

Opportunities in Virginia and the Richmond Region

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Our Group



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What Others are Saying in 2016

Best Places to Live in the USA,
by U.S. News

50 Best Places to live in America,
by Men's Journal

Top 10 City for Global Trade in the United States,
by Global Trade Magazine

20 best places in America to start a business,
by CNBC.com

10 trendiest U.S. cities that you can still afford to buy in,
by Realtor.com

Top city for creatives,
by Thrillist

Top Destination for Food Travel,
by National Geographic

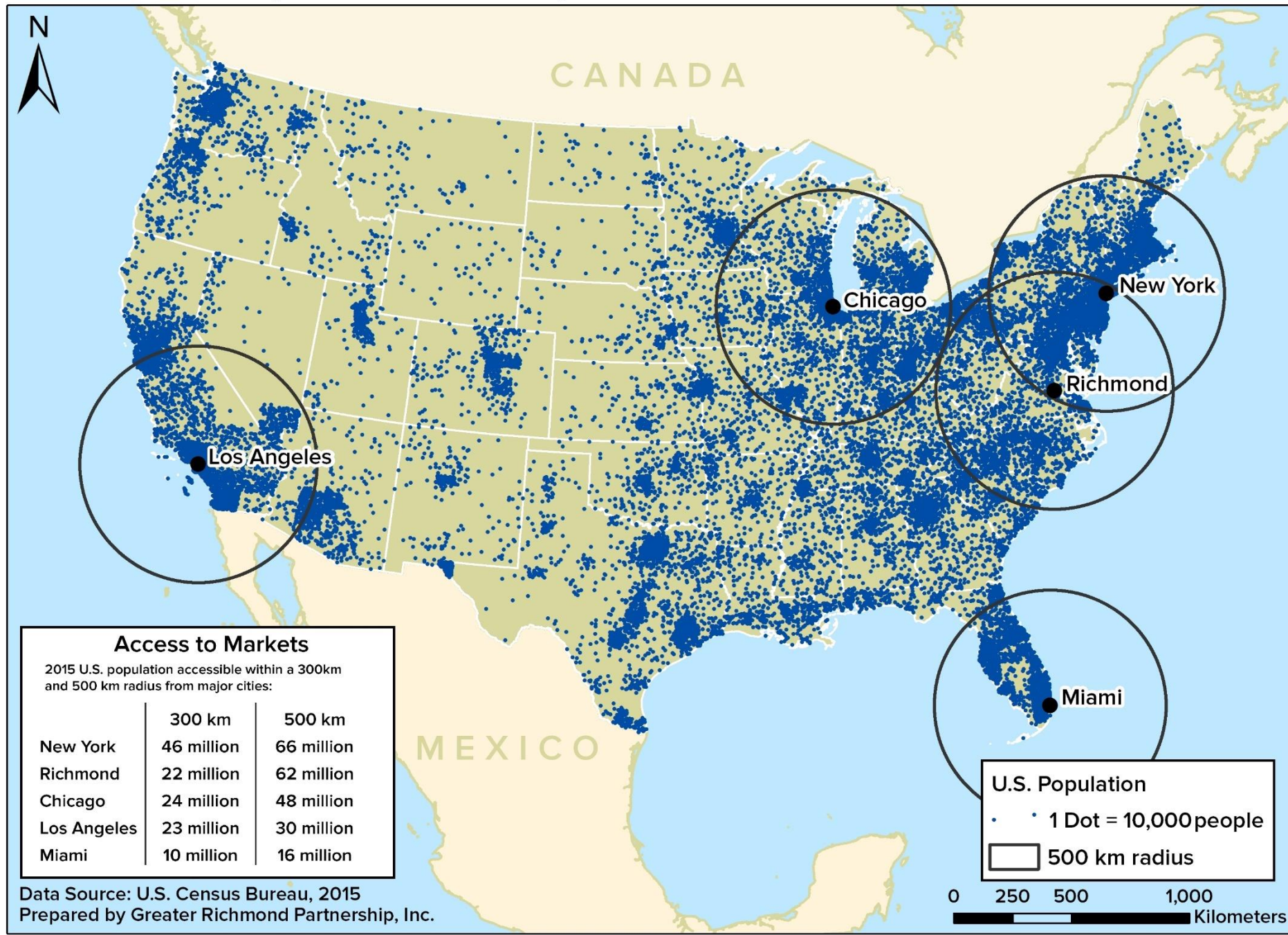
The modern cultural capital of the South,
by Men's Journal



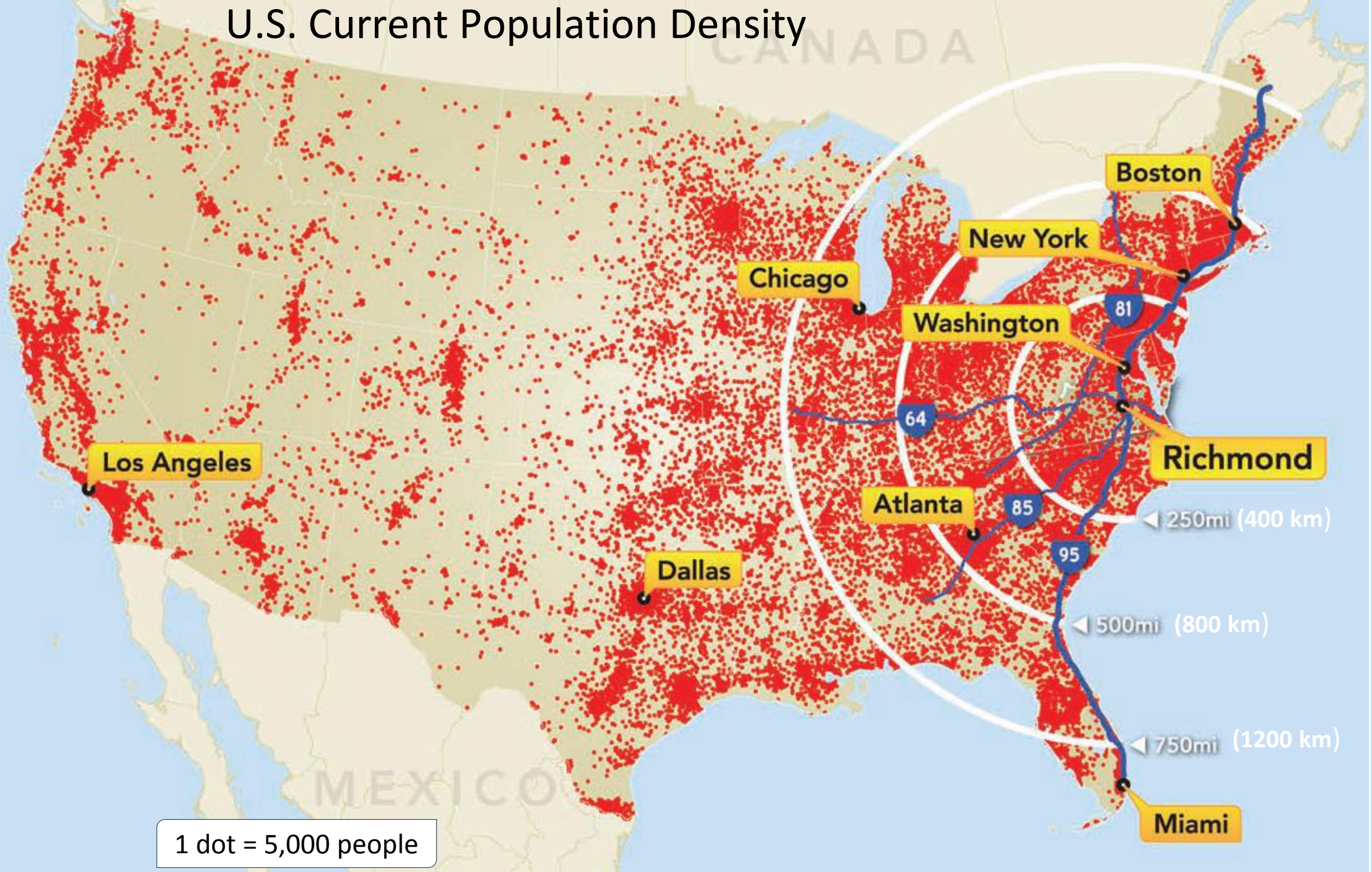
Overview

- Why Virginia?
- How International Companies Enter the US Market
- Why International Companies Choose Virginia and Richmond Region

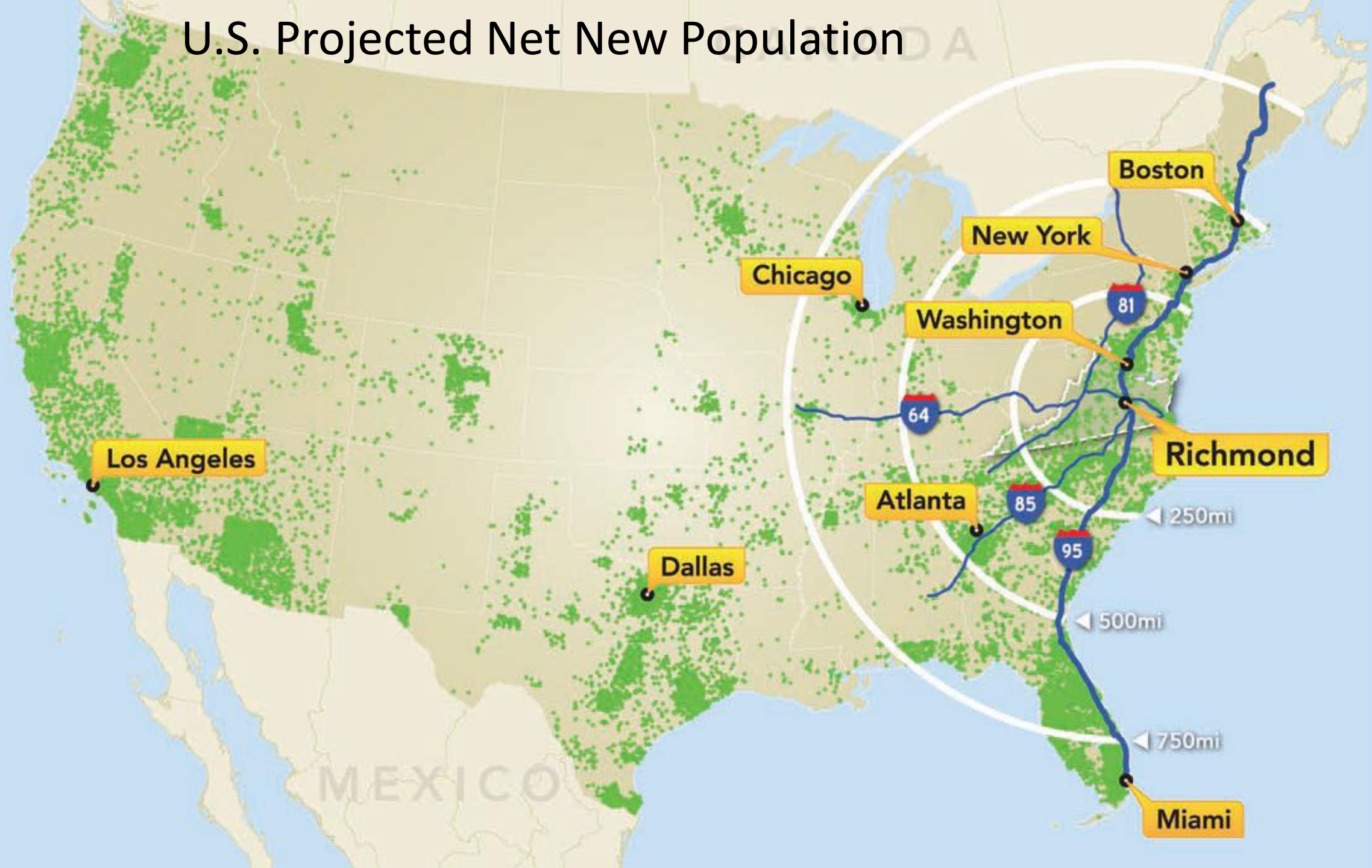
Population Density of the United States, 2015



U.S. Current Population Density



U.S. Projected Net New Population



Virginia Offers



Business-first
values



Easy access to
domestic and
global markets



Stable and
competitive
operating costs



Talented and
educated workforce

Operating Costs: **Stable and Competitive**

6%

corporate income rate

*(unchanged in more than 40 years
and 0.9% lower than other Southern
U.S. states)*

Unemployment
insurance tax rate is
**the 6th lowest
in the nation**

(12% lower than national average)

**1 of the Lowest
Average**

worker's compensation
costs and unemployment
tax burdens in the U.S.

*(among the lowest in
the nation for over 15 years)*

5.3%
State & local sales tax
8th lowest
in the nation

(rate dependent on locality)

Building costs
range from
**6% to 21%
below**

the national average

Average cost
per unit of electricity
6.65 cents

for the industrial sector

*(compare to 7.21 cents nationally)
(Source: Edison electric Institute, Winter 2015)*



How International Firms Enter the US Market

Be Successful First

- Are you already a successful company with a proven product or service?
- Is your product or service right for the US market?
- Are you prepared to invest time and money in the USA?



Understand the US Market

- Understand the US market
 - Largest economy in the world – 300+ million people, GDP of \$18.7 trillion
- Multiple market research sources available
- Do US regulations or certifications apply?



Build a Business Case for the US

- Who are potential American customers and end users?
- Compare US locations
- What is the profit potential (Year 1, Year 5, Year 10)?
- Verify research findings and plan a US trip

Comparison: Two-Person Sales Office

	RICHMOND, VA		ATLANTA, GA		BOSTON, MA		CHARLOTTE, NC	
Start-Up Costs (One Time)	Low	High	Low	High	Low	High	Low	High
State entrance fee	\$100	\$100	\$225	\$225	\$500	\$520	\$125	\$125
Visa cost (1 person)	\$325	\$2,000	\$325	\$2,000	\$325	\$2,000	\$325	\$2,000
Legal fees								
Visa fee (1 person)	\$3,767	\$6,000	\$3,767	\$6,000	\$3,767	\$6,000	\$3,767	\$6,000
Incorporation	\$650	\$2,567	\$650	\$2,567	\$650	\$2,567	\$650	\$2,567
Trademark	\$2,000	\$5,667	\$2,000	\$5,667	\$2,000	\$5,667	\$2,000	\$5,667
Patent search	\$2,500	\$5,000	\$2,500	\$5,000	\$2,500	\$5,000	\$2,500	\$5,000
Equipment (purchased)								
Laptop	\$379	\$2,799	\$379	\$2,799	\$379	\$2,799	\$379	\$2,799
Printer/copier/scanner/fax	\$280	\$7,090	\$280	\$7,090	\$280	\$7,090	\$280	\$7,090
Office phone (2)	\$80	\$340	\$80	\$340	\$80	\$340	\$80	\$340
Smartphones (2)	\$200	\$800	\$200	\$800	\$200	\$800	\$200	\$800
Tablets (1)	\$200	\$530	\$200	\$530	\$200	\$530	\$200	\$530
Total start-up costs	\$10,481	\$32,893	\$10,606	\$33,018	\$10,881	\$33,313	\$10,506	\$32,918
Operating Costs (Annual)								
Annual state registration	\$50	\$50	\$50	\$50	\$500	\$500	\$200	\$200
Salaries								
Managing director	\$54,912	\$144,810	\$56,992	\$146,619	\$68,078	\$167,294	\$66,206	\$164,694
Sales manager/Engineer	\$52,603	\$131,123	\$59,530	\$105,248	\$66,872	\$118,581	\$56,597	\$104,312
Benefits	\$29,997	\$76,985	\$32,510	\$70,271	\$40,755	\$86,334	\$34,262	\$75,053
Workers compensation	\$26,537	\$68,767	\$38,845	\$87,478	\$23,671	\$52,220	\$63,313	\$144,000
Unemployment insurance	\$364	\$364	\$498	\$498	\$1,338	\$1,338	\$848	\$848
Commission/incentives/bonuses	*	*	*	*	*	*	*	*
Office suite								
Rent	\$3,600	\$16,800	\$4,500	\$15,576	\$9,600	\$34,800	\$3,600	\$19,500
Furniture	included	included	included	included	included	included	included	included
Receptionist	included	included	included	included	included	included	included	included
Telecommunications/internet								
Telephone (2 lines)/internet	included	included	included	included	included	included	included	included
Long distance	*	*	*	*	*	*	*	*
Wireless device plan	\$810	\$1,170	\$810	\$1,170	\$810	\$1,170	\$810	\$1,170
Other								
Office supplies, misc.	\$663	\$1,303	\$663	\$1,303	\$663	\$1,303	\$663	\$1,303
Business auto	\$7,908	\$8,758	\$7,423	\$8,847	\$7,294	\$9,413	\$6,981	\$8,907
Financial/accounting services	*	*	*	*	*	*	*	*
Other (travel, marketing/promotion, equipment, property and liability insurance)	*	*	*	*	*	*	*	*
Total operating costs	\$177,444	\$450,130	\$201,820	\$437,060	\$219,580	\$472,953	\$233,480	\$519,986
TOTAL COSTS (YEAR 1 ONLY)	\$187,925	\$483,023	\$212,426	\$470,078	\$230,461	\$506,266	\$243,986	\$552,904

Note: * Costs differ depending on the industry and location.

GRP/Regional Services

- Market Research Analysis
- Connections to the local businesses community, business services providers and local government
- Assistance with real estate
- Workforce and hiring assistance
- Visit coordination



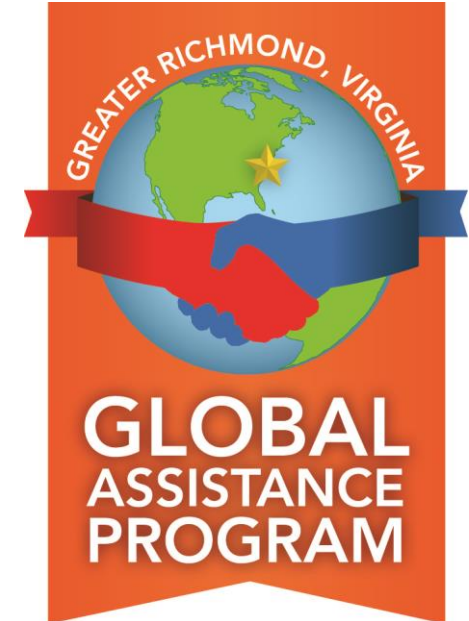
US Reality Check - An Intensive US Research Visit

Schedule a trip to the USA – **‘on the ground’** research
to verify your desk research



Global Assistance Program (GAP)

- Referral program to help you find the right team of US lawyers, accountants, insurance agents, etc.
- All partners are highly qualified and have worked with international businesses before
- Information is kept confidential and first meeting with any partner is free

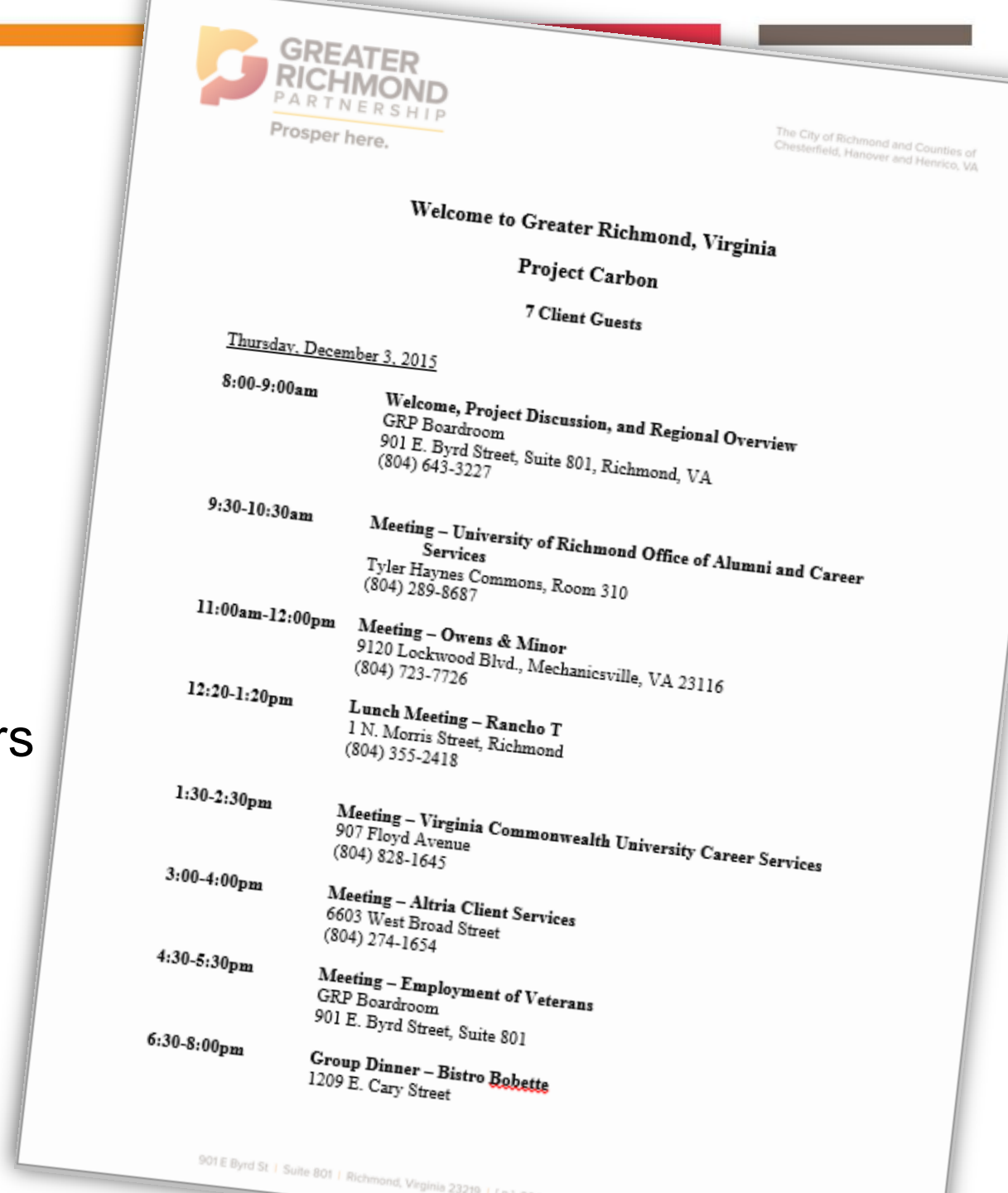


Customized Visits

Partnership staff will create a customized itinerary for company/delegation visit

Meetings with:

- Local business community
- Universities and/or service providers
- Business associations
- Potential joint venture partners or reps
- Real estate tours



Seek Professional US Advice

- Legal
- Accounting and Tax – both personal and business
- Insurance – both personal and business
- Industry specific associations and organizations
- Other business service providers
- And of course, economic developers!



Choose your Route to the US Market

- A number of options have advantages and disadvantages based around degree of control and cost:
 - Direct investment
 - Sales office
 - Virtual office
 - Joint venture/partnership
 - Agent/distributor



Getting Started in the USA

Checklist:

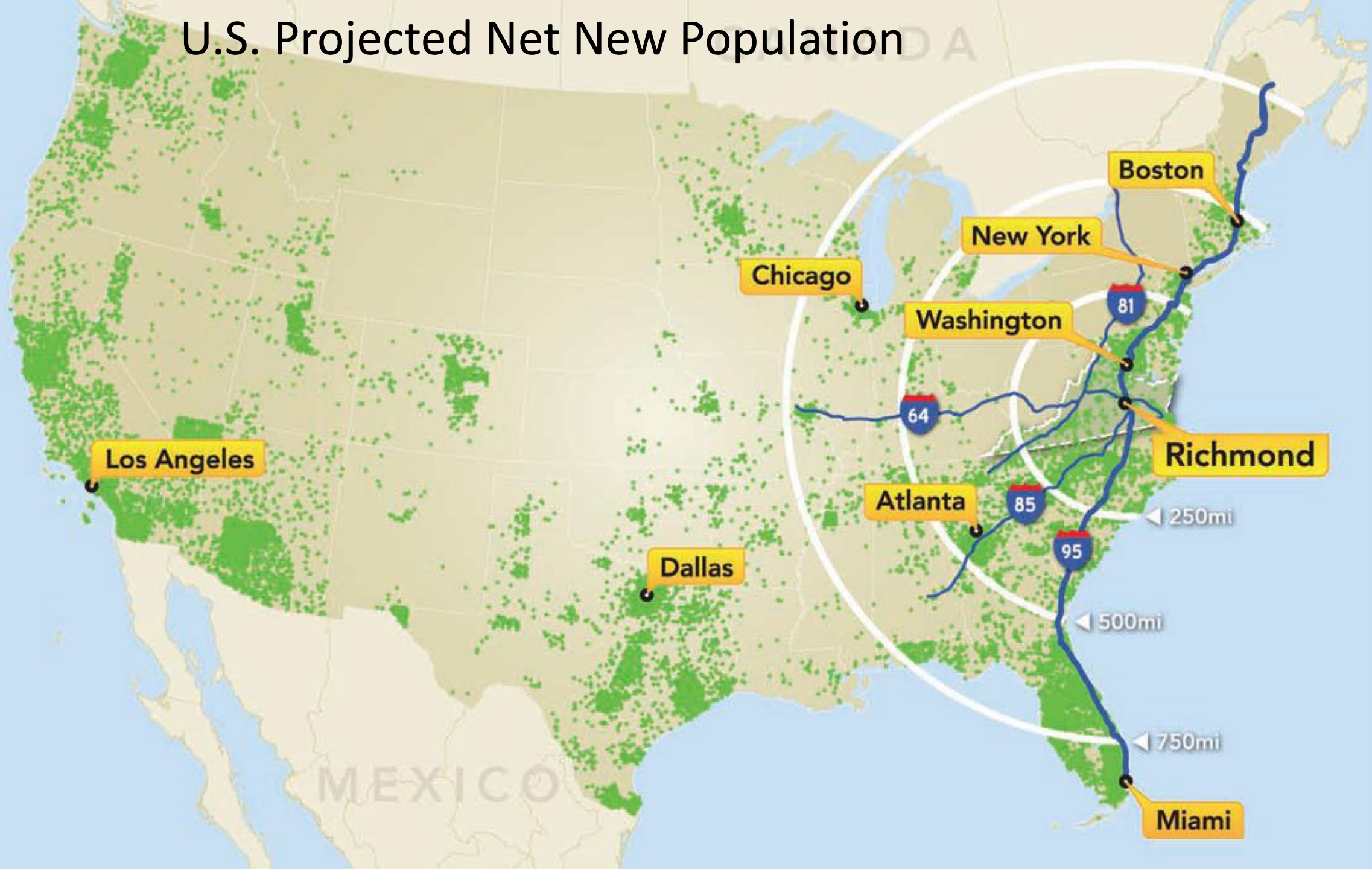
- ✓ Open a business bank account
- ✓ Secure premises – either physical or virtual
- ✓ Ensure promotional material is US friendly
- ✓ Do not be afraid to modify your market strategy with experience and market changes
- ✓ Get ongoing free advice from US economic developers
- ✓ Enjoy doing business in the USA!





Why International Firms Choose the Richmond Region

U.S. Projected Net New Population





Richmond, VA

- Forced Union states
- Right-to-Work states

11-Hour Drive Radius from Richmond, Virginia



Greater Richmond, Va. Overview



Cost competitive business climate
The state's 6% corporate income tax is the 6th lowest in the country



The diverse economy includes 8 *Fortune* 500 headquarters



Growing population is nearly 1.3 million people
Nation's 44th largest metro area



Superb and innovative higher education system
More than 50% of working adults have some college or Bachelor's degree or higher



Total employment of almost 670,000
The area attracts workers from more than 40 localities statewide



Strategically located at the mid-point of the East Coast
Four interstates converge in the metro area



An average 25-minute commute time



Outstanding culture and recreation
Cost of living is 6% below the national average
James River Park was named among 'best river parks in U.S.'

Fortune 1000 Headquarters

Fortune 500 Companies



Tobacco and
wine products



Electric and
gas utility



Insurance



Automotive
retailer



Health care
wholesaler



Packaging



Insurance



Food Products

Fortune 1000 Companies



Security services



Tobacco wholesaler



Chemicals

The 2016 *Fortune* 500 companies were spread across 100 metropolitan areas. When compared to metros of similar size, 1 to 2 million people, **Richmond ranked 2nd for the total number of Fortune 500 companies** (behind only San Jose, CA) and **13th overall**.

Higher Education

- Nearly **30** institutions of higher education
- Total enrollment is greater than **75,000**
- Nearly **15,000** degrees conferred annually
- A full range of associate, undergraduate, and graduate degree programs
- Strong evening, for-profit, and continuing education degree programs for working adults



**VCU named one of the top hipster campuses in U.S.
by CollegeMagazine.com, August 2014**

Colleges & Universities

Fall 2014 Enrollment	
	Total Enrollment
Four-Year Institutions	47,229
Two-Year Institutions	25,058
Enrollment at all Four- and Two-Year Institutions	72,287



Virginia Commonwealth University

- 30,848 students
- More than 200 degree and certificate programs

University of Richmond

- 4,182 students
- Ranked #1 for international business education

Virginia State University

- 5,025 students
- 55 Baccalaureate and Masters Degree Programs

Quality of Life

- Richmond's overall cost of living is nearly 6% below the national average
- Housing costs are 15% lower than the national average
- VCU Medical Center ranked as the best hospital in the state in *U.S. News & World Report* listings
- Richmond Folk Festival and Jazz Festival lure hundreds of thousands of music lovers to the area
- **10 wineries** and **20 craft breweries**, with Hardywood being named the best in Virginia; the state's first and **only urban cidery**; and some of the **best donuts** in the country.
- Location for the 2015 UCI Road World Championships



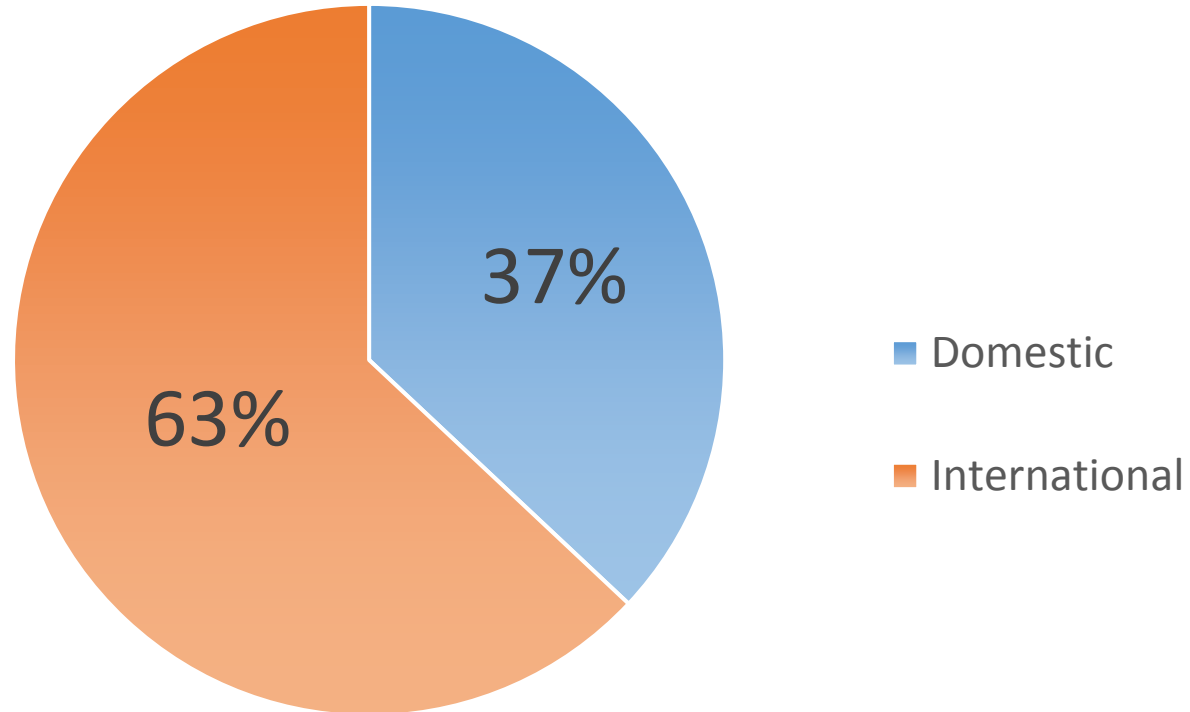
Connected to the Czech Community

- More than 4,000 people with Czech ancestry
- International partnerships with Charles University and Prague University of Economics (VSE)
- The Virginia Czech/Slovak Heritage Society celebrates the over 700 Slavic families that settled in our region
- The Czech Slovak Folklife Festival features food, including holubky, jitrnice and kolache





Domestic vs International Prospects

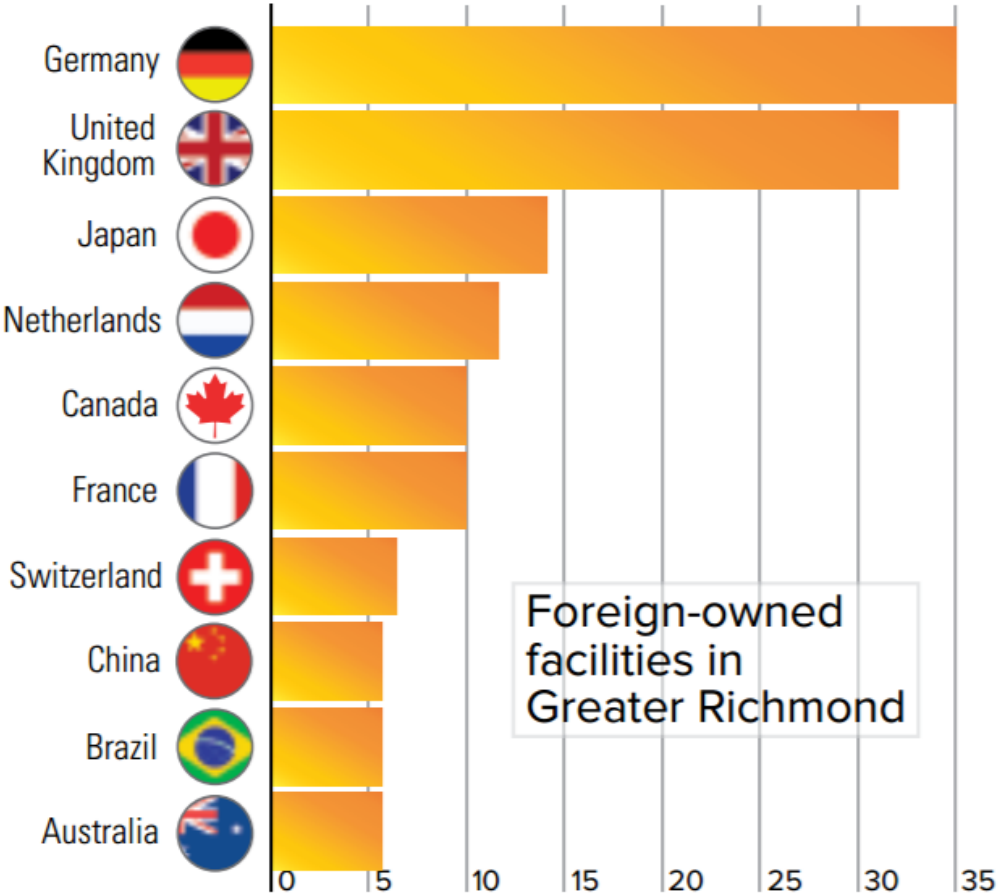
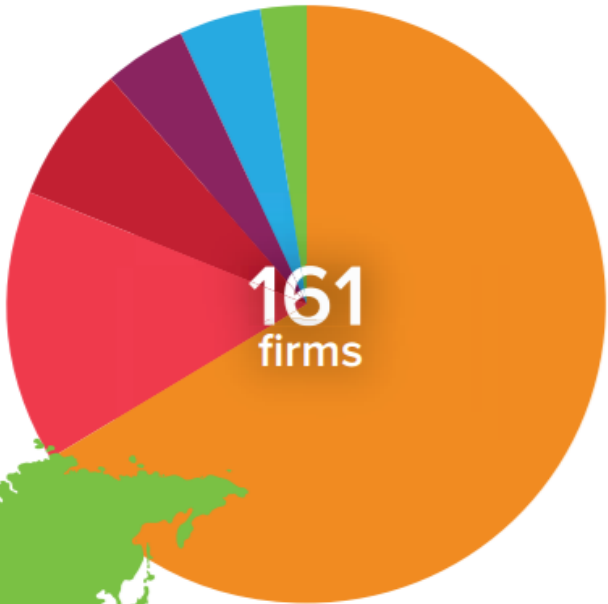


Richmond continuously ranks one of the **Top 10 Mid-Sized American Cities of the Future** in *Foreign Direct Investment (fDi) Magazine's* North American Cities of the Future.

The Richmond Region's international connection

Foreign-owned firms in Greater Richmond

Europe	107
Asia	24
Canada & Mexico.....	12
South & Central America	7
South Pacific	7
Israel.....	4



Foreign-owned facilities in Greater Richmond

2015-2016 Announced Projects



India



UK



Germany



France



France



Brazil



Brazil



UK



UK



UK



Netherlands



Germany



Ireland

Who We Target



And the best part is...

CONFIDENTIAL

COMMISSION 0%

Questions?



Thank you!

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Greater Richmond Partnership
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