When Technology meets culture

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Go East opportunities & Threats workshop
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Who is Alvarion?

**Largest WiMAX Pure-player**
- WiMAX Base stations and CPEs
- Growing to be the leader in mobile WiMAX (4G technology)

**World’s most deployed WiMAX solutions**
- 210+ commercial networks
- 30+ mobile WiMAX based customer trials
- $250M+ shipments
- 10k+ sectors, 100k+ CPEs
- 100+ countries

**Leader of innovation in Broadband Wireless IP technologies**
- SentieM - Leading mobile WiMAX technologies

**Financials**
- Cash flow positive and profitable
- Total 2007 revenues: $237M
- 2008 expected annual growth 16%-27%
Main APAC customers

Incumbents

Challengers
Experience used for this presentation

Work in business positions since 1992

During the last 8 years

- selling to APAC
- creating R&D partnership with APAC companies
  - >70 week trips to Taiwan
  - >50 week trips to Japan
  - Some to China and Korea

P.S.: Studied Information Systems in the Technion in ’82-’86
Colors of Asia

Disclaimer:
Due to the short time of the presentation, mainly generalities are presented for initial orientation. However, APAC being as varied as it is, it is full of nuances and exceptions - take nothing for granted, including what is in this presentation!
Technology Usage is Diverse

Japan
- Leading Edge
- Expensive = Good
- Top Quality

China/Taiwan
- “Acceptable”

India
- Not working fully = OK
- Cheap

Quality

$
Technology Usage is Diverse

Products must be adapted to these markets

- Japan
  - Leading Edge
  - Expensive = Good
  - Top Quality

- China/Taiwan
  - “Acceptable”

- India
  - Not working fully = OK
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≠ features
≠ quality
≠ costs
Let’s Zoom on Japan
How to win business in Japan

Many Israeli companies are successful in Japan

DSPC, DSPG, Corrigent, ...

Advanced Technology

We are different in everything else!
How to win business in Japan

Communication is key

Key difficulty: little openness in Japan

- Usage of lies

- Language
  - 4 different languages in Japan: Polite, respectful, humble, plain
  - “The amazed he ran down the street” is grammatically correct
  - A lot of time spent on clarifications

- Bureaucracy and internal politics
  - Everything is regulated!
  - In large companies, internal politics are causing risk adversity
  - No compromise made formally, need to guess and side check to discover real needs
How to win business in Japan

Relationships are Key

People culture versus contracts culture

1. Let’s play golf until we sign the contract
2. Once signed we’ll play golf with other people for next contract

1. Let’s get to know each other, using contracts as milestones
2. Once signed we’ll play more and more golf together to discuss next deals together

- Contracts are a means to an end
- The End is to develop long term relationships

- Takes 1.5 - 2 years to develop relationships,
- If well maintained they are good for life!
How to win business in Japan

- Japan is much more varied than at first sight
  - They can be very tough negotiators
  - They sometimes do not argue and accept almost any price
  - Sometimes they take the time to do things thoroughly
  - Sometimes they can be “quick and dirty” (but it always comes out clean)

Even after years of experience, tough to know what game to play

NEED LOCAL SUPPORT! KEY TO SUCCESS!
Let’s Zoom on Taiwan
How to win business in Taiwan

Many Israeli companies are successful in Japan

DSPC, DSPG, Corrigent

Can do attitude
Let’s make it happen quick and dirty

We are different in everything else!
How to win business in Taiwan

Communication is key

Taiwanese are much more open than in Japan

- Usage of lies

- Language
  - Taiwanese practice English, but pronunciation is very different
- Internal politics
  - Business culture is using the stick rather than the carrot
  - Not deep but strong hierarchies
- Business creativity and corruption
  - We are in kindergarten, they are in university
1. The right team

- Great HQ focus in Israel  
  remember to make the right products
- Great local team to bridge culture gap (local employee or agent)  
  always assume you don’t understand without local “translation”

2. Customer focus

- Willingness to adapt roadmap, product features and cost to customers in Asia

3. Patience

- Remember that contacts are made slowly but last for life if maintained
Imagine...
Leaving limits behind

Thank you