Presentation Script

1. Talk about expanding HackerNest to Seoul, South Korea
2. About HackerNest
   1. Date
   2. Toronto
   3. Founder
   4. Goal
   5. Crown corporation
   6. Employees
   7. Sponsors (list names)
3. Products
   1. Whats hackathon
   2. Whats tech meetup
   3. 6-7 hackathons
   4. 5 meetups per month
4. In the past 6 years, hackernest has expanded nationally and internationally

* Splinter cells
* 250 events
* 23 cities
* 12 countries
* Next destination—seoul south korea

1. About south korea

* East Asia
* Korea peninsula
* North korea in the north, ocean in other directions
* 50.6 million people, 97% are Koreans
* 81.9% of the population lives in urban areas
* Speak Korean. Not everyone can communicate in English—need to hire translator and employees that can speak both English and Korean fluently
* Time zone—must consider time zone differences when conducting video conference or phone meetings
* Wired country—benefit HackerNest—Wifi is needed for hackathons and tech meetups
* Postal service—send mails to customers

1. Transportation

* Train
* Highway
* Shipping
* 103 Airports. 2 serve the capital alone
* Korean Air offers international service to Canada.
* Since employees of HackerNest may fly frequently, HackerNest should consider becoming a VIP member of Korean Air.

1. Culture

* Confucian value:

respect authority, behave virtuously, work hard, avoid extremes, and live moderately

* The concept of face—dignity

To prevent the loss of face, Koreans will avoid confrontation or will tell others what they want to hear rather than tackling issues head on

During a meeting or negotiation with a local business, HackerNest should be very respectful and mindful of others’ dignity

* Harmony in business and personal relationship

Rephrasing questions and answers in different ways will allow the business to maintain harmony in the relationship

* Religion

The diversity in religion has impacted South Korea’s social development

Must understand the basic exercise and holiday celebrations

1. Politics

* Has a liberal democratic political system
* Multi party
* Unstable

Due to the political scandal surrounded past president Park and the informal adviser, who are accused for abusing of power and attempted fraud. Following claims stated that Park had access to secret government documents and intervened in state affairs. Due to the political scandal, president Park was impeached in December 2016

* President Moon—appointed in May 2017
* potential changes in government policy. HackerNest should be aware of any change towards trade and foreign investment.
* Corruption—low comparing to other developed countries
* The South Koreans recently witnessed the largest corruption the country has even seen

1. Economics

* Asian tigers
* 12th largest economy—indicated by gdp
* Mixed economy
* Government encouragement
* Global producer
* Chaebol-- the family-controlled corporations
* Chaebol examples

1. GDP

* South Korea has a real GDP of 1.378 trillion
* A real GDP per capita of more than 27,000 USD in 2015.
* Canada has a real GDP of 1.551 trillion
* A real GDP per capita of 43000 USD
* South Korea’s economy is not as developed as Canada’s

1. Growth rate

* However, South Korea has a GDP growth rate of 2.61% in 2015
* twice of the GDP growth rate of Canada
* economy expands faster than Canada’s economy

1. Inflation

* South korea inflation rate, measured in April 2017, is 1.9%
* In the past year, fluctuates between 1.9% to 2.2%.
* Canada’s inflation rate is 1.6%
* Canada’s inflation rate fluctuates more drastically

1. Others

* HDI--considers health, education, and income
* South Korea is 0.90, Canada is 0.92
* No huge difference
* Life expectancy—82 years
* Unemployment rate in South Korea is 3.5%, which is 3.4% lower than the unemployment rate in Canada
* A higher percentage of the labour force is employed, HackerNest has little choice of who to employ, and needs to provide employees with higher salaries.
* The average household income in South Korea is only $19,400
* The considerable gap between the rich and the poor in South Korea.
* The top 20% of the Korean population earn nearly six times as much as the bottom 20%

1. FDI

* Is declining due to unfavourable international economic context
* FDI procedures consist of 4 stages:
* foreign investment notification
* remittance of investment funds
* registration of incorporation and business
* registration of foreign-invested company
* The South Korean government has implemented measured to protect and encourage foreign investments.
* Prohibition on investment in specific sectors such as public administration, educational organizations, and national defence
* Offers FDI tax support and subsidies

1. International Relations

* 189 countries
* International organizations
* Active engagement in international organizations will help HackerNest’s world expansion
* HackerNest should partner with the local offices of those international organizations to gain trust and publicity.

1. Potential Issues

* Be aware of the potential issues
* Due to the presidential scandal and the re-election of president, the nation’s economy was hit.
* Leader of Samsung group was arrested because of his connection with the last president
* President Moon has promised to reform South Korea’s chaebols
* Since chaebols play a huge role in South Korea’s economy, a potential economic growth or decline in the future
* Aging population—less people will pay tax
* Heavy reliance on exports

1. Employment

* Labor Force: 25. 77 Million
* Service sector
* Minimum Wage: 5.72 USD
* Differs greatly depending on occupation
* HackerNest needs to hire engineers and high-tech specialists to set up and run hackathons
* Pay those employees with a yearly salary between 30,000 USD to 62,000 USD
* Higher living index than Toronto
* 4000 USD to live in Toronto, this employee needs around 4400 USD in Seoul
* Should offer members of the executive board with higher salaries.
* Max hour: 40 + 12
* HackerNest should try not to exceed the maximum weekly working hours
* If exceed, HackerNest should offer incentives to its workers

1. Holidays

* Celebrate both Korean and western holidays
* Should give workers days off
* Hackathons and meetups shouldn’t be hosted during holidays because holidays are a time for families to gather together
* Ministry of Labour in Korea has implemented system
* Workers who do not miss a day of work in one week receive one paid holiday
* Who do not miss a day of work in a full year have a 15-day paid vacation
* An additional day for each two years of service.
* HackerNest should expect its employees taking paid vacations during any time of the year.

1. Labor Laws

* Strict
* Act on the Protection of Dispatched Worker-- Working condition
* Child Labor Law—minimum working age 15
* Workers subscribe to Industrial Accident Insurance, the Health Insurance, the Employment Insurance, the Retirement pension, and the National Pension Plans
* Korea Occupational Safety and Health Agency-- Regulate workspace safety
* Occupational Safety and Health Act-- Prevent accidents and promote comfortable working environment
* Equal Employment Act-- Gender equality
* HackerNest needs to establish a management system for occupational safety and health
* Prepare preventative measures for harmful and dangerous equipment
* Provide employees with necessary safety and health education

1. Tax

* Standard corporation tax—taxed on Korean sourced income
* Capital gains are taxed at either 11% of sales or 22% of gains
* To avoid paying huge amount of tax to both Canada and South Korea, HackerNest should look into the double taxation treaty between the two countries

1. Why South Korea

* Canada-Korea Free Trade Agreement (CKFTA)

No tariff on any digital product or communication technology from Canada

Promotes the use of internationally accepted standards, which minimizes duplicative certification

Provide HackerNest with access to information such as laws, regulations and administrative rulings

Provides preferential access to Canadian professionals who work in the science, engineering or information technology fields—HackerNest will not face any problem sending help overseas

* Specialization in new information and communication technology
* Well-educated labor force

Individuals with an engineering or technology major can be hired as hackathon organizers or mentors.

A business degree can be hired as accountants, consultants, managers, and secretaries.

HackerNest can consider accepting university-student volunteers to help organize tech socials and hackathons.

* Government offers FDI support such as tax reduction and cash grants
* A gateway for HackerNest to expand to other cities in the dynamic Asia-Pacific region

1. Why Seoul

* Capital
* Centre
* Geo
* Population
* Technology—examples
* Many international and domestic business
* Easy to find sponsors, venues to host hackathons and hack meetups.
* Educational center—has a large market

1. Office

* Central Business District
* has a modern atmosphere
* direct access to subway station, subway connection to the Airport
* close to the city hall, embassies, as well as international class hotels and restaurants
* Can accommodate foreign employers at nearby hotels

1. Office

* Rent 6 office suites along with a spacious co-working space
* $2500 per month
* conference rooms, business lounge, Wi-Fi, copying facilities, IT support, and videoconferencing equipment
* videoconferencing equipment will be used to host meetings with the headquarter
* Lounge—tech meetups (accommodate 100 people)

1. Target Market

* Millennials--high-school students, college students, and people who entered the work force in recent years
* 1.4 million millennials in Seoul
* Well-educated and well-informed
* Brand name
* Research products online, especially through social media
* HackerNest should translate their official website into Korean
* Stay active on social media
* contact media and press to be featured

1. Primary Research

* Market research must be conducted to solve marketing problems
* For instance, HackerNest needs to know the issues that most South Koreans want to address at hackathons, what people like or dislike about HackerNest’s tech social and hackathons, and who is most interested in attending HackerNest’s tech social and hackathons
* Small-scaled hackathon that lasts 24 hours at Seoul National University and gather feedback from the attendants
* Expensive to conduct a test market research, HackerNest should ask Seoul National University for sponsorship
* During the event, HackerNest should observe what the attendants enjoy the most and dislike the most
* After the event, give each attendant, volunteer and mentor a likert scale survey

1. Primary—meetups

* Focus group research
* ask what they like or dislike about the tech socials they have been to
* what they want HackerNest to do to make their tech-social experience better
* HackerNest has experience with expanding the business overseas
* Can use its internal information sources

1. Secondary

* Can use the Organizer Guide provided by Major League Hacking
* To allocate budget, HackerNest can refer to the “Template Hackathon Budget”
* To determine the theme of each hackathon, HackerNest can research about the critical problems that the millennials care about
* The top concerning issue is climate change and destruction of natural resources

1. Hackathon

* Because of this concern, titled environment hack
* Tackle pressing environmental and natural challenges in South Korea
* 36 hrs
* 350 Korean participants
* 50 international participants
* Invited video game celebrities-- because more than half of the population play online games regularly
* Invited judges from technology firms
* Can partner with the Ministry of Environment in South Korea and United Nation Environment Programme—as mentioned before—active engagement in international organizations
* Meals provided

Since Koreans love spicy food, spicy Korean food and kimchi must be provided.

Rice, soup, and an addition of one meat dish, one vegetarian option, and one western dish

* Souvenir shirts

Prefer modern western styles, HackerNest can use the shirt design from past hackathons and make few minor changes

1. Hackathon

* Prize

Mentorship opportunities and IT products provided by sponsors

Prizes should be wrapped and branded with HackerNest’s and sponsors’ logos

Should be wrapped in red, yellow, pink, or “Seoul Blue” as these colors denote luck and happiness

Prizes shouldn’t be given in multiples of 4 because number 4 is considered unlucky

* Location: Hanyang University, Chung Mong-Koo Automotive Research Centre
* Venue Checklist provided by Major League Hacking—wifi, speakers, lounge area, etc

1. Price

* Free
* Fundraise and negotiate with IT businesses in Seoul for sponsorship
* $45000 USD hackathon
* $500 USD tech meetup

1. Negotiation

* Before approaching sponsors, create a short info packet that explains what HackerNest does, and why HackerNest needs their sponsorship
* Book meetings in advance
* Be punctual
* Show respect

Respect authority

The most senior person from HackerNest should enter the room first and greet the most senior representative of the other party.

Introduce older people to younger people and women to men.

* The most common address in Korean is family name led by title

“Professor Lee”

* Business Cards

Exchange business cards when meeting a business person for the first time

Translated into Korean on one side

Give out and receive it with both hands.

* Slight bow and handshake
* Should only expect to get to know the partner during the initial meetings
* There is always tea or drink offered during the meeting. It is impolite to refuse
* There will be following up meeting or negotiation

1. Gift Giving

* A tradition
* Small and local
* Wrapped
* Branded with logo
* South Koreans refuse the gift once or twice to show humility

1. Dining

* Hospitality is a part of the business culture. HackerNest might be invited to dinner
* Hierarchy and seniority are demonstrated on the table—sit first, eat first
* Spoon and chopsticks
* Alcohol might be offered

If doesn’t want to drink, excuse with medical or religious reasons.

It is polite to fill other people’s glasses first

* Key commercial information is revealed at the very end of a drinking session

be alert enough to catch the message.

1. Promotion

* Several ways to promote hackathons and tech meetups
* Talk to student group and STEM departments on campus
* Media Campaign
  + creating a Facebook event page, as well as making a Kakao Talk business account
  + Facebook is the most popular social networking service
  + Kakao Talk is a free mobile messenger that is used by 35 million people
  + Cost to advertise on Kakao Talk depends on many factors, such as the product, the target market, and the campaign goals
  + Facebook is $0.40 per 1000 view
  + The targeting is low and many of the ads viewers might not be interested

1. Promotion

* Media Pole
  + On the side walk
  + attract a mass number of viewers at a time
  + Doesn’t require special time to read
  + Expensive and the ads
  + cannot hit the target market directly.
* Micro Software Magazine
  + a well-respected software development magazine in South Korea
  + The target audience ranges from developers to student programmers—shares a similar market
  + $750 per issue.
  + Adv.
  + Expensive

1. Ads Regulation

* According to Use of Foreign Languages in Advertisement
* Must be translated to Korean
* Contain HackerNest’s or event’s logo
* A catchy slogan of the event
* In addition, colorful and appealing pictures
* Online ads--a link to the Facebook event page

1. Direct Competition

* Seoul Tech Community
* Based in Seoul

aims to build and unite tech community around the world

* Better reputation
* holds monthly tech meetups for people to collaborate on tech projects
* host conferences for developers to share knowledge
* few well-known sponsors

HackerNest should utilize social media and press to gain public attention

HackerNest has been sponsored by many large-scale and well-known organizations and IT companies, should list their sponsors on their advertisements.

* Global Hackathon Seoul
* Many sponsors
* In 2015, this organization planned a four-day long hackathon that attracted 2000 hackers across the world
* Hackathon was cancelled due to spread of disease. Sponsors pull out, gained a dishonor
* learn from this lesson
* Prepare a backup plan for every hackathon

1. Indirect Competition

* Seoul Global Startup Centre
* supports foreign entrepreneurs to begin their startup journey in Seoul

helped launch 4 foreign tech startups

* Strong employees
* Active on social media
* Only targeted to teams that have a ratio of at least 33% foreign residents in the co-founding team.
* have to apply and the selection is prestige
* HackerNest should give everyone the opportunity to attend tech meetups and hackathons
* When selecting hackathon participants, the judges should not only consider applicants’ background and expertise, but also their potentials and interests.

1. Thank you

Seoul not only is a key market. A gateway to expand to other cities in the Asia-Pacific