

Young American Entrepreneurs Abroad



iStock/Thinkstock

The new, younger American expat generation is on the move and looking for entrepreneurial opportunities abroad. Over one-third of Americans considering or planning a move told MyInternationalAdventure that starting a business in a new country was their primary motivation for moving abroad.

Mainly between the ages of 25-and-44, these new expat entrepreneurs are looking for adventure and profits in both emerging and industrialized nations that encourage new start-ups.

To provide perspectives on entrepreneurial opportunities abroad, we spoke with [Bruce Bachenheimer](#), clinical professor of management and director of the entrepreneurship laboratory at Pace University in New York, and Katie Davies, senior director of consulting services for [High Street Partners](#), which provides consulting services for international business expansion and operations.

Bachenheimer set the stage for our discussion with a parable: “Most who visit an emerging country with high poverty rates only see people with no shoes. Entrepreneurs see an opportunity to sell shoes.”

Bachenheimer knows what he is talking about. He went to Australia on a scholarship in 1999 to get his MBA and started a business in his spare time. That business – Stock Central Australia – quickly became the third-largest finance site in Australia and was valued at US\$1 million after just one year. He also left his job on Wall Street to sail the Caribbean for a few years, found a partner on the island of Trinidad and started another business importing teak lumber to the United States.

We asked Bachenheimer what the best start-up opportunities are for Americans. “I see a couple of different paths to success for young Americans thinking about starting a business in a new country,” he said. “The first one – and the largest opportunity – is leveraging family or other connections you have in your new country. Very often Americans return to their country of origin or a country where they have spent a lot of time and built up a network of connections. Most often, they set up a business they can bring from the U.S. that does not exist in that country. The second opportunity is what I call ‘opportunistic entrepreneurship.’ I happened to be in Trinidad while sailing the Caribbean and saw an opportunity that had great potential. It turned out to be a great business. The third opportunity is the intentional or deliberate path. For example, China is huge and growing, which is attracting many entrepreneurs who see great potential for new businesses.”

Bachenheimer says that young American entrepreneurs are not moving abroad because of the lack of opportunities at home, but rather are satisfying their desire for an adventure, to experience new cultures and have a chance to live in another country.

His comments echo the words of John Wennersten, author of [“Leaving America: The New Expatriate Generation.”](#) “Many younger people are moving to emerging countries to start businesses. My son is a good example of the new American expatriate. He was in the technology industry in America and moved to New Zealand as an information technology professional to help a brewing company with its logistics. While there he met his future wife, who was an economist at a university in Wellington. They got married and moved to Chennai, India where he worked for a start-up IT educational publishing company. He is now developing his own consulting business there,” Wennersten said.



Collection Mix: Subjects/Thinkstock

Both Bachenheimer and High Street Partners' Katie Davies agree with Wennersten that there are many opportunities for technology entrepreneurs.

"The best opportunities abroad for Americans are technology-based businesses," Davies said. "The cost of barriers-to-entry is often low, which helps technology sectors like medical devices, healthcare, biotech and other technology-based businesses. Most of our clients are business-to-business start-ups who have received funding in the U.S. and want to expand into new international markets. Most tech entrepreneurs are in their late-20s to mid-40s and well-educated."

Bachenheimer pegs the average age of tech entrepreneurs at 39 and agrees that technology businesses are generally U.S.-based and interested primarily in expanding into new global markets. "International entrepreneurs are definitely younger, free to travel and take risks," he said. "Those entrepreneurs expanding into other countries, though, tend to be a little older because they have already set up businesses in the U.S. and have the money to expand into new markets."

Which countries are best for entrepreneurs? Bachenheimer says the United Kingdom, Chile, Ireland, Canada, Australia and New Zealand all have aggressive entrepreneurial programs. While Davies names the U.K., she also includes Germany, the Netherlands and Scandinavia in Europe and Singapore, Hong Kong and Australia in the Asia Pacific region. "Eastern Africa also has had an uptick," Davies said. "Kenya and Tanzania in particular because their infrastructures are good and their economies are experiencing rapid growth."

How can young American entrepreneurs improve their chance of start-up success? "I would highly recommend that they do their homework," Bachenheimer says. "What are the country's immigration laws as they pertain to working and starting a business? What are the employment rules? What are the tax rules? Do your due diligence thoroughly."

Davies agrees: "Advance planning is everything. You have to understand the business environment. For example, Brazil is a huge opportunity market, but there are many challenges involving regulatory considerations, the compliance environment, taxes and, of course, the language, which should be a top priority for all American entrepreneurs who wish to start a business abroad."

We asked both experts what single piece of advice they would give young American entrepreneurs. Davies said: "Do not let your heart rule your head. Do your homework and you can be successful." Bachenheimer weighed in with, "Go spend some time in the country and develop a network."

You can find more information and resources on starting a business abroad in each of our country guides under Work in the Starting a Business section. For details on how to obtain a work permit for each country we feature, look in the Immigration section under Move.

<http://myinternationaladventure.com/11/young-american-entrepreneurs-abroad/>