



> Welcome

Welcome to the inaugural issue of Global Insight, a quarterly newsletter from TransTech USA designed to keep you aware of the latest news, issues and trends affecting the successful commercialization of technology in the US.

Your company has a great record of technology innovation and is successful in your country, and now you are considering the challenges of entering the U.S. market. Peter Bryant, former CEO and President of several emerging U.S. technology companies, founded TransTech USA to address those challenges.

TransTech USA provides corporate advisory and business development services to emerging technology and biotech/healthcare companies to successfully commercialize their products in the U.S.

> International Tech Companies on the Move to the U.S.--Does Offshoring Aid or Hinder?

We are seeing, after two years of restricted flow, more opportunity for international technology companies to enter the U.S. market. So what is the impact of offshoring?

Offshoring—the practice where companies move their development out of their home country, including to third-party companies—is quickly becoming a mainstream way of doing business in the enterprise software industry.

In this area, emerging international companies have an inherent advantage over similar-sized U.S. companies, in that they are already offshoring by doing development in their home countries.

The key is to take advantage of this edge now, before U.S. companies once again level the playing field.

According to a new study from the leading advisor to the software industry, the Sand Hill Group, enterprise software companies that offshore are quickly changing the fundamental economics of the software industry. The study shows that these companies, including many of the largest players, have enjoyed benefits that include access to a skilled labor force, quicker time-to-market for new initiatives, and bottom-line savings of 40 percent or greater.

Our conclusion: It's smart for international tech companies to move global headquarters to the U.S., but leave development in their home countries.

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> What's Happening

Peter Bryant is rapidly establishing himself as one of the leading thinkers regarding successful commercialization of international companies in the U.S.

- Moderated the National and International Collaboration Forum at Colorado's recent Technology Summit.
- At the Nov. 9-11 Australia and New Zealand Technology Showcase in Palo Alto, Calif., Bryant will be a member of two expert panels.
- TransTech USA is teaming up with a leading investment bank to provide a comprehensive solution for international life science and healthcare technology companies.

Watch for more news.



> Six Common Mistakes International Tech Companies Make

Many international tech companies are faced with the reality that they need to succeed in the U.S. to maximize the return to their shareholders and create sustainable value. Whilst there are some notable successes (e.g. WebMethods, SAP, MicroMuse, Nokia, Tower), most international tech companies have a poor record of achievement in the U.S. TransTech USA has talked to many companies and investors and has identified the following reasons for lack of success in the U.S.:

- Incomplete go-to-market plans
- Poor marketing
- Under capitalization
- Poor execution
- Cultural differences
- Under-performing teams

Can anything be done? The companies surveyed generally agreed that international tech companies are not disadvantaged relative to their U.S. counterparts if they relocate to the

U.S. earlier in their lifecycle, and then follow a proven process that addresses the issues identified and mitigates the risks. This process includes the following elements:

- **Market Viability Assessment**
Is the company ready to enter the U.S. market with the right value proposition and with positioning that is defensible and sustainable in a growing "hot space"?
- **Go-To-Market Plans**
Has the company developed a well-thought out sales, marketing and alliance strategy that demonstrates a keen understanding of the dynamics of the U.S. market?
- **Funding**
Does the company and its investors realize the investment required to successfully enter the US, and can they ably articulate their case to attract the right "value add" U.S. investors to gain expansion capital?
- **The Team**
Can the company assemble the right team that will execute in a timely manner and attract the investment required to expand and drive success?

All these elements must be right--they are inter-dependent, and poor performance on any one of these elements will impact overall performance. For example, the companies TransTech USA surveyed observed that the management and investors of many international tech companies wishing to enter the US had unrealistic expectations about what could be achieved within a given time frame and with a set amount of money - notably the investment required to drive sustainable success. If companies could harness some very positive attributes--innovation, business creativity--with these elements, then they have the ingredients for real success.

In future newsletters we will explore each of these elements in more detail to provide international tech companies with a deeper appreciation of what is required to be a serious success in the U.S.

> International Success in the U.S.--Proxima Technology



Proxima Technology is a leading provider of a sophisticated software system that helps large enterprises measure and improve their IT systems' business service. Forrester Research Analyst Jean-Pierre Garbini calls Proxima's product "close to the holy grail." Clients such as GE Capital, EDS, Qualcomm, MCI and T-Mobile agree, and are fueling rapid growth at Proxima.

Proxima has operations as far apart as London and Sydney, so it made logistical sense to move its global headquarters to the U.S. In addition, says Steve Jones, Proxima CEO, "North America is a key market, and achieving success here is critical to our success. You are unlikely to succeed in this market if you are not present in a significant way."

"Proxima Technology provides an ideal model for international technology companies. With a headquarters in Denver, R&D in Australia and sales offices in Europe, Proxima is able to take advantage of market conditions and be in the optimum position to drive success in the U.S., its primary market," Bryant says.

TransTech is advising Proxima on a range of strategic initiatives, including new market development and execution; 2004 market expansion plans; and go-to market planning. This includes focus sessions and partner development with leading software vendors. It's also providing CEO and board support.

"TransTech has created significant momentum for Proxima in key areas within a short timeframe. It has developed strategy and has opened C-level doors in several leading software companies. This has really helped shape what we are doing to take us to the next level of performance" Jones says.

Global Insight: A newsletter focused on providing strategic business advice to executives of international technology companies looking to commercialize in the USA.

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TransTech USA provides corporate advisory and business development services to emerging US and international technology companies to successfully commercialize their products in the US. The ultimate goal is to maximize a company's return on investment and provide the widest choice of exit strategies. We offer a single point of contact and a hands-on approach to guide companies through every step of the process.