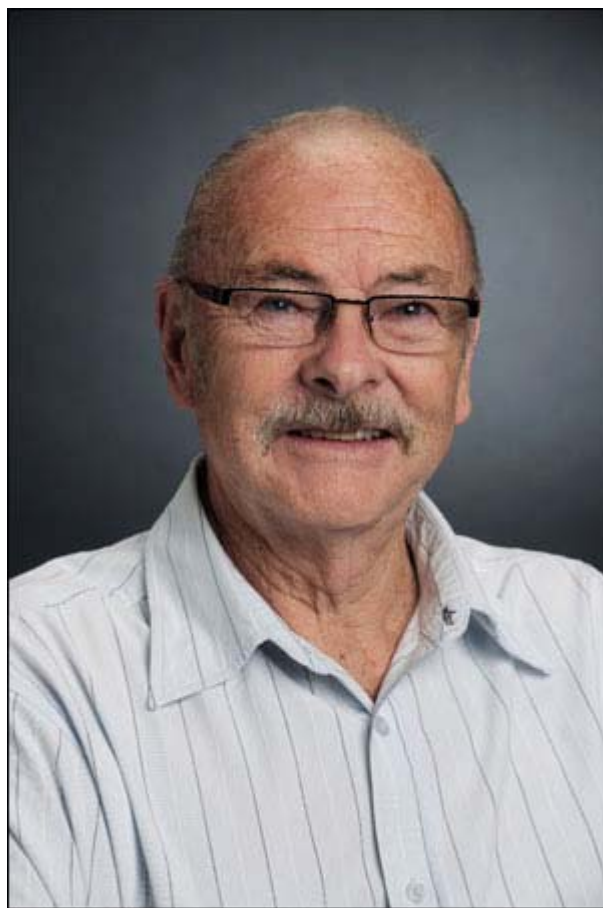




To Russia with love: Aus IT goes overseas

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Auto-IT has announced a deal set to deliver its dealer management software to Russia, as the company looks towards emerging markets.



Ken Fife, CEO Auto-IT

(Credit: Auto-IT)

Auto-IT is an Australian software company catering to automotive and agricultural dealer markets. Using windows, Auto-IT's program EQUIP is specifically designed for dealers in the trucking, agriculture and construction equipment industries. According to company CEO Ken Fife, "the system itself is a new generation, native windows product so it's modern, and because it's built on a mainstream platform, we can sell it economically to small or extremely large dealers".

"You can't put standard accounting packages into dealerships because of the unique way they handle selling big units and you've got to handle things like trade-ins and servicing and so on," he said. "The software's the equivalent to a large ERP [Enterprise resource planning] system."

Auto-IT's latest deal will see its contract with existing customer John Deere, one of the largest agricultural suppliers in the world, extended to John Deere's Russian dealership, EkoNiva Tekhnika Holding. With first and second tier support from 1C-Rarus, one of the largest providers of DMS systems in Russia, Auto-IT will pilot its EQUIP system in that country as early as the end of this year.

The deal will also allow Auto-IT to explore Russia, and Eastern Europe, as part of the company's plans to move into overseas markets.

"Through John Deere, we were invited to see if we were interested in Russia. We've been exploring that market for about nine months; we did our gap analysis, we did our analysis on the unique country requirements and decided we could swallow the risk."

According to Fife, Auto-IT is currently working on localisation of the EQUIP program for the Russian market. "We're well advanced into the programming of the things that need to be changed there and we're looking at doing our pilot at the end of the year, or maybe in the first quarter of next year."

Following the implementation, Auto-IT will be looking to roll out other systems like its automotive dealer system, UNITS, to dealerships in the area. The company's partnership with IC-Rarus could see both systems reach dealerships as far as countries Belorussia, Kazakhstan and Uzbekistan.

Fife said that these new markets presented opportunities that just weren't available at home. "The thing about Australia is that it's a very mature market and there have been some very good offerings in the Australian market place for many years," Fife said. "The emerging markets are particularly of interest for us, because they don't tend to have the mature systems that are available [in markets like Australia]."

However, overseas markets also offered their own pros and cons.

"One of the challenges is the infrastructure in Russia. To handle that infrastructure we've got to do a database replication — you can expect [that in] any large dealership with multiple branches, any one branch could be offline at any time. Because the system's online in real time, we've got to be able to handle the occasions when it may be offline, but when it comes back online the database has got to replicate what's happened and then update seamlessly."

Fife also believed the move wouldn't have been possible without John Deere and local support. "It's a unique market, we wouldn't dream of doing it without a reasonably sizable and successful Russian partner," he said.

In the future, Auto-IT is hoping to enter two overseas markets each year, with its eyes set on starting in Latin America and expanding operations in South East Asia (the company already has an office in Kuala Lumpur).

For the technology, Auto-IT is considering web enablement as its next step, but Fife was quick to state that the company won't be making any sudden moves.

"We're moving steadily towards total web enablement. [But] one of the things about a large system — and this is why I'm a little bit sceptical of a lot of claims to cloud technology — is that when it comes down to the core of these very large systems, web technology can mean you get bogged down with rather slow processing."

Instead, Fife said the company is moving slowly, combining both international reach and technological upgrades to cover both mature and under-reached markets. "We're confident that those problems can be solved but we're not racing into it. We are moving to total web technology, but it's not going to be done overnight."

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