EXPORT COMMERCIALISATION PLAYBOOK FOR AUSTRALIAN CYBER START-UPS

UK EDITION

Helping Australian cybersecurity businesses to transition ideas, inventions and innovations

AustCyber
Australian Cyber Security Growth Network

penten

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INTRODUCTION

Michelle Price
CEO, AustCyber

FOREWORD

Assisting Australian cyber security companies scale and export globally, lies at the heart of the Australian Cyber Security Growth Network - AustCyber's mission: to support the development of a vibrant and globally competitive cyber security sector.

Australian cyber security companies are consistently applying cutting edge innovation, pioneering creativity and fresh thinking to evolving cyber security threats.

Australia's Cyber Security Sector Competitiveness Plan highlights the need for improved commercial pathways and provides insights on strategic target markets. Promoting the capability of our domestic businesses to priority countries through trade delegations and showcase events is one mechanism through we which we support companies with their market entry strategy. Now, in the spirit of hands-on export support,we are pleased to introduce Penten's export Playbook for the UK market. Designed as a practical and simple guide to help Australian cyber start-ups navigate the complexity of exporting their product or service to the UK, the playbook tackles issues from export licensing to marketing, choosing resellers and understanding legalities.

Penten provides a valuable and very personal case study of their own export journey in taking their product, TrapDocs to the UK.

I hope that the Playbook provides a useful 4-step guide to help you in expand your business. If you need further advice, AustCyber is here to support you.

"AustCyber gave us the confidence to look at our own market, not just locally in Canberra or across Australia, but to be able to think of things globally."

Matthew Wilson
CEO, Penten

"We had a prototype capability, that was functionally ready, but not ready for the market, especially not ready for the export market. Making the decision to export was difficult and it took a lot of time, effort and confidence."

Ben Whitham
Founder and Director, Penten

Exporting a product can seem like an overwhelming process. This Playbook is structured to guide you through the four steps your organisation will complete to take your product to another market.
The four steps are:

DECIDE

PREPARE

SELL

DELIVER

The Decide section is intended to help you with a rationale for exporting your product, Prepare will get you ready to take the plunge, including information on pricing, positioning and intellectual property. The Sell section discusses marketing, resellers and export legalities, and the final section - Deliver - is all about successfully fulfilling on orders to provide your customers with the best service possible.

Throughout this playbook, we have provided call out boxes such as this to share our summary of each step. By working through each of the simple steps and taking the time to review each call out, you will be prepared to make an informed business decision on selling your product overseas!

Penten tip

Be reflective and self-critical when answering each of the summary questions as this will help in identifying areas of weakness and opportunity, both locally and to break into the international market.

Assisting with export lies at the heart of AustCyber's mission: to support the development of a vibrant and globally competitive cyber security sector.

DECIDE

Deciding to export your product is a big undertaking. Some of the potential benefits of exporting to the UK are explored below to help you make this decision.

WHY EXPORT?

If you have a solid business here in Australia, the prospect of exporting may make you feel nervous. After all, it is a new market with unknown competitors and risks – why go to the effort of exporting overseas when you are doing so well at home?

The most compelling reason to export is the size of the opportunity. The truth is that while the Australian cyber security market is growing at a rapid pace, domestic opportunities currently represent around 0.5% of the global market.[1] By taking your product overseas you could not only increase your returns but make your business more sustainable in the process. As a software-based organisation, you are at a great advantage when it comes to putting your product on the overseas market smoothly, but exporting is still a lot of work and will require dedicated resources. You should only take up this opportunity if you feel you have the time and the people to dedicate to following it through.

WHEN TO EXPORT?

Export when the time is right for you and your business. Some business ideas in the cyber security sector lend themselves to beginning the export process straight away, rather than waiting to gain traction in the Australian market. Exporting your product from the start can help to maximise the value of your innovation and make the most of the maturity level of certain target sectors. If your idea is particularly original or disruptive, a greater market size may be required to establish a big enough volume of early adopters.

For other businesses, having a strong reputation in Australia provides the confidence to move forward into export. Building a domestic market first allows you to iron out any product or customer services glitches before taking your business to the wider world.

EXPORTING TO THE UK

The UK is an excellent launchpad for your export journey. The UK cyber security sector is valued at AUD $7 billion, making it the largest in Europe, and the UK Government is highly committed to investing in world-class cyber security solutions.

A similar sales style and strong cultural affinity between the UK and Australia make building relationships easy. It also means that product and marketing localisation can be kept to a minimum, reducing overall export costs.

CASE STUDY

Penten TrapDocs

For Penten, the UK market was the perfect place to begin our export journey.

Matthew Wilson, CEO, Penten

"We found very quickly that the business culture in the UK is well-suited to the Australian way of doing things. The overarching mission for British buyers is to get the very best solution, whether it be from domestic or overseas suppliers.

There is a strong culture of partnership in the UK, and a real desire to engage with industry from all over the world to deliver results. We were very encouraged by how open and friendly British investors, customers and potential resellers were, making the export experience enjoyable and straightforward."

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[1] AustCyber Sector Competitiveness Plan

Reports of cyber breach in 2017:

70% of large UK companies

74% of UK SMEs

GBP 1.9 BILLION

The UK Government has committed to invest to defend critical national infrastructure and deter cyber-criminal activity

Why export?

- The UK Market is large and rapidly growing
- The UK Cyber Security Market is worth AUD $7billion

When to export?

- Export when it is right for you; you may have a strong reputation in Australia and it's time to expand, or if you have a world-class, disruptive innovation you may need to export straight away

Why UK?

- The business culture in the UK is similar to Australia
- British buyers are open to acquiring the best solution, whether it be domestic or from overseas

Penten tip

Understand the market you want to enter and ensure that your destination environment and culture aligns with your strategy.

The UK cyber security sector is valued at AUD 7 billion, making it the largest in Europe

PREPARE

There is a great deal of preparation work that is required before taking the export plunge. From studying the competition to establishing pricing and protecting your IP, proper preparation will set you up for success.

ASSESSING THE COMPETITION

Exporting to the UK will mean coming up against a whole new competitor set. This will likely include competitors from both the UK and other overseas businesses in the market. The latest statistics show 800 cyber businesses operating in the UK alone, and 89% of those are classified as small and medium sized businesses. Before you decide to export, you need to establish where the gaps in the market are and what urgent problem your product solves.

SWOT

- It is likely that you already have a SWOT analysis for your product. A SWOT is a grid analysing a product or business' strengths, weaknesses, opportunities and threats. Typically strengths and weaknesses are introspective, while opportunities and threats can come from external sources. Even if you have already performed this exercise for a domestic market, you should develop another SWOT that specifically tackles the UK. Note down any opportunities or threats that might emerge from being an overseas product in a new competitor environment.
- Key considerations for export SWOT analysis:
- What is your unique selling point?
- How does your product fit within the UK threat landscape?
- Who are your competitors and what are the threats they pose?
- What is your reputation in the UK?
- How strong is your overseas infrastructure – do you have partners or people who can help you?
- Do you have any brand awareness in the UK?
- Who will give you testimonials?
- Can you comply with UK and EU regulations, for example the GDPR (General Data Protection Regulation).

The GDPR is a privacy law introduced by the EU, affecting any organisation that stores the data of EU citizens. Make sure you are aware of how you keep data, how you inform your users about their data storage and provide ample opportunities for individuals to opt out of data storage entirely. You can find all the details at www.eugdpr.org

POSITIONING

Once you have a good idea of the strengths, weaknesses, opportunities and threats facing your product, and have identified your competitors in the UK, you can begin thinking about your positioning. To be successful in the UK you must find your niche.

Positioning considerations:

- Is my product a luxury or a necessity?
- Is it suitable for large enterprises or individual users?
- What kind of cyber security infrastructure would my customers require?
- How technologically sophisticated is my target market?

Your niche might be the same as it is in Australia, or it might require tweaking to reflect differences in the market. Research as much as you can and speak with potential customers to understand what they are looking for.

PRICING STRATEGY

How you price your product in the UK will be crucial to how it is perceived. The wrong price could put customers off. Too cheap is suspicious to an enterprise client, too expensive is off-putting to government. Factor a thorough pricing analysis into your competitor review and build on what you find (and your Australian pricing model) to position your product accordingly.

PRICING CHECKLIST

- Think about the different types of audience you might have – do you need different pricing for different tiers (e.g. individuals, SME, enterprise)?
- Is your product set up on a 'number of users' basis?
- How are your competitors pricing their products?
- What type of discounts will you offer?
- How often will you review pricing?

One way to obtain competitor's pricing information is through Capterra's cybersecurity software directory. This directory aggregates information on cyber solutions so you can read more about any potential competitors and find out information about their pricing. The directory is available at: https://www.capterra.com.au/directory/31037/cybersecurity/software

The below graph provides an indication of the number of UK businesses investing in cyber security solutions and what the typical spend is in a financial year. This information can be used to get a sense of the market's appetite for spending on

Median investment in cyber security in the last financial year

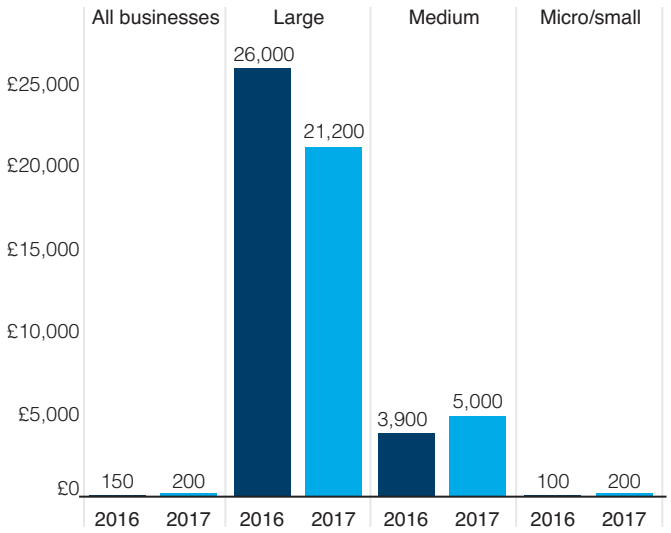

Figure 1. Department for Digital, Culture, Media and Sport, UK Cyber Security Sectoral Analysis and Deep-Dive Review, June 2018.

PROTECTING YOUR INTELLECTUAL PROPERTY

Your Intellectual Property (IP) is what separates you from your competitors. Make sure you take IP protection seriously before you export your business to the UK and beyond. As you begin the IP protection process it is advisable to think about any other markets you might export to in the future. Establishing worldwide IP protection measures up-front may save time and frustration later.

Decide who is responsible for IP protection in your organisation. This could be members of the Board or another group of Executives, but clear responsibility and accountability are crucial to an efficient process.

There are three main types of IP: confidential information, trademarks and domain names, and patentable inventions.

Confidential information

To protect your information, draft a comprehensive Non-Disclosure Agreement (NDA) to be signed by all employees and third-party contractors. Consider how contracts with customers could also be structured to incorporate IP Protection.

Trademarks and domain names

If you have registered your trademarks through IP Australia, they are likely to only apply on Australian shores. For a worldwide international trademark, you need to fill out an application with the World Intellectual Property Organisation. It is also advisable to sign up for the different domain names that your company could use to avoid competitors from buying them. Your current domain name is probably yourproduct.com.au. In the UK market, you should also own:

Yourproduct.com

Yourproduct.co.uk

Yourproduct.net

Yourproduct.org

Patentable inventions

To protect against the duplication of your IP, you will need to apply for a patent in every market you are looking to sell in. In Australia, this means going through IP Australia. In the UK you will need to apply through the Intellectual Property Office at www.gov.uk/government/organisations/intellectual-property-office

Before you apply for a patent in the UK, consider the following:

- Check that your product is truly novel via thorough research
- Make sure you have signed confidentiality agreements with anyone who knows about your product
- Make sure you know how long your specific patent will last – most are 8 years

Patents can be developed to protect the IP of your initial idea, as well as to protect any incremental innovation. However, the patent process can be expensive and lengthy.

Bear in mind that you will need to deal with any patent infringements on your own time and with your own finances – this is not something the Intellectual Property Office in the UK can help with.

You can find attorneys to help you with the patenting process. It is advisable to seek their guidance to ensure you are ticking all the boxes to make your application process as efficient as possible. The Chartered Institute of Patent Attorneys in the UK can help you find someone to guide you.

FUNDING

Funding opportunities are plentiful both in the UK and through Australian schemes. Some of the best funding avenues for consideration include:

- Venture Capital. The UK venture capital scene is very mature and constantly evolving. In fact, the UK leads Europe when it comes to investing in cyber. UK investors have a long history of backing ICT and FinTech entrepreneurship including electronic security solutions, smart card technology and bank bill printing. As cyber security becomes a more prevalent industry in Britain (it is currently growing at a rate of 10% year on year) and accelerators like CyLon pop up across the country, VC firms are showing increased interest in supporting new solutions. Learn more at www.cylonlab.com
- UK grants. The UK government and a range of academic and industry bodies make grant funding available to support the development of innovative products and services. There is a comprehensive list of these different grants on the government website. These grants are only available to organisations based in the UK, so you will need to establish a presence in the market before being able to apply. Learn more at www.gov.uk/guidance/innovation-apply-for-a-funding-award
- Australian innovation and commercialisation grants. The Department of Industry, Innovation and Science offers matched funding of up to AUD 1 million for companies taking novel products and services to market. There are certain merit criteria that an organisation needs to meet in order to apply. Find out more about the criteria and application process at www.business.gov.au/assistance/entrepreneurs-programme/accelerating-commercialisation
- Australian export tax concessions. The Duty Drawback scheme, operated by the Australian government, allows exporters to obtain a refund on customs fees. Learn more at www.abf.gov.au/importing-exporting-and-manufacturing/exporting/duty-drawback-scheme
- Export market development grant. The export market development grant was established to assist small and medium businesses looking to export their products by reimbursing 50% of promotional expenses above AUD 5,000, provided the expenses exceed AUD 15,000. Find further details of the grant at www.austrade.gov.au/Australian/Export/Export-Grants/About/What-is-EMDG/what-is-emdg

GETTING SET UP

There are support mechanisms for Australian companies looking to export into the UK. For example:

- The UK government can advise on how the tax environment works and what tax incentives are available.
- Austrade offers information on tariffs and regulations.
- The Australian High Commission in London can provide support and advises that any Australian business looking to export to the UK should call the Export Hotline on 13 28 78 for further advice.
- The Department for International Trade helps thousands of businesses get set up in the UK – a specific email has been set up for enquiries from foreign businesses: enquiries@ukti-invest.com

Patents can be developed to protect the IP of your initial idea, as well as to protect any incremental innovation. However, the patent process can be expensive and lengthy.

SUBSIDIARY MODEL

When moving to a new export market you need to consider your business structure. Choosing a subsidiary model allows you to establish a UK limited company that is wholly owned by an overseas parent company. The UK subsidiary is separate from its parent company and would be governed by UK law.

The advantages of setting up a subsidiary include:

- The company is its own legal entity, allowing it to buy property
- Ownership or part ownership of the business can be transferred
- Growing UK businesses can reinvest funds after the corporation tax charges
- Benefits to reduce capital gains tax

However, there are certain disadvantages:

- Audits may be required
- Company accounts must be made public
- Corporation tax must be paid
- Closure of a limited company can take up to three months

It is advisable to seek professional help when deciding how to structure your business. A lawyer can help guide you through these decisions.

Note that you must register your business with Companies House in the UK. This takes about 24 hours and costs around GBP 20.

CASE STUDY

Penten TrapDocs

Ben Whitham, Founder and Director, Penten.

"Getting TrapDocs ready for the UK market was a thorough process requiring a lot of research and attention to detail. We were always confident that the product would be a hit in the UK, but due diligence and competitor analysis made us think hard about how to position TrapDocs in a different cyber security landscape. We are still going through the process of patenting in the UK, but have filed in Australia and have put the right mechanisms in place to make sure we are set up to sell in another market. I would advise having a dedicated resource to make sure IP procedures are properly followed – we used patent attorneys to help us and found it very useful."

To be successful in the UK you must find your niche.

How to prepare for export?

1. **Assess your competition – Find the gaps in the market. Focus on what problem your product solves.**
2. **Prepare a SWOT analysis – This should be separate from your Australian SWOT and specific to the UK market**
3. **Check compliance – Do you comply with UK and EU regulations such as the GDPR (General Data Protection Regulations)? www.eugdpr.org**
4. **Find your niche – To be successful in the UK, you need to position yourselves and find you niche**
5. **Create a pricing strategy – Evaluate the current prices in the market. One way is to use the Capterra Cyber Security Software Directory**
6. **Establish responsibility for Intellectual Property – Look at the three types of IP: Confidential information, trademarks and domain names and patents**
7. **Source funding – There are many funding opportunities for Australian cyber security companies. Investigate which are best suited to your business**
8. **Get set up – Look into all the support mechanisms to help you get ready, there are many options**
9. **Decide how to best structure your business**
10. **It is advisable to engage a lawyer to find out the best way for you to set up business in the UK**

SELL

Now that you have decided to export and your product is ready to enter a new market, you need to figure out how you are going to sell it effectively. This section of the Playbook discusses marketing, third party channels and the legalities associated with export to help you get your product off the ground.

MARKETING TO THE UK

It is crucial to have a marketing plan in place before you export. The great thing about marketing in the UK is that it should not require any translation or much change to your tone or visual identity. This saves valuable time and money when putting together your marketing efforts. Before you start buying advertising space or organising printing, take a moment to walk through the below steps and establish your marketing plan.

Objectives

Begin your marketing plan by setting some clear objectives. These need to align with and support your business objectives. A typical marketing objective for an organisation might be 'to establish brand awareness amongst relevant audiences'. This could be measured through things like organic search rankings or attendance at events.

Audience

You probably already have a target audience clearly defined for your product in the Australian market. Think about how you can adapt this to the UK – is there a certain audience segment that works particularly well for you in Australia? Does the same market exist in the UK? Keeping your target audience small and focused will give you the greatest chance of success in the early days of export. Once you have settled on your target audience, you need to get into their heads – sit down and work through a portrait of who your audience really is.

Customer journey

With the audience defined, it is time to decide how, when and where to connect with them. Walk through a typical path to purchase for your customer from awareness to advocacy and think about what type of information and messaging they are consuming at each stage. For example, they might become aware of you at a networking event, do some online research to understand your business better, meet with you to consider your product and finally purchase. What are the marketing tools you need to support this path to purchase?

Tactics

Tactics are how you 'do' marketing. You need to have tactics in place to make sure your customers receive the right messaging at the right time in their customer journey. This might mean having a range of brochures, posters for events, business cards, PowerPoint slides or even merchandise so that your prospective customer is getting the information they need most. Remember that tactics extend beyond just creating collateral. Attending appropriate events, appearing on relevant panels and exercising a networking program are all marketing tactics.

Practicalities – materials and budget

- Marketing a product in a new geography can be time consuming and expensive. Make sure you consider the following practicalities before committing:
- What will your labour expenses in Australia and the UK be?
- Will your personnel require travel in and out of the market?
- Will you need to ship any items?
- What printing do you need to do for promotional materials and banners?
- Have you budgeted for attendance at trade shows or exhibitions?

LOCALISATION

While copywriting for the UK and Australia are fairly similar, watch out for details such as using overly colloquial Australianisms ('no dramas') or spellings where Australia has chosen the American route ('program'). Do not be afraid to play on your Australian roots to build strong relationships - there is a great deal of commonality and friendship between the UK and Australia - but make a conscious decision about the tone of voice you are looking to take.

Take the time to find out how local regulation could also affect your marketing efforts. For example, the UK is now governed by the GDPR, a new EU-wide regulation that dictates how to manage customer data. The regulation will influence typical marketing tactics such as managing customer sign-ups to a newsletter. There is more information about the GDPR on page 8 of this booklet.

DIRECT SALES

When it comes to talking about your product, no one knows it better than you. A direct sales approach means you can speak directly and knowledgeably with your potential clients, building important relationships with industry leaders. Direct sales also allow greater control over your branding and reputation. You can see a full comparison of the benefits of direct sales and resellers in the table below.

RESELLERS

When it comes to selling your product overseas, you do not need to go it alone. There are a number of third party channels that can help. Typically, there are two routes you can consider for resellers. One is to resell through a cyber security service provider so that your product can be bought as part of a wider service offering. The other is to consider broader service providers, like PwC or BT who might be able to incorporate your solution into their range of products. Whoever you select, be sure to draft a watertight reseller agreement and structure your pricing accordingly.

DIRECT SALES VERSUS RESELLERS

DIRECT SALES	
PROS	**CONS**
Maintain a relationship with your customers according to your own terms	You need to generate your own network which can be a lengthy process
Build brand awareness of your own original brand	It could take time for money to come in
Keep control of your brand, tone of voice and marketing to avoid inconsistencies	Slower time to market means competitors can act to overtake you
Remain in control of your own reputation	

RESELLER	
PROS	**CONS**
Resellers are experienced at operating in your export market and can sell effectively	Reseller is not as personally invested in your brand as you are
They offer economies of scale due to existing sales processes in market	Reputational problems for the reseller could reflect on you
Positive association of reseller brand lends weight to your product	Loss of control over branding and relationship building
Existing relationships between a reseller and your target audience make introductions easy	Potential issues with quality of customer service
Resellers have expert knowledge of marketing	Resellers take a cut of sales, minimising your margins
You can get to market much quicker	

WHAT TO LOOK FOR IN A RESELLER

- Shared values
- Belief in your product
- Mutual understanding of your mission and vision
- An appropriately sized and located network
- Strong marketing capability
- Positive brand perceptions
- No conflicts of interest
- Commercials that work for you
- Required logistics for product fulfilment and customer service
- Good market share

If you do decide to distribute your product via a reseller, be sure to make certain important distinctions clear in your agreement, like:

- Exclusivity and territory
- Roles and responsibilities
- Non-compete clauses
- Intellectual property rights and trademarks

EXPORT LEGALITIES

Depending on what you are exporting, you need to be aware of the various controls in place. Dual use products are generally subject to export controls. For example, equipment for hospitals is deemed dual use as it can be used for the military and civilians. Export controls are managed by Defence Export Controls (DEC), who determine if your goods or services are subject to export controls under Australian legislation and consistent with Australia's national interests and international obligations.

For new starters in the sector, DEC has an excellent guide to help you through the export process. This includes links and information to apply for a DEC Client Registration Number (DCRN), how to get a one-off export licence and to advise on whether you need multiple licences. DEC helps interpret legislative requirements into simpler and easier steps to follow.

Be aware that in Australia, there is a restriction on the export of technology if the use is for military purposes. Some products may require another government agency to assess them. For example, DEC may require input from other expert areas such as the Australian Signals Directorate (ASD). This could impact on the timeline of your assessment, so make sure to connect with DEC as early in the project life cycle as you can.

CASE STUDY

Penten TrapDocs

One of the reasons we chose the UK as our first export destination was because of how simple it is to take marketing materials and sales approaches to the UK market. No translation is necessary, and most of our materials were appropriate to use immediately.

Despite similarities, however, you should not underestimate the importance of reviewing your marketing strategy for a new country. We spent a long time analysing our audiences to come up with the best approach.

Make sure your influencers in the market are equipped with the right messaging and materials to tell their networks about your product. Taking a test and learn approach to marketing and sales will help you to try different avenues while keeping your budget relatively low.

For new starters in the sector, DEC has an excellent guide to help you through the export process.

DELIVER

You have found yourself in the market with customers keen to order – now comes the task of delivering your product overseas. This section walks you through some of the aspects of managing fulfilment, licencing and compliance so you can stay on track for your first sales.

MANAGING FULFILMENT

Product

Software fulfilment in the UK has some similarities with Australia, and successful fulfilment relies on having on-going customer support to help manage your product and deal with customer enquiries or issues. Consider what your support offering is going to be, and how you are going to ensure it is implemented given the time difference between the two markets. Your end-users must be confident to use your product and know that they can get help as and when they need it.

Licence management

Depending on the product range and specifications, your licencing structure in the UK could be quite similar to the one in Australia. It is advisable to do significant research into licencing and tiering of products and services at the same time as when you do your research on pricing. Follow the below steps to get started:

- Decide how many levels of your product exist, how many users they are designed for, what features they have and how much different levels will cost.
- Give prospective purchasers an easy way to get in touch for a tailored quote, avoid putting Enterprise level pricing on your website.
- Maintain a comprehensive list of licences. This will help you to manage renewals and service enquiries.
- Decide on one clear way of working and give responsibility to the right individual.

Supply Chain

Pre-existing manufacturing infrastructure makes the UK a simpler place to organise your supply chain than most. You will typically find:

- An environment where the infrastructure for manufacturing is stable and well tested.
- Business costs are affordable as the supply chain supports the cyber industry.
- UK supply chain has a higher assurance level for defence and finance cyber products.
- Local manufacturers can value add as they can provide economies of scale in production.
- Safety standards translate well to Australian standards.

Staffing

Having the right staff in the right place at the right time is key to successful fulfilment. One of the biggest challenges of exporting to the UK is the physical distance between the two markets. It is a good idea to have some feet on the ground in the UK, from both a sales and a customer service perspective. Ideally, you need to find someone who knows your product well and who has contacts in the UK market. A member of your Australian office may need to spend time in the UK for an extended period to kick things off.

Visas

If a representative from your organisation wishes to work in the UK, they will need to have the right type of visa. The UK offers different visas depending on your circumstances. These include visas for:

- investors
- entrepreneurs
- graduate entrepreneurs
- representative of an overseas business
- general visa

These options may suit your needs but if you are unclear about which is the most appropriate path you can consult with a lawyer. Each individual visa situation is different.

Salary

Salaries for the technology industry in the UK are amongst the highest in Europe. However, according to a recent report by Daxx, they are significantly lower than the average salary in Australia. The below graph demonstrates the average software developer salaries across the world.

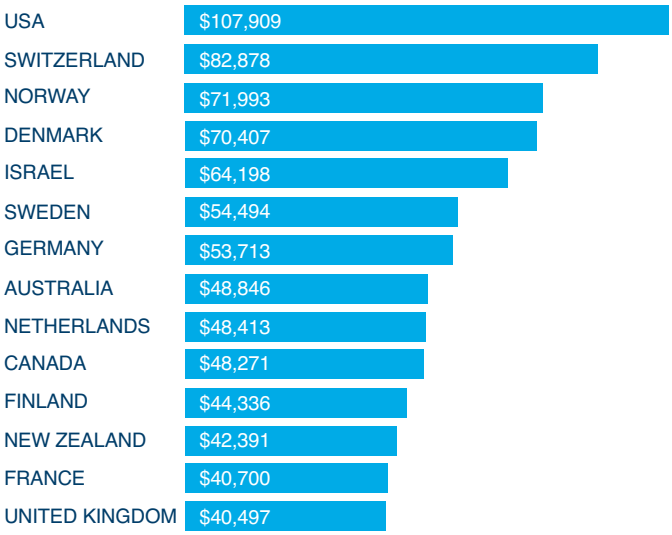

Figure 2. Average software developer salaries in the world. Source: DAXX.

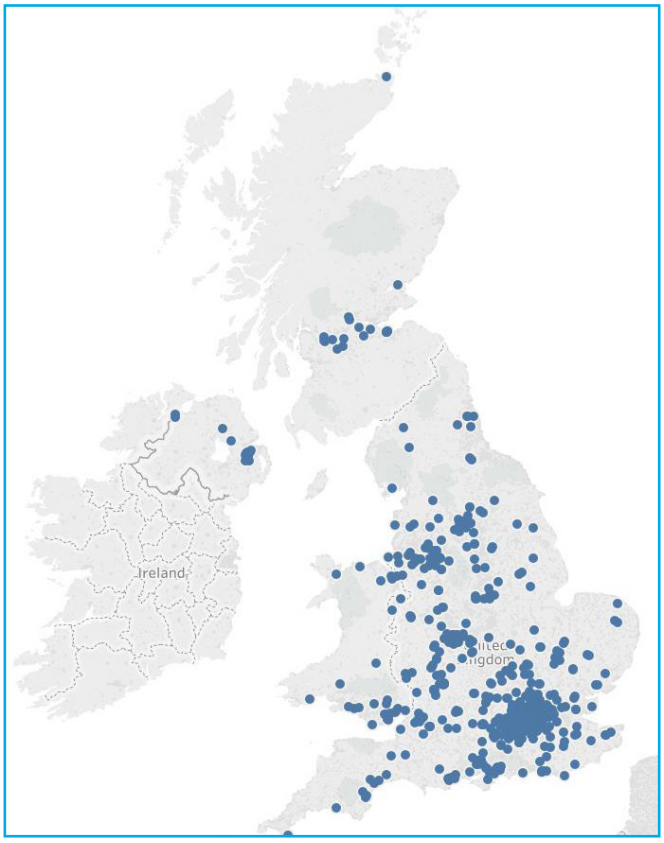

Figure 3. Department for Digital, Culture, Media and Sport: UK Cyber Security Sectoral Analysis and Deep-Dive Review.

Where to set up

While London is the financial capital of the UK and home to 55% of current cyber security firms, other destinations like Birmingham, Manchester and Edinburgh offer a cheaper cost of living and excellent connectivity.

Before you set yourself up in a big city, investigate the designated 'enterprise zones' across the UK. These zones offer companies incentives to establish themselves there, including reduced taxes, discounted business rates, financial benefits and simpler planning rules. Enterprise zones are situated across England, Scotland and Wales. Before choosing where to plant your roots, read more about them at www.enterprisezones.communities.gov.uk/about-enterprise-zones.

It may help to use the map for reference. This shows where cyber security companies in the UK have chosen to set up and reflects the strong preference towards London and the South East.

Cost of living

Where you are located will affect the cost of living. Below is a selection of cities across the UK and Australia along with their ranking on the Numbeo cost of living scale. While London tops all Australian cities for cost of living, you'll notice that regional hubs in the UK can be much more affordable.

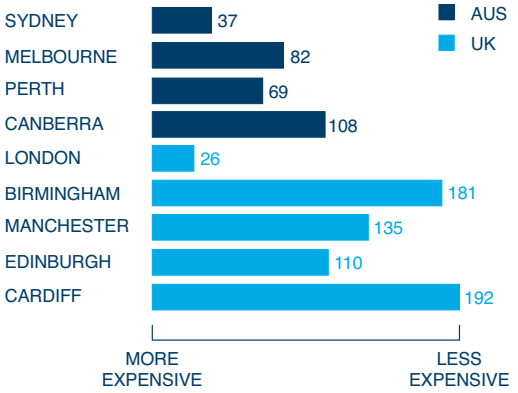

Figure 4. City Numbeo Cost of Living Ranking (Worldwide).

Office space

There are plenty of temporary options available to get you started with some office space. These include WeWork and other co-working spaces all over the UK. Co-working spaces not only offer flexible office sizing, from hot-desking to private rooms, but can often be great places to exchange ideas and broaden your network of entrepreneurs in your new market.

Compliance

There are certain compliance regulations you will need to align with in order to legally operate in the UK. Make sure you are familiar with the:

- Data Protection Act
- Privacy and Electronic Communication Act
- Freedom of Information Act
- GDPR

Best practice is to engage with a compliance centre in the UK to seek early advice for compliance and localising UK needs. Certification is non-transferable from various other countries such as Canada and New Zealand, but is generally easier to acquire than in the US.

There may be local variations in requirements for privacy, warranty, terms and conditions, and security compliance. For example, if your system has followed guidance from the Australian Signals Directorate (ASD) for security management - such as for password length, password rotation, encryption algorithms or certificate size - you may find slightly different requirements in the UK.

CASE STUDY

Penten TrapDocs

One of the reasons we would encourage software-based companies to export their products is because fulfilment is generally easier than with a physical product.

We have found the software download model to be very effective, particularly with a properly designed licencing structure.

When it comes to sales and customer service, it was much easier to have feet on the ground. One of our members of staff is British, so it was very helpful that they could spend some time over in their home market and manage the time difference.

Ultimately you need to make sure your customers' needs are accounted for so providing proper service is a definite priority.

Successful fulfilment relies on having on-going customer support to help manage your product and deal with customer enquiries or issues.

HELPFUL RESOURCES

Information from the following sources has been used to put together this Playbook. Further details are available on the relevant websites, URLs provided below.

Chartered Institute of Patent Attorneys: www.cipa.org.uk/find-a-patent-attorney

Defence Export Controls: www.defence.gov.au/ExportControls/whatdoihavetodo.asp

Department for Digital, Culture, Media and Sport - UK Cyber Security Sectoral Analysis and Deep-Dive Review: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751406/UK_Cyber_Sector_Report_-__June_2018.pdf

Department of Industry, Innovation and Science Commercialisation Grants: www.business.gov.au/assistance/entrepreneurs-programme/accelerating-commercialisation

Department for International Trade: www.gov.uk/government/organisations/department-for-international-trade

GDPR: www.eugdpr.org

Information Commissioner's Office: www.ico.org.uk

International Civil Aviation Organisation: www.icao.int/Pages/default.aspx

UK National Cyber Security Strategy: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/567242/national_cyber_security_strategy_2016.pdf

UK Intellectual Property Office: www.gov.uk/government/organisations/intellectual-property-office

UK National Cyber Security Centre: www.ncsc.gov.uk

AustCyber
Australian Cyber Security Growth Network

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