

# INVESTMENT 2000

Quarterly Update

Issue 11

December 2000

## Olympic program wins investment gold

It is less than three years since Investment 2000 began practically implementing its strategy for using the backdrop of the Sydney Olympic Games to attract increased foreign investment to Australia. Since then it has already helped secure new investment commitments from 45 companies, yielding some \$A520m and creating over 1100 new jobs.

Moreover, given the typical time lags involved in investment decision-making, the final outcomes from this unique private/public sector initiative are likely to be substantially higher. Indeed, a further 44 companies are actively considering establishing operations in Australia, with many more having been exposed to a new business proposition for Australia as a result of the Investment 2000 initiative. These were just two of the findings from *Investment 2000: Assessing the Legacy* an independent report released in December 2000.\*

Established in 1997 and incorporated as a private company in the following year, Investment 2000 has been redefining Australia's business profile through a consciously phased, relationship-based marketing strategy. This strategy has comprised three main elements:

1. an international marketing program, designed to reach a broad range of senior business leaders across three continents;
2. a series of exclusive, 'reciprocal' business visit programs in Australia designed to 'fast track' the investment decision-making process; and
3. ongoing support to help companies realise their investment intentions.

Against internal and external benchmarks, Investment 2000 exceeded the quantitative objectives set for each stage of its strategy. And in doing so, a number of important insights were gained which have exciting implications for Australia.



Above: Participants in Investment 2000's inaugural business visit program.

In particular, Investment 2000 succeeded in attracting to Australia a disproportionate number of nimble, smaller to medium-sized companies, predominantly in technology-based sectors. Like many of their larger counterparts, these companies are attracted increasingly to Australia because it offers a sophisticated market of adequate size and growth potential, access to a highly-skilled and multilingual workforce and, importantly, a relationship with Asia. This growing linkage is being played out by companies using Australia, variously, as a stepping-stone to Asia, as a way of serving Asia from Australia, or as part of a developing Asian network.

Many of the companies that participated in the Investment 2000 program have now built Australia into their global plans at an early stage of their international expansion. In doing so, they are helping to further 'hard wire' Australia into some of the fastest-growing, science-based industries of the 21st Century.

In this final edition Quarterly Update we review Investment 2000's approach and achievements, and profile a selection of the companies that have recently invested in Australia.

INVESTMENT  
2000

## \*INVESTMENT 2000: ASSESSING THE LEGACY

An independent review of the Investment 2000 initiative by Dr Helen Nugent.  
Copies of the report are available on our website at <http://www.investment2000.com.au>

# A phased, relationship based approach

The implementation of the Investment 2000 strategy followed a conscious phased approach. Through this approach, Investment 2000 sought to provide international business leaders with the most time-and-cost effective opportunity by which they could seriously evaluate the potential Australia held for their own company.

## Phase one: Building domestic support networks

A broad coalition of Australian support networks was built in order to provide potential investors with unique access to senior corporate and government leaders and to key information sources. The network also accelerated introductions for investing companies to future customers, suppliers, partners and advisors.

*"What we valued most from the Investment 2000 program was the fast tracking. We met with government bodies and with businesses in a very condensed time frame. It may have taken us many months and many thousands of dollars to otherwise make those contacts. On the basis of the advice and assistance we received, Australia was chosen as the site for the first international expansion of the company."*



**Gregory Sutton**  
President, Terays Inc (USA)

## Phase two: Offshore marketing

In excess of 1900 international business leaders were personally invited and attended one of a series of business forums in hub business centres across the United States, Europe and Asia. Cumulatively, these events formed the critical, first stage of engagement with potential investor companies.

The purpose of the forums was twofold. Firstly, to introduce the new strategic value proposition offered by Australia and, secondly, to formally invite serious, likely investors to visit the country.

The core business proposition centred on Australia's strategic location within the Asia Pacific time zone. This positioning encouraged companies to view Australia not only as a sophisticated and attractive national market but, even more importantly, as an integral part of their future regional 'value chain' strategies. Specific case studies helped build a rationale for Australia as a desirable place in which to establish selected regional operations, as well as a location from which to expand competitively into Asia. Australia's rapidly-emerging position as a regional leader in digitisation and science based innovation were key elements of this proposition.



**Top:** Munich Business Forum

**Above & Right:** Silicon Valley Business Leaders' Forum; (L) George Foster – Professor of Management, Stanford Graduate School of Business (USA) and (R) John Morgridge, Chairman, CISCO Systems (USA)





Between March 1998 and April 2000 Investment 2000 conducted 48 specially convened business meetings and forums in:

- Amsterdam
- Atlanta
- Bangkok
- Beijing
- Brussels
- Chicago
- Christchurch
- Dallas
- Denver
- Frankfurt
- Geneva
- Hong Kong
- Kuala Lumpur
- London
- Manila
- Milan
- Munich
- Orlando
- Osaka
- Paris
- San Diego
- San Francisco
- Seattle
- Shanghai
- Silicon Valley
- Singapore
- Taipei
- Tokyo
- Wellington
- Zurich

In many cases these cities were visited at least twice over the two-year period.

*"The Investment 2000 presentation has given me a new dimension to Australia's role as a gateway to investment in Asia. The speakers' deep and intimate knowledge and understanding of the political, social, economic and cultural landscape of Asia make the presentation invaluable to those who have a keen interest in the region."*

**Boon Yoon Chiang**

Chairman, Jardine Matheson Group of Companies (Singapore)

*"Investment 2000 has done an outstanding job in presenting Asia, both from a macro and micro perspective. The combination of quality speakers and a receptive audience certainly touched the right nerves in Amsterdam. I would strongly recommend the Investment 2000 team to key decision-makers concerned both with Asia and Australia's growing role within it."*

**Robert G Nieuwenhuijs**

Senior Vice President, ABN Amro Bank (The Netherlands)



*"When I arrived at the Investment 2000 dinner in Milan I still kept thinking of Australia as an appendix of the United Kingdom. However by the end of the presentations I felt an awareness of the fact that Australia is in all respects part of the Asian community, with the advantages of a culture, technological level, safety and quality of life equal to – or even superior to – those of Western Europe."*

**Mario Manuli**

Chairman, Manuli Rubber Industries (Italy)



*"The data-based and professional way the Investment 2000 team presents the case for Australia is impressive. It stimulates interest in making Australia a more important part of a company's regional strategy – even if you are already in the country in some way."*

**Mick Yates**

Company Group Chairman, Johnson & Johnson Asia Pacific (Singapore)

*"The team from Investment 2000 gave the clearest explanation I have heard of the dynamics of the Asian economies and their future prospects. The role of Australia and of the United States on opposite edges of the Pacific Rim became encouragingly clear."*

**Herbert Klein**

Editor-in-Chief, Copley Newspapers (USA)

## Phase three: Reciprocal business visit programs

The challenge in phase three lay in encouraging hundreds of corporate decision-makers to reorganise pressing schedules and assemble in Australia.

The lure was a fast-track business and investment program — the opportunity to attend an intensive, tailored series of networking events, which provided accelerated access to the contacts and information necessary for serious consideration of Australia as an investment location.

Over an intensive two to three days, participants benefited from the opportunity to:

- interact with leading corporate executives and analysts;
- draw on the experience of multinational corporations who had already invested in Australia;
- discuss issues in person with senior government ministers and officials; and
- participate in meetings aligned with their individual needs and interests.

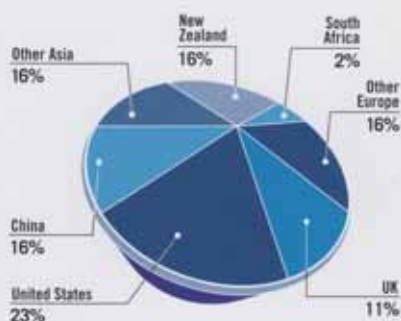
Twelve of these programs were held between December 1998 and December 2000. In total, 346 international executives attended the events, including a special program conducted in Mandarin for 117 delegates from China.

Through a variety of briefings, small group meetings and site visits, several key themes were developed during the course of the business visit programs.

These included:

- A changing Australia – the impacts of two decades of market-driven reforms;
- Australia's evolving role in global and regional business strategies;
- Australia's capabilities in technological innovation;
- Key management issues for international companies operating in and from Australia;
- "Getting started" – personal experiences and learnings from company leaders who had made recent investments in Australia.

Australian Business Visit Programs  
Geographic Profile of Attendees  
(excludes special Chinese program)



Surveys of the participants attending the Australian business visit programs revealed an overwhelmingly positive impact on perceptions of Australia as a business location and specific intentions to invest (refer table below).

Furthermore, senior business figures who had attended these programs became the strongest advocates for the value inherent in the various Investment 2000 activities. Indeed, 99 percent of respondents surveyed after participating in the programs expressed their willingness to recommend them to other senior executives. As the series of visit programs progressed, this was an intention substantially borne out in practice, with an increasing number of new participants coming on referral from previous participants.



*"The Investment 2000 Visit Program opened my eyes to new possibilities - the Australia I thought I knew turned out to be much more interesting from a business point of view than I expected. As a result the prospect of investing in Australia jumped to a top item on my list."*

**Thomas Ziliacus**  
Executive Chairman, Asia Pacific Strategic Alliances Group (Singapore)



*"I am terribly impressed by the organisational ability of Investment 2000. They really enabled us to connect with some very important people in Australia and, more importantly, have given us the kind of future indication of what is possible for our business."*

**Paul Southworth**  
Chief Executive Officer, Tamarind International Holdings Ltd (UK)



*"The best benefit I got out of the two day's meetings in Australia is that I have been given the insight that Australia is changing, becoming more globalised, which I was not aware of."*

**Harry Wong**  
Vice President, Union Petrochemical Corporation (Taiwan)

### Australian Business Visit Programs: Participant Survey Results

	Rating (4: Highest, 1: Lowest)			
	4	3	2	1
1. How well did the program meet your expectations?	58%	37%	5%	0%
2. Willingness to recommend to other CEOs?	77%	22%	1%	0%
3. Extent to which the program increased awareness of Australia as a potential investment location?	54%	41%	5%	0%
4. Extent to which the program strengthened your intention to invest in Australia?	51%	39%	9%	1%
5. Ability to establish useful contacts	49%	43%	7%	1%
6. Quality of organisation and administration of the program	91%	9%	0%	0%

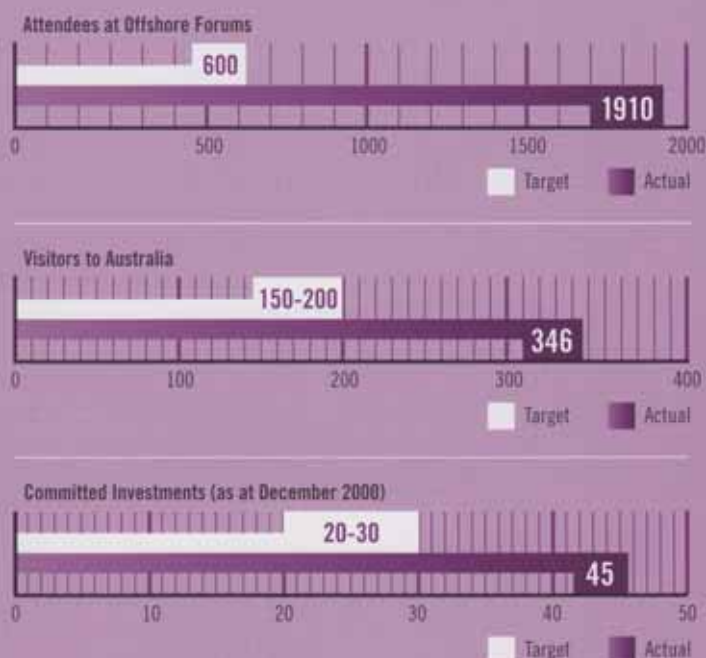
## Phase four: Ongoing support & investor contact

Ongoing support was provided to companies to help them develop and realise their investment strategies.

The commercial impact of the Investment 2000 initiative vis-à-vis investment commitments, is clear, if incomplete at time of writing. By December 2000, Investment 2000 had helped 45 companies to locate in Australia with 42 of these companies having attended an Australian business visit program. In total these companies are expected to invest \$A520m by 2002 and create 1150 new jobs. A selection of these companies can be found on page five of this Update.

Another 44 companies that attended business visit programs are currently actively assessing opportunities to invest in Australia.

### Investment 2000 Targets and Outcomes





# Some investment outcomes



## **Adhesif Labels Limited** (New Zealand)

Self-adhesive label design and manufacture

*"We asked Investment 2000 for – and received – market intelligence that enabled us to project our plans well into the future. In fact we have come to see our relationship with Investment 2000 as a business planning partnership. Above all they want our investment in Australia to succeed."*

**Rob Warren**

Director, Adhesif Labels Limited



## **bkm OgilvyOne** (UK)

Teleservices consulting and telemarketing

*"The Investment 2000 program was a revelation. My view of Australia was completely turned around and I quickly realised the wealth of opportunities here. I knew we had to establish an Australia office straight away."*

**Amanda Griffiths**

Director Teleservices Consulting, bkmOgilvy One

## **channel-sports / UltraGroup** (USA)

Business to business e-commerce

*"The Investment 2000 program content was substantive and comprehensive. It enabled me to make an informed and confident decision to invest in Australia."*

**Russ Supplee**

Principal, UltraGroup



## **eGain** (USA)

Email management for web sites

*"Investment 2000 were particularly helpful in assisting eGain with our entry to Australia. The introductions they made to service providers and a network of business peers gave us a real head start in getting our business up and running."*

**Richard Meiklejohn**

Director for Australia, NZ and SE Asia, eGain

## **election.com** (USA)

Election services, including online voting

*"The Investment 2000 visit was the best business program I have attended in my entire career. Within a month of the visit we had established a presence in Sydney, Melbourne and Canberra."*

**Charles Smith**

Director, election.com

## **Expert Finance Consulting** (France)

Management and information technology consulting

## **Four Seasons Healthcare** (Sweden)

Production and distribution of vitamins and supplements



## **Global Switch** (USA)

Internet and software services / telehubbing facilities

*"Investment 2000 played an important role in helping Global Switch establish its first Australian telehouse in Sydney. Without their substantial and practical assistance our determination to proceed with this \$A200m project would - at the very least - have been significantly more difficult for the company."*

**Steve Armitage**

Director - Business Development Asia Pacific, Global Switch

## **Hangzhou Futong Group** (China)

Copper and optical fibre cable manufacture

## **IQ Group** (South Africa)

Information technology systems for financial services and healthcare



## **Logistix** (USA)

Supply chain management, outsourced operations and e-commerce services

*"Investment 2000 helped us tremendously every step of the way. The staff provided frequent assistance, planned our trips and set up meetings with key partners and prospective customers. As a result we were able to establish our Sydney facility very quickly and hit the ground running."*

**Dolph Westerbos**

Director Corporate Development, Logistix

## **Parfums Bleu** (UK)

Production and distribution of leading brands of men's toiletries

## **Shanghai Shuijing Food Enterprise** (China)

Food processing

## **SSI Technologies** (India)

Software development and consulting

## **Sunrise Berhad** (Malaysia)

Property development and management

## **Synergy International** (New Zealand)

Business consulting, software development and web design

*"When we began our search to decide where to open our first international office, we were fortunate to discover Investment 2000. Their visit program gave us more than enough information to put together a strong business case and allowed us to accelerate our strategic decision making."*

**David Irving**

Chief Executive, Synergy International

## **Teranex** (USA)

Video communications products

## **Terasys Inc** (USA)

Information technology workforce development

## **Todd Capital** (New Zealand)

Private equity investment



## **uniView Technologies** (USA)

Computer telephony software

*"When I joined the Investment 2000 program in Australia, what I found was totally different to what I expected. I was very impressed. Australia became our number one choice for an Asian location."*

**Pat Custer**

Chairman and Chief Executive Officer, uniView Technologies



## **Victoria Real** (UK)

Digital media production

*"Victoria Real's expansion to Australia would have taken twice as long and cost more without Investment 2000's expert advice, support and enthusiasm. We consider Investment 2000 to be valuable friends to Victoria Real."*

**Katy Terry**

Project Coordinator, Victoria Real



## **Wood Mackenzie** (UK)

Consultancy and research, specialising in the energy sector

*"Attendance at the Investment 2000 visit program and subsequent meetings, cemented our view that Sydney was the right place to open our first regional office in Asia. The team at Investment 2000 provided valuable insight to assist this decision."*

**David Dennison**

Head Business Development, Wood Mackenzie

# Investment 2000

a team effort

Investment 2000 was a partnership between two private sector parties – Westpac Banking Corporation and Telstra Corporation – and the Australian and New South Wales Governments. However the successful delivery of the initiative rested with a much broader network of senior business and government leaders both in Australia and overseas.

This network

- introduced potential investors to the program;
- spoke at Investment 2000 business forums and helped deliver the Australian business proposition with candour and 'real world' experience;
- met with potential investors one-to-one; and
- provided vital information to investing companies to help them build their business case for investing in Australia.

A full list of these "Friends of Investment 2000" would be too numerous to detail in this newsletter but a representative sample could include:

- Hon Richard Alston** – Federal Minister for Communications, Information Technology and the Arts
- Roger Allen** – Managing Director, Allen and Buckeridge
- John Ballard** – Director of Woolworths, Watty and Email
- Frank Blount** – Immediate past CEO, Telstra Corporation
- Hon Bob Carr** – Premier of New South Wales
- Alan Carroll** – Executive Chairman, Pacific Rim Forum
- Patrick Custer** – Chairman and CEO, uniView Technologies (USA)
- Leon Davis** – Chairman, Westpac Banking Corporation
- S Dhanabalan** – Chairman, Temasek Holdings (Singapore)
- Hon Michael Egan** – Treasurer of New South Wales
- Peter Farrell** – President and CEO, ResMed Inc (USA)
- Bill Ferguson** – Managing Director, Citibank NA
- Roger Fordham** – Director of New Centre Development, Global Software Division, Motorola (USA)
- Tom Forgan** – Immediate past CEO, Australian Technology Park
- Andrew Green** – Executive Director, Australian Venture Capital Association
- George Foster** – Professor of Management, Stanford Graduate School of Business (USA)
- Westbrook Haines** – Director, B&I Corporation (New Zealand)
- Hon Katherine Harris** – Secretary of State, Florida (USA)
- John Heine** – CEO, SOLA International (USA)

- David Irving** – CEO, Synergy International (New Zealand)
- Bob Joss** – Dean, Stanford Graduate School of Management (USA)
- Hin Hiong Khoo** – Chairman, Smart Products International (Singapore)
- Andrew Liveris** – Vice President Specialty Chemicals, The Dow Chemical Company (USA)
- Ramin Marzbani** – Principal, www.consult Pty Ltd
- John McGuigan** – Chairman, Australian Services Network
- Bob Mansfield** – Chairman, Telstra Corporation
- Lucy Marshall** – Group Principal, The ASIA Partnership
- Richard Martin** – Director, International Market Assessments
- Hon Nick Minchin** – Federal Minister for Industry Science and Resources
- John Morgridge** – Chairman, CISCO Systems (USA)
- Hon Sandra Nori** – New South Wales Minister for Small Business
- Erle Nye** – Chairman of the Board and CEO, Texas Utilities Company (USA)
- Peter O'Meara** – President, Lexmark Asia Pacific Corporation
- David Pettigrew** – Executive Director, Olympic Coordination Authority
- Neville Roach** – Chairman and CEO, Fujitsu Australia Limited
- Fergus Ryan** – Prime Minister's Strategic Investments Coordinator
- Greg Sutton** – President, Teraysys Inc (USA)
- Cav Calisto Tanzi** – Chairman, Parmalat (Italy)
- Heinz Treudler** – Regional Director, Krone (Germany)
- Dick Warburton** – Board Member, Reserve Bank of Australia
- Joachim Widura** – CEO, network europa (Germany)
- Paul Zuber** – CEO, Solectron Australia



Bob Joss



Katherine Harris



Bob Carr



Frank Blount



Richard Alston

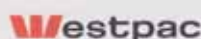


Bob Mansfield



The Investment 2000 team (L to R): Phillip Jones, Relationship Director; Peter O'Brien, Relationship Director; Rob O'Donovan, Relationship Director; Julie Ireland, Marketing Director; Breda Holden, Office Manager; Andrew Gilkes, Chief Executive; Eric Winton, Relationship Director; Alan Yee, Relationship Director.

*Investment 2000 would like to sincerely thank each and every one of the wider Investment 2000 team for their personal contribution to the success of the initiative.*



INVEST AUSTRALIA