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Why Philadelphia is poised to attract business from the U.K.

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Just ahead of the kick off of last week's Philly Tech Week, the British American Business Council drew a small crowd out to the Trestle Inn in north Chinatown for its annual "Uber and Out" discussion on tech in the region and how U.K. businesses play a role in its growth. A panel of local experts tapped into the region's tech scene and got to work hashing out what the local tech and innovation scene can learn from its counterparts across the pond and how it can attract Brits to Philadelphia.



MICHELLE CAFFREY

Archna Sahay, director of entrepreneurial investment for the City of Philadelphia, speaks during a British American Business Council event at the Trestle Inn.

Tapping into international markets can give a company, and an ecosystem, an edge

London can be a key access point to European markets. Just ask Curalate, one of Philadelphia's leading startups. The Center City-based company recently announced it's launching a fourth office in London to take advantage of the demand it's seeing in Europe for its software, which links brands online visual content to points of purchase.

The ability to increase access to customers is a key factor in attempting to grow a company, and in turn delivers growth to a home city, said Archna Sahay, the director of entrepreneurial engagement for the City of Philadelphia.

"The reason why many innovation hubs are innovation hubs and rank very, very highly is because they have a very high concentration of Fortune 500 companies ... so these startups can cluster around those hubs and sell into large corporate and you now have an ecosystem," she said. "In Philadelphia, we're not quite there yet, which is why I think international markets are so important for cities like Philadelphia, which is also why the [British American Business Council] is so important for Philadelphia. Having access to international customers, we're a global market, and tech travels very far. Money travels very far, too."

Sahay said that as an immigrant herself, she'd like to see more discussion about where the city stands on a worldwide scale, rather than limiting the conversations to where it sits in the U.S.

"Talking about innovation hubs domestically is so 2001. We should think about where we're headed and not compete with what was happening in 2001 or 2005, and where we stand globally and not just nationally or locally."

Philadelphia is well-positioned to draw U.K. companies looking for U.S. headquarters

As Philadelphia companies think beyond their market, it's also crucial that the city and those invested in growing its economy work to market Philadelphia as the ideal place for an international firm to set up operations in the region.

Jay Jumper, an attorney at Pepper Hamilton who specializes in working with tech startups, had an example for the crowd.

His firm represented a bespoke suitmaker in the U.K. that was on the hunt for a place on the East Coast to expand their business to the U.S. They looked at New York, where rents stack up against London's. But when they came to Philadelphia on quick business trip, they were shocked.

"They said 'Whoa, look at this Walnut Street, this Chestnut Street, the foot traffic going on here.' Yes, it's not as big as New York, but there's incredible business here, like the Comcast Tower. The rent was one-sixth of what it would've been in New York," Jumper said.

That price competitiveness gives the region an edge in not just commercial real estate but in talent as well. While companies may look like they're paying employees in the region less than hubs like New York or the Silicon Valley, the cost of living is so high they actually wind up making less.

"It's a great way to incentivize your employees and keep your talent by saying 'We can pay you something comparable but if you do the math, there's a lot more in your pocket at the end of the day.'"

Working to bring U.K. companies to the U.S. and vice-versa is Dimitris Horiatis' main focus, as a vice-consul for the Department for International Trade dealing with U.K. trade and investment.

He said Philadelphia is a natural market for U.K. companies, especially since the East Coast's time zone is ideal for doing business on a worldwide scale. It's also increasingly able to draw and keep top students and more funding.

"Obviously our economy, whether we like it or not, is global, so because of that you need global talent, and just like the U.K. is able to attract a lot of this great global talent I think here in Philadelphia we can do the same, because of the great schools you have," Horiatis said.

"Technology basically unites the world and makes it easier for every other sector to do better," he said, lauding Philadelphia for the number of incubators it has and venture capital firms' interest in the city's startups.

He's especially focused on attracting companies that are in smaller cities near London, like Bristol and Manchester, to try to replicate their success in Philadelphia, since they're already used to be an hour or so away from the largest city centers.

One thing Philadelphia doesn't market as strongly as it could is its deep diversity in race, ethnicity, industries, backgrounds, and socioeconomic levels, to name a few, said Shari Shaprio, Uber's senior manager of public affairs for Pennsylvania and Delaware.

"We haven't been leveraging as much as you could that diversity. Foreign and domestic, all the different mixes of people that make Philadelphia home, could really be a huge benefit to companies around the world that are starting to value those perspectives in a greater way. I think that's an under-utilized asset."

Michelle Caffrey
Reporter
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