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# Your e-business Solution



Intelligent business – Think UK – invest·UK

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# A global location for a global business

Digital technologies are a key enabler of the modern economy. Electronic business – and in particular electronic commerce – is radically changing the nature of markets across the world across and the way national and international companies do businesses.

*“With UK online, Great Britain is undertaking a leadership plan to ensure its global leadership in the internet age. As citizens understand that their well being is connected to the access to global information, it is important that governments around the world seriously study what is being accomplished in the UK”*

Dan Scheinman, Cisco Systems Senior Vice President, Corporate Affairs

The UK is fast emerging as the dominant European market place for electronic business solutions applications and research. It is the most advanced of all the major European nations for information and communications technology uptake. It is the place to be in Europe for e-commerce

Major international companies such as Amazon, Cisco, Exodus, Charles Schwab, Intel, Motorola, Nortel, Capital One, Microsoft, Lucent and many others are already located in Britain. They are working with the UK’s modern telecommunications infrastructure and skilled workforce to make the most of what the Internet, information and communications technologies and e-commerce can offer. Others are conducting cutting edge research and development in emerging technologies.

Britain is already the premier inward investment location in Europe. It attracts almost a quarter of all the inward investment into the EU and over 40 per cent of US investment in to Europe.

Britain competes for - and wins - investment on the basis of high quality skills and on adding value to goods and services. It offers investors new opportunities in some of today’s most exciting technology based market sectors. The Government is committed to maintaining the Britain’s dominant position as a location for global investment. That is why our efforts have been re-focused on attracting companies whose business is the technologies of the future.

We are working with the UK’s IT, electronics and communications sectors to promote high growth SME’s, innovation and effective exploitation of knowledge generated by the UK science and engineering base.

We are determined that companies, whatever their size or sector, are given every opportunity to further exploit the advantages of Information and Communication Technology (ICT). The UK has exceeded its targets for the numbers of companies connected to the Internet. Research shows that UK is already the most advanced in terms of ICT uptake and usage of the major European nations. The European market as a whole is now on par with that of the US, with the UK at the forefront, offering the most advanced ICT infrastructure, the most deregulated market in Europe and some of the most creative minds. We believe that the UK is the ideal choice for e-commerce activity.

## UK Online

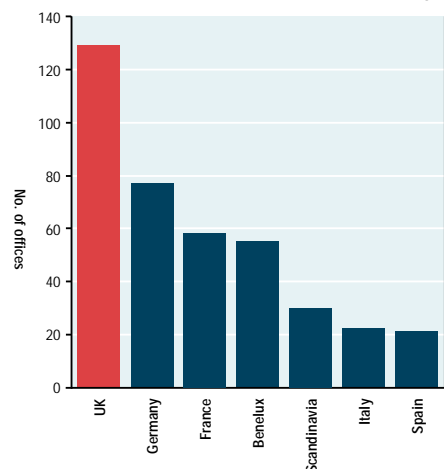
The UK Government is committed to developing the UK as the best place in the world for e-commerce. The Office of the e-Envoy is leading the UK Government’s strategy for the information age. [www.e-envoy.gov.uk](http://www.e-envoy.gov.uk)

UK online is for everyone. It is a drive to ensure that everyone in the UK who wants it will have access to the Internet, and to make the UK one of the world’s leading knowledge economies. [www.ukonline.gov.uk](http://www.ukonline.gov.uk)

## The UK is the most popular destination for US companies

The UK is the number one destination for US technology businesses looking to expand into Europe; 96% of companies with Established European operations have a UK presence. THE UK features so strongly because of the common language, the close cultural match with the US and a relatively high level of Internet penetration.

Number of offices in each EU country



## New pilot scheme for innovators



In July 2000, the UK Government announced a pilot scheme aimed at entrepreneurs with new and creative ideas who wish to set up a business in the UK. It will run for two years from 4 September 2000 until 4 September 2002.

The scheme is open to applicants with plans for establishing a business, which will bring exceptional economic benefit to the country. It is especially tailored to those who plan to exploit the economic opportunities of the rapidly developing science and technology based sectors, including businesses specialising in e-commerce.

The key distinctive features of the Innovator scheme are:

- No minimum investment is required
- Third party funding is permitted; there is no requirement for personal funds to be invested
- Applications will be assessed in order to identify and select those which will bring exceptional economic benefits to the UK

More information about the scheme can be found on the Home Office website: [www.ind.homeoffice.gov.uk](http://www.ind.homeoffice.gov.uk)



### Internet data centres

In April 2000 British Telecom, AT&T and Concert have announced plans to invest \$ 2 billion over three years to deliver seamless, global e-commerce services via a network of 44 Internet data centres in 16 countries.

These plans build upon the companies' rapid rollout of Internet data centres in their home markets and globally. The global platform will include the 14 Internet data centres already "open for business", four of which are in the UK: in Birmingham, Cardiff, Bletchely and St.Albans.

The centres will provide co-location, web hosting, and professional application and networking services such as storage services, managed security or content distribution for companies ranging from startups to dot-coms to click-and-mortar businesses.

## First Tuesday – new networking style



**Ebusiness solution providers will see rapid growth in the demand for their services.**

**In the Business to Business sector, the UK is seen to lead Europe. Companies in the UK look to the Internet to gain strategic advantage.**

**“Don’t get caught without distribution to the online nation.”**

International Data Group

## Case Study – Net Quotient

**Net Quotient Consulting Group, Inc.**  
(Formerly Pencom Web Works, Inc.)

Net Quotient Consulting Group, Inc. was founded in 1995 with a mission to develop business applications using Web technology. The company was originally known as Pencom Web Works and operated as a business unit of Pencom Systems Inc, a leading provider of human resources and software development services for open systems computing. Net Quotient is now an independent consulting firm, focused on a singular mission of developing business applications for a web environment.

Net Quotient’s partial client list includes Hoovers-Online, Reuters, Dun & Bradstreet, Chicago Tribune and Continental Airlines. Through expansion into Europe, client relationships have developed with the London Guardian (UK), BBC (UK), Equitas-Lloyds of London (UK), Esselte (UK), to name a few.

Professional services are provided to many customers through strong international partnerships, such as: Microsoft, Netscape, Sun/NetDynamics, pcOrder (Trilogy), Andromedia, Vignette, ClearCommerce, and others.

Andrew Galewsky, Director of Consulting Services for Net Quotient said, “It was very surprising how simple it was to expand into the international arena. There is a perception that is both costly and time consuming to develop an international presence; especially considering the legal ramifications. However, with the assistance of the Invest in Britain Bureau, we were able to cut through the red tape and make local contacts that allowed us to create a UK branch in couple of months”.

Net Quotient have experienced very little risk by piggybacking on existing partners and customers and have also seen the swell of activity beginning in Europe as it has in the US.

Customers in the UK require the same level of services as world-class clients in the US: Internet strategy development, systems integration, e-commerce development, and best-of-breed package implementation. Net Quotient is poised to provide these services to its new and expanding client base in Europe and throughout the world.

Less than 2 years old, First Tuesday has become a flourishing forum for entrepreneurs and venture capitalists. Every first Tuesday in a month, it offers an opportunity for bright sparks armed with great ideas and/or infant dot.com companies to swap stories, seek advice and find money. To date, hundreds of start-ups have found financing and have recruited senior management through these meetings.

An average meeting consists of 60 per cent entrepreneurs, 30 per cent venture capitalists and business angels, and 10 per cent others, offering services such as executive search, legal advice and marketing.

The meetings were so successful that First Tuesday now organises these events in more than 50 cities on 4 continents. On their website, [firsttuesday.com](http://firsttuesday.com), First Tuesday provides entrepreneur-centric discounts, programs and special offers.

## Case Study – USWeb/CKS

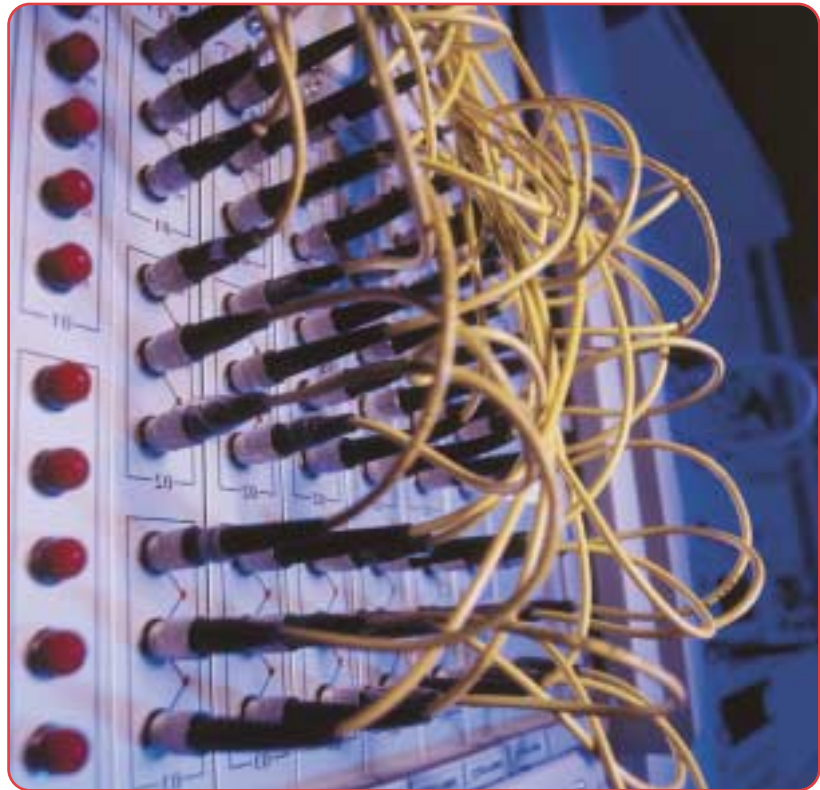
USWeb/CKS is the world's largest, dedicated provider of strategic internet services:

- over 3,000 client projects
- 44 of the Fortune 100 are USWeb/CKS clients
- over 2,500 employees worldwide
- 40 consulting offices
- \$300 million in annualized revenue
- publicly traded company - NASDAQ

USWeb/CKS of Santa Clara, California, is a professional services firm that helps companies define strategies and implement innovative ways to build their business by combining the benefits of internet technology and marketing communications.

The company view the UK as is one of the leading "e-business enabled" economies in Europe and acquired Xplora, a UK based internet consultancy in April 1998. US Web/CKS see the UK as a key market in which to grow their presence.

Globally, the internet services market place is consolidating rapidly and the outlook for USWeb/CKS is very promising. This was confirmed by the recent announcement that BT and USWeb/CKS were to launch consultancy services targeting major UK retailers.



### Culture

The UK culture is a Web enabled culture.

For many years , expert analysis has shown the UK population to be the most comfortable users of multi-media interface channels.

This is set to continue with the uptake of web-based activities set to continue to rise beyond European averages.

Many of the world's leading companies quote the UK as the best business location in Europe. They quote the availability of well-educated, multi-lingual, multi-disciplined flexible staff. They speak of a government proactively driving the success of the UK economy. Market size and growth, drive the need for innovation and initiative.

A Can-do culture is driving the UK to embrace the Ebusiness challenge.

# Telecommunications infrastructure

## Case Study – Charles Schwab Europe

Charles Schwab launched its e-brokerage system in October 1995 and now has around 30% market share with over 60% of all trades being placed over the web.

Historically in the UK there has been lower Internet penetration than in the US, with the investment culture being less ingrained and with less access to cheap or free investment information. However, all the right indicators for future improvement were there and this encouraged Charles Schwab to invest well ahead of the upcoming internet J-curve in the UK.

In its first 10 months of web trading, Charles Schwab Europe has attracted a loyal customer base in excess of 10,000. One in four nominee trades now take place over the web and, once a customer switches to web trading, they use the web for 90% of their trades. With a 60:40 buy:sell ratio, it is clear that the web is fast becoming an important investment medium, as the combination of market and company information with real-time access to the markets encourages investors to take greater control over the creation of their retirement wealth.

The Internet is placing information, access and control into the hands of the private investor. Demand is growing so rapidly that there is no doubt that on-line broking will become the dominant trading system for the private investor within the next two years.

Deregulation of the UK telecommunications industry in 1984, has created the most advanced, reliable and cost effective infrastructure in Europe.

Over 400 licensed operators exist in the UK to provide telecommunication services.

The UK boasts a full range of Internet Access Speeds and Intranet solutions.

The UK hosts two of the largest Corporate Intranets – BT and Cisco.

Companies locating in the UK, will find a telecommunication infrastructure in the UK to meet the most stringent of users' demands.

This backed up with a reliability and quality unmatched anywhere else in Europe makes the UK the obvious choice for Ebusiness solutions.

The world's longest fiber network - 3 million miles or 47% of the world's fiber capacity, with fiber deployed as standard where possible to client premises.

UK companies like BT, the UK's largest telecoms provider, are at the forefront of the UK's drive to become Europe's first choice location for Ebusiness activities.

"The UK is by far the most mature on-line market in Europe, thanks probably to the early privatization of telecommunications and the rapid growth in Cable Companies . . ."

Ralph Averbuch  
UK Producer, Yahoo!



## Case Study – Exodus Communications



Exodus Communications, Inc of Santa Clara, California, is a leading provider of Internet systems and network management solutions for enterprises with mission-critical Internet operations. Customers include major global corporations such as Yahoo, Silicon Graphics and eBay.

Exodus established its first European Internet Data Center in a 50,000 sq ft facility in West London. It chose the UK because of the competitive and deregulated nature of the telecommunications infrastructure and its high levels of Internet penetration and literacy. The UK also offered Exodus the advantage of a business culture similar to that of the US.

Peter Fortenbaugh, Vice President of Strategic Planning, said "We chose the UK because of it's great connectivity and excellent bandwidth that the London Internet Exchange Point (LINX) gave us."

## Case Study – Cisco Systems

Cisco Systems is the worldwide leader in networking for the Internet and is the fastest growing company in the history of the computer industry. With a market capitalization of more than \$100bn after only 12 years in business, Cisco is among the 20 highest valued companies in the world. In many ways, Cisco is the worldwide leader in using Internet technology to change business processes and gain a sustainable, competitive advantage. Cisco also has one of the world's largest electronic commerce sites in the world with a run rate of \$8 billion and more than 70% of customer orders being submitted via the internet.

Paul Mountford, Vice president UK and Ireland for Cisco said, "Cisco is an example of a global company that continues to invest heavily in the UK." The UK is a mature but growing market for information and communication technology companies. Employing a light regulatory touch, the UK provides a climate in which entrepreneurship can prosper. Increasingly important as it moves towards a knowledge driven economy, the UK offers businesses a ready supply of skilled and motivated people. Based on our experiences, I would strongly recommend other business leaders to consider locating their business in the UK."

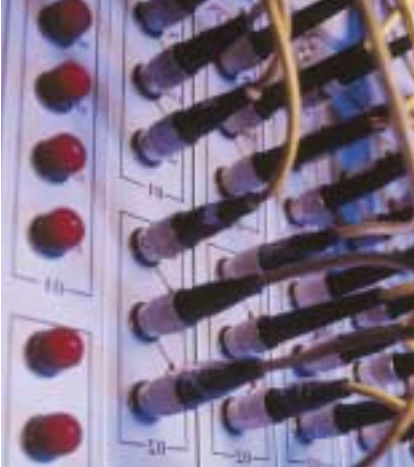
### Location issues and e-business

The UK continues to lead Europe as the primary destination for Foreign Direct Investment from the US. Each year, 40% of US worldwide foreign investment is located in the UK.

The locational reasons for Investing in the UK remain consistent for companies looking for optimum return on their e-business investment in Europe.

Market size, political stability, profit repatriation, GDP, a pro-business and regulatory environment continue to attract foreign companies to the UK.

Recent survey from the investment bank Merrill Lynch shows that UK is best-placed in Europe when it comes to the "new economy" – the ability to accelerate productivity growth through the use of information and communications technology.



## Worldwide Offices

If you would like advice or practical assistance with setting up your operation in the UK, call Invest-UK. Invest-UK has offices based in British Embassies, High Commissions and Consulates around the world. To find the Invest-UK office nearest to you, please visit our website [www.invest.uk.com](http://www.invest.uk.com)

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