

# Investment In The U.S.

A monthly scoreboard with profiles of companies significantly reshaped by new foreign owners

## Eye In The Sky

*Two Arizona businessmen get a \$6.3 million taste of Thailand.*

By Dave Savona

**T**he sounds of Robert Schumann float across a Phoenix office, and that means Zeev Tchetchik is concentrating. As usual, his thoughts are focused on Thailand. While the sunbaked sands of Arizona may be about as far removed from the jungles of Southeast Asia as you can get, they're the headquarters of Mr. Tchetchik. An energetic, 35-year-old Israeli émigré, he thinks to classical music and has no problem with jumping 10 time zones to find investors and a virgin market for high-tech mapping services.

In January, Mr. Tchetchik played a lot of Schumann and finalized a joint venture with three Thai executives and neighboring private company McEwen Global Positioning Systems Inc. literally to redraw many of the maps of the Pacific Rim. It was the culmination of a year-long hunt by Foresight Consulting Ltd., Mr. Tchetchik's matchmaker firm that links foreign companies with small and midsize U.S. companies for exports and ventures. The talkative businessman impressed the Thais enough for them to invest an initial \$6.3 million in joint venture company McEwen-Pacific G.P.S. Inc. After signing, he cut preliminary deals in Thailand, Bangladesh and Nepal for over \$50 million in contracts, and he says he got a handshake in agreement to a \$300 million job to map an entire country.

Although the Thais are putting up millions in much-needed equity, the biggest investment in the company has already come from the U.S. government. The entire venture depends upon the Navstar Global Positioning System, or GPS, a satellite network run by the U.S. Air Force. Navstar's 16 satellites continuously emit low-frequency ra-



**Receptive to Asian investment: Arizona businessmen Zeev Tchetchik (left) and Glen McEwen.**

dio waves as they orbit the earth twice a day. McEwen uses ground receivers costing up to \$50,000 to receive the signals and computer programs to figure exact ground positioning, with a revolutionary technique currently used by sailors for navigation and planned for commercial airlines and even consumer automobile mapping systems.

First launched in 1978, Navstar was slated as a military navigational network. But the U.S. freed the signals to anyone who can afford the expensive ground antennae and computer stations, including foreign companies and governments. Experts use the radio waves broadcast from the satellites to get precise surveys — to within a few feet — of most types of terrain.

"GPS is definitely the best method for getting the [data needed] for mapping," declares Richard L. Beaman, manager of GPS for MSE Corp., an Indianapolis surveying company.

On difficult terrain such as in Southeast Asia, GPS is much cheaper and quicker than the traditional tripod and telescope, and can cut the time to a third or a half and be done with less people, even one if the situation calls for it.

The venture got its start in January 1991 when fellow Phoenix businessman Glen McEwen called Mr. Tchetchik after hearing that Foresight wanted to do business with companies interested in expanding internationally.

"I was looking for a marketing plan that was larger than what I was doing here," says the 43-year-old president of McEwen Global Positioning Systems. He showed Mr. Tchetchik a high-tech service that used satellites and earth relay stations to create very accurate maps, impressing the entrepreneur.

"We started to work immediately in the Pacific Rim and we learned that the market there is thirsty for such services," says Mr. Tchetchik. "We're presenting a technology that's very high in demand."

Interested in the Pac Rim for over a decade, Mr. Tchetchik had a network of contacts in the area. Local bankers found a trio of investors who had the funds to handle the bill for the joint venture company: Dr. Smith Kampempool, the former governor of Thailand Research Institute of Technology; Dr. Pramote Nakornthab, who provides high-tech services and is head of the investing group; and Chamnan Sucharitkul, a Bangkok lawyer. Members of the team have seats on the boards of two midsize Thai banks and connections that can open doors for the deals.

Success will call for much more than \$6.3 million. Mr. Tchetchik estimates that the venture will require at least another \$12.6 million to outfit the company with

the machines it needs; the Thais will cover the bill completely. Foresight is contributing marketing and managing ability, and McEwen the technological know-how.

Based in Bangkok, McEwen-Pacific initially will serve the Pac Rim with the projects Mr. Tchetchik lined up on his previous trips. It will try to get additional business from the rest of the area.

Nations in the Pacific Rim, especially the least-developed of the region, have outdated and inaccurate maps that hinder infrastructure development and foreign investment. Maps are needed for oil exploration, mineral mining, road construction and real estate development. But while countries like Thailand seem ideal, with adequate government resources and heavy foreign investment, the governments that need new maps the most are the poor pack

of the Pacific Rim. But for nations like Cambodia and Bangladesh, both prospects for Mr. Tchetchik, doling out the millions in hard currency these projects demand is difficult. The three jobs Mr. Tchetchik has already arranged in poverty-stricken Bangladesh (flood control plans and development of a new communications system) have been funded by the World Bank, U.S. aid and Japanese investment. Without outside help, much of McEwen-Pacific's clientele won't be able to pay.

Although this is Mr. Tchetchik's first operational joint venture in the Pacific Rim (he says he has six more in the works), he has long been courting the Far East as a boomtown for American goods and services. The feisty businessman has found contacts in the Pac Rim to be more amiable than the Europeans, and their markets

to be the most receptive to his projects.

"They're willing to adapt to new technology and new products," he says. "The business approach is constructive to business. They're willing to go from the first stage of rebuilding the market and creating marketing demand."

This deal is the largest by far for Mr. Tchetchik and U.S. partner Glen McEwen. To date, McEwen Global Positioning's business has been limited to the Southwestern U.S., for such clients as real estate companies. Projects at the scale the venture is proposing open a new world to its president.

"It's going to be tough," says Mr. McEwen. "We're having to kind of start from scratch."

The venture has already cost both U.S. partners a few hundred thousand dollars, as well as a great deal of time. Mr. McEwen

will be moving to Bangkok for the first year, taking his family with him. He's no stranger to Thailand. He learned the language while spending a year there with the Air Force during the Vietnam War, and has attended "lots and lots and lots" of meetings in the Thai capital over the past months. And while he retains only a smattering of Thai today, the cultural know-how and the few words he did manage to rattle off only helped in the negotiations.

But Mr. McEwen will let his new partner handle the deals while he runs the technical part of the show and relearns his Thai. The partners will split the profits 50/50, half to the Thais and half to the Americans, and they plan to reinvest the first year's profits in the company.

Business won't be limited to the Pacific Rim. Mr. Tchetchik plans to move into Eastern Europe, but is much closer to striking a deal in South Africa, a market he's been researching for a year and a half in anticipation of sanctions being lifted. He's also working on deals in Vietnam, although restrictions keep that prospect far in the future. And the disillusioned Republican also thinks ventures like his current one can solve many of America's trade problems.

"It's uncomfortable to say this, but our president doesn't understand international trade," he says. "Don't wait for George

Bush to go and beg. We can do it ourselves! Let's get off our butts and do it!"

If Mr. Tchetchik has his way, they'll probably all be playing Schumann in Bangkok soon.