



Everything You Need to Know to Successfully Launch Your Israeli Brand in the US

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Mitchell Shelowitz (Background)

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Why Can Israeli Companies Succeed in the U.S.?

- Highest Quality Products/Services
- Aggressive Cost Structure
- Unyielding Commitment to Success
- Dedication of Mgmt/Employees
- Team mentality
- Support of entire nation

The combination of these factors is missing in many US retailers

Recent Israeli Brand Launches in U.S.



With more coming soon . . .

Key Phases to Launching in U.S.

- **Planning**
- **Structure**
- **Execution**
- **Launch**

Realistic Planning is Essential (1)

- **Timetable**
- **Budget**
- **Market Research & Report**
- **Trademark Search**
- **Appoint Dedicated Manager to lead U.S. launch project**

Realistic Planning is Essential (2)

- **Find Experienced Advisors (Israeli+US)**
Advisors/subcontractors to include:
 - Real Estate Broker
 - Architect/Engineer
 - General Contractor/Construction Mgr.
 - Accountant/Tax Advisor
 - Lawyer
 - Banker
 - Insurance Broker
 - Local P.R. and Marketing Team
 - Printer/Sign Maker

Realistic Planning is Essential (3)

- **Join Local Associations; e.g.,**
- **N.Y.S. Restaurant Association
(www.nysra.org)**
- **Retail Council of New York
(www.retailcouncilnys.com)**

Structural Decisions (1)

- **Go At it Alone (Work with local Consultants)**
- **Strategic Partnership**
- **Other form of Joint Venture**
 - Licensing
 - Distribution
- **Franchise (Strict Federal and State regulations)**

Structural Decisions (2)

Beware:

Don't Accidentally Create a Franchise

US Definition of Franchise:

- Right to Use Trademark
- Significant Assistance or Control

(marketing and advertising plans, management guidance, financing assistance, site location, administrative support and training)
- Required Payment/Franchise Fee

Subject to strict and costly regulation -
intended to protect people's life savings --
Uniform Offering Circular

Structural Decisions (3)

- Identify Site of Flagship (NYC most popular one)
- Legal Structure
- Legal Entity(ies)
 - Company
 - Limited Liability Company
 - Limited Partnership

Structural decisions are typically result of consultations with Israeli and U.S. tax lawyers, advisors, and accountants working together

Executing Your Plan (1)

- **Register Trademark(s) for name and logo with USPTO**
- **Register .com domain name(s)**
- **Register Legal Entity(ies)**
- **Start Visa Application Process for Israeli Managers/employees**
- **Open Bank Account(s)**

Executing Your Plan (2)

- Hire Real Estate Broker
- Begin interviewing Architect
- Begin interviewing Engineer
- Begin Property Search
- Sign offer letter for space
- Negotiate lease
- Find Insurance Broker
- Sign Lease -- 😊

Executing Your Plan (3)

- **Complete Architect Plans**
- **Plan Approvals -**
 - Building and City
 - Coop Boards can be problematic
- **Hire GC/Construct Manager - intense negotiations on prices of services/ materials/ mgmt fee**
- **Start Buildout**
- **Get local approvals upon completion of buildout (City; fire department; etc.)**

Launching Your Operations (1)

- **Local Permits/Licenses**
- **Sourcing Supplies: US vs. Israel**
- **Payroll company for paychecks**
- **Registering for withholdings; unemployment insurance; etc.**
- **IT Systems (inventory; point-of-sale)**

Launching Your Operations (2)

- **Manpower Options:**
 - **Send Employees from Israel**

Visa issues (which visa category?)
 - **Hire U.S. employees -**
 - » **Must follow federal; State; local laws (discrimination risks are significant)**
 - » **salaries; benefits**
 - » **hiring; firing;**
 - » **Attitudes of US workers**

Challenges to Anticipate

- Things move slower than in Israel
- Language
- Culture
- No one knows you
- Lack of Credit History
 - Leasing or buying car
 - Getting credit cards from bank
 - Drivers License issues

Cultural Issues to Anticipate (1)

- **Vendors and subcontractors may be unreliable - not as committed to you**
- **Americans are less flexible, lives are more routine, not accustomed to constant change and innovative thinking like Israelis**
- **Personnel are less devoted than in Israel**
- **Americans less tolerant of foreigners and accents**
- **Americans less willing to emotionally connect with you**

Cultural Issues to Anticipate (2)

- **Don't Underestimate seriousness of enforcement of local, state, and federal laws and regs - it is NOT Israel.**
- **Americans lose patience quickly and may resort to threats of legal action faster than in Israel - less flexible**

Huge Potential for Profit

- **If I can make it there, I'll make it anywhere - New York, New York**
- **Despite the challenges, by applying the Israeli business success model in the US, the SKY is the LIMIT --
Unlimited Profit Potential**

Thank You

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