

# How can a Korean startup successfully enter the UK market?

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# Personal Introduction

- MEng Elect & Electronic Eng – Queen’s University Belfast
- PhD University of Edinburgh
- MBA Henley Management College
- Recently retired – Exec Director – Institute of Electronics, Communications and Information Technology – Queen’s University Belfast
- Founder of Titan IC technology startup – acquired by NVIDIA March 2020
- Visited Korea about 9 times – Seoul/Daejeon/Sejong
- Advisor to SSenStone/swIDch (Korean cyber company in London).  
Chairman of 2 other cyber security companies.

# Presentation overview

- Why internationalise?
- Why UK? UK regional overview
- Outline of market entry strategies
- Challenges facing Korean companies
- Some practical steps and guidance
- Conclusions

# Why internationalise?

- Increase revenue
- Have a wider view of opportunities – not just a local Korean view
- Refine existing product/service offering
- Explore other product/service versions
- Different business models – licensing, capital, recurring revenue....
- Different regulatory and legal frameworks
- Strong story to Korean investors – shows ambition

# Why consider the UK?

- Large internal market and strong reputation in cybersecurity
- English speaking
- Convenient timezone – East and West
- Wide variety of financial support
  - Equity finance (angels/VCs); R&T tax relief; Grants; Loans etc
  - Mostly need to be UK registered company to benefit
- Strong legal and ethical culture – protects IP
- Credible international reputation
- Regional funding and incentives

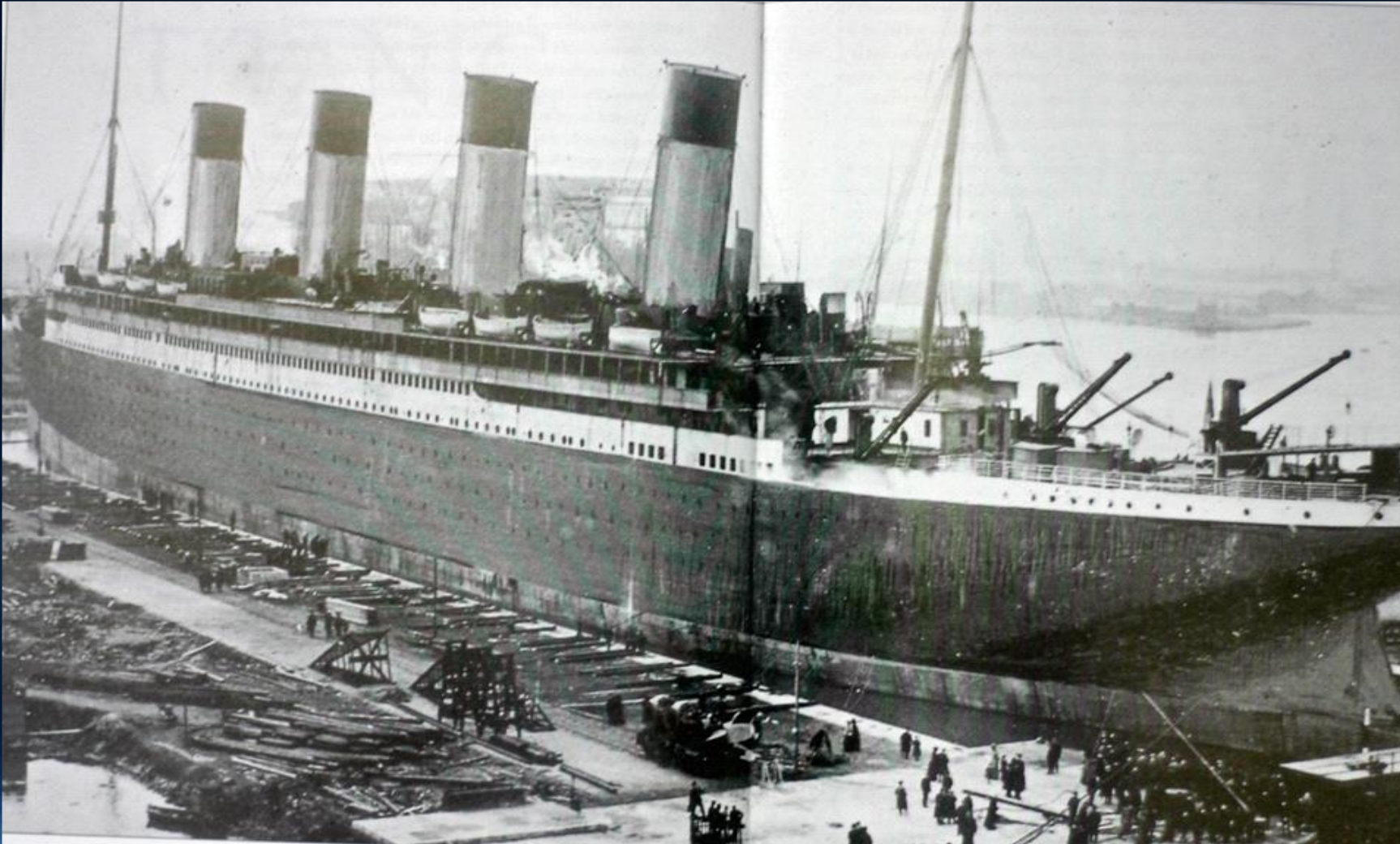
# UK regional overview

- UK made up of four countries
  - England, Scotland, Wales and Northern Ireland
- London main centre but more expensive (office and salaries)
- Many cyber security clusters around all UK (UK Cyber Cluster Collab)
- Regionally lower costs, government incentives and more talent
- Northern Ireland one of the largest cyber clusters (I may be biased!)
- Consider hybrid model – London for business dev; region for R&D

# Where is Belfast and the UK?



# Home of the Titanic





# Home of the world's oldest whiskey distillery



# Home of the Giant's Causeway



Just like Jeju Island



# Home of great golf courses – Royal Co Down



# Home of great golf courses – Royal Portrush



# Outline of market entry strategies

- Consider initially local partnerships and support
  - Explore business opportunities / sales presence
  - Test out the market for product or service
- Many regions offer soft landing support
  - More detailed assessment of the suitability of the region / opportunity
- Establish UK entity and grow the business / team in the UK

# Establish a sales presence

- Lower risk – allows to “try” before further commitment
- Lower cost option – sales channel or employment contract
- Can use the time zone difference to your advantage
  
- Difficult to manage remotely and staff isolated from rest of team
- How to provide customer support
- Not a long term solution

# Explore a soft-landing approach

- Provides a way to establish the best region to set up operation
- Need to know requirements of the business
  - Sales team only?
  - Customer support?
  - R&D team established?
- Steppingstone and way to de-risk setting up full UK legal entity



# Set up a UK operation/company

- Most expensive option but highest chance of success
- Needs to “feel like” UK company and not Korean company
  - More practical advice later
- Can access many finance, grant and support options only available to UK companies
- As discussed earlier – carefully consider business needs
  - Which UK region meets those needs?

# Challenges facing Korean companies

- Language and culture very different from doing business in Korea
- Need to avoid looking like a Korean company
- Difficult to make connections and partnerships without local support

# Some practical Do's

- Have Korean revenue initially to prove product/service works
- Employ local people who have a knowledge of the sector
- Likely to be a minimum of a 2 year journey – ensure enough ££
- Ensure customer support is local (from the start)
- Medium term R&D local too
- Apply for grant support for R&D – pay for high % of R&D costs
- Consider branding from start – same as parent company?
- Have a clear IP ownership strategy – important for raising money in UK

# Some practical Don'ts

- Don't expect quick results – a long journey
- Don't only employ Koreans
- Don't expect UK staff to have the same business culture as Korea
  - Will need different HR policies etc from parent company
- Don't assume UK is as "hierarchical" in nature as Korea

# Similarities between UK and Korea

- Hard working, sense of pride and strong commitment to the task
- Strong sense of ethics and strong business moral and legal outlook
- Major focus on innovation and new technology
- Working relationships once established will be long lasting and strong

# Differences between UK and Korea

- Stronger respect shown for elderly/authority in Korea
- Work environment in UK is less formal and less hierarchical
- Food is completely different – much larger portions in UK also!
- In UK, government is more accountable and questioned more by the voting public
- Language (obviously) but can make for slower progress in business

# Organisations that may be helpful

- Department of Business and Trade
  - [Department for Business and Trade - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- British Business Bank – equity and loan funding support
  - [British Business Bank \(british-business-bank.co.uk\)](http://british-business-bank.co.uk)
- Innovate UK – grant and financial support for innovation / R&D
  - [Innovate UK – UKRI](http://www.ukri.org)
- InvestNI – advice for setting up in Northern Ireland
  - [Invest Northern Ireland | The Regional Economic Development Agency for Northern Ireland \(investni.com\)](http://investni.com)
- [GOV.UK \(www.gov.uk\)](http://www.gov.uk) for general advice e.g. government departments, R&D tax relief, setting up a company etc.
- UK Cyber Cluster ([UK Cyber Cluster Collaboration \(ukc3.co.uk\)](http://ukc3.co.uk))

# Conclusions

- Establish business in Korea first before thinking international
- UK is perfectly positioned as the region for internationalisation
- Take a step-by-step approach to enter the market
  - Ultimately a UK company is likely the best chance of success
- UK partnerships, financial and grant support vital to reduce costs
- Whilst risky, establishing international presence is critical to growth



The background features a dark blue gradient on the left, transitioning into a complex, glowing blue structure on the right. This structure consists of numerous thin, parallel lines that curve and spiral inward, creating a sense of depth and movement, similar to a tunnel or a data stream. The lines are more densely packed and brighter in the center of the curve, fading towards the edges.

Questions?