

# ASIAN entrepreneur WATCH

Profile | Googol Technology Limited

## Strong team leads to success

Googol Technology Limited is among the first Asian ventures specializing in motion-control-based engineering products, which control the movement and speed of machines. Founded by two professors and a researcher from the Hong Kong University of Science and Technology, Googol has grown to over 100 employees today. The company serves hundreds of clients by drawing on its founders' network and innovative sales strategies, as well as its adept management of dispersed teams.

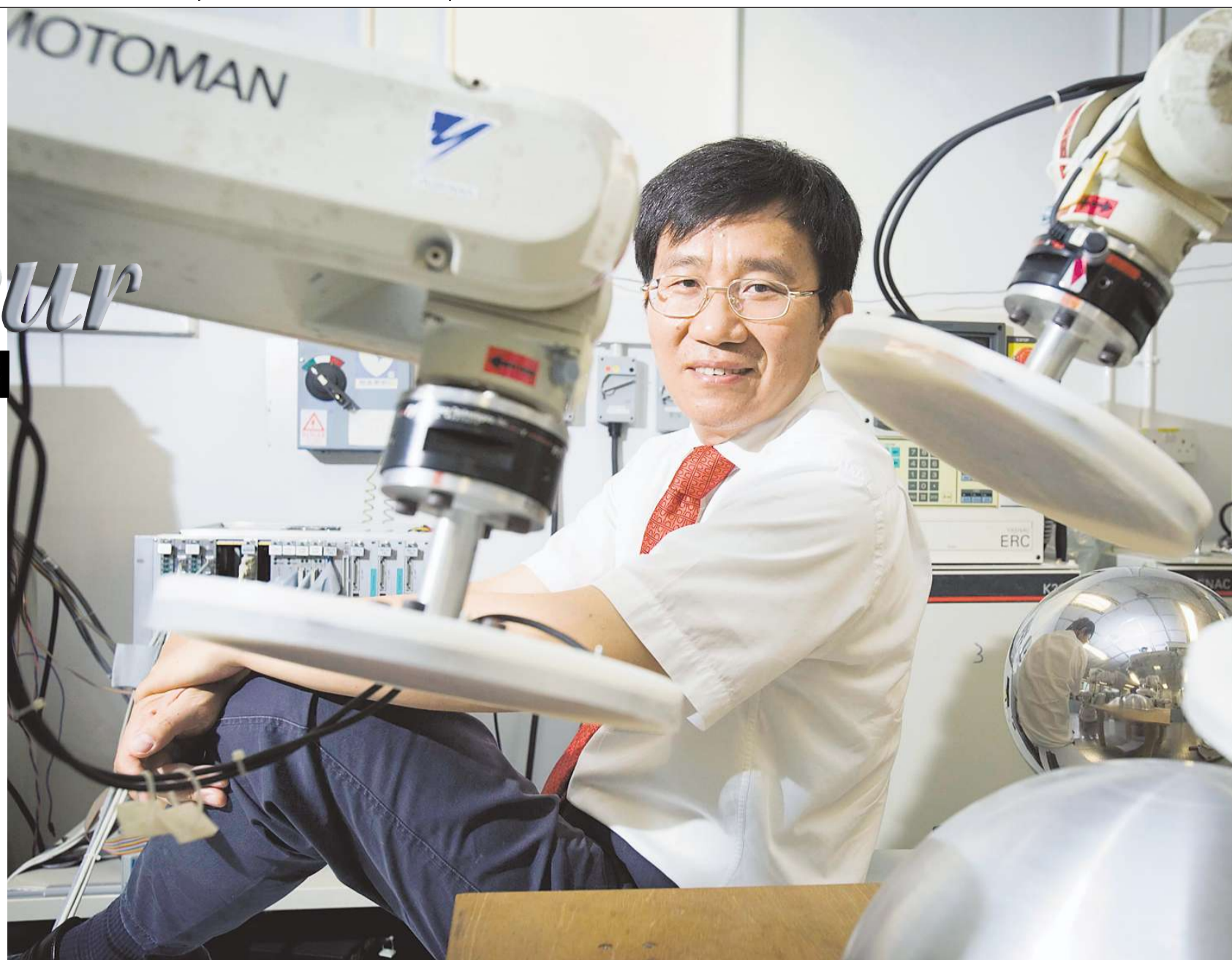
Established in 1999, Googol weathered an economic crisis in Hong Kong within three months of start-up by setting up a subsidiary and growing the market for its products in China. Wu Hong, the company's co-founder and general manager, recalls: "A wave of electronics manufacturing was emerging in China at the time, and we saw that the market for motion controllers would soon take off. We convinced our investor that we needed to explore this opportunity for research and revenues."

Besides a technology and operations base in the city of Shenzhen, the company

now has sales and customer service offices located in many major Chinese cities, including Beijing and Shanghai. Over 90 percent of Googol's accounts and revenue now come from China, which the company views as its domestic market. Sales partnerships and international exposure through exhibitions also bring in foreign customers from five other countries.

### Selling via knowledge

Googol's products span motion control technologies and applications, and are aimed at industrial customers and educational institutions. The company has sold machine and motion control systems and network interfaces to hundreds of engineering and manufacturing companies in China, India, Southeast Asia, Europe and the United States. According to Zhou Ling, vice president and manager of Googol's headquarters in Hong Kong, the company has also supplied motion control systems, robotics products, and flexible manufacturing and logistics systems to over 800 educational institutions, including top-tier Chinese universities such as Tsinghua University and Shanghai Jiaotong University.



Professor Li Zexiang from the Department of Electrical & Electronic Engineering at the Hong Kong University of Science and Technology is the chairman and a co-founder of Googol Technology.

Googol drew in customers through its expertise in an emerging technology (in Asia), an awareness of what customers want and an unusual sales policy. Spun off from the Hong Kong University of Science and Technology by senior professors and researchers of motion control technology, Googol takes pride in understanding precisely what its customers, especially universities, are looking for.

Googol's extensive network of academic contacts have brought in customers in China, many of which have proved to be repeat customers and valuable referrals. Referrals and participation in international exhibitions have helped Googol enter the international market. In addition, the company has tapped partnerships with distributors to find customers in the United States, Greece, Turkey, Singapore and India.

The company has also instated a sales policy that requires all sales and marketing personnel to possess strong technical knowledge. "We provide technical training to our marketing team, so that they can help our prospects and customers understand our products, which are very new in China," explains Zhou. "Besides providing product support, this specialized team has helped us customize our solutions to fit the requirements of individual customers, prompting happier customers and more sales."

### Bringing teams together

Trust, effective communication and frequent travel have helped Googol's management team mesh well despite being situated in different cities.

The company's co-founders had worked together at the Hong Kong University of Sci-

ence and Technology, where they built a close rapport and strong trust. This placed Googol in good stead when Wu moved to Shenzhen to set up a vital subsidiary for research and product development.

With no cultural differences blocking their way, Googol's founders and management team keep in touch by phone and e-mail, in addition to holding regular meetings. They use formal and informal means of communication, measuring subsidiaries' progress through monthly financial reports and discussing operational aspects more often and informally. They also travel frequently between the two offices, which are not far from one another.

Skilled management of geographically dispersed teams has allowed Googol to focus on distinct functions in different offices. Engineers at the Shenzhen subsidiary draw

on supporting industries in the area and develop and manufacture the company's products. Sales teams across China market products and provide localized customer support. The various teams are coordinated by Googol's headquarters, which also manages finance, investor relations, overseas sales and partnerships, and strategy.

While overseas sales are increasingly important for the company, Googol does not intend to venture West in the near future. The company will focus on its large and lucrative domestic market, where it already has a leading position thanks to its innovative products, expert management team, and informed marketing and customer support personnel.

For more information, please visit [www.googoltech.com](http://www.googoltech.com). K.H.

## Solutions and success stories from Asian entrepreneurs

By combining new technologies with abundant talent and significant cost advantages, entrepreneurs across Asia are creating new companies that have business models capable of expanding both regionally and internationally.

However, these entrepreneurs face different challenges than their counterparts in the United States and Europe. Local infrastructure, management skills and funding opportunities vary significantly, not only from

those in the United States and Europe, but also among different regions in Asia.

Credit Suisse, in conjunction with INSEAD, the only leading business school with a full campus in Asia, is conducting the first-ever pan-Asian research project to examine the growth issues faced by Asian entrepreneurs and to highlight the growing number of success stories emerging from the region.

The research conducted in the study focuses on identifying pragmatic solutions em-

ployed by Asian entrepreneurs as they go through the process of growing and expanding their businesses regionally and globally.

### Key findings

As an insightful complement to the research program, publications have been produced to provide an outline of key findings on the growth challenges facing Asian entrepreneurs. The key findings also include the strategies that Asian entrepreneurs can em-

ploy to best suit the nature, size, growth stage and industry focus of their business. These publications are filled with helpful ideas, opinions and practical recommendations obtained from research, analysis and on-the-ground interviews conducted with dozens of successful entrepreneurs and business innovators across Asia.

To subscribe to the publications, please visit <http://www.inseadinnovasia.com/inseadinnovasia/publication.htm>.

### Entrepreneur tips from Googol's co-founders Li Zexiang and Wu Hong:

- ✓ Build a first-class research and development team
- ✓ Provide compelling products and technical support to clients
- ✓ Tailor products and services to help customers become successful enterprises
- ✓ Sustain distinct advantages in technology and operations over your competitors
- ✓ Focus on what you are capable of doing and on what you can do better than others



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View from INSEAD | Balagopal Vissa, Assistant Professor of Entrepreneurship, INSEAD

## Overcoming the liability of newness

Balagopal Vissa  
Assistant Professor of  
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New ventures are subject to what organizational theorists refer to as liabilities of newness. These stem from two sources: New ventures lack credibility with external stakeholders, such as customers and suppliers, since they do not yet have an operating history. In addition, the founding team and employees of new ventures have to learn to work together in a coherent and coordinated manner. The difficulties in gaining external credibility and internal coordination are so difficult to surmount that few start-up efforts successfully manage the transition to become fledgling new ventures. A critical factor that enables start-ups to make a successful transition is the extent to which the venture's founding team leverages their external networks while still having strong trust within the team.

### A prime example

Googol Technology Limited, an engineering venture expanding from Hong Kong into the markets in China, is a good example of a company that has used extensive networks and a cohesive team to overcome these external and internal challenges. The strong connections that the founders of Googol have with potential end-users and buyers helped in two ways to overcome the external credibility gap. First, their strong relationships with end-users at the Hong Kong University of Science and Technology (HKUST) made them aware that university users of motion-control-based engineering products were underserved by existing players. They used their network of relationships to build an innovative new product customized to the specific needs of university users. Second, their strong connections within HKUST's administrative

system gave them the knowledge required to navigate through the elaborate purchasing process that is typical of universities and credibly position themselves as a reliable product supplier. In fact, HKUST was one of Googol's first paying customers.

After having successfully tested and refined their product offering in Hong Kong, the founders leveraged their academic connections within top-tier Chinese universities like Tsinghua University in Beijing and Shanghai Jiaotong University. Their strong connections with these universities proved crucial for business development in China. Many of the universities became repeat customers as well as valuable referrals. This route of growing through repeated referrals has given Googol a safe environment in which to perfect its product and processes, allowing for relatively smooth and balanced expansion.

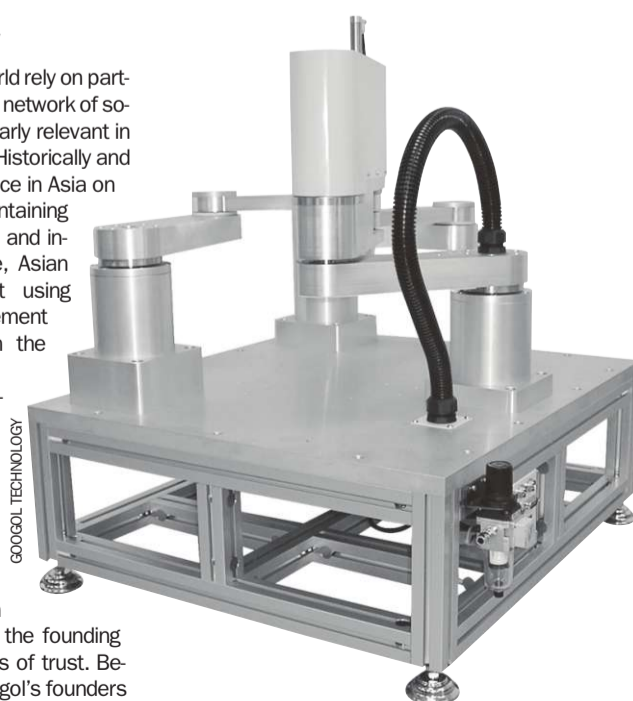
### External contacts are key

Though new ventures all over the world rely on partnerships to deliver value to end-users, a network of social ties with external entities is particularly relevant in the context of Asian entrepreneurship. Historically and culturally, there has been greater reliance in Asia on leveraging social relationships and maintaining existing contacts, rather than engaging and interacting with strangers. For example, Asian start-ups are generally wary about using headhunters to build their management teams, in contrast with start-ups in the United States.

Tapping into diverse external connections often imposes costs, such as managing the potentially contradictory pulls and pressures brought to bear on the founding team by external actors with differing agendas. This could have easily led Googol's founding team into a spiral of conflict and fragmentation on the venture's future trajectory. A reason this did not happen to Googol is that the founding team had already formed strong bonds of trust. Before setting up their own company, Googol's founders had worked together as senior professors and researchers at HKUST. This prior experience in working together meant that the founding team members

were already aware of each other's strengths and weaknesses. They could also reliably predict each other's behavior. These factors were critical in fostering team trust, and this type of bond is essential for success in the uncertain and fast-paced environment that is typical of most new ventures. In Googol's case, the team's solid relationship kept it on track while it opened and managed dual offices within three months of start-up and as it expanded rapidly throughout China.

Googol Technology is not alone on this growth path: An entire cohort of successful Chinese entrepreneurs are leveraging their external networks, often stretching back to their university days, in order to tap into the local pool of China's research and development infrastructure, talent and manufacturing capacity. ■



The 4 DOF parallel robot is a specially designed product by Googol Technology.

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