



A NEW APPROACH TO MARKET ENTRY AND DEVELOPMENT

for Enterprise Solutions into
the Australian IT market





Introduction

NEXTGEN oSpace division has provided services to assist technology companies in their sales and marketing functions since 2001.

Our customers include developing companies, large multi-national enterprise solution providers, and niche market solution providers.

We accelerate the generation of revenues from new markets and new products, or simply support and enhance the sales productivity of your current enterprise-level sales executives.

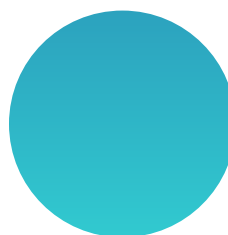
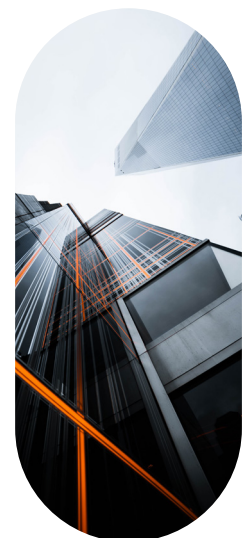
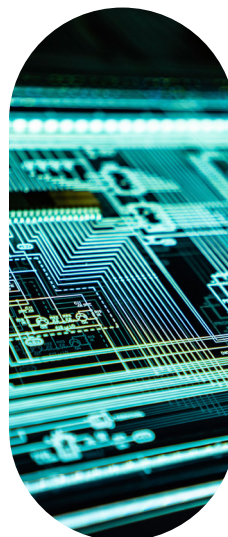
With an initial focus on Sales Outsourcing, we have since expanded our services to include Enterprise Sales Prospecting, and New Market and Channel Development, both for domestic and international markets.

About the Australian Software Market

Australia presents an excellent opportunity for new software sales and can be an ideal launchpad into Asia-Pacific markets.

The potential for overseas companies is to gain additional revenues, by selling into a market that has similar economic, IT and administrative characteristics to (for example) the U.S.A.

- Australia has the world's 14th largest national economy.
- Australia has a robust economy and has recently maintained 28 years of uninterrupted GDP growth (up until COVID-19).
- Australia has a population of around 25 million, with most of the population and businesses located on the eastern seaboard.
- The IT market in Australia is around \$A100 Billion.
- Administration and legal systems in Australia are based on the UK system. English is the language for government and business.
- Australia's sound governance makes it one of the safest places in the world to do business.
- All the major overseas suppliers have established offices in Australia, with a number of those companies setting up their Asia-Pacific regional headquarters in Australia.





The Risks in Developing New Markets

The key risks that vendors face when entering a new market are:

- Employee non-performance risk: It would be beneficial if vendors could avoid the financial risk of hiring and termination costs associated with full-time sales executives who don't work out. It would also be good to avoid wasting 6–12 months in entering a market and perhaps allowing competitors to steal the march.
- Lack of transparency risk: There is a risk when terminating a non-performing employee of not knowing what they have been doing, particularly if the vendor is from overseas.
- Channel non-performance risk: As well as time wasting and transparency issues, there are channel management costs associated with recruitment of partners and then termination for non-performance.

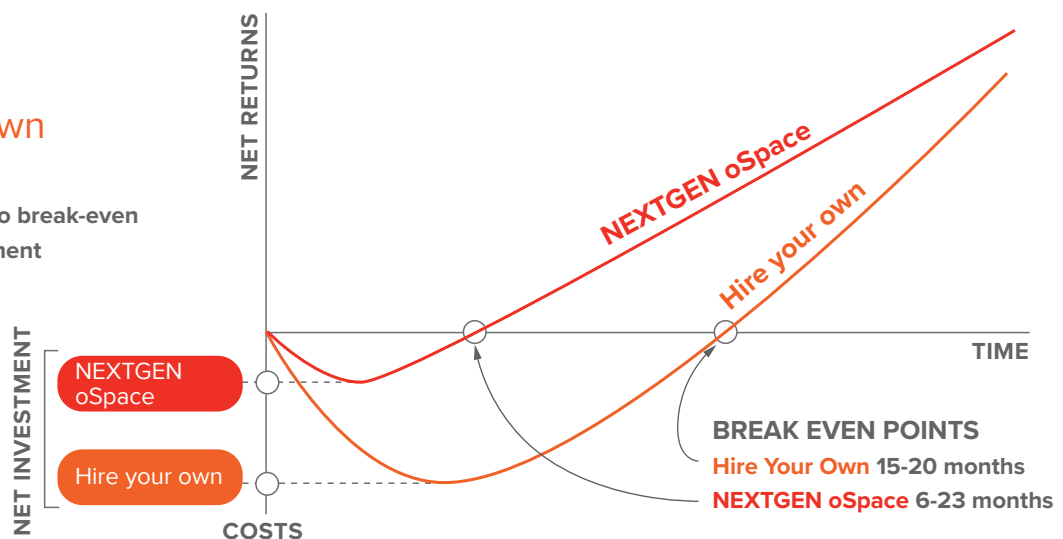
For companies selling enterprise solutions that are looking to grow their business into new markets, there has traditionally been two ways to take their solutions to market: via a direct sales force employed by the company and via channel partners. Both approaches can work well but can also fail, even when the solution is appropriate to the market in question, if not managed properly.

With direct sales staff being employed, the company will usually employ an experienced sales executive in one location. In Australia, that typically means Sydney or Melbourne. That executive will be employed on a high salary and will require a significant travel budget to be able to sell across all states. If the sales executive can produce significant deals quickly, then this makes sense. However, if sales are slow – which could be due to the wrong salesperson being hired, because market interest takes longer to develop, or because deals don't close due to patchy economic circumstances, then the vendor incurs significant cost with little or no return. In other words, the vendor is significantly exposed during this risky first 12 – 24-month period.

Meanwhile, when channel partners are tapped as the market entry strategy, the initial cost of hiring and supporting an expensive sales executive is avoided.

oSpace[∞] Vs Hire your own

- ✓ Less risk
- ✓ Shorter time to break-even
- ✓ Lower investment



What's more, the right channel partners will be willing to invest into marketing and sales resources themselves, helping to bolster the market entry strategy in a cost-effective and efficient way.

The challenge is to find and recruit suitable partners that are willing to invest in marketing a new or unproven solution and sustain a sales effort over time. Not all channel partners are equal, and where some might invest heavily to support the vendors into the market, it is all-too-common to sign a partner up to a reseller agreement, only to find that they are not active in promoting the solution, and there is a subsequently lengthy time to market and expenses involved before that partner will eventually start to produce revenue.

These dynamics can result in a "rock and a hard place" scenario, with the vendor either exposed to financial risk (the direct model) or wasted time risk (the indirect

model). Either way there is an additional cost in terms of wasted management time.

Software-as-a-Service (SaaS) and cloud vendors have problems with both models

The direct employee model incurs considerable upfront expenditure for the SaaS/cloud vendor and has the further risk that initial revenues are likely to be low before first customers are built over time. This is assuming that the SaaS/cloud vendor has been able to recruit experienced sales executives who are willing to work on opportunities and contracts that don't provide a large upfront commission (that is by no means a guarantee in Australia, where skilled talent tends to be in high demand).

The indirect channel partner also faces this issue and a further disincentive if the cloud solution does not generate high margin services, as is often the case.

The Market Entry Solution

A market entry solution that can mitigate against these risks should focus on six key qualities:

- Avoidance of high recruitment and ongoing employment costs.
- **Avoidance of dependency on a single individual sales executive.**
- **Closer matching of costs to positive outcomes** - the ability to ramp up or slow down investment in activities as the need arises.
- Control over and transparency of marketing and sales activities with dedicated marketing and sales staff.
- **Ability to quickly produce results in pipeline generation.**
- **Ability to cover all of Australia and New Zealand** when face to face selling is required.





Marketing and Sales Process Model for Enterprise Solutions

oSpace has developed a model specifically for vendors of enterprise-level solutions; those solutions that change the way business processes operate within organisations; that cost more than \$100k in initial value or \$40k p.a. in recurrent terms.

oSpace in Action

As Gurpreet Ghuliani, Operating Partner of Telstra Ventures, one of the largest venture capital firms in Asia-Pacific, said of the launch of oSpace: “We invest in companies that are years ahead in innovation that disrupt traditional ways to make customers successful. In the same light we wanted to find a best of breed partner that shared the same values, passion and commitment to make these investments successful in new markets.”

As a leading venture capital firm, Telstra Ventures saw potential in the expertise that NEXTGEN Group, through oSpace, could bring to helping challengers and new entrants establish a rapid foothold in Australia, and from there the broader Asia-Pacific region. entrants establish a rapid foothold in the region.

“

I’m very excited about our NEXTGEN Group partnership, leveraging their market leading position and their innovative and customer insight driven approach to deliver new solutions to market. It’s great to be jointly invested with NEXTGEN to drive the success of my portfolio of companies, which includes CrowdStrike and the recently IPO’ed GitLab.

- Gurpreet Ghuliani
Operating Partner of Telstra Ventures

One of the key benefits that oSpace brings to the kinds of companies that Telstra Ventures invest in is access to market-wide data that would be otherwise outside their reach. To provide this service, oSpace aggregates multiple data types and sources to pinpoint the most promising prospects, which are the “best fit” organisations and individuals for sales and marketing teams to engage. Unlike the multitude of current lead generation offerings that simply hand over a lead, oSpace helps apply the right tactics at the right time to influence and improve the customer conversion, and once adequately qualified, then connects it to the right channel partner and continues the interaction to deal closure, providing a “soup to nuts” model.

oSpace provides the insight and support needed to determine which customers in the total addressable market (TAM) are ready to engage in either relatively immediate sales or are better placed into a nurturing campaign. oSpace provides a modern and scalable alternative for lead generation, sales finalisation and market representation services that reduce risk by linking investment to performance.

Over the next decade we’re going to see an increasing number of companies look at Australia as the first step towards the market opportunity presented across Asia. This is how NEXTGEN Group itself has approached wider APAC growth, and by leveraging the unique capabilities of the oSpace platform, NEXTGEN is uniquely positioned to identify and support startups to a rapid break-even point and exponential growth within Australia, and from there, Asia.





Our Services

oSpace guarantees a significant reduction in the cost and time of establishing a national sales force. Consider us as your sales team, with an equivalent set of KPIs and requiring your commitment to an equivalent level of technical, pre-sales support.



Market Validation

A small investment to test and assess the likely success of your product in the Australian or Asia-Pacific markets. A full report and analysis will be provided so you can decide on how to proceed in this market.



Market Entry Strategy Formulation and Execution

Develop a marketing strategy in line with your current corporate initiatives to accelerate the awareness of your launch into the local market. We use some of the most experienced marketing executives with years of experience in the local market.



Lead Generation and Development

The hardest part of establishing and growing any company in any new country is finding good, qualified leads. Not just suspects but leads that are worth spending time on progressing to close. The market assessment and your experience from other markets will identify the targets. We will source the data and make the calls as if we are part of your team.



Sales as a Service

A full sales team executing our agreed sales strategy. We have experienced salespeople with contacts and knowledge across a wide range of industries and sectors. Our weekly or monthly reporting options will insure you are kept up to date with the progress of your growing pipeline.



Company Structure and Operations

With experience right across the board, we can set up and run your Australia or Asia-Pacific subsidiary. With years of experience growing start-ups in the region we can take the risk out of what most CEO's, CFO's or Heads of Sales worry about when expanding into a foreign country. From sales, service, and follow the sun support through to finance administration and compliance, we have it all covered and are the ONLY company you need to talk to when expanding into Australia or Asia-Pacific.



About the Company

oSpace provides a full sale outsourcing service, covering the spectrum of enterprise sales prospecting to new markets and partner development. It also provides virtual subsidiary arrangements as the 'face' of your operations. The company has run over nine hundred campaigns for enterprise and mid-market solutions and service offerings. Since 2001 we have assisted technology companies in their sales and marketing functions, both for domestic and international markets.

oSpace has been a strategic partner of iconic ICT leaders such as SAP, IBM, Oracle and AWS, delivering their core and niche market development.

Our Executive and Technological Difference

Our highly motivated staff are talented sales and marketing executives who routinely close high value, complex deals, have exceeded multi-million-dollar quotas, and have managed teams that achieve these.

oSpace consultants have ICT sector sales management expertise across execution, partner development and marketing, and general management functions. The cumulative experience of our team encompasses information and communication technologies from IT services to hardware, and enterprise business applications to middleware.

Furthermore, oSpace has a proprietary platform that combines several types of data, providing our consultants with the best company insights, tech stack, and contact details in the business. This allows us to prioritise accounts that have been already showing buying signals for products or services that are similar to yours and approach their decision makers with a multi-channel strategy.

We have sold to companies in all major markets: Europe, North America and Asia-Pacific.

Expertise

Examples of the enterprise solutions or services that has been the subject of these programs include:

- Enterprise resources planning software.
- Integration and business process management software.
- Business intelligence and business performance management software.
- Systems design and system integration services.
- Corporate productivity improvement management consultancy.
- Corporate business travel management services.
- Customer relationship quality assessment services.
- Identity Management, Cloud Migration, Database, Security, Cloud Computing.

oSpace has grown in response to an unfilled need that company owners, sales directors, marketing directors and general management of enterprise solutions company have for ongoing Sales Outsourcing and Demand Generation programs that deliver consistent sales.



Get in touch with the oSpace team today: [CLICK HERE >](#)