

The Texas Business Environment

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The Texas Business Environment

- What's special about Texas?
- Why should you be interested?

What's special about Texas?

- It's economic strength – a powerhouse
 - The No. 1 exporting state in the U.S. – 11 years in a row
 - Not by big companies – 90% of exports by small companies
 - 52 Fortune 500 companies HQ'd there
 - Workforce of 12.8 million
 - 260,800 net new jobs created in 2012 – in supposedly a bad year for job creation in the U.S.
 - If Texas were a nation, it would be the 13th largest economy in the world

What's special about Texas?

- Low taxes
 - No corporate income tax
 - No individual income tax
 - State business taxes – 9th lowest in U.S.

What's special about Texas?

- Infrastructure and logistics – a huge hub with access to U.S. and global markets
 - Rail – more rail track miles than any other state
 - Road – 11 interstates go through Texas – no other state even close
 - Air - major airports – Houston, Dallas/Fort Worth, San Antonio, Austin
 - Sea – 16 seaports, 12 deep water
 - International firms - hundreds base their U.S. distribution, warehousing and manufacturing in Texas

What's special about Texas?

- Quality of the workforce
 - Manufacturing
 - High Tech
 - IT
 - **132 colleges and universities** that churn out the skill base

What's special about Texas?

- Incentives to build a business there
 - There are many:
 1. Cash grants for significant job creation and capital investment
 2. Funds for development and commercialization of new technologies
 3. Asset-based loans, leveraged loans to communities for infrastructure, tax-exempt bond financing
 4. Tax incentives for relocating to Texas - sales tax refunds, manufacturing sales tax exemptions, property tax value limitation, freeport exemptions.
 5. Financing for customized job training.

What's special about Texas?

- The clusters they are focusing on
 - Powerful, multi-player concentrations that are world-competitive
 - Advanced technology & manufacturing
 - Aerospace, aviation and defense
 - Biotechnology & Life sciences
 - Energy
 - Information & computer technology
 - Petroleum refining & chemical products
 - If you are in or serve these industries, you should be down there – become part of the supply chain

Some rules to follow

- **Incorporate a U.S. company – make a commitment**
 - Americans like to do business with American businesses
 - Need to show commitment to the market
 - Do not wait for 1st big contract before doing this – it won't come
- **Have a U.S. office** – even if only virtual – shows you are there, not here – business cards, website – very important
- **Research, research, research – prepare, prepare, prepare**
 - Know the businesses of your target clients as much as they know them
 - Define, refine your value proposition for them
- **Surgical knife rather than shotgun** – short list of specific targets and prepare
- **Know your American competitors**, what they do, how you differ and be able to talk about it
- **Top-notch English version of your website** with American business language
- **Management** – put your most entrepreneurial guy in charge, then GO!

Merci/Thank you

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