



Doing Business in Moldova



Chronology

- Before 2008, no knowledge or awareness of The Republic of Moldova
- December 2008 – Favorable financial settlement for The HealthCare Subrogation Group, LLC with the City of New York
- May 2009 – AMSoft Group SRC formed
- May 2011 – Valynteem Solutions SRC formed
- June 2011 – Development works begins for Legal Bistro
- May 2012 - Valynteem Solutions relocates to Alec Russo University

Business Objectives for *Captive*

- Triple the existing size of the IT Department for the HealthCare Subrogation Group LLC
- Budgeted \$100,000 to **Try** *Doing Business in Moldova*
- Immediate Need – Develop new products and services for healthcare subrogation company
- Intermediate Objective – Build work queues for lower cost Non IT Labor in Moldova
- Longer Term – Position the Company for an acquisition by a larger competitor

Perceptions & Concerns

- Communist Country with an unfavorable business environment
- Unreliable infrastructure
- Unstable government
- Lack of transparency regarding rules and regulations
- Corruption
- Extremely Low Wages
- Good technical schools – strong in math and science
- No Corporate Taxes; Favorable Treatment of IT Companies

Business Requirements

- Understanding of Moldavian legal entity structure; taxes and corporate governance
- Foreign Majority Ownership & Control of Company
- Trusted Agent to run the Company locally
- Reliable Banking Relationship in Moldova
- Identify IT Team - 1 Senior IT Manager and 5 junior programmers
- Personal Commitment to Spend time in Moldova

So How Did We Do?

- AMSoft Group – The Company expanded to 42 employees while I ran HCSG and has taken on several projects for outside clients
- Valynteen Solutions:
 - The Company currently has 11 employees and will expand significantly with the launch of Legal Bistro
 - The first external client contract was executed on March 26, 2013 to build a web services platform for a discounted shipping company called Ship4Charities
 - Legal Bistro will launch in beta before April 8th

Legal Bistro

- Online community where consumers post their cases anonymously and lawyers bid for the placement of their profile for case leads
- Currently our database is comprised of:
 - 1.4 million lawyer and law firm records
 - More than 650,000 email addresses
 - Approximately 29,000 law firm website addresses
 - 514,000 lawyer profiles – 100,000+ lawyer photos and detailed biographical information
- Objective: Demystify the process for hiring a lawyer while using the power of the Internet to force lawyers to compete (I.e. Lending Tree for Legal Services Market)

What Have We Learned?

- Government instability has not affected our ability to do business in Moldova
- Low wage requirements; highly motivated and skilled (IT skills and English speaking Non IT) labor pool
- Extremely fast and reliable Internet speeds
- Attractive environment to develop VOIP Call Centers
- Transparency & corruption are still problems but are very manageable
- Local Partners interested in working to attract foreign opportunities to Moldova

The Global Future

- Currently working with the Peace Corp, Pro Business Nord, The U.S. Embassy and Alec Russo University to develop :
 - Business Incubator in Balti, Moldova with heavy emphasis on technology related businesses
 - Evaluating the formation of a Business Alliance designed to attract and support foreign companies interested in doing business in Moldova
 - Local Service Provider Partners – IT Services, Legal & Accounting, Company Administration, Banking, Turnkey Office Space, Office furniture, signage, etc.
 - Dues paying Membership from the United States (Affinity type program)
 - Membership fees would help to fund the incubator
 - Potential alliance with the local Chamber of Commerce

Valynteen Solutions Future

- Two other pending external client projects
- Internally funded projects:
 - Build online roommate matching business for U.S. market
 - Build video content site (i.e. Getty Images; iPhoto) around a 48,000 hour film library produced over 25 years by Discover America show
 - Develop Animated Video production capabilities to serve U.S. market