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Successful strategy that propelled a company

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SLOW and steady is not synonymous with the computer industry, but it has proven to be a successful strategy for Malaysian firm Infortech Software Sdn Bhd.

The company was started by managing director Tan Teong Boon in 1991, with a staff of five.

And it has since grown to over 50 employees with plans to expand further into the regional software market.

All these efforts have received the commendation of Prime Minister Datuk Seri Dr Mahathir Mohamad as being a firm which embodied the spirit of the Multimedia Super Corridor project.

In a recent interview, Tan said the company was a result of Japanese investment in Malaysia in the mid-eighties.

He said this was a time when Malaysians were seen as skilled programmers who could support software development in Japan.

Infortech Software Japan Inc then had a subsidiary in Malaysia for this very purpose as the cost of skilled labour in Japan was seen as being too high.

However, the recessionary period in the eighties soon saw the Malaysian subsidiary shutting its operations, with all the Malaysian staff being sent to Japan to work there.

Tan was among the programmers who were relocated to Japan and he received exposure to many of the cutting edge technologies in computer programming as well as hands-on experience with work contracted out by Japanese firms.

By 1991, Tan and another four of his Malaysian colleagues in Japan, decided to return to Malaysia.

They started their own operation here, spurred on by the resurgence in the regional economies.

With backing from Infortech Software Japan in the form of a 35 per cent equity sake, Infortech Software Malaysia was set up.

The support also came in the form of subcontracts for programming jobs which the Japanese outfit farmed out to Tan's unit.

With this support, the Malaysian outfit was able to chalk up revenues of about RM300,000 in the first year.

And with the continued support from Japan, Infortech Software Malaysia's revenue has since grown steadily and it is expected to lock in close to RM3 million in revenue for 1997.

All this was made possible as Infortech Software Malaysia still largely writes its computer programmes in the Japanese language.

This is a trend that the firm intends to continue as the total size of the Japanese software market annually is estimated to be about US$75 billion (RM338 billion).

Infortech Software Japan is still considered to be a relatively small player in that country, with much of the software being very focused as it is technical in nature.

Tan said much of the work involves writing software for debugging (or removing errors) of codes that make up the computer programming.

Also, Infortech Software Malaysia writes drivers for mainframe computers and graphics packages.

He admits that this work is largely bread-and-butter in nature and the skills which have been the foundation of the Malaysian firm, are still

relatively untapped.

One example is that of neural networks, which involves technologies that are more advanced than even that used for Big Blue, the computer built by IBM Corporation that beat chess champion Gary Kasparov last year.

Tan said neural networks are expected to form the foundation of artificial intelligence.

And he can lay claim to be among the first individuals in the world to have done extensive work and research into such technologies.

"But, there is no demand for such work in Malaysia as companies are still too comfortable having human beings doing the thinking instead of trying to improve efficiency using advanced computer technologies."

He admitted that such technologies have also yet to be really exploited in the firm's relationship with its Japanese partner.

This is mainly due to the limitation of geographical distances and existing communications infrastructure.

"Currently, our work is very clearly defined with the parameters drawn out very specifically for us to write programmes.

"Such information is simply sent to us and we are trusted to send back the completed work without any problems."

But, to facilitate more teamwork and co-operation on work which continues to develop and evolve at every stage, video-conferencing facilities are needed.

This will allow Malaysian and Japanese colleagues to exchange views.

"I am looking forward to setting up office in MSC-designated areas so that my staff can easily link up with their Japanese counterparts so that we can take on more demanding programming work," said Tan.

In the meantime, Infortech Software Malaysia is also seeking to be more established among Malaysian companies since it already serves some Japanese firms like Toshiba and Fujitsu.

Among other products it is also seeking to expand into a wider base in the programming of codes in chips that are used in many consumer electrical devices like the photo-copier, fax machines and washing machines.

Further, having developed the first trilingual accounting software - Chinese, Japanese and English - Infortech Software Malaysia aims to market this package regionally after having initial successes in China and Japan.

Marketing efforts will also focus on a special software which the company has come up with to allow for greater efficiency in hotel management.

Tan estimated that the cost of these marketing efforts would easily come up to over RM5 million and had already drawn up plans to seek funds via a listing on the new Malaysian Exchange for Securities and Automated Quotation.

But, since the launch of Mesdaq - designed to support the financing needs of emerging companies with a focus on technology-based firms - has been delayed to the middle of this year, Tan said that alternate funding methods are now being reviewed.

"We have always taken slow but sure steps in all our expansion plans.

"Besides, we already have a steady revenue streaming in with our partnership with the Japanese and that should be enough to put us in a good credit position."

This same cautiousness applies to the programming philosophy adopted by the firm, which now largely focuses on creating software to be run on the Microsoft Windows platform.

"We are also looking very closely at the development of Java technology from Sun Microsystems Inc.

This technology has been described by many as being the next revolution

in software programming languages.