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Counting on aggressive growth

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BACK in 1987, a young computer graduate decided to leave his job at a large consulting firm to try his hand at the then rapidly growing information technology (IT) business. Although he didn't immediately develop any software, a meeting with some friends in the property and construction industry two years later led the young man, Ken Yong, to find his niche in developing software for the particular industry.

By 1990, D'Developer, the company's first software for property developers, hit the local market and was well received by many.

In the following years, more solutions were developed, catering to the golf clubs, hotels and resorts as well as the finance and leasing sectors. Today, that company's offerings include customer relationship management, and manufacturing and distribution solutions.

As the business grew, IFCA MSC Berhad carved a name in developing industry-specific solutions. As the company developed more software, the earlier ones in the DOS version were upgraded to the Windows platform to cater to the changing times.

"We also worked in partnership with IBM and Microsoft, helping sell the multinational companies' offerings to our customers," says IFCA's president Leong Nyu Kuan.

Having secured 60 per cent of the construction companies and 80 per cent of the property developers listed on the Kuala Lumpur Stock Exchange as their customers, IFCA took an expansion route to market its solutions in the Asean countries.

"We established our presence in Indonesia, Thailand, the Philippines and Singapore, but due to the differences in culture and way of doing business, we didn't do as well as we had expected. Due to our strong presence in the Malaysian market, we could cover the investments we made in those countries, although they didn't immediately contribute to our growth in revenues," Leong says.

It was only after operating in those countries for about two years when IFCA finally started seeing some profit. But unfortunately, the 1997 economic crisis struck.

"We couldn't escape getting hurt in the 1997's economic crisis as we had focused a lot in these countries. We learnt that focusing only on one region can be quite risky, and by 1998 we decided to expand into different regions," says IFCA's vice president Tan Chen Meng.

EXPANSION PLANS

Today, the company has ventured into South Africa, Australia and Maldives. Instead of taking a direct presence approach, it is now working with channel partners. "With this, we do not have to bear overhead costs and all other costs related to managing our office," Tan explains.

Entering the South African market wasn't very difficult because former Prime Minister Tun Dr Mahathir Mohamad had opened the doors for Malaysian businesses to South Africa through the trade missions.

"Although our country wasn't known as a software producer, but with the comprehensive and integrated suite that we had developed, we could sell our solutions without much difficulty," Leong says.

DEVELOPING SOLUTIONS

By 1994, the company had already developed its five core solutions, namely Contract Plus, Knowledge Plus, ERP Plus, Lonas Plus and Consol Plus. When the Windows technology gained popularity in 1995, the company

decided to migrate its solutions to the new platform.

IFCA is currently developing a new generation of software on IBM's middleware software platforms, namely Websphere Software and DB2 Information Management Software technologies, expected to be ready by middle of the year.

"Ninety per cent of our R&D (research and development) is currently spent on IBM technology as we believe their technology will bring us some good return on investment," Tan points out.

IFCA sealed an ISV Advantage Agreement partnership with IBM last year, which enables the company to leverage IBM's global network of resources.

According to IBM Malaysia's marketing manager Joyce Tang, the partnership builds upon the existing PartnerWorld relationship between both parties and complements the IBM PartnerWorld Agreement that was previously in place.

"PartnerWorld is a comprehensive marketing and enablement programme which provides a vast array of benefits such as the sharing of resources and marketing efforts, technical resources and support, training and certification, and business incentives for significant advances in the industry," she says.

GOING GLOBAL

Going forward, the company's main aim is to conquer the global market and become the leading property and construction software provider.

The Mesdaq-listed company hopes to penetrate into the Americas and Europe.

"We've just merged with a leading property software developer in China to form a joint-venture company called Syswin-IFCA to enter the Chinese market. The market in China is huge with over 30,000 property developers, compared to about 3,000 registered developers in our country," Leong says.

"As such, we want to strengthen our foothold in China, and the best way to do that is through a partnership," he adds.