

Go-to-Market Germany

**Entering the German Market:
Seizing Opportunities, Avoiding Mistakes**

Why a structured approach and local expertise determine success or failure

Germany is Europe's largest economy and a sought-after destination for fast-growing technology companies from around the world.

However, entering the market is more challenging than expected: cultural nuances, complex decision-making processes, stringent compliance requirements, and a highly competitive environment mean that many foreign companies fail to realize their full potential – or worse, burn through significant resources before generating their first revenue.

This white paper highlights the challenges that must be overcome, the best practices that make a difference, and why working with an experienced local partner is the most effective way to enter the German market quickly, with minimal risk, and successfully.

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Challenges for Foreign Companies Entering the German Market

Germany as a Target Market: Attractive, Strategic, Demanding

With a GDP of over **four trillion euros** and **global leadership in industries** such as mechanical engineering, healthcare, and automotive technology, Germany offers access to some of Europe's most valuable market segments. Germany's **central location** and **EU membership** make it a strategic entry point for companies looking to expand into Europe – those who establish a foothold here can leverage their infrastructure to reach neighboring markets.

But behind this appeal lies a complex landscape: beneath the surface is a dense web of regulations, shifting market dynamics, and competitive barriers that require adaptability and perseverance. Most companies focus on market size and opportunity but do not take cultural, political, and structural factors seriously enough – and thus underestimate precisely those currents that can lead to failure.

1.2 The Critical Success Factors

Lack of market and target audience analysis

International failure often stems from a complex interplay of insufficient information, inadequate market analysis, a lack of understanding of regulations and consumer behavior, as well as the cultural and historical characteristics of the market. Those who attempt to replicate their proven domestic market model exactly fail time and again: A key pattern of international failure is the refusal to adapt the existing model and the attempt to replicate products and services unchanged.

Underestimation of cultural and communicative characteristics

One of the most common challenges when entering the German market is adapting to local business practices. In Germany, clarity is valued in all areas of business – a shift for those accustomed to more vague forms of communication. Germans prefer direct communication without ambiguity, especially in negotiations. Decision-making processes are more deliberate and analytically thorough. This has clear implications for sales: longer decision-making cycles, pronounced risk aversion, and a higher degree of skepticism toward unknown providers are the norm. When customers are strongly attached to established brands, it is difficult for new market entrants to establish a presence. Consumers and buyers are emotionally attached to familiar brands and hesitant toward alternatives – building trust can be a long process.

Neglect of localization and language

Many German decision-makers in the tech and international sectors are English-speaking – yet marketing materials, contracts, and customer support are often expected to be in German, especially in small and medium-sized businesses and traditional industries. Key materials such as websites, pitch decks, product sheets, and contracts should be localized – and that means more than just a literal translation: messaging must be adapted to German expectations.

This applies in particular to the value proposition: What is convincing in the U.S. often comes across as too aggressive in Germany, lacks substance, or simply is irrelevant to local requirements such as GDPR compliance, data storage, or local support.

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Compliance and data protection requirements as an underestimated hurdle

Germany has strict regulations in the areas of data protection (GDPR), labor law, product standards, and industry-specific regulations. The European Court of Justice's invalidation of the Privacy Shield has not only led to increased demands for local data storage but also to heightened scrutiny of U.S. providers by German data protection authorities. For SaaS and tech providers, this means that compliance is not a niche issue, but a key selling point – or a barrier to purchase.

Lack of market presence and local credibility

Another key challenge is competition from domestic brands that enjoy a high level of trust – which makes it harder for new market entrants to win over customers. References, local partner logos, German-language support, and proven experience in the German market are not “nice-to-haves” – they are prerequisites for serious sales discussions, especially in the B2B segment and with small and medium-sized businesses.

Underestimating the time and resources required

Entering the German market requires significant investment, and a solid financial plan is essential. Building a market infrastructure can be a considerable financial burden, especially for startups and smaller companies – without sufficient capital resources, survival in the early stages is difficult. Furthermore, the German B2B decision-making process is structurally longer than in Anglo-American markets – those who plan based on U.S. timelines will regularly misjudge the situation.

Best Practices for Entering the German Market

2.1 The Critical Success Factors

Companies that assess the full extent of potential pitfalls, carefully study the terrain, and plan every step in advance are best positioned to successfully gain a foothold. In practice, this means a structured sequence of activities:

Area of activity	What needs to be solved	Why it is crucial
Market Readiness & Positioning	Attractiveness Check, ICP Definition, Local Positioning	Prevents misguided investments in unsuitable segments
Localization	Messaging, Assets, Website, Language	Builds credibility and fosters openness to dialogue
Trust & Compliance	GDPR, SLAs, References, Certificates	Removes barriers to IT and procurement
Sales infrastructure	Target customer list, outreach, CRM, pipeline	Makes sales scalable and manageable
Partner Network	Identification, Enablement, Co-selling	Multiplies reach without a linear cost structure
Control & Learning	Reporting, feedback loops, scaling decisions	Ensures continuous optimization and portability

2.2 From Blueprint to Execution

A successful market entry follows a clear logic: First, build an understanding of the market; then localize positioning and assets; next, set up operational sales – and, in parallel, establish credibility, partner networks, and control mechanisms.

In practice, many companies start with a lean setup – remote sales plus local partners – and only establish their own German unit once demand and recurring revenue are confirmed. It is crucial that these phases are not approached sequentially, but rather largely in parallel and interlinked – with clear milestones, KPIs, and defined handover points.

Make-or-Buy: Two Strategies for Entering the German Market

3.1 The In-House Setup: Control at a Price

A self-directed market entry undoubtedly has its advantages: full control over strategy and execution, direct development of organizational expertise, and no reliance on external partners. For companies with long-term ambitions in Germany and sufficient resources, this approach can be a sound choice.

However, the reality paints a more nuanced picture:



Knowledge gap:

Local market knowledge, networks, and cultural understanding must be painstakingly built up – with all the associated learning costs.



Risk:

Mismatched sales staff, incorrect segment selection, or inappropriate messaging are costly and difficult to correct when handled in-house



Time required:

Recruiting local sales talent, onboarding, establishing processes, and learning the market often take 12 to 18 months before meaningful sales traction is visible.



Cost structure:

Salaries, benefits, CRM licenses, Office, events, and the marketing budget can quickly add up to seven-figure annual amounts – regardless of revenue performance.

Make-or-Buy: Two Strategies for Entering the German Market

3.2 The Partner Approach: Speed Combined with In-House Expertise

The alternative is to partner with a specialized local partner who already possesses market knowledge, processes, networks, and operational capabilities. Working with local distributors, resellers, or agents, as well as utilizing local service partners for implementation and support, are established entry strategies – and can be significantly expanded through an integrated Sales-as-a-Service approach.

Criterion	In-house setup	Partner Model
Time-to-Market	12–18 months until the first pipeline	4–8 weeks until active sales operations
Fixed costs	High (personnel costs from day one)	Flexible, scalable as needed
Market knowledge	Needs to be established first	Immediately available
Risk Profile	High on a mismatch or pivot	Lower, thanks to proven processes
Scalability	Linear with headcount	Flexibly and modularly expandable
Exit/Handover	No structured path	A custom handover program is possible

Ultimately, the question is not an either/or one: it depends on the business model, risk profile, and growth plans. But especially during the critical entry phase, when speed, local credibility, and operational efficiency are all required simultaneously, the partner approach offers structural advantages that are difficult to replicate internally.

BRCG: A trusted partner for foreign companies entering the German Market

Drawing on its extensive experience with international technology companies, BRCG has developed a comprehensive range of services:



Go-to-Market Germany – Sales as a Service. It comprises 18 modular service components that can be booked individually – ranging from strategic market analysis and operational sales activities to partner development, events, and reporting.



These building blocks integrate and consolidate the key areas of a successful market entry into a coherent modular framework that can be flexibly adapted to the maturity level and objectives of each client – ranging from a streamlined validation package to a fully outsourced sales organization for 12 to 24 months.



Optional components such as Events, Customer Experience, and Social Selling remain standalone modules, allowing you to scale them according to your specific needs and budget.

A detailed description of all modules, deliverables, inputs, and service commitments is available upon request.

Take the next step now

Germany is waiting – but not for unprepared market participants.

Let's schedule a no-obligation initial consultation to jointly assess which modules are relevant for your market entry, how quickly you can get started, and which package best aligns with your goals.

Contact **BRCG** today – and make Germany your next growth market.

**Book a 30-minute
introductory call**

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