



**ATC-AFOT
US - Turkish Business Opportunities
A Silicon Valley Perspective**

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Some Facts about Silicon Valley

- Population: 2,500,000 (less than 1% of US)
- Area: 1854 sqMiles or 3880 sqKm
- Gross Product: California - \$1,500 Billion
- Jobs: 1,400,000
- Average Salary: \$74,000 (75% higher than US average)
- Education: 70% Bachelors or higher, 20% Grad. Degree
- Per Capita Income: \$60,000 (57% higher than US)
- Patents: Around 10,000, 47% of California, 12% of US
- Venture Capital: \$8B/year, 28% of US
- Cleantech: 75% of Worldwide venture capital
- Foreign Born: 55% of engineers and scientists
- Silicon Valley Firms with Foreign Operations:
UK - 290, China - 280, Germany - 240, Japan - 220, India - 210
- Source: Joint Venture Silicon Valley

Possible Ways to Link Silicon Valley to Turkey

US-Turkish Business Relations can develop in many ways:

- Silicon Valley Companies entering Turkish Markets
- Growth Investment by Silicon Valley Companies in Turkey
- Joint Ventures and Outsourcing with Silicon Valley Companies
- Direct Venture Capital Investment in Turkish Companies

Silicon Valley Companies in Turkish Markets

UK/Japan/Germany Model:

- Usually starts with sales and support offices
- Might expand into Services
 - Partnership with local firms
 - Technology/Service Know-how transfer
- Qualified employees are required:
 - Managerial
 - Technical
 - Multi-lingual
- Active Marketing and Good results needed for continuity

Growth Investment by Silicon Valley Companies

- Usually requires some market penetration:
 - Economic/Competitive Advantage
 - Low cost, high quality labor
- Establishing R&D centers: <50%
 - Need for excellent technical staff
 - Technology/Service Know-how transfer
- Establishing Service Centers: >50%
 - Relocated Services in Turkey
 - Service Centers, Call Centers
- Regional/International Expansion

Joint Ventures and Outsourcing with Silicon Valley Firms

India Model:

- Need to demonstrate unique local/regional opportunity
- Established knowledge and technical skills is a must
- Local financing would be a plus
- If it can be proven, it could lead to a good model
- Excellent managerial and technical staff required
- Active marketing to SV firms needed

Direct Venture Capital Investment

Israel/China Model:

- Requires Venture Capital Firms cooperation in both countries
- Proven model is startups funded locally marketing globally
- Technological or low cost/high value service offerings
- Exit model needs to be established - Patience
- High skilled entrepreneurs with SV knowledge/connection needed