

## V5EI.1 The Export-Invest Service from Vecta Consulting Limited

<b>What is V5EI?</b>	V5EI provides ad-hoc and retained interim information and representation services to potential and early-stage UK inward investors and exporters
<b>What is the opportunity for V5EI?</b>	<p>The UK remains the most attractive European market for most overseas ICT and Security companies but international investment has both real and perceived risks that may increase costs or reduce profitability</p> <p>These risks include lack of visibility of the market opportunity for a specific service offering, lack of clarity on the optimum market entry strategy and difficulty finding business and technology partners or key UK-based staff</p> <p>V5EI offers services to address these key risks in four ways:</p> <ul style="list-style-type: none"> <li>• Free availability of mini-briefings on key market segments or issues</li> <li>• Free and confidential outline reviews of internationalisation strategy</li> <li>• Fixed price deeper reviews of draft international investment plans</li> <li>• Flexibly priced ad-hoc and/or retained services to support implementation</li> </ul> <p>Initially focused on investment into UK by ICT and Security companies, V5EI expects to offer broader trade and investment strategy and implementation services in other sectors</p>
<b>Why is UK the most attractive European market?</b>	<p>The UK market for ICT and Security companies at near \$200 billion pa is larger, more concentrated, and more accessible than anywhere else in Europe</p> <p>Although Germany has a larger overall market opportunity, it is more dispersed across more people and more geographic areas; spend per head in UK is much higher and decisions are made faster than elsewhere</p> <p>The ICT market in France is some 10% smaller than UK and, although similarly to UK in concentration, has much more rigid implementations of labour laws and higher social taxes</p> <p>Most ICT and Security spending is controlled or influenced within 150Km of London, where most UK business and over 50% of the population are concentrated</p> <p>The area has 5 major international airports and excellent rail and road connections, significantly reducing management and sales travel time overheads</p> <p>In addition there is no shortage of experienced business and world-class technology talent available to help realise the internationalisation opportunity</p>
<b>What are the principal challenges facing potential international investors?</b>	<p>Uncertainties about value of key specific ICT market opportunities in UK; few investors understand the openness, scale and concentration of the UK opportunity</p> <p>Misconceptions on how to access customers in UK public and private sectors; UK remains a substantial, open and early-adopting market but navigation and networking can be difficult</p> <p>Myths about comparative benefits and disbenefits of doing business in various EU countries; many potential investors assume labour laws and corporate and personal/social taxation are converged within the EU</p> <p>Misunderstandings about UK immigration policy and visa practice; most businesses need help with navigation of the system</p>
<b>Who is behind V5EI?</b>	<p>V5EI is a project of Vecta Consulting Limited</p> <p>Frank Morris leads the initiative initially based on his substantial experience of:</p> <ul style="list-style-type: none"> <li>• business and technology strategy across Telecom, IT, media, electronics, engineering and security sectors gained with Cambridge Consultants, Arthur D Little and Vecta Consulting Limited</li> <li>• international trade and investment strategy gained from six years advising hundreds of internationalising ICT and Security sector clients of UK Trade &amp; Investment</li> </ul> <p>Frank will be supported by additional research and market specialists</p>

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<b>What is V5EI strategy?</b>	V5EI provides ad-hoc and retained interim information and representation services to potential and early-stage UK inward investors to bridge the uncertainty gaps involved in international expansion either into or out from UK			
<b>Who are V5EI's target companies?</b>	<p>Primarily American and European companies not yet fully-established in UK:</p> <ul style="list-style-type: none"> <li>Services and technology providers able to enhance customer intimacy (through social networking infrastructure etc) or operational productivity (through cloud-based services, mobility etc) for whom we can refine the UK/EU market opportunity, assist development of necessary partnerships and help establish early sales pipelines</li> <li>Technology-intensive players looking to access UK talent and/or technology for whom we can profile target individuals, groups or companies for a variety of purposes from employment or collaboration to JV or acquisition</li> <li>Gadget and service suppliers offering better information, entertainment or socialisation for whom we can identify market trends, optimum routes to market, business networks, business partners etc</li> </ul> <p>UK companies aspiring to partner with or win investment from similar profile companies, especially in US</p>			
<b>What are V5EI's service offerings</b>	<p>Our approach is based on several steps, each optional and customisable to a situation:</p> <ul style="list-style-type: none"> <li>an initial free and confidential face-to-face, email or phone discussion of the company's ambition for the UK market and informal feedback</li> <li>a modest-cost fixed-price review of a draft investment plan including initial comments on the strategy, market opportunity, key risks, necessary resources, business and technology networks and partnerships, likely locations, etc</li> <li>time-based support to develop the plan to mitigate risks, reduce timescales and increase chances of success by finding key partners or staff</li> <li>ad-hoc or interim representative support in UK as the company takes practical steps in the UK market and beyond</li> </ul>			
<b>What are the Key Success Factors?</b>	<p>UK is a very competitive market, requiring a well-articulated proposition focused on clearly-identified business needs with the necessary resources and organisation to deliver</p> <p>UK buyers are impatient and know exactly what they value, creating clear opportunities for suppliers to focus exactly on the expressed needs to deliver better value for money</p> <p>In uncertain times for many companies, buyers will also be cautious and avoid risks; individual and corporate track record remain important factors, effective partnerships can make the difference</p>			
<b>Meet us face-to-face at these events</b>				
<b>In US</b>	Web2.0	<a href="http://www.web2.0expo.com">www.web2.0expo.com</a>	March 28-31	San Francisco, CA
	SIFMA Technology	<a href="http://www.sifma.com">www.sifma.com</a>	June 14-16	New York City, NY
<b>In Europe</b>	MWC2011	<a href="http://www.mobileworldcongress.com">www.mobileworldcongress.com</a>	February 14-17	Barcelona, ES
	CEBIT	<a href="http://www.cebit.de">www.cebit.de</a>	March 1-5	Hanover, DE
	IBC	<a href="http://www.ibc.org">www.ibc.org</a>	September 8-13	Amsterdam, NL
<b>In UK</b>	IPTV World	<a href="http://www.iptv-forum.com">www.iptv-forum.com</a>	March 22-24	London, UK
	Healthcare 2011	<a href="http://www.hc2011.co.uk">www.hc2011.co.uk</a>	April 5-7	Birmingham, UK
	InfoSec Europe	<a href="http://www.infosec.co.uk">www.infosec.co.uk</a>	April 19-21	London, UK
	Internet World	<a href="http://www.internetworld.co.uk">www.internetworld.co.uk</a>	May 10-12	London, UK
	Ad:tech	<a href="http://www.adtechlondon.co.uk">www.adtechlondon.co.uk</a>	September 21-22	London, UK
	e-Commerce Expo	<a href="http://www.ecommerceexpo.co.uk">www.ecommerceexpo.co.uk</a>	October 11-12	London, UK
	IP Expo	<a href="http://www.ipexpo.co.uk">www.ipexpo.co.uk</a>	October 19-20	London, UK
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<b>Some investor questions</b>	
<b>Q1 Who could become your UK customers?</b>	<p>Companies considering international expansion may have achieved success in several market segments but are often unsure on which line of business to focus their international expansion in a specific country</p> <p>In UK it is critical to have a strongly differentiated offer supported by specific track record of successful delivery</p> <p>At Vecta, we can help you understand UK supply chains and advise whether you can disrupt the established order or how you can find your entry position</p>
<b>Q2 Who are likely to be your competitors?</b>	<p>Today's leaders underestimate threats from new players. Clayton Christensen's lesson can be applied in many ways to provide better value for money than incumbent leaders even in intensely competitive markets like UK</p> <p>Identifying specific service benefits within many possible features is key to perception of better value</p> <p>At Vecta, we compare your offer to those from potential competitors, identifying customer segments where you can compete most effectively</p>
<b>Q3 Who might be a business partner?</b>	<p>Most UK businesses are very open to value-adding partnerships. Successful partnerships are based on a mutual respect for what each party brings to the partnership, whether customers, experience, finances, people, reputation or technology</p> <p>Clarity of responsibility and reward is critical with clear and effective escalation lines in the event of challenges</p> <p>"Only do yourself what no one else will do for you" is often the starting point</p> <p>At Vecta, we review and prioritise your business interests, identify compatible business partners and can facilitate partnership development</p>
<b>Q4 Who might be a complementary technology partner?</b>	<p>UK has many start-up and established technology players needing better access to international markets</p> <p>At Vecta, we profile these companies against your specific interests and, after review, can make introductions and facilitate partnership development</p>
<b>Q5 Which are the best research partners?</b>	<p>The UK has over 100 Universities, many have world-class research groups and facilities, and the best are not always found in the elite Russell group of Universities</p> <p>The Research Assessment Exercise (RAE) ratings help but are quite generic across Physics, Electronics and Computer Science and do not attempt to assess their ability and willingness to collaborate in a specific area</p> <p>At Vecta, we characterise the leading groups against your technology themes and help you develop appropriate collaborations</p>
<b>Q6 Where is the best UK location for you?</b>	<p>Choice of location requires a balance between the most stressed communications lines; customers, financiers, HQ, key partners, and research partners all need communication but between what levels, how frequently and in what mode?</p> <p>While most and highest spending digital commerce customers are likely to be in and around London, many of the people under your telecare will be located more widely, often near the coastal resorts</p> <p>At Vecta, we help you work through the likely communications intensities and other considerations to identify and realise the optimal business locations for you</p>

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<b>Some of the opportunity areas</b>	
<b>eMarketing</b>	<p>The UK has taken to the internet much more than other major EU countries. We spend more on-line; we spend more time on social networking and our "want it now" approach makes us susceptible to advertising on TV, on-line and on the street digital signage</p> <p>That makes UK a superb market opportunity for eCommerce services, infrastructure and technology from games, music and movies; analytics, marketing and logistics to cloud</p>
<b>eFinance</b>	<p>London's exploitation of technology and time-zone position gives it the lead international position in banking, insurance and asset management</p> <p>High spenders on leading-edge technology for analytics, business intelligence, governance and risk management, trading/transaction platforms for B2B and B2C financial services</p>
<b>eHealth</b>	<p>The UK already has the most telecare/telehealth subscribers yet current penetration is only at 10% of potential and the NHS is changing to reduce costs</p> <p>Technology will play an increasing part in UK healthcare from social networks, business intelligence and health informatics to mobility and telecare</p>
<b>Security</b>	<p>The UK's global profile attracts cyberspace and physical attacks by criminals and terrorists</p> <p>UK business, citizens and government invest heavily in technology that protects our crowds, finances, information and infrastructure from criminal and terrorist attacks</p>
<b>Enterprise Systems</b>	<p>Enterprise systems power UK-based corporations, many of which are European HQs of global players; all want higher productivity from better analytics and infrastructure</p> <p>Strong market as companies upgrade their technology and begin drifting into the cloud</p>
<b>Cloud Services</b>	<p>The UK is the most open European country to outsourcing and offshoring and has vibrant eCommerce and eFinance markets and entrepreneurial communities</p> <p>The shift to cloud-based services is gathering momentum in UK driven in no small part by the UK's frontline position in apps related to advertising, commerce and entertainment</p>
<b>Data Centres</b>	<p>Businesses in and around London have created Europe's largest data centre population</p> <p>Continuing growth of eCommerce, Financial Services and Cloud services and the transformation of government IT is likely to extend this lead further</p>
<b>MediaTech</b>	<p>UK-based companies supply nearly 25% of the world's equipment for media production and distribution</p> <p>UK creativity and expertise applied to content production for advertising and entertainment drives innovation and investment in production and distribution technology</p>
<b>Communications</b>	<p>UK users love having the latest media-friendly devices from smartphones to DVD and MP3 players and are frequent buyers of apps, ringtones and hit tunes</p> <p>The market for newer devices, network technology, applications and content is strong</p>
<b>Electronics</b>	<p>UK is well known as a major market for Consumer Electronics but aero, defence and motor industries have created a massive UK industrial electronics market</p> <p>Embedded systems power many of the advanced engineering systems in which UK excels</p>
<b>Semiconductors</b>	<p>The UK may be more of a consumer than manufacturer of semiconductor devices but UK designs power portable devices more efficiently</p> <p>New and spinout companies are continuing to thrive in UK across several specialities, often linked to low-power consumption or high processor performance</p>
<b>More detailed and/or customised versions of this briefing can be provided</b>	<p><b>If you found this useful and/or would like a free and confidential introductory discussion of how we might work with you</b></p> <p><b>please contact:</b></p> <p><b>Frank.Morris@vecta5.com</b></p>

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