance, and benefits — and these vary meaningfully by state. The same role can cost noticeably more in a high-cost state than a lower-cost one once the full loaded cost is calculated, which is exactly why site selection (Part 3) has to precede this step.

// LIVING MODEL

The pro forma isn't a one-time exercise — it's a living model that should be revisited as real US data starts to replace assumptions.

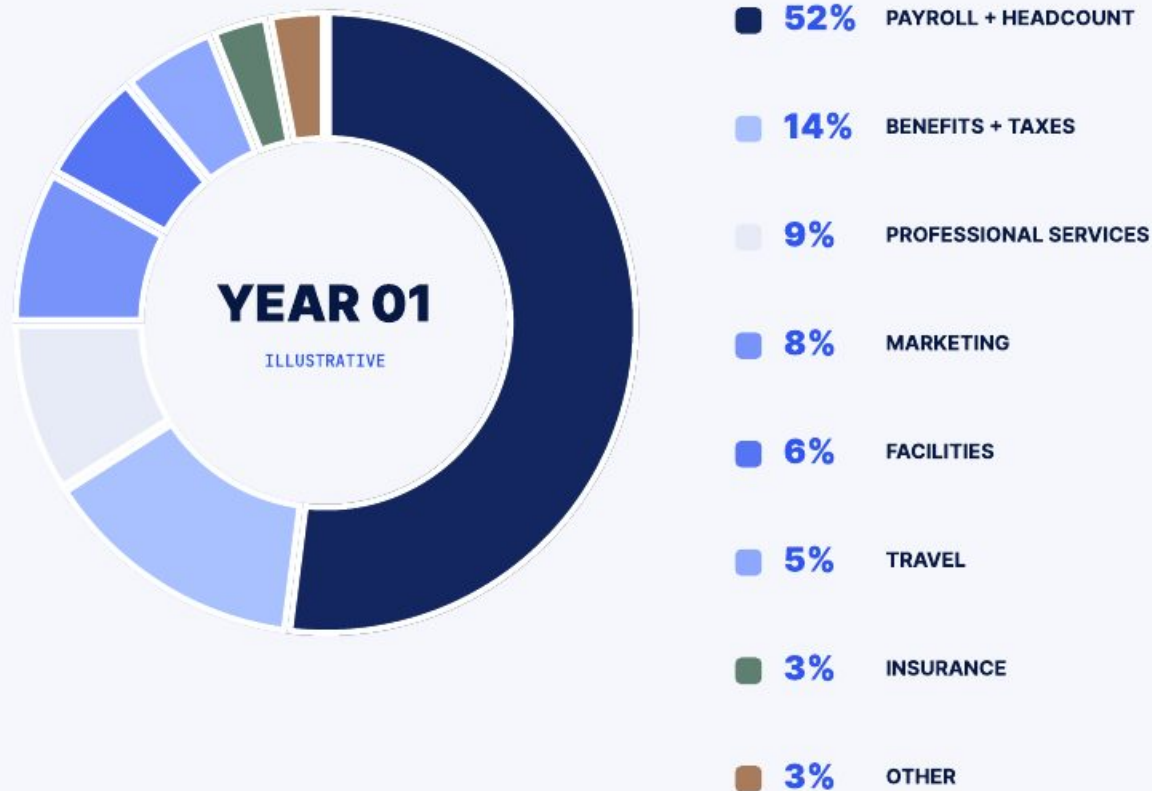
// BRING TO YOUR BOARD

Are our revenue and expense assumptions genuinely US-specific, or are they home-market numbers with a rough adjustment applied?

YEAR-ONE BUDGET MIX

Payroll and headcount dominate the first 12 months.

// ILLUSTRATIVE YEAR-ONE SPEND



// ILLUSTRATIVE MIX • PLACEHOLDER PERCENTAGES

Actual proportions vary by headcount plan, market and operating model. Final figures to be supplied before production.

16. Budgeting for the First 12 Months

The pro forma sets the assumptions; the 12-month budget turns them into an actual month-by-month operating plan the business can be held to.

// SEQUENCE SPEND AGAINST REAL OPERATIONS

A well-built first-year budget sequences spend against the realistic order of operations: formation and entity costs land first, followed by initial revenue-focused hiring (typically starting with a senior sales lead), then the recurring costs of the operating rhythm from Part 1 — payroll, benefits, accounting, compliance. Revenue, in almost every realistic scenario, lags behind cost — new markets take time to produce meaningful ARR, and a budget that assumes early revenue will offset early costs is usually the same budget that requires an uncomfortable board conversation in month four.

A few structural realities catch first-time expanders off guard, and are worth planning around from the start:

01

Benefits decisions lock in at hire.

Health insurance and benefits elections generally can't be renegotiated per employee once your plan is set — every employee gets the same options until the next renewal period. That means the benefits structure has to be decided before the first offer letter goes out, not adjusted hire by hire.

02

Some costs only become knowable once you've hired. Detailed health plan pricing, for instance, typically isn't available until your first US employee is in place — which means early budgets have to plan for a reasonable estimate, then true it up once real quotes exist.

03

New hires carry one-time setup costs beyond salary — equipment, onboarding, initial legal and accounting fees tied to the hire itself — that are easy to leave out of a headcount-driven budget model if it only accounts for recurring salary cost.

// SAMPLE BUDGET • SPECIFICITY BEFORE COMMITMENT

This is also where a sample budget structure is worth having in hand — even a rough one — because it forces specificity earlier than a narrative budget does. A model with actual monthly line items exposes gaps (a missing cost category, an unrealistic ramp assumption) far faster than a top-level annual number does. USXP maintains a detailed, month-by-month sample budget covering every major US operating cost category — payroll and taxes, benefits, insurance, legal, accounting, and marketing — built from real client engagements. It's available directly through USXP rather than reproduced here, since a generic template only becomes useful once it's adapted to your specific headcount plan, location, and entity structure. A structural outline of the categories it covers appears in Appendix C.

// BRING TO YOUR BOARD

Does our month-by-month budget assume revenue arrives on a realistic timeline, or on a timeline that makes the total number look better?

17. Milestones & Triggers

A static budget, approved once and left alone, is a liability. The better approach is to define specific milestones that trigger the next stage of investment — so spending scales with evidence, not with optimism.

// EVIDENCE-BASED TRIGGERS

Useful triggers include: a minimum number of paying US customers before a second sales hire is added, a specific revenue velocity threshold before increasing marketing spend, or a defined "months to breakeven" checkpoint that, if missed, forces a deliberate go/no-go conversation rather than a default continuation. The goal isn't to make the budget rigid — it's to make sure that when reality diverges from plan, the divergence gets a conversation instead of getting absorbed quietly.

01 PAYING CUSTOMERS

02 REVENUE VELOCITY

03 MONTHS TO BREAK EVEN

// CFO PROTECTION

This also protects the CFO directly. A budget with clear triggers gives you a defensible, pre-agreed basis for recommending a pause, a pivot, or an acceleration — rather than making that call unilaterally in the moment, under pressure, without the board having agreed to the criteria in advance.

// BRING TO YOUR BOARD

What specific, measurable triggers would cause us to slow down or accelerate spend — and have we agreed on those before we need them?

18. Presenting the Budget to the Board & Investors

A US expansion budget gets evaluated differently than a typical operating budget — it's being read by people who will ask whether the assumptions are realistic, whether the risk is properly sized, and whether the CFO actually understands the market being entered, not just the math.

The strongest budget presentations do three things:

01 ASSUMPTIONS

show the assumptions, not just the outputs (a number without visible assumptions invites more scrutiny, not less);

02 DECISIONS

connect every major cost line back to a specific, named decision — this location, because of these criteria; this headcount plan, because of this revenue target — rather than presenting costs as a given;

03 TRIGGERS

and present the milestones and triggers from the previous chapter alongside the numbers, so the board sees a plan that adapts to reality rather than a fixed bet.

// DILIGENCE STANDARD

This is also where diligence expectations matter, particularly if a future funding round will include US operations. Investors evaluating a company with US expansion underway will look for exactly this level of rigor — clear assumptions, defensible location logic, and evidence that spend is tied to milestones rather than momentum.

// BRING TO YOUR BOARD

If a new investor scrutinized this budget line by line in diligence, would every major assumption hold up?

Appendix C (Preview): Sample US Budget — Category Structure

// STRUCTURAL OUTLINE

This is a structural outline of the categories a complete US operating budget needs to account for — no dollar figures, rates, or percentages included. It's meant to show the shape and completeness a real budget requires, not to function as a fillable template. The populated version, with real figures built from USXP client engagements, is available directly through USXP.

Payroll & Headcount

- Base salary, by role, phased against hiring timeline
- Commissions
- Bonuses (quarterly/annual)
- Total headcount ramp by month

Employee Taxes & Statutory Costs

- FICA / FUTA / SUTA (combined employer tax match)
- Workers' Compensation Insurance

Benefits

- Health insurance (by coverage tier: employee only, employee + spouse, employee + child, family)
- Dental & vision
- Life insurance
- Short-term & long-term disability
- 401(k) employer match

Appendix C (Preview): Sample US Budget — Category Structure · continued

Facilities & Office

- Rent
- Utilities
- Office supplies
- Parking

Professional Services

- Legal fees (incorporation, enterprise agreements, employment agreements, immigration/visa)
- Accounting fees (tax returns, transfer pricing)
- Consulting / advisory fees
- Bank fees

Corporate Insurance

- General Liability
- D&O (Directors & Officers)
- E&O (Errors & Omissions)
- Cyber

Appendix C (Preview): Sample US Budget — Category Structure · continued

Travel & Client-Facing

- Airfare, transportation, hotel
- Meals & entertainment
- Travel between home and US offices

Marketing & Demand Generation

- Lead generation
- Marketing / events

Tax Considerations

- US federal income tax
- State income tax (varies by state — see Part 6)

Other Operating

- Subscription services (software, accounting platforms, etc.)
- PEO / HR services
- One-time new-hire costs (equipment, onboarding)

// WHAT FIRST-PASS ESTIMATES MISS

A CFO building a first-pass estimate without this level of category detail will almost always miss several of these —

most commonly one-time new-hire costs, the full benefits stack beyond base health insurance, and corporate insurance lines like D&O and Cyber that aren't top-of-mind until a board or investor asks whether they're in place.

05

Entity & Accounting

Build the legal and financial infrastructure everything else runs on.

**Formation creates the entity. Accounting makes it operable.
Banking connects it to the real economy.**

19

ENTITY

20

ACCOUNTING

21

BANKING

Part 5: Entity & Accounting

With site selection and budget in hand, Phase 1 from the DIY Trap checklist becomes real:

forming the legal entity that everything else — banking, hiring, contracts, compliance — depends on.

This part covers the two foundational building blocks: the entity itself, and the accounting infrastructure that runs on top of it.

01

ENTITY

LEGAL FOUNDATION

02

ACCOUNTING

FINANCIAL FOUNDATION



Successful expansion into the US isn't just about entering a new market. It's about building the right operational and financial foundations from day one.

Taking the time to understand local regulations, establish scalable processes, and work with trusted partners early creates the resilience needed for sustainable growth."

SOROOSH KESHTGAR

CFO • XYZ Reality

// FOUNDATION FIRST

Operational and financial foundations from day one.

19. Choosing Your Entity Structure

Forming a US corporate entity is the first concrete step of expansion, and it involves a small number of foundational decisions that shape everything downstream.

01 // ENTITY TYPE

Entity type: most venture-backed tech companies form a C-Corporation — the structure investors and acquirers expect, and the one that best supports future US fundraising.

02 // STATE OF INCORPORATION

State of incorporation: Delaware is the common choice for venture-backed companies, largely because of its well-established corporate law and the familiarity investors have with it — though the state you incorporate in and the state you physically operate in are not required to be the same, which is itself a decision worth understanding rather than defaulting on.

// FORMATION SEQUENCE

From there, incorporation requires drafting by-laws, naming corporate officers, and filing Articles of Incorporation — in that sequence, as covered in Part 2's DIY Trap checklist.

// IDENTIFICATION NUMBERS

Once formed, the entity needs its identification numbers: a Federal Employer Identification Number (EIN), and depending on the state and hiring plans, a state tax withholding number and state unemployment number. These aren't optional paperwork — they're prerequisites for nearly everything that follows, from opening a bank account to running payroll.

// BRING TO YOUR BOARD

Have we made a deliberate choice on entity type and state of incorporation, or defaulted to what seemed simplest without weighing the tradeoffs?

20. Accounting Operations

US accounting operations need to be stood up as their own function, distinct from — though eventually integrated with — your home-market accounting. Core operations include accounting software setup, a US-specific chart of accounts, accounts payable and receivable, monthly and annual financial reporting under US GAAP, and bank reconciliation.

Two decisions matter most at the outset.

01 // SOFTWARE + CHART OF ACCOUNTS

First, software and chart of accounts structure — set up correctly from day one, US accounting integrates cleanly into consolidated group reporting; set up as an afterthought, it creates reconciliation headaches that compound every month.

02 // LICENSED EXPERTISE

Second, engaging a CPA firm for the pieces that require licensed expertise: transfer pricing determination, and federal, state, and local tax filings.

Transfer pricing in particular — the pricing of transactions between your home entity and your new US entity — carries real audit risk if it's not documented properly from the start, and it's not something to improvise.

// THE GOAL AT THIS STAGE

The goal at this stage isn't a fully mature finance function — it's a foundation clean enough that it doesn't need to be rebuilt six months in.

// BRING TO YOUR BOARD

Is our US accounting structure built to integrate cleanly with group reporting, or will it need meaningful rework once we're consolidating financials?

21. Banking

Opening a US bank account is a prerequisite for nearly every other operational step — paying vendors, running payroll, receiving customer payments — but it's often more difficult than first-time expanders expect.

A few realities worth knowing going in:

01 ACH, NOT SWIFT

US banks operate primarily on the ACH (Automated Clearing House) system rather than SWIFT, which affects how payments are structured and reconciled.

02 KYC DEPENDENCIES

"Know Your Customer" (KYC) requirements for a newly formed foreign-owned entity can be more stringent than domestic account opening, and banks will typically require the entity's physical address, EIN, Articles of Incorporation, and named officers before an account can be opened — meaning banking genuinely cannot happen until entity formation is substantially complete.

03 CREDIT HISTORY

US credit cards for the new entity often follow a similar sequencing logic, since credit history has to be established from scratch.

// THE DEPENDENCY CHAIN

Because of this dependency chain, banking delays are one of the most common reasons early operational timelines slip — not because banking itself is difficult in principle, but because it's the step most exposed to everything that has to happen before it.

// BRING TO YOUR BOARD

Have we accounted for banking setup time in our launch timeline, or assumed it happens instantly once the entity exists?

06

Compliance — the hidden minefield.

The widest variation — and the quietest risk — sits below the federal layer.

**Most obligations recur. Many compound with growth.
The cost of missing them often arrives retroactively.**

22

FEDERAL

23

STATE

24

TRANSFER PRICE

25

SALES TAX

26

EMPLOYMENT

27

RISK

COMPLIANCE HAS LAYERS

The state layer is where complexity compounds.

LAYER 01

FEDERAL

LAYER 02 • WIDEST VARIATION

STATE

Tax code • reporting • employment law • enforcement

REGISTRATIONS

SALES TAX NEXUS

EMPLOYMENT LAW

LAYER 03

CITY + COUNTY

US compliance is a stack of overlapping obligations — not one rulebook.

Part 6: Compliance — The Hidden Minefield

// THE NATURE OF THE RISK

Of everything in this guide, compliance is the area most likely to produce a surprise — and surprises in compliance tend to arrive as penalties, back taxes, or audit exposure, not as gentle warnings.

01 // WHAT THIS PART DOES

This part is deliberately written to convey the shape and stakes of US compliance complexity without walking through the mechanics of any individual requirement.

02 // THE OUTCOME

The goal is for you to leave this part with a clear sense of where the risk concentrates, and why "we'll figure it out as we go" is a genuinely dangerous posture here in particular.

22. Why US Compliance Isn't One Thing

The single biggest misconception first-time expanders bring to US compliance is treating "the US" as one regulatory system, the way most European countries function as one national system with regional variation at the margins.

50

**SEPARATE
STATES**

PLUS A FEDERAL LAYER

The US doesn't work that way. It's 50 separate states, each with its own tax code, its own reporting requirements, its own employment law, and its own enforcement posture — layered underneath a federal system that adds its own separate set of obligations on top. Being compliant in your state of incorporation says nothing about whether you're compliant in the states where you actually have employees, customers, or a taxable presence. A company operating across even three or four states isn't managing one compliance framework — it's managing three or four, simultaneously, each with different deadlines and different rules.

// THE HOME-MARKET BLIND SPOT

This is the single most common blind spot for CFOs used to a home-market compliance environment: the assumption that "we handled this at home" or "we handled this for our state of incorporation" means the company is broadly covered. It doesn't, and the gap between those two things is exactly where costly mistakes happen.

// BRING TO YOUR BOARD

Do we have a clear picture of every state where our activity creates a compliance obligation — not just the state where we're incorporated?

23. State-by-State Reporting Obligations

01 GOOD STANDING

Beyond taxes, most states impose their own independent reporting requirements simply for maintaining "good standing" as a registered business — annual reports, franchise tax filings, registered agent maintenance, and periodic re-certifications, each on its own schedule and with its own format.

02 GROWTH CREATES NEW TRIGGERS

These obligations compound as the business grows. Hiring your first employee in a new state, signing a lease there, or even reaching certain revenue thresholds tied to that state can trigger new registration requirements you weren't previously subject to. A company that starts in one state and expands its footprint over 18 months can end up managing an entirely different — and larger — set of state-level obligations than the one it started with, often without a single moment where that shift was obviously flagged.

03 MOVING PARTS COMPOUND

This is precisely the kind of complexity that's easy to underestimate from the outside and expensive to under-resource from the inside — not because any single filing is difficult, but because the number of moving parts scales with growth, exactly when a growing company has the least spare attention to give it.

// BRING TO YOUR BOARD

As we grow into new states, do we have a process that automatically flags new compliance obligations — or are we relying on someone noticing?

24. Taxes & Transfer Pricing

// MULTIPLE TAX LAYERS

US corporate tax obligations span multiple layers: federal corporate income tax and federal payroll taxes (FICA, FUTA) at the national level, and state corporate income tax, state unemployment insurance, sales tax, business property tax, and franchise tax at the state level — each with its own filing calendar, and none of them optional simply because a company is small or newly formed.

// TRANSFER PRICING - CROSS-BORDER RISK

Transfer pricing deserves particular attention. Any transaction between your home entity and your new US entity — cost allocations, licensing arrangements, intercompany services — needs a documented, defensible pricing methodology. Get this wrong, and it's not just a bookkeeping issue; it's an area both US and home-market tax authorities scrutinize specifically, because it's the mechanism companies sometimes use, intentionally or not, to shift profit between jurisdictions. This is unambiguously a job for a CPA firm with cross-border experience, not something to construct internally based on general principles.

HOME ENTITY



US ENTITY



CROSS-BORDER CPA REVIEW

// BRING TO YOUR BOARD

Do we have a documented, professionally reviewed transfer pricing methodology in place — or an informal arrangement we've never had formally assessed?

25. The Sales Tax Reality

If there's one compliance area that has quietly done more damage to non-US companies than almost any other, it's sales tax.

// WHY EXPOSURE ACCUMULATES SILENTLY

The reason isn't complexity for its own sake — it's that sales tax obligations in the US are triggered by factors that aren't always intuitive to a company used to a VAT-style system, and the rules vary meaningfully from state to state. A company can find itself with a sales tax obligation in a state where it has no office and no employees, based purely on the nature and volume of its sales activity there. Because the trigger isn't always obvious, sales tax exposure has a tendency to accumulate silently — the company keeps operating normally, revenue keeps growing, and the exposure keeps compounding, until an audit or a customer's tax team surfaces it, often well after multiple years of unaddressed liability have built up.

// ONGOING MONITORING · RETROACTIVE COST

This guide isn't the place to walk through how sales tax obligations are determined state by state — that determination requires current, jurisdiction-specific expertise, and getting it wrong by relying on outdated or generalized guidance is its own risk. What matters at this level is the shape of the danger: sales tax is not a "set it up once" compliance item, it's an ongoing monitoring obligation that scales with growth, and it's one of the few compliance areas where the cost of getting it wrong tends to be retroactive, not just prospective — meaning by the time it's caught, the liability has often already accrued.

// BRING TO YOUR BOARD

Has anyone with current, US-specific expertise actually assessed our sales tax exposure — or are we assuming it isn't a problem because no one has raised it?

26. Employment Law Complexity

Employment law is the other area where state-by-state variation creates real exposure, precisely because it touches the part of the business every CFO cares most about protecting: the people.

01 WAGE + HOUR

Wage and hour rules — overtime eligibility, minimum wage, pay frequency requirements — vary by state and sometimes by city.

02 LEAVE REQUIREMENTS

Leave requirements (sick leave, family leave, paid time off mandates) differ significantly across states, with some mandating benefits that others leave entirely optional.

03 WORKER CLASSIFICATION

Worker classification — whether someone is properly treated as an employee versus an independent contractor — carries real financial and legal consequences if it's gotten wrong, and the standards for making that determination aren't uniform nationally.

// THE HOME-MARKET INTUITION TRAP

The pattern that causes the most damage here is applying home-market intuition to US decisions. An HR policy that's standard practice at home may be non-compliant, or simply absent where it's required, in a specific US state — and because employment law violations often surface through an employee complaint or a departing employee's exit rather than a routine audit, they tend to arrive at the worst possible moment: in the middle of a dispute, not in a quiet compliance review.

// BRING TO YOUR BOARD

Have our HR policies been reviewed specifically against the employment law of every state where we have employees — or adapted generally from our home-market policies?

27. What "Getting It Wrong" Actually Costs

01 // QUANTIFIABLE COST

The compliance risks in this part aren't abstract — they show up as specific, quantifiable costs: penalties and interest on late or missed filings, back taxes assessed retroactively once an issue is discovered, the direct cost of an audit itself, and reputational cost with employees or customers if a compliance failure becomes visible to them.

02 // DILIGENCE RISK

There's a cost that matters even more for this audience specifically: diligence risk. If your company raises a future round of US-based capital, or is evaluated for acquisition, compliance gaps surface in diligence — and they surface at exactly the moment you have the least leverage to fix them quietly. A clean compliance history is a genuine asset in a fundraising or M&A process; a messy one is a red flag that can affect valuation, deal terms, or the deal happening at all.

03 // RECURRING BY DESIGN

Revisit the Operations phase of the DIY Trap checklist in Part 2 with this chapter in mind: nearly every task in that phase carries a compliance dimension, and nearly all of it is recurring. That's not a coincidence — it's the reason compliance, more than almost any other function in this guide, is the one where "we'll build the internal expertise as we go" tends to be the most expensive mistake a CFO can make.

// BRING TO YOUR BOARD

If we were entering diligence for a funding round tomorrow, what would a compliance review actually find?



Running a US subsidiary carries a long list of financial and legal compliance obligations, and the cost of getting them wrong is high. US Expansion Partners handles this work for us, which removes a large workload from our team and reduces the risk that something gets missed.

They also introduced us to the third parties we needed to operate the entity, from accountants and payroll providers to transfer pricing specialists, while coordinating each on our behalf. Each has been essential to running the entity well, and the introductions saved us the work of finding and vetting providers ourselves.

For the price of one junior operations manager, we get an operational team covering multiple disciplines. We could not hire that range of skills directly at the same cost."

JOSEPH BUCKLEY

CFO • Apolitical

// COST LEVER

Multiple disciplines for the cost of one junior operations manager.

07

Talent, Hiring & HR

Build the people infrastructure before the first offer goes out.

// OPERATING PREMISE

The US team is not an extension of the home team. It is a distinct operating system.

28

TALENT READINESS

29

HEADCOUNT RAMP

30

COMPENSATION

31

BENEFITS + HR

32

VISAS + MOBILITY

Part 7: Talent, Hiring & HR

Compliance sets the boundaries; this part is about the people who will actually run day-to-day US operations inside them.

// THE PEOPLE OPERATING SYSTEM

Talent is where US expansion budgets get spent fastest, where cultural assumptions from the home market are most likely to misfire, and — as the next few chapters cover in some detail — where a CFO's instinct to control cost can quietly do more damage than the cost itself.

01

WHERE BUDGET GETS SPENT

02

**WHERE COST CONTROL CAN
BACKFIRE**

28. Talent Readiness Before You Hire

// BEFORE THE FIRST JOB POSTING

Before a single job posting goes live, a specific set of infrastructure needs to exist: compensation benchmarks for the roles you're hiring, drafted job descriptions, an offer letter template (distinct from an employment contract — the US generally doesn't use fixed-term employment contracts the way many European markets do), a background check process, and the benefits and HR policy foundation from Part 5's accounting setup.

- 01 COMP BENCHMARKS
- 02 JOB DESCRIPTIONS
- 03 OFFER TEMPLATE
- 04 BACKGROUND CHECKS
- 05 BENEFITS + POLICIES

// WHAT SKIPPING READINESS CREATES

Skipping this step doesn't just create friction — it creates avoidable risk. Making an offer without a benchmarked comp range invites both overpaying and underpaying relative to market, either of which creates problems (burned budget, or a candidate who declines or churns quickly). Hiring without HR policies in place means the first real HR issue — and there will be one — gets handled reactively, without a policy to point to.

// BRING TO YOUR BOARD

Is our talent infrastructure — benchmarks, templates, policies — actually built, or are we planning to create it reactively as each hire comes up?

29. The Hiring Plan & Headcount Ramp

// SEQUENCE REVENUE ROLES FIRST

The sequence of US hires matters as much as the number. With day-to-day US operations handled through a partner rather than an early internal hire, the first wave of US headcount can be focused where it matters most: revenue-generating roles. A senior sales lead is typically the first priority hire, followed closely by the customer success capacity needed to retain and expand the accounts that early sales lead closes — rather than spending early budget and hiring bandwidth standing up an internal operations function before the business has proven it needs one.

// TIE EACH HIRE TO EVIDENCE

A disciplined headcount ramp ties each new hire to a specific, pre-agreed trigger from the milestones framework in Part 4 — a revenue threshold, a pipeline signal, a capacity constraint on the existing team — rather than a fixed calendar date. Hiring ahead of revenue is sometimes necessary (a sales hire has a ramp period before they're productive, so some lead time is built in by design), but hiring significantly ahead of demonstrated demand is one of the more common ways US expansion budgets overrun without anyone making an explicit decision to overspend.

01 REVENUE THRESHOLD

02 PIPELINE SIGNAL

03 CAPACITY CONSTRAINT

// BRING TO YOUR BOARD

Is each hire on our ramp tied to a specific trigger, or to a headcount plan built before we had real US data?



We treated US entry as a go-to-market decision and discovered it's an operational headache compared to the UK. 'The US' isn't one market administratively, it's fifty, and the entity setup, state registrations and payroll all took far longer than we expected. Having USXP guide and support us at every step is what made it manageable."

STEVE PORTER

CFO • Trybe

// OPERATING LESSON

USXP made a complex, fifty-state operating build manageable.

30. Compensation & Equity

US compensation norms differ from most European and UK markets in ways that catch first-time expanders off guard — and nowhere more so than in sales compensation, which deserves its own close attention.

// SALES COMPENSATION · RESIST THE URGE TO RE-ENGINEER IT

Sales compensation: resist the urge to re-engineer it. US sales compensation is built around a heavily incentive-weighted structure — a meaningful base salary paired with commission that can, in a strong month, exceed the base significantly. This is not a quirk or an inefficiency to correct; it's the standard model top US sales talent expects, and it's a major part of what makes US sales roles attractive to the caliber of rep who can actually hit aggressive quota targets. Two related mistakes are common enough among first-time CFOs that they're worth naming directly:

// MISTAKE 01 · TRIM COMMISSIONS

- The instinct to trim commissions after seeing the checks. A strong sales month means large commission payouts — and to a CFO watching cash out the door, that number can look alarming, even when it's the plan working exactly as designed. The instinct to dial back the commission structure in response is understandable, and it is very often the wrong call. Cutting or capping commissions after reps have already begun performing against the original plan is one of the fastest ways to trigger turnover among exactly the people the expansion depends on most — and replacing a productive US sales rep costs far more, in lost pipeline and ramp time for a replacement, than the commission dollars saved.

// MISTAKE 02 · OVER-ENGINEER THE PLAN

- The instinct to over-engineer the plan. The opposite mistake shows up early, before any reps are hired: building an intricate commission structure with multiple accelerators, clawback provisions, and conditional tiers, in an effort to tightly control cost and behavior. Complexity in a comp plan doesn't produce better behavior — it produces confusion, distrust, and reps who spend energy interpreting the plan instead of selling. The most effective US sales comp plans tend to be simple, transparent, and generous enough to be genuinely motivating; the sophistication should go into the target-setting and quota design, not the plan mechanics.

30. Compensation & Equity • continued

// THE UNDERLYING PRINCIPLE

The underlying principle: sales compensation is not the place to apply capital-preservation instincts. It's one of the clearest places in this entire guide where the enterprise-value lens from Part 2 should govern the decision — a well-incentivized sales team that's expensive when it's winning is a far better outcome than a cost-controlled sales team that isn't.

// BEYOND SALES COMP

Beyond sales comp, broader compensation and equity considerations include benchmarking salaries by role and location (Part 3's site selection directly affects this), and structuring equity — ESOP allocation methodology and the 409A valuation that supports it — in a way that's competitive with US norms, where equity compensation is a standard and expected part of a tech company offer.

01 ROLE + LOCATION BENCHMARKS

02 ESOP ALLOCATION

03 409A VALUATION

// BRING TO YOUR BOARD

If our current US sales team is earning strong commissions, are we treating that as evidence the plan is working, or as a cost problem to solve?

31. Benefits & HR Infrastructure

// BENEFITS ARE CORE COMPENSATION

US employees generally expect an employer-provided benefits package as a core part of compensation — most notably health insurance, which functions very differently than in most European and UK markets where healthcare isn't tied to employment. A 401(k) with employer matching is similarly a standard expectation, not a premium perk.

// BUILD BEFORE THE FIRST OFFER

Beyond benefits, foundational HR infrastructure includes PTO policy, an employee handbook, and HR policies that are compliant with the specific state(s) where employees are located — a direct callback to Part 6's point that policies built for one jurisdiction don't automatically transfer to another. As noted in Part 4, benefits elections generally lock in at the point a plan is set, so this infrastructure needs to be finalized before the first offer goes out, not built reactively around the first hire.

01 PTO POLICY

02 EMPLOYEE HANDBOOK

03 STATE-SPECIFIC POLICIES

04 BENEFITS ELECTIONS

// BRING TO YOUR BOARD

Does our benefits package meet the baseline a competitive US candidate will expect — and have we budgeted for it as core compensation, not an optional add-on?

32. Visas & Mobility

// CATEGORY CHOICE + QUALIFICATION

Getting founders and key employees legally into the US involves choosing from several visa categories, each with different qualification requirements, processing timelines, and constraints — L visas for companies with an entity abroad transferring executive or specialized-knowledge employees, E visas for treaty-country nationals in qualifying roles, H-1B visas for specialty occupations (subject to an annual lottery cap), and O visas for individuals with extraordinary ability.

L	INTRACOMPANY TRANSFER
E	TREATY-COUNTRY NATIONAL
H-1B	SPECIALTY OCCUPATION
O	EXTRAORDINARY ABILITY

// THE CRITICAL PLANNING IMPLICATION: TIMING

The critical planning implication is timing: visa processing can take months, and some categories are subject to annual caps or lottery timing that doesn't align neatly with a company's preferred launch date. Visa strategy needs to be considered early — ideally during the readiness and planning stages in Parts 1 and 2 — rather than treated as a launch-week detail, because the wrong choice or a late start here can delay a founder's ability to be physically present in the US at exactly the moment Part 1 established that presence matters most.

MONTHS, CAPS, LOTTERIES

// BRING TO YOUR BOARD

Has visa strategy been planned early enough that it won't become the bottleneck that delays the founder's ability to be in-market?

08

Go-to-Market Financial Oversight

Fund the motion. Measure the signal. Enable the founder.

// CFO MANDATE

Own the financial discipline without trying to own every GTM decision.

33

GTM FUNDING

34

TRACTION

35

FOUNDER SALES

Part 8: Go-to-Market Financial Oversight

01

FOUNDER + GTM TEAM

Go-to-market strategy itself — messaging, positioning, channel selection — sits primarily with the founder and the go-to-market team, not the CFO.

02

CFO TERRITORY

But funding it, measuring whether it's working, and supporting the person actually driving it in-market are squarely CFO territory.

// THE FINANCIAL OVERSIGHT LAYER

This part covers that financial oversight layer.

33. Funding the GTM Motion

01 // WHAT THE GTM BUDGET FUNDS

A US go-to-market budget needs to fund several distinct categories, each with a different spending pattern: demand generation (content, campaigns, paid channels, lead nurture), sales enablement (tools, training, collateral for the sales team), strategic partnerships (identifying and, where relevant, compensating partners who provide market access and credibility), and industry events — which carry outsized importance in US markets as a channel for building the credibility and network access a new entrant doesn't yet have organically.

DEMAND GENERATION

SALES ENABLEMENT

PARTNERSHIPS

INDUSTRY EVENTS

02 // THE SCALE OF SPEND

Be prepared for the scale of spend this actually requires. This is one of the sharpest points of culture shock for a European or UK CFO. The US is a larger, more fragmented, and more competitive market than almost any single European market — more buyers, more competitors chasing the same buyers, and a higher cost to reach and convert each one. Winning meaningful market share here typically requires GTM spend that is considerably higher, relative to revenue, than what the same company would spend to defend or grow its position at home. A demand generation and sales enablement budget sized on a European benchmark will, in the vast majority of cases, be materially undersized for the US market.

03 // ENTERPRISE VALUE VS CAPITAL PRESERVATION

This is precisely where the two mindsets from Part 2 diverge most visibly. The capital-preservation instinct treats GTM spend as a cost to minimize, and a European-sized budget can look, on paper, like fiscal discipline. But in a market where competitors — both US-native and other well-funded international entrants — are spending aggressively to capture the same customers, an under-funded GTM motion doesn't produce a slower version of the same outcome. It often produces no meaningful outcome at all, because market share captured early is disproportionately valuable, and share not captured early tends to go to a better-funded competitor rather than sitting available for later. The enterprise-value lens treats sufficient GTM funding not as a risk to the balance sheet, but as the primary mechanism by which the expansion actually pays off.

33. Funding the GTM Motion • continued

01

// MILESTONES & TRIGGERS

The budgeting discipline from Part 4 still applies: GTM spend should be tied to the milestones and triggers already established, not treated as a separate discretionary pool.

02

// US MARKET CALIBRATION

But the milestones and triggers themselves need to be calibrated to US market realities from the start — not anchored to what "reasonable" GTM spend looked like at home.

03

// PIPELINE SIGNAL

A demand generation budget that scales with pipeline signal, rather than being fixed at an arbitrary monthly number, keeps GTM spend accountable to results without requiring the CFO to second-guess every individual campaign decision.

// BRING TO YOUR BOARD

Is our GTM budget sized against realistic US competitive benchmarks, or against what felt like a reasonable spend level in our home market?

34. Measuring US Traction

The GTM budget is only as good as the CFO's ability to tell, in real time, whether it's working. A small set of metrics does most of that work:

01

number of US paying customers,

02

US revenue as a percentage of total company revenue,

03

the velocity of US revenue growth,

04

and inbound lead volume through both direct and partner channels.

// FROM READINESS GATE TO OPERATING DASHBOARD

These are the same demand-signal metrics introduced as a readiness gate in Part 1 — the difference is that they're no longer a pre-expansion diagnostic, they're an ongoing operating dashboard. A CFO who tracks these consistently is positioned to spot a stalling GTM motion early, while there's still time to adjust, rather than discovering it retroactively when a quarterly board update comes up short. This is also where the CFO's financial rigor adds real value to a function that isn't otherwise their domain — the founder and GTM team drive strategy, but the CFO is often best positioned to notice when the numbers say the strategy needs revisiting.

// BRING TO YOUR BOARD

Are we tracking US traction metrics on an ongoing basis, or only reconstructing them when the board asks for an update?

35. Founder-Led Sales & the CFO's Support Role

Part 1 established that founder-led US expansion is close to non-negotiable — the founder needs to be personally leading early sales engagements, investor relationships, and strategic partnerships in the US. This chapter is about what that means for the CFO specifically: not leading sales, but resourcing the founder to do it well.

That support role has real substance.

01

// FUND THE PRESENCE

It means making sure travel and relationship-building budget is genuinely sufficient, not trimmed as a cost-saving measure at exactly the moment it matters most.

02

// BACK EVERY CONVERSATION

It means providing the founder with clean, current financial and pipeline data so that conversations with prospects, partners, and investors are backed by numbers the founder can trust in the moment, without having to check with finance mid-conversation.

03

// PLAN THE TRANSITION

And it means recognizing that founder-led sales is a transitional phase, not a permanent state — part of the CFO's forward planning here is anticipating when and how sales leadership transitions from the founder to a dedicated sales hire, so that shift happens deliberately rather than as a reactive scramble once the founder's bandwidth runs out.

// BRING TO YOUR BOARD

Is the founder fully resourced to lead US sales effectively right now — and do we have a plan for when that responsibility transitions to a dedicated hire?

09

Capital & Investor Relations

Protect the asset. Prepare the story. Report the truth.

// INVESTOR LENS

Investor scrutiny tests every operating decision already made.

36

IP PROTECTION

37

US FUNDRAISE

38

BOARD REPORTING

The Investor Lens

Everything covered so far —

readiness,

budgeting,

entity,

compliance,

talent,

GTM —

eventually gets tested by the same audience: investors.

// WHAT INVESTORS TEST

This part covers protecting what the company owns before it's exposed to that scrutiny, and preparing to raise US capital on the strength of everything built in the parts before this one.

36. Protecting Intellectual Property

IP protection in the US runs on different timelines and different rules than most European and UK systems, and the gap between "we assumed this was covered" and "this was actually filed correctly" is one of the more avoidable risks in this guide.

// FOUR IP TIMING & PROTECTION CONSIDERATIONS

01 // PATENT TIMELINE

Patent timelines vary significantly by category — consumer products typically move through the process in 12 to 15 months, while enterprise software can take 2 to 4 years.

02 // FILING WINDOW

Critically, US patent filing generally needs to happen within the first 12 months of a public disclosure or sale to preserve rights, which makes this a much earlier-stage consideration than most founders and CFOs expect — not something to revisit once the US entity is operational.

03 // INTERNATIONAL PROTECTION

Companies with existing home-market patents can generally use the Paris Convention or the Patent Cooperation Treaty to extend protection into the US, rather than starting the process from scratch.

04 // TRADEMARKS

Trademarks operate on a different logic entirely: the US uses a use-based system rather than the registration-based system common in much of Europe, with an average turnaround of around two years.

// THE CFO'S ROLE

The CFO's role here isn't legal expertise — it's making sure IP protection is on the timeline as an early action item, not a later one, and that it's budgeted for accordingly.

// BRING TO YOUR BOARD

Have we filed for US patent and trademark protection on a timeline that actually reflects US rules — or are we assuming our home-market filings extend automatically?

37. Preparing to Raise US Capital

For companies planning to raise US venture capital — whether to fund the expansion itself or as a natural next round once US operations are underway — it helps enormously to understand that the US VC market runs on its own culture, norms, and etiquette, distinct from fundraising processes most European and UK founders and CFOs are used to.

A few realities worth knowing well before the process starts.

01 // TARGETING

Targeting matters more than volume: firms whose stage, check size, sector, and geography focus align with the company are worth far more time than a broad, unfocused outreach list.

02 // INTRODUCTIONS

Personal introductions are close to essential — a warm introduction to the right partner is typically what earns a first meeting, far more than a cold pitch.

03 // PROCESS & TIMING

The process takes longer than expected, consistently — even experienced founders with strong traction often need 100+ pitches to reach a first term sheet, and a 6+ month timeline is a reasonable planning assumption, not a worst case.

04 // DILUTION

Dilution expectations typically run 20–30% per round, which shapes how pre- and post-money valuation gets calculated and discussed.

37. Preparing to Raise US Capital • continued

// HARD NORMS • AVOID AN EARLY MISSTEP

And a handful of hard norms are worth knowing simply to avoid an early misstep: US investors generally don't sign NDAs, founders should expect a re-vesting requirement as a condition of closing, and paying a finder's fee to anyone who isn't a licensed broker-dealer is a securities law violation that can scare off legitimate investors entirely.

// RESOLVE BEFORE DILIGENCE

One planning item worth resolving early rather than mid-diligence: some US VC firms expect a portfolio company to have (or to commit to establishing) a US entity, or even relocate headquarters to the US, as part of investment. Knowing individual firms' expectations on this before deep diligence begins avoids it becoming a late-stage point of friction.

// THE CFO'S PREPARATION ROLE

The CFO's preparation role is substantial here: clean financials, a defensible pro forma (Part 4), and a demonstrable command of the US business are exactly what separates a founder who's ready for this process from one who isn't — and the CFO is usually the person best positioned to build that readiness.

// BRING TO YOUR BOARD

If we started a US fundraising process today, is our financial story tight enough to survive 100+ investor conversations — or would gaps start to show after the first dozen?

38. Reporting to the Board

// THE BOARD'S WINDOW

Everything in this guide eventually surfaces in a board reporting cadence — and the quality of that reporting is, in a very real sense, the board's primary window into whether the expansion is being executed well.

// CONSISTENT CORE METRICS

Effective US expansion reporting tracks a consistent set of metrics over time rather than reconstructing a narrative fresh each quarter: US revenue and its growth trajectory, progress against the milestones and triggers established in Part 4, headcount versus plan, burn rate against the dedicated US capital pool from Part 1, and any compliance or risk items surfaced since the last update.

// CONSISTENCY MATTERS

Consistency matters as much as content — a board that sees the same core metrics tracked reliably over time can spot trends and intervene early; a board that gets a differently-structured update each quarter is left reconstructing context before it can even engage with what's changed.

// THE CREDIBLE STORY

This reporting cadence is also where every other part of this guide pays off directly. A CFO who has built a defensible budget, tracked traction consistently, and stayed ahead of compliance is the CFO who walks into board meetings with a clear, current, credible story — the exact outcome this guide has been building toward from the Foreword onward.

// BRING TO YOUR BOARD

Does our reporting give the board a consistent, evolving picture of the expansion — or a fresh narrative assembled right before each meeting?

10

Building the Long-Term Financial Operating Model

The expansion ends when the operating model no longer needs special treatment.

// OPERATING SHIFT

Launch discipline must evolve into steady-state discipline.

39

**FROM EXPANSION
TO SCALE**

40

**FINANCE
IN-HOUSE**

41

**LESSONS FROM
THE FIELD**

From Launch to Steady State

01 // LAUNCH

Every part of this guide up to this point has been about launch — getting the US operation stood up correctly and running through its first 12–18 months.

02 // STEADY STATE

This final part is about what comes after: the point where "expansion" stops being a project with a start and end date and becomes simply how the company operates, on two continents, indefinitely.

39. From Expansion to Scale

// THE OPERATING SHIFT

There's a specific, identifiable point where a US operation shifts from launch mode to steady-state — and recognizing it matters, because the financial discipline that got the company through launch isn't quite the same discipline that sustains it through scale.

// LAUNCH MODE

Launch-mode budgeting is built around milestones and triggers (Part 4): spend is justified project by project, hire by hire, against pre-agreed evidence.

// STEADY-STATE BUDGETING

Steady-state budgeting looks more like a mature operating function — annual planning cycles, established headcount ramps tied to revenue targets rather than one-off approvals, and financial processes that run on their own rhythm rather than being actively managed line by line.

// DELIBERATE TRANSITION

Making this transition deliberately — recognizing when the US operation has earned steady-state treatment, rather than continuing to manage every decision as a special case — is itself a sign of a well-run expansion.

// TIMING RISK

Staying in launch-mode governance too long creates unnecessary friction and slows the business down; moving to steady-state too early can mean losing the discipline that made the launch successful in the first place.

// BRING TO YOUR BOARD

Have we consciously decided our US operation has moved from launch to steady-state, or are we still managing it as a special project well past the point where that's still useful?

40. When (and How) to Bring Finance In-House

// EARLY-STAGE MODEL

Most companies don't build a full in-house US finance function on day one — nor should they. Early-stage US finance work is typically handled through outsourced or partner support: bookkeeping, payroll administration, tax filings, and compliance monitoring run through specialists who already have the infrastructure and expertise in place, which is far more capital-efficient than building that capability internally before it's needed.

// THE THRESHOLD

The question of when to bring finance in-house — hiring a dedicated US controller or finance lead, building internal AP/AR capacity — is really a question of scale and complexity crossing a threshold: transaction volume high enough that outsourced processing becomes a bottleneck, headcount large enough that HR and payroll complexity benefits from dedicated internal ownership, or strategic importance high enough (a major funding round, an eventual US-based leadership structure) that having finance expertise inside the building outweighs the efficiency of keeping it outsourced.

// A JUDGMENT CALL

There's no universal headcount or revenue number that triggers this — it's a judgment call that should be revisited periodically rather than decided once and left alone.

// A HYBRID MODEL

Importantly, this isn't a binary switch. Many scaling companies run a hybrid model for a meaningful period — an internal finance lead who owns strategy and reporting, supported by outsourced specialists for the specialized, compliance-heavy work (tax filings, transfer pricing) that benefits from dedicated expertise regardless of company size.

// BRING TO YOUR BOARD

Do we have a clear view of what would trigger bringing US finance in-house, or are we defaulting to the same outsourced structure indefinitely without revisiting whether it's still the right fit?

41. Lessons from the Field

Four mistakes account for a disproportionate share of the costly missteps seen across US expansions. None of them are exotic — they're the direct, practical consequences of the mindsets and shortcuts this guide has been arguing against from the Foreword onward.

01

Hiring senior US executives too soon. A senior hire made before the operation has enough traction to justify — or retain — that level of seniority is expensive in two directions: the cost of the role itself, and the disruption when that hire doesn't work out and needs to be replaced. This connects directly to Part 7's hiring-plan discipline: sequence hires against evidence, not against a org chart built in advance.

02

Choosing expensive office locations. A location chosen for prestige or founder preference, without the cost-modeling discipline from Part 3, quietly inflates burn rate for the life of the lease — a compounding cost that's easy to justify in the moment and hard to unwind later.

03

Falling out of legal compliance. Covered in depth in Part 6, and worth repeating here because it's the mistake most likely to surface only after real damage has already accrued — the gap between "we think we're compliant" and "we've actually verified it" is where this risk lives.

04

Scaling hiring before proving market fit. The inverse of Part 1's readiness framework — building out a full US team before the demand signals and PMF metrics from Chapters 3 and 5 actually justify that scale, effectively exporting cost ahead of exporting proof.

41. Lessons from the Field • continued

// ROOT CAUSE

What connects all four is the same root cause: a decision made on assumption, urgency, or home-market instinct, instead of on the evidence and discipline this guide has walked through part by part.

// THE THREAD THROUGH EVERY CHAPTER

That's the thread running through every chapter here — not that US expansion is impossible to get right, but that getting it right requires treating it as the distinct, disciplined undertaking it actually is.

// THE SHIFT

That, ultimately, is the shift this guide has been asking for from its opening pages: trading the instinct to preserve capital for the discipline to create enterprise value — deliberately, with evidence, one board conversation at a time.

// BRING TO YOUR BOARD

Of these four common mistakes, which one are we currently most at risk of making — and what would it take to make sure we don't?

0A

US Expansion Readiness Checklist

A board-ready self-assessment — not a scored diagnostic.

// PURPOSE

Name the readiness gaps before the board gives the green light.

01

ASSESS

Current state
before planning

02

EVIDENCE

Market, PMF,
capital and depth

03

DECIDE

Proceed, discuss
or slow down

Appendix A: US Expansion Readiness Checklist

01 // PRACTICAL AND FILLABLE

A practical, fillable version of the Part 1 readiness framework — designed to be worked through directly, and to leave you with something concrete to bring into a board conversation about timing.

02 // SELF-ASSESSMENT, NOT A SCORE

This is a self-assessment, not a scored diagnostic; USXP's full Readiness Assessment goes deeper and produces a formal score against these same dimensions.

Step 1: Assessment of Current State



01

We have honestly assessed our current-state readiness, separate from and before any US expansion planning.



02

This assessment was done deliberately, not skipped because expansion felt urgent or overdue.

Market Fit for the US (TAM Check)

- ☐ We know, with real data, what percentage of our total addressable market is in the US.

- ☐ **The US represents more than 50% of our overall TAM.**

- ☐ If it doesn't, we have a clear, board-level answer for why US expansion is still the priority.

Home Market Product-Market Fit

Rate your confidence in each (Strong / Moderate / Weak):

Total ARR — meaningful and defensible

☐ Strong ☐ Moderate ☐ Weak

Inbound lead velocity — real demand pull, not just outbound

☐ Strong ☐ Moderate ☐ Weak

12-month revenue CAGR — accelerating

☐ Strong ☐ Moderate ☐ Weak

% of sales reps over target — repeatable across the team, not one star performer

☐ Strong ☐ Moderate ☐ Weak

Sales targets vs. actuals — consistently on plan

☐ Strong ☐ Moderate ☐ Weak

Retention / churn — customers are staying

☐ Strong ☐ Moderate ☐ Weak

☐ We would be comfortable presenting all six of these to a new US investor today.

Capital Readiness

☐ We have a fully funded number covering 18–24 months of home-market burn, independent of US expansion.

☐ We have a separate, distinct capital pool dedicated specifically to US expansion.

☐ These two numbers have not been blended into a single budget.

US Market Demand Signals

☐ We have at least some existing US paying customers, even pre-launch.

☐ We are receiving US inbound leads — direct and/or through partners — without having actively pursued them yet.

☐ We can quantify US revenue as a % of total company revenue.

☐ US revenue velocity is trackable and, ideally, already showing organic movement.

☐ If none of the above are true yet, we understand this expansion is a higher-risk, demand-unproven bet — and the board has been told so explicitly.

Executive Team Depth

- ☐ We have identified who will run the home-market business while the founder is substantially US-focused.

- ☐ That person is ready today — not a hire we still need to make.

- ☐ The founder has genuinely committed to being roughly 90% US-focused for 12–18 months, not a partial or symbolic commitment.

Reading Your Results

This checklist isn't pass/fail — but a clear pattern is worth paying attention to:

READY

Mostly checked, high confidence across PMF metrics: You're likely a strong readiness candidate. The chapters in Parts 2 onward are your execution roadmap.

DISCUSS

A mix of checked and unchecked, particularly around capital or demand signals: Expansion may still be right, but the board should be having an explicit conversation about which specific gaps are being accepted as risk, rather than proceeding as if they don't exist.

PAUSE

Several unchecked boxes across multiple sections, especially PMF or executive depth: This is worth slowing down for. The most expensive expansions are usually the ones where readiness gaps were known but not named before the board gave the green light.

Want a fully scored version of this assessment, benchmarked against USXP's data from prior client engagements? USXP's free online US Expansion Readiness Assessment covers these same dimensions in more depth: usxp.co/readiness-assessment

OB

The Real Scope of US Expansion

A full, task-by-task self-assessment for CFOs considering the DIY route.

// SCOPE REALITY

58 tasks. Three phases. One permanent operating rhythm.

21

TASKS

**FORMATION +
FOUNDATION**

17

TASKS

**PEOPLE + HR
INFRASTRUCTURE**

20

TASKS

**OPERATIONS +
SCALE**

Appendix B: The Real Scope of US Expansion — Full Annotated Checklist

A Self-Assessment for CFOs Considering the DIY Route

This is the complete, task-by-task version of the checklist introduced in Part 2, Chapter 9. Use it as a working self-assessment against your own team's current bandwidth and expertise — not as a how-to guide for executing any individual task.

The three phases below are sequenced deliberately: most of Phase 2 cannot begin until Phase 1 is substantially complete, and Phase 3 is the operating rhythm that begins once Phase 2 is in place.

Legend:

L

Licensed expertise required — legally requires a licensed professional (CPA, attorney, insurance broker, licensed appraiser)

US

Local expertise required — doesn't require a license, but requires US-specific knowledge, norms, or relationships that a team without US experience won't have

D

Hard deadline / penalty risk — tied to a fixed deadline with financial or legal consequences for missing it

R

Ongoing, not one-time — recurring obligation, not a task you complete once and move past

S

Sequencing dependency — must happen in the correct order relative to other steps, or downstream steps fail

Phase 1: Formation & Foundation

Everything here has to be substantially in place before you can responsibly engage HR providers, run payroll, or make a first hire. **This is the foundation the rest of expansion sits on.**

01

Phase 1: Formation & Foundation • continued

Task	Flags
Site Selection US S	US-Specific Budget & Pro Forma Financial Model US S
US Law Firm Selection US	US Corporate Officers US S
By-Laws L	Articles of Incorporation L D S
Registered Agent US D R	Certificate of Incorporation L S
Employer Identification Number (EIN) US D S	US Office & Address US S
US Bank Accounts US S	US Credit/Debit Cards US S

Phase 1: Formation & Foundation • continued

Task	Flags
Corporate Insurance Coverages	L S
Certificate of Authority (State)	US D S
Certificate of Good Standing	US R
CPA Firm Selection	US
Accounting Software Setup	US S
Form BE-13B	US D (federal survey filing — easy to miss if you don't know it exists)
Founder's Visa	L D
Executive Relocation	US
US Client Contracts & Agreements	L

Phase 1: Formation & Foundation • continued

This is the most sequencing-dependent phase in the entire expansion. Site selection has to inform the budget. The budget has to inform entity structure decisions. Corporate officers have to be named and by-laws drafted before Articles of Incorporation can be filed, and Articles filed before a registered agent is formally engaged. The entity has to exist before an EIN can be issued. The EIN has to exist before a bank account can be opened. **Get any of this out of order, and downstream steps stall or have to be redone.**

Phase 2: People & HR Infrastructure

None of this can responsibly begin until Phase 1's legal and financial foundation — entity, EIN, bank accounts, insurance — is in place. **Trying to hire before this foundation exists is one of the most common (and costly) sequencing mistakes.**

02

Phase 2: People & HR Infrastructure · continued

Task	Flags
HR Services Provider Selection (US)	Payroll Set-up & Processing (US) (R)
State Tax Withholding Numbers (US) (D) (S)	State Unemployment Tax Numbers (US) (D) (S)
Employee State & Federal Forms (W-4) (R)	Employee Compensation Packages (US)
Job Descriptions (US)	Employee Offer Letters, NDA, Agreements (L)
Employee Background Checks (US)	Health Insurance (L) (R)
401(k) (L) (R)	US PTO Policies (US)

Phase 2: People & HR Infrastructure · continued

Task	Flags
Sales Policies	US
Human Resource Policies	US
New Hire Onboarding Process	US
Employee Stock Option Plan (ESOP)	L S
Talent Vetting	US

Phase 2: People & HR Infrastructure • continued

Almost every item in this phase requires either a license or US-specific know-how your team doesn't have yet. Even the tasks that don't require a licensed professional still require someone who understands US hiring norms, benefits benchmarks, and state-by-state employment practices — **knowledge that isn't transferable from your home market.**

Phase 3: Operations & Scale

This is the permanent operating rhythm the team inherits once the company is formed and staffed — the ongoing compliance, financial, and go-to-market work that continues indefinitely.

03

Phase 3: Operations & Scale · continued

Task	Flags
Accounting Operations (AR/AP, Payroll) US R	Chart of Accounts US S
Monthly Financial Reporting US R	Annual Franchise Tax L D R
Annual Report Filing US D R	Transfer Pricing L
Federal Income Tax Return L D R	State Income Tax Returns L D R
Sales Tax Reporting L D R	1099 & W2 Processing US D R
Sales Commissions R	Expense Reporting & Processing R

Phase 3: Operations & Scale · continued

Task		Flags
Employee Handbook	US	S
Standard Operating Procedures	–	R
US Go-To-Market Strategy	US	R
Sales Enablement	R	US
HQ Integration		
US Vendor Management		
Demand Generation		
US Venture Capital Fundraising		

Phase 3: Operations & Scale · continued

Almost every item here is recurring. This isn't a "get it running once" phase — it's the permanent operating rhythm your team inherits, indefinitely, on top of everything they already do.

The Question to Ask Your Board

Of the ~58 discrete tasks above:

01

How many require a licensed professional your team doesn't currently have on retainer?

02

How many require US-specific local expertise no one on your team has, because no one on your team has done this before?

03

How many carry a hard deadline with financial or legal consequences for getting it wrong?

04

How many become permanent, recurring obligations rather than one-time projects?

05

How many have to happen in a precise sequence your team has never navigated before?

// THE REAL QUESTION

If the honest answer to any of these is "most of them" — the real question isn't can your team do this. It's what should your team be doing instead while someone who has done this hundreds of times handles it correctly the first time.

Every hour your team spends becoming amateur experts in state tax registrations, entity formation sequencing, and US employment norms is an hour not spent on the thing your board actually cares about: increasing enterprise value.

// BRING TO YOUR BOARD

Have we scoped US expansion execution against our team's actual current capacity and expertise — or are we assuming we'll figure it out as we go?

OD

Glossary for Non-US CFOs

Plain-language definitions of US-specific terms used throughout the guide.

// REFERENCE

33 terms across entity, finance, tax, talent and fundraising.

O-D

Formation +
core metrics

D-R

Tax + payroll +
infrastructure

S-V

Fundraising +
cross-border

Appendix D: Glossary for Non-US CFOs

Plain-language definitions of US-specific terms used throughout this guide — organized alphabetically for quick reference.

// B-A

401(k) — The standard US employer-sponsored retirement savings plan. Employer matching contributions are a common and generally expected part of a competitive US benefits package.

409A Valuation — An independent appraisal of a private company's common stock, required under US tax law to set a legally defensible strike price for employee stock options.

ACH (Automated Clearing House) — The primary US electronic payment network, used for payroll, vendor payments, and most domestic transfers. Functionally similar in purpose to European bank transfer systems, but a separate system from SWIFT.

ARR (Annual Recurring Revenue) — Predictable subscription or contract revenue, annualized. A core SaaS/tech metric used throughout this guide as a readiness and traction indicator.

Articles of Incorporation — The foundational legal document filed with a state to formally create a corporation.

// B-D

Broker-Dealer — A person or firm licensed to buy and sell securities and facilitate capital raises. Paying an unlicensed party a fee for introducing investors is a securities law violation in the US.

By-Laws — The internal governance document setting out how a corporation is run (board structure, officer roles, decision-making procedures), drafted alongside Articles of Incorporation.

C-Corporation ("C-Corp") — The standard corporate entity structure for venture-backed companies, offering the ownership and stock structure investors expect.

CAGR (Compound Annual Growth Rate) — A standardized measure of growth over time, used in this guide to assess revenue trajectory as a readiness indicator.

Certificate of Authority — A filing that permits a corporation formed in one state to legally do business in another state ("foreign qualification").

Certificate of Good Standing — An official state document confirming a corporation is compliant and authorized to operate — often required for banking, contracts, or foreign qualification.

Certificate of Incorporation — The document issued by the state confirming a corporation has been officially formed, following the Articles of Incorporation filing.

Delaware (as State of Incorporation) — The most common state of incorporation for US venture-backed companies, due to its well-established corporate law and familiarity to investors — independent of where the company physically operates.

Appendix D: Glossary for Non-US CFOs • continued

// D-G

Dilution — The reduction in existing shareholders' ownership percentage that occurs when new shares are issued in a funding round.

D&O / E&O / Cyber Insurance — Directors & Officers, Errors & Omissions, and Cyber liability coverage — standard corporate insurance categories expected by US investors, boards, and many commercial contracts.

EIN (Employer Identification Number) — A federal tax ID number issued by the IRS, required before a company can open a US bank account, run payroll, or file taxes.

FICA — The combined federal payroll tax funding Social Security and Medicare, split between employer and employee.

Franchise Tax — An annual state-level tax charged for the right to be incorporated or registered in that state, separate from income tax.

FUTA / SUTA (or SUI) — Federal and State Unemployment Tax, employer-paid taxes funding unemployment insurance; SUTA/SUI rates and rules vary by state.

GAAP (Generally Accepted Accounting Principles) — The standard US accounting framework, distinct from IFRS, which most European companies use at home.

// K-R

KYC (Know Your Customer) — Regulatory identity-verification requirements banks must complete before opening an account, often more stringent for newly formed foreign-owned entities.

Nexus — The legal connection between a business and a state sufficient to trigger a tax obligation (most notably sales tax) in that state — not always tied to having a physical office there.

OTE (On-Target Earnings) — Total expected sales compensation (base salary plus commission) if a salesperson hits 100% of quota — the standard way US sales compensation is expressed and benchmarked.

PEO (Professional Employer Organization) — A third-party firm that handles payroll, benefits administration, and HR compliance on a company's behalf, often used to simplify early-stage US employment.

Pre-Money / Post-Money Valuation — A company's valuation immediately before (pre-money) and after (post-money) a funding round, calculated using the amount raised and the resulting dilution.

Registered Agent — A designated individual or service responsible for receiving official legal and state correspondence on a corporation's behalf; required in every state where the company is registered.

Re-Vesting — A common US term sheet condition requiring founders to restart or extend their equity vesting schedule as part of closing a funding round.

Appendix D: Glossary for Non-US CFOs · continued

// S-T

SEC (Securities and Exchange Commission)

— The US federal regulator overseeing securities law, including rules around fundraising and who may be compensated for facilitating investment.

SQL (Sales Qualified Lead) — A lead that has been vetted and handed to sales as ready for direct engagement, distinct from an earlier-stage marketing-qualified lead.

Transfer Pricing — The methodology used to price transactions between related entities (e.g., a home-market parent and a US subsidiary), closely scrutinized by tax authorities to prevent improper profit-shifting.

// T-V

Term Sheet — A non-binding document outlining the proposed terms of an investment, used as the basis for final legal agreements.

W-2 / 1099 — US tax forms: a W-2 reports wages for employees (with taxes withheld); a 1099 reports payments to independent contractors (no withholding, taxes handled by the contractor).

Visa Categories (L, E, H-1B, O) — Common US work visa types: L (intracompany transfer), E (treaty-country nationals in qualifying roles), H-1B (specialty occupations, subject to an annual lottery), O (extraordinary ability).

OE

About USXP

US expansion advisory paired with real operating execution.

// WHY USXP EXISTS

US expansion is a distinct discipline — not a project to improvise.

01

READINESS

Know whether to go.

Stress-test the market, capital and team before committing.

02

LAUNCH

Build it correctly.

Turn the decision into a compliant, operational US foundation.

03

SCALE

Run the operating rhythm.

Keep budgets, reporting and execution connected as you grow.

// ONE OPERATING PARTNER

From board readiness to day-to-day US operations.

Advice and execution stay connected — so the plan survives contact with reality.

Appendix E: About USXP

// WHY USXP EXISTS

Every chapter in this guide has made a version of the same argument: US expansion, done well, is a distinct discipline — one that rewards real US-specific expertise over improvisation, and one where the cost of getting it wrong is rarely visible until it's already expensive. **USXP exists because of that argument.**

// ADVISORY

We're the advisors European tech founders and CFOs bring in when they're serious about the US. Our team is made up of operators who've done this before — not consultants offering frameworks from the sidelines, but people who get in the trenches with you: advising on strategy, VC fundraising, go-to-market, and the moves that aren't visible until you're already in the room.

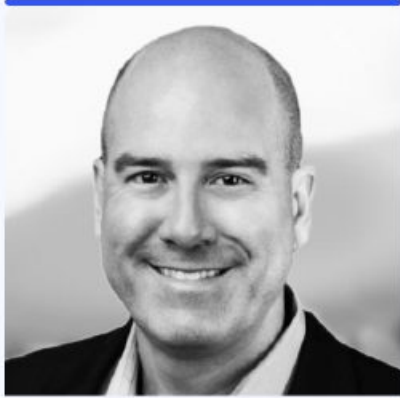
// EXECUTION

Every USXP client gets a dedicated Country Manager who sets up and runs day-to-day US operations — the budget creation and management, compliance oversight, payroll and tax filings, vendor management, and reporting integration covered across this guide's Parts 4 through 9 — so your team can stay focused on the revenue-generating work only they can do. This is US expansion advisory paired with real operational and executional expertise, not one without the other.

// THE FULL LIFECYCLE

We lead companies through the entire lifecycle this guide has walked through: readiness, launch, and scale.

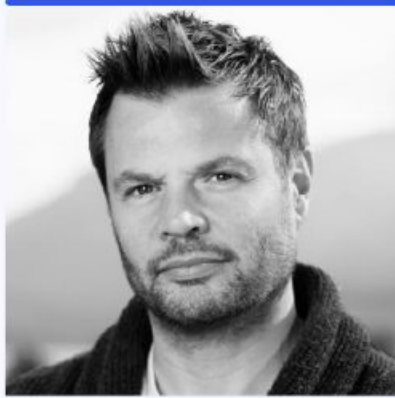
Leadership



David Rose

Founder & CEO

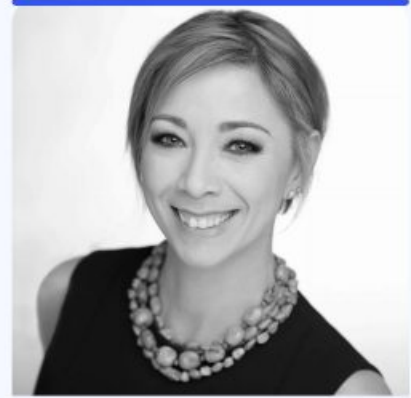
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If this guide has surfaced questions specific to your company's situation — a readiness gap you want a second opinion on, a budget you'd like stress-tested, or simply a clearer picture of what USXP's Readiness Assessment would show for your business —

**the next step is a
conversation,
not another document.**

// START HERE

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