

# MEDIA COVERAGE

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INNOVATION

## Tailors of technology

Differing regulations in markets overseas hamper the expansion of financial services, but some IT companies are rising to the challenge. By **Simon de Bruyn**

**T**HE AUSTRALIAN FUNDS management industry doesn't export its locally honed skills into other markets quietly. Through its main advocacy body, the Investment and Financial Services Association, the industry has been busy calling the federal government into action and seconding other parties to its cause.

Yet Australian companies are already finding a foothold in overseas financial services markets such as Europe and the United States, and a number of these success stories are information technology providers – perhaps to the chagrin of the more traditional finance companies that the IFSA represents.

When New Zealand strategy consultant Roger Dennis spoke about innovation in financial services at the AMP Innovation Festival in Sydney in June, all the good examples he gave were software companies. He was especially besotted by Australian firm eWise, which avoids bank marketing by aggregating all of a client's online accounts from different banks onto one screen.

"I love eWise because it frees me from all the marketing and branding rubbish that financial services companies might throw at me," Dennis says. "And I don't want that. The last thing I want to do when I go onto my bank's website is to see more ads. It's almost condescending – like the bank is saying 'we'll talk down to the customer, we know best!'"

Dennis hints that software may have an easier run than products when it comes to adapting them to fit other markets, due to the complex regulatory barriers in financial services.

"It's hard to adapt financial



Rob DeDominicis: "We worked with clients in Australia that had global offices"

services products due to the regulation around the industry [increasing] the time it takes to develop products for other markets, compared with innovation in software," he says.

The associate head at the University of New South Wales' School of Information Systems, Technology and Management,

Dr Deborah Bunker, agrees.

"Regulation, tax issues and cultural acceptability all impact the transfer of technology into other markets," she says. "Financial services are quite different from one market to another and instead of working from the assumption that you can tailor software into environments, maybe it's best to acquire products that suit local market conditions to gain a presence."

The rise of bank and fund manager record-keeping software provider Bravura Solutions is

testament to this strategy. Within three years, Bravura, riding the global wealth management boom, has grown from a two-man band in one office to a global financial services company, listed on the Australian Securities Exchange and with almost 600 staff worldwide.

The main reason for the fast expansion has been acquisitions – the group has bought seven other software firms as well as the back-office systems of Bank of New York Europe. Ultimately, Bravura only wants to earn 10 per cent of its revenue in Australia.

Wollongong company InfoComp has found success by adapting its funds management administration software for European clients, after making overseas expansion part of its overall strategy in 2000. Already boasting BlackRock, Macquarie Bank, Perpetual Wealth Management and JP Morgan as clients using its software locally, InfoComp chose the United Kingdom as its next port of call.

"We worked with clients in Australia that had global offices," InfoComp chief executive Rob DeDominicis says. "And after travelling to them it became apparent to us that what Australia has in financial services is actually a lot more advanced than in other markets. So we made it part of our plan to get into one of these markets and we chose the UK because of the similarities in demographics and language."

In 2006 it paid off, and InfoComp signed a seven-figure deal with the UK's sixth-largest bank, Abbey. "They had spent tens of millions on systems and saw that what we had was more advanced," DeDominicis says. "So they dumped what they had and took up ours." ●