

McAfee

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McAfee



McAfee

From U.S. company to a world company

Typically more than 50% of revenue is generated outside of the home country

Revenue Growth outside of the U.S. is much higher

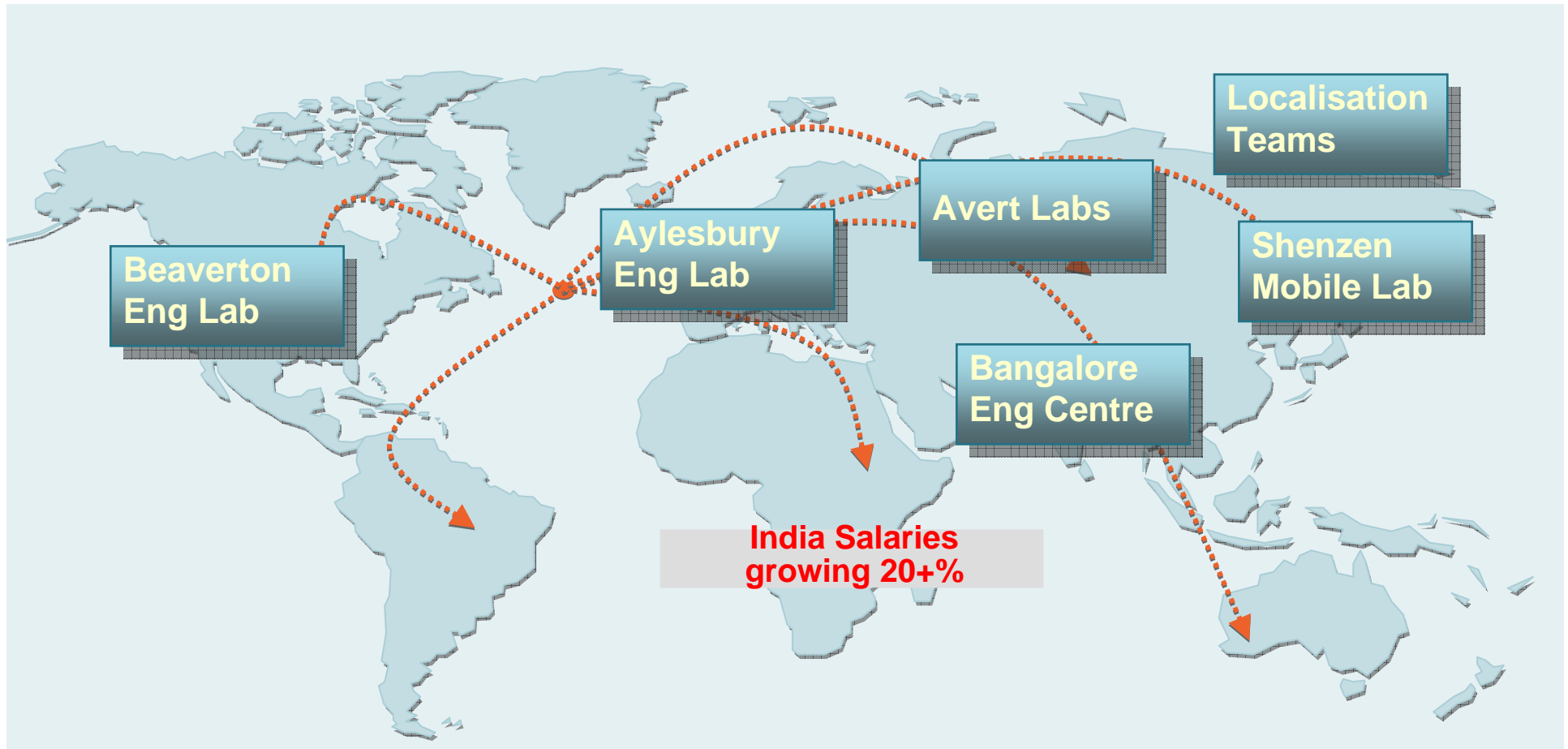
The employee talent is also outside of the U.S.

In the United States, close to 60% of engineering PhD degrees awarded annually are currently earned by foreign nationals



Multinational vs Transnational

Large global companies help skills transfer



Some thoughts on Asia

India – investments in IT in the state of Bangalore created “silicon valley” Mindset. Many returnees from the US.

China – Government increase spending in R&D are encouraging overseas Chinese to return to well supported government spending programs.

Singapore – rely on strong adherence to IPR and stable government and Programs to attract cutting edge research to be done in country. Incentives In place to attract transnational companies.

Korea – investment in high speed broadband makes the country leader in Network technologies.

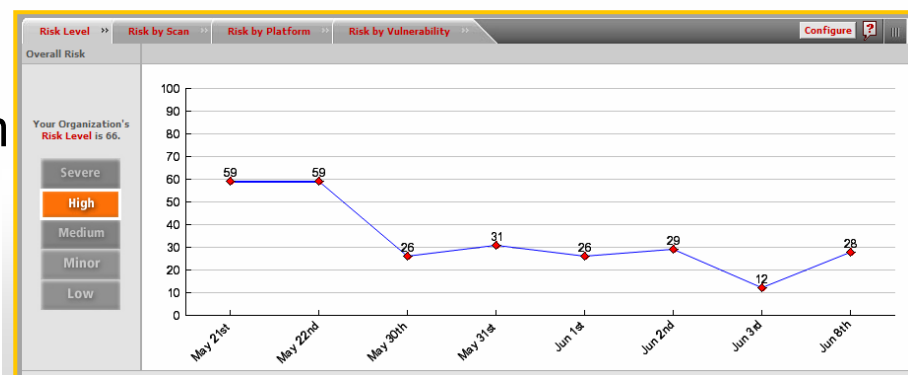
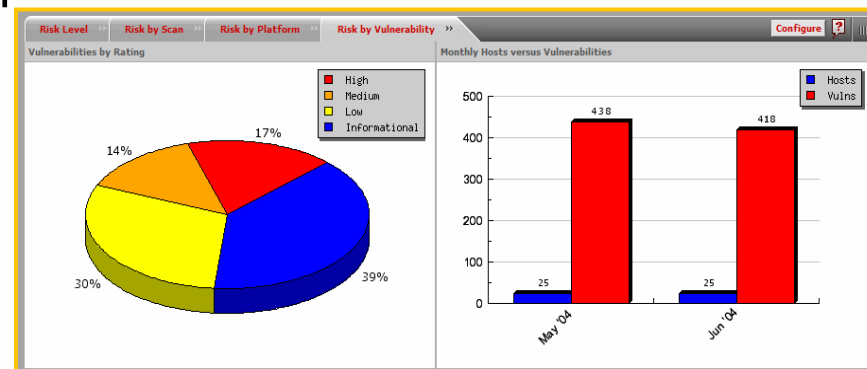
Culture of innovation

Encourage innovation among staff.
 Some large companies set up small groups to gain the benefits of being a small startup.

Patent banks benefit companies in negotiations with other IT firms.
 Both an offensive and defensive measure.

Motivation for staff to patent ideas that could be worth millions to their employer

McAfee Patent Incentive Program



Challenges

- weak protection of patents and other intellectual-property rights may constrain growth as a global R&D hub.
 - Foreign companies, fear risking their trade secrets
 - May keep more cutting-edge research out
- Expenditure on R&D
 - Eg. U.S. spends about 2.7% of GDP on R&D, China spends 1.3%
 - Much comes from foreign companies
 - Less than a quarter of Chinese midsize and large enterprises had their own science and technology institutions in 2004.
 - Of China's high-tech exports, valued at \$218.3 billion last year, nearly 90% was produced by foreign-invested companies, according to the Ministry of Commerce.
 - China's lower costs has the opportunity for them to get more value out of their R&D investment
- Beware of ignoring global standards; opening up the world as a market rather than just identifying the country as the market.