



## Episode 5: German startups are going global

This is the transcript for Episode 5 of the Smart Startup English Podcast.

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Welcome to the Smart Startup English Podcast, episode 5!

I'm Mickey, I'm your host, and in this episode, we're talking about what happens when a startup plans to go global. That means they're trying to expand their business beyond their native country. And we're going to talk about German startups in particular.

**But first, let me ask you a question:**

What names come to mind when you think of German startups?

Going global sounds good on paper, but it can be hard to do in practice. When something sounds good on paper, it means that it's a good idea in theory, but not so much in practice. In a recent article from [Crunchbase](#), we read about the experiences of a few founders who moved their companies from Germany to Silicon Valley in California. We'll link to this article in the show notes.

The German appetite for international expansion is due to the fact that venture capital (meaning money and access to investors) is still very concentrated in the United States. So German startups that want to access some of that money, have to break into the U.S. market. To break into a market means to enter a market, to start doing business in that market.

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Because the majority of funding is in the United States, about 82 percent of German startups have plans to expand overseas - according to a 2017 survey by KPMG.

However, the entrepreneurs who make the move from Germany to the United States often suffer from culture shock. That means they are affected by the differences between how these two cultures are doing business.

German entrepreneurs report that they're often surprised by the speed at which Americans do business, often working very long hours.

Another difference that they notice is that Americans are also more open and willing to share about their achievements and about suffering setbacks. When you suffer a setback, that means that you're having a problem or a complication.

On the other hand, German companies are more private about their business progress and their business partners, and they don't usually talk about setbacks.

A third difference is in the style of pitching (of selling an idea to investors).

Americans focus more on the **storytelling** aspect, but Germans pay more attention to the **technical** information about their companies. Pitching refers to talking about your company or your idea with the goal of convincing others to do something for you. So maybe you want them to invest in your business, or you want them to buy your product.

These cultural differences might catch German entrepreneurs off guard. To catch someone off guard means that you're surprising them with something they're not ready for.

On the other hand, some German founders decide to stay put. To stay put means that they're staying in the same place, they're staying in their native country; they're not moving their businesses overseas.

One major disadvantage of doing business abroad while staying put is having to operate in different time zones. Obviously, if your customers are in the same country, or even in the same timezone as you are, it's easier to serve their needs.

On the other hand, Silicon Valley is nine hours behind Germany, so startup founders feel like they're working all the time. That is because they work on German time on their German business and they work on U.S. time on the U.S. part of their business.

This is one of the major challenges that startups face when trying to operate a global business.

To face a challenge means to have to go through a difficult situation. To deal with a difficult problem. Episode 4 of our podcast is all about facing challenges, so I invite you to listen to that episode as well.

Some startups try to find the middle ground; that is, they try to find a compromise, a balance. So for example, German startup Babbel, a subscription-based language learning app, opened a New York branch in 2015, as they were trying to break into the U.S. market. But their main HQ (their headquarters, their main office) is still in Berlin, Germany.

**Before we move on to your speaking task, let's review the vocabulary we've learned in this episode.**

**To go global** means to expand your business to an international audience.

If something **sounds good on paper**, it means that it's a good idea in theory, but not so much in practice.

If your company **breaks into a market**, it's entering a market, it's starting to do business in that market.

**To suffer from culture shock** means to be affected by the way two different cultures operate.

If you **suffer a setback**, that means you encounter a problem, one that often stops your progress.

**Pitching** refers to talking about your company or your idea with the goal of convincing others to do something for you.

If you **catch someone off guard** that means that you surprise them with something they're not ready for.

**To stay put** means to stay in the same place. While to face a challenge means to have to deal with a difficult situation.

If you **find the middle ground**, you're trying to reach an agreement by finding a compromise.

**And finally, here's my speaking practice question for this episode:**

Have you experienced **culture shock** when working or studying in a different country? Or maybe you were in your native country, but you were working with colleagues from a different cultural background. What was your experience?

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