## 19 June 2017

## Where will we open the 1st Development or Sales office for ASIA/China?

Adi Katav B.C.ee MAMM

akatav@kaltech.co.il

Selling in Asia Pacific (Asia) markets requires marketing and support in the local languages. Especially Mandarin, Japanese and Korean. Ideally we would like to have an office and team in all regions spoken all languages. However, given the investment and risk involved, we will begin with an examination of the main target market.

Japan, China, Korea and Taiwan requires local language support and presence. Asian customers requires more face-to-face meetings from a Western client, and they need to collect a lot of technical information to reach a price quote and more importantly, to build an interpersonal relationship.

Looking at the location of our first office in Asia - Hong Kong will be a favorite location. The country of Hong Kong, which is characterized by Mandarin and Cantonese speakers, is also characterized by an English-speaking population that is used to a more Western and stable culture than China and Taiwan.

Since the training of workers is a long process that we will harvest its fruits only later we must pay attention to the stability of workers in the workplace. Hong Kong's citizens are more loyal in their workplaces compared to China and Taiwan, and are closer to Western culture. For Hong-Kongnees it is clear that customers are outside of Hong Kong, which requires traveling.

Hong Kong is a free trade zone and corporate tax is lower than in Western countries and Israel. Hong Kong is well connected to all Asian countries and has a geographical location that allows the shortest flight to the farthest reaches of Asia Pacific. Hong Kong allows foot entry to China, proximity to Shenzhen (technology development and production area) and production areas around. You can get a business visa for five days at the border with Shenzhen.

The Hong Kong state allows working visa and citizenship relatively easily and within a short time. Opening a company in Hong Kong is the fastest and the process is cheap and simple. Hong Kong is linked to a very fast Internet network, as in the West, which allows connectivity with the company's offices in the West in fast VPN. This is not the case in China mainland. Unlike China mainland, all applications and websites work in Hong Kong and there is no filtering of sites.

Hong Kong has lack of local engineers. Although there are two good local universities that allow young engineers to be recruited, most engineers who finish their studies in Hong Kong find themselves working in China mainland. Local engineers prefer to stay and work in Hong Kong. I haven't yet to meet Hong Kong resident who prefers to live in another city despite the overcrowding. Therefore, a place of work on the island is especially desirable for Hong-Kongnees and especially in high-tech.

Hong Kong government views high-tech companies as the future of Hong Kong. Hong Kong's government, as part of the science park in Shatin and other places in Hong Kong allows the opening of a low-cost technology office using existing infrastructure in the science park such as laboratories and expensive semiconductor equipment. Hong Kong has a setup development organization in the field of hardware, software and semiconductor, therefore it can be used temporarily or as subcontractor. Large high-tech companies have established their office in this way in the Shatin science.

Small companies that are forced to manage one office in Asia have been advised to recruit Japanese and Korean speakers, even for relocation candidates from their original countries to Hong Kong.

In this way, we will have an office in a free trade area, enjoying good transport and geographical location, east finance system, low taxation and stability on personnel level, with proximity to China mainland and support for the local language. And above all else, the ease of relocation of Israeli workers. Hong Kong has an Israeli community and an Israeli consul office with local economic attaché.