



Soft Landing Facilities and Services For
Foreign Companies Exploring Virginia Markets and
Virginia Companies Exploring Foreign Markets

White Paper

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The Opportunities

Virginia is the center for international trade for the Mid-Atlantic region of the US. Port facilities handle the third largest volume of trade on the east coast. Although well-known to shippers and the logistics industry, the state needs to increase its recognition as a welcoming location for foreign companies interested in exploring the US market for their products and services.

Both the state through the Virginia Economic Development Partnership (VEDP) and the region through the Hampton Roads Economic Development Alliance help Virginia companies explore foreign markets and help foreign companies explore Virginia markets. When introductions make promising connections, it would be useful for companies to have facilities available for a small staff for further explorations until larger commitments can be justified.

Both Virginia companies and foreign companies need offices to accommodate small “landing parties” - in locations that generate networking opportunities and have services available to assist them with:

- ♦ identifying customers, suppliers, and partners
- ♦ finding facilities for product development and manufacturing
- ♦ learning how to do business in the US and foreign countries

They also need services for

- ♦ Market research
- ♦ Language translation
- ♦ Access to financial services
- ♦ Intellectual property protection
- ♦ Trade regulations
- ♦ Immigration regulations and programs
- ♦ Taxation
- ♦ Workforce development

In addition, they need help with finding housing, transportation, banks, doctors, and schools.

The Solution

Teams need to be organized to deliver services to landing parties in both Virginia and foreign locations. Members of the teams would include industry experts, lawyers, business consultants, accountants, language translators, workforce specialists, and real estate agents. Regional economic development organizations would be appropriate to manage such facilities.

To support Virginia companies seeking foreign markets, VEDP could provide soft landing facilities with the organizations they use to make contacts in foreign countries for Virginia companies and take advantage of their local contact networks to provide appropriate services.

To support foreign companies seeking US markets, a soft landing facility could be located in the World Trade Center in Norfolk as it provides a central location to serve the region, and it houses the International Trade office of VEDP and the Virginia Port Authority as well as law firms providing services to international clients. The facility would charge market rates for landing party offices but with no long-term lease requirement. A small percentage of this revenue would be provided to the soft landing office to contribute to operating expenses. If the landing party concludes that a permanent US office should be established, the Soft Landing office would assist the company in finding a location in the region or elsewhere in the state that best fits its needs. And in parallel, soft landing facilities for US companies exploring foreign markets could be co-located in similar facilities.

The cost of such facilities would be modest as they would be associated with existing organizations, and they have the potential of becoming self-supporting. By taking a small percentage of rental income from clients both initially and when they sign long-term leases for permanent facilities, management and consulting costs can be expected to be covered in full with no requirements for additional funding.

Other Soft Landing Facilities

The National Business Incubation Association maintains a designation program for soft landing facilities. Their web site currently lists 22 facilities in 10 states and seven foreign countries. See http://www.nbia.org/member_services/soft_landings/

Please contact Bob Rea if you are interested in exploring this initiative further:

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Axcel Innovation is an international consulting firm focusing on the development of research parks, business incubators, and soft landing facilities both in the US and foreign countries.