



**AUGEN**  
SOFTWARE VISION

[www.augensoftwaregroup.com](http://www.augensoftwaregroup.com)

**Microsoft**  
**GOLD CERTIFIED**  
Partner



# OPPORTUNITY ASIA

Augen's Expansion Experiences

# Agenda



- Background on Augen Software Group
- Summary Overview of Expansion Activities
- Augen's Interests in Asia
- Some Key Issues & Challenges
- What Augen Did
- What Worked, What Didn't, Unexpected Surprises
- Kiwi Companies: How to Start?
- A day in the life... Photo Gallery
- General Q & A

# Augen Software Group



- Established 1993
- Comprehensive range of services for software applications to a wide range of industries
- **Managing software and software-related activities to enable customers to focus on their core business and what they are best at**
- Range of Services:  
*Full SDLC - Software Strategies, Business Requirements, Software Development, Software Implementation, System Integration, Project Management, Software Maintenance, Technical Support, etc.*

# Industry/Sector Engagements



## **AugenGENERAL** (since 1993)

- Banking, Finance & Insurance
- Commercial/Industrial Services
- Food & Beverage Related Products & Services
- Manufacturing
- Professional Services
- Technology Incubators & Their Companies
- Transportation & Logistics
- Utility Services

## **AugenSOFT** (since 1994)

**Servicing the software sector, including:**

- **Software Product Companies**
- **Software-as-a-Service (SaaS) Companies**
- **System Integrators**

**Business Development**

**Solution Delivery**

**Product Development**

## **AugenHEALTH** (since 1995)

**Serving community healthcare providers of:**

- **Disabilities Services**
- **Rehabilitation Services**
- **Mental Health & Addiction Services**
- **Social Services Related to Health & Wellbeing**



## **Project Countries**

New Zealand – Australia – Malaysia – Singapore – United Kingdom

# Expansion into Asia – Overview



## Why Asia for ICT?

- Shortage of technically skilled workers in NZ
- Abundant highly qualified in countries like Vietnam
- Vietnam's need for ICT expertise to advance knowledge economies

## Summary of Expansion Activities from 1997 to 2008

- 1997: Commenced long-term planning & market research.
- 2004: Major legal changes to company and IP laws in Vietnam.
- 2005: Formal office opening in November by NZ Governor-General.
- 2006: Microsoft Gold Certified Partner relationship in Vietnam.
- 2007: Continuing to build on relationships with Vietnamese Government & business connections in Asia.
- 2008: [Reaching out to more NZ software companies...](#)



## Expansion into Asia – (Cont.)



### Where to next?

- Develop connections to build in-market channels for NZ software companies to reach into Asia.
- Use Vietnam base as regional hub to deliver development, implementation and support services to Asian customers of NZ software companies.
- Collaborating with many pieces of the puzzle to fit different companies – all are important components.
- Build scalability for this ‘bridging’ model.
- **Collaboration is the key to success.**

# Augen's Interests in Asia



## Short-to-Medium Term:

- Resource scalability for servicing existing markets.
- Reaching more NZ companies with collaboration model.
- Enable NZ software product & SaaS companies to create presence and delivery capabilities for Asia.

## Medium-to-Long Term:

- Servicing a selection of key markets in Vietnam and Asia through a network of channel partners.

## Augen's Interests in Asia – (Cont.)



Vietnam – a land of opportunity:

- More than 85 million in population.
- GDP expanding at more than 8% pa.
- Second only to China in terms of economic growth.
- Untapped resource of IT specialists available.
- Vietnamese Government keen to support initiative.
- Recently joined WTO.
- Strategic position of Ho Chi Minh City & Hanoi on South East Asian map.
- ASEAN: Population 0.6 billion / GDP 1 trillion USD.
- China: Population 1.3 billion / GDP 2.5 trillion USD.
- Internet Users in Asia: 400 million.
- Opportunity for Augen to establish itself at strategic location for future growth of its business into Asia.





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## Augen's Interests in Asia – (Cont.)



- ASEAN: Population 0.6 billion / GDP 1 trillion USD.
- China: Population 1.3 billion / GDP 2.5 trillion USD.
- Internet Users in Asia: 400 million.
- [Ho Chi Minh City](#) & [Hanoi](#): Full Access to ASEAN & Central & Southern China.
- Short flight distances.
- Small time zone difference.
- Internet Connectivity.

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## Some Key Issues – New Zealand



- Demand for software services increasing (new customers, products and SaaS opportunities).
- Customers require more “speed-to-market” for their business.
- IT workforce supply pool tightening (OE’s & less graduates)
- Salaries for experienced technical people has risen sharply.
- Overall still a small market and will saturate eventually.

## Some Key Challenges – Asia



- Understanding local business culture and how it works
- How local IT sector works specifically
- Fast pace of Vietnamese economy
- Language barrier
- Cultural differences
- Different business etiquettes
- Different business thinking

## Some Key Challenges – Asia



- How business works in Asia – structured vs. unstructured
- Differing legislation & environment
- How to protect our I.P.
- Learn to work in the Asian way...
- Invest in best legal/business advice
- **BUILDING RELATIONSHIPS** – takes time! Lots of time..

## What Augen Did – External



- Market Understanding: Research, research, research!
- Worked with NZTE, KEA, Embassies, Trade Office's, and other bodies (can't rely only on one source).
- Established links with VN Government.
- Built/used local & regional network of personal & business connections.
- Created "face" and local presence.
- Set up office in Quang Trung Software City, HCMC.
- Formal opening by NZ Governor General in November 2005.
- Marketing & PR.

## What Augen Did – Internal



- Lots of R&D.
- Technology: Developed own means for working in “real-time” between NZ and VN while protecting IP etc.
- Advisors: Legal, Financial, IP, Taxation, HR, Sales & Marketing, PR, Business Strategy, etc.
- Organisation: Restructured to integrate two offices together
- Operations: Methodologies & protocols.
- Administration: Centralised financial & HR administration
- HR: Cultural development (cultural ambassador, mentoring & buddy-ing, interoffice challenges, etc.)
- Total Immersion: Staff exchange programme...

# Actual Outcome



## What Worked:

- Technology, methodologies & protocols.
- Staff buy-in, customer buy-in.

## What Didn't Work:

- HR/Cultures/Practices: Integrated most but not all, many trials & errors.
- Accounting/Finance/Legal Compliance: Confusion & challenging advise.
- Organisational Development: Many changes & disruptions to daily business.

## Unexpected Surprises:

- Very few Microsoft Gold Certified Partner in Vietnam.
- Regional interest from potential partners/investors: Malaysia, Singapore, Thailand, China, etc...
- Ability to support other companies with their software products/SaaS offerings.
- NZ Computerworld Excellence Awards and Microsoft NZ Partners Awards.
- VN Government's recognition and invitations.



# Kiwi Companies – How to Start?



- Familiarisation – visit and visit again
- Understand & respect differences
- Business etiquette and how it works
- Learn about people/culture/language
- Set conservative timelines and targets
- Talk to trade missions & government organisations
- Research your business sector over there
- Get the best advice possible
- Relationships are important
- **Collaboration is the key!!!**

# Kiwi Companies – How to Start?



- Take your time – You can't rush business in Asia
- Staffing – Take time to find people with the right skills that you can trust
- Look into legal requirements
- Be prepared to change/restructure organisation or parts of
- Understand timeframe and time difference
- Create business infrastructure that will work for you
- Create the right support network – both social & business
- Leverage from other companies' experience
- **Network & Collaborate!**

# Some Helpful Organisations for Vietnam



## Embassy of the Socialist Republic of Vietnam

Level 21 Grand Plimmer Tower, 2-6 Gilmer Terrace, Wellington.  
Tel: (04) 473 5912; Fax: (04) 473 5913.  
Email: [embassyvn@paradise.net.nz](mailto:embassyvn@paradise.net.nz).



## New Zealand Trade & Enterprise (NZTE)

Web Site: [www.nzte.govt.nz](http://www.nzte.govt.nz)  
Phone: 0800 555 888



## Connect Auckland (or Connect New Zealand)

Web Sites: [www.connectnewzealand.com](http://www.connectnewzealand.com)  
Phone: (09) 309 2031.

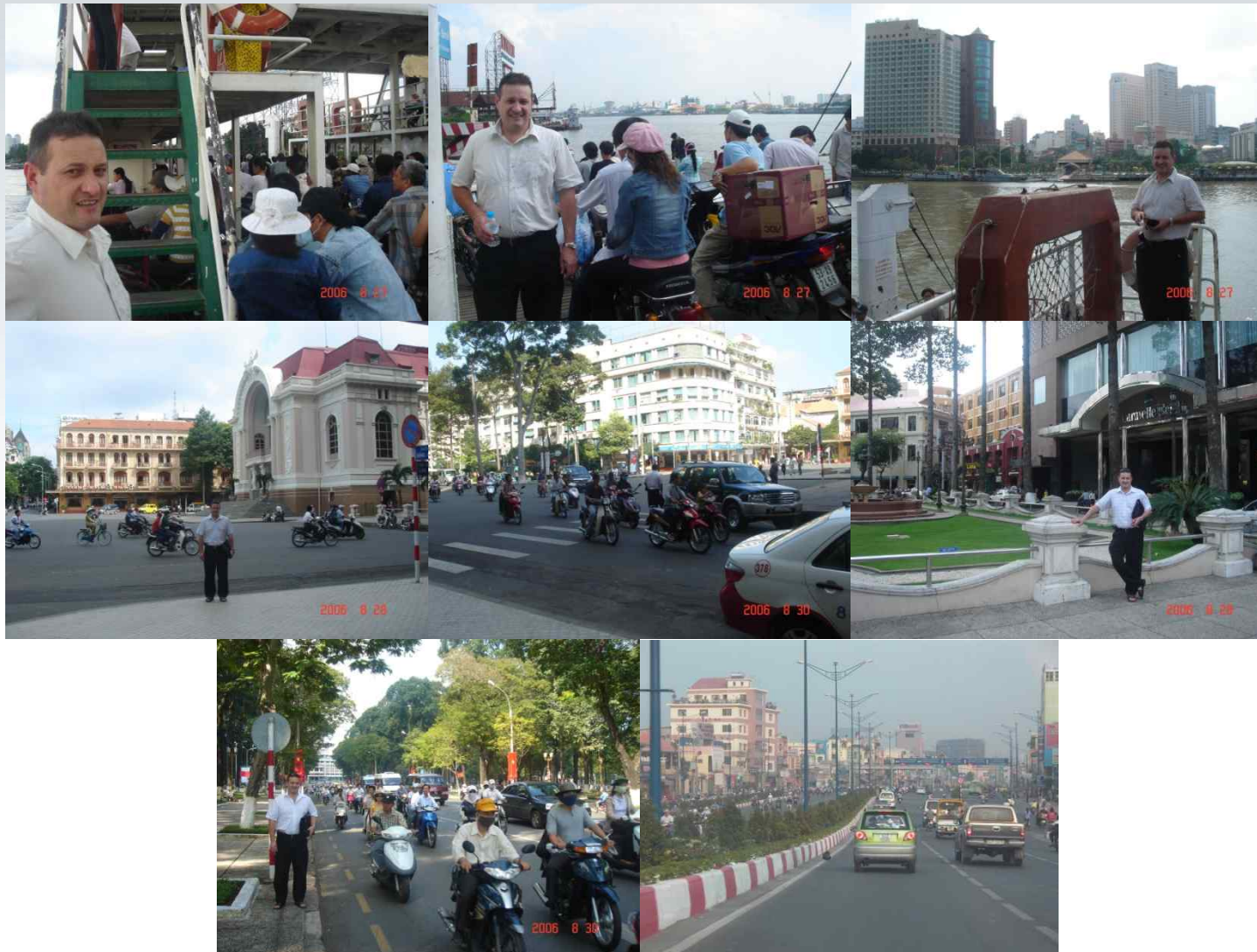


## KEA New Zealand

Web Site: [www.keanewzealand.com](http://www.keanewzealand.com).  
Phone: (09) 302 3100.  
Email: [info@keanewzealand.com](mailto:info@keanewzealand.com).



# A day in the life... CEO Peter Vile



Vietnamese  
proverb says:  
“Crossing river  
easier than  
crossing road,  
but crossing  
road more fun!”



# A day in the life... Staff at Work



**Vietnamese staff say: "Work hard – Eat harder!"**



# A day in the life... Interesting Visitors



James Kember  
(NZ Ambassador)



Lisa Davies  
(TVNZ - ASB Business)



Russell Brown  
(ICT/Business Journalist)



Visitors say: “Vietnamese Augeneers – Same same, but different!”  
(Augen staff in Vietnam are very ‘Kiwi’)





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# A day in the life... Staff at Play



**Augeneers say: "Seize the day!"**

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**Thank You!**





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