



WEBSPY SECURES US SUCCESS

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WebSpy Ltd (ASX:WSY) (www.webspy.com) is a Perth-based software developer established in 1994. The company now also boasts offices in Seattle and London and is enjoying international sales success with its WebSpy family of products, for Internet and email monitoring and management.

WebSpy software has been designed to allow businesses to accurately determine how effective their investment in internet resources has been. Not only does WebSpy ensure that employees don't waste hours of company time on non-work related browsing, the software also enables companies to track the positive elements of the web at work, and gauge its effectiveness as a research and productivity tool.

According to Julia Smith, WebSpy's Sales and Marketing Manager, the US market always has, and will continue to be, WebSpy's single most important market. This is due not only to its size, but also its position as an early adopter of new technologies and new ideas, which many smaller markets tend to follow. The US currently accounts for some 50% of our revenue and this is not likely to change in the near future.

WebSpy launched its internet and email management software in the US market at Comdex in 1999. In March 2000 senior executives from WebSpy relocated to the US to establish a sales and distribution office to serve the North American marketplace.

In the time that WebSpy has been selling into this market, the company has enjoyed consistent steady growth, culminating in a profitable financial year for the US operations, for 01\02 financial year.

In addition to being in a profitable position, WebSpy has secured key alliances with some major players in the technology market, including Microsoft and Novell. WebSpy has also partnered with other emerging technologies to ensure the continued growth in sales and brand awareness for WebSpy in North America.

"WebSpy's proactive approach to internet management is seen as a refreshing change to the traditional 'big brother' approach embraced by many of its competitors. Recognising the positive aspects of internet use in the workplace, WebSpy has become a major voice in helping to educate companies on appropriate internet and email use and to help them develop usage policies for their staff," Julia said.

"Our conservative approach to spending was a critical element of our success in the US. At a time when companies with no revenue were spending millions of dollars on marketing, we focused on sales and revenue first. This strategy allowed us to conserve cash and survive a declining market when others failed," Julia said.

Julia stressed the importance of marketing and brand awareness.

"Because we had limited funds to spend on our own marketing and awareness campaigns, we therefore took the route initially of securing alliances with key technology companies like Microsoft and Novell."

"Another critical success factor was patience - the understanding that we wouldn't be able to break into the US market overnight. We knew it would take time, perseverance and hard work."

Julia said that they knew it would take time to succeed and be self-sustaining in the US market, but didn't realise just how long that would be.

"Originally, we thought it would take six months to establish a self-sustaining sales presence in the USA. In reality, it took five times longer than this."

Julia said that Austrade helped Webspy find its feet initially with contacts for establishing operations in a foreign country, and gave them access to other companies that were doing the same thing or who had succeeded.

"This enabled us to hit the ground running and also gave us the confidence and support that was necessary to continue to reach the goal of profitable operations in North America"

Julia advises that Australian companies considering the US market shouldn't enter the market with false or unrealistic expectations of how much it will cost, how long it will take, or how hard it will be.

"Setting up an overseas office is not easy, especially in a market as big as the US. No matter how large you are in Australia, you are still small fry there," Julia said.

"Keep in mind that setting up US operations is one of the most challenging, but also potentially the most rewarding activity, that any company can undertake."

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