

Kiwi software company nets deal with IBM

By LESLEY SPRINGALL

APART FROM the first letter of their names, tiny New Zealand software start-up iTools Online and international computer and consultancy giant IBM have little in common. But in an unprecedented deal, iTools has signed up IBM's British consultancy business as a client.

After a year trialling iTools' web-based project management tool, iTools Control, IBM Global Consultancy UK has bought 5000 user licences – five times as many as the Auckland-based firm has sold in its two-year existence.

Though unwilling to talk about the deal's worth in dollar terms – because of IBM's strict confidentiality requirements – iTools managing director Chris Bulman said the deal would more than quadruple the firm's turnover (estimated to be in the hundreds of thousands of dollars).

The deal was unusual in New Zealand because of its scale and complexity, said Bulman. It's also priceless for iTools because of its marketing value in Europe. "It will open doors. It's an amazing endorsement."

Chad Wilkie, director of Deloitte Ventures and The Icehouse – the Auckland University-backed business incubator where iTools was housed for 18 months – also said the deal was unique: "Name me another New Zealand company that sells to IBM in the UK after just two years."

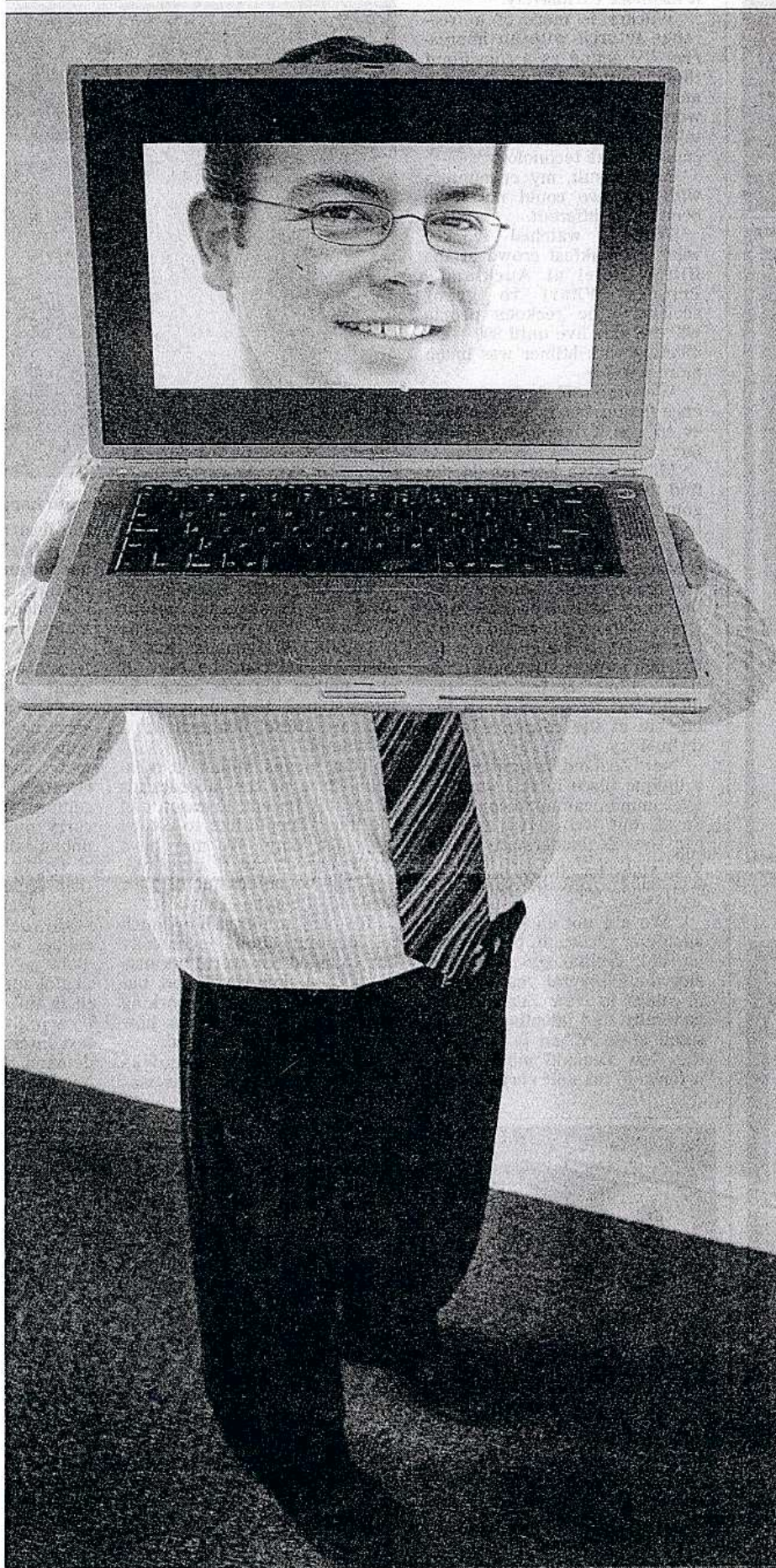
The Icehouse was invaluable in helping iTools achieve its goals, said Bulman. Chief executives brought in to mentor Icehouse companies were able to help iTools plan and develop its offering, he said.

More than 50 IBM UK staff have been trained to use iTools' product, earmarked to help manage a large British-based, European client's customer relationship needs. "The scale of the project is huge," said iTools sales director Hamish Miles. "Before we came along, IBM had been using manual processes. There was no data sharing between users, making co-ordination of the project and risk management near impossible."

Given today's globalisation of projects, international companies must coordinate client offerings far more, said Bulman. "It's an environment where someone in New York needs to report a project's status to their board at 8am New York time, while at the same time in London, a team member needs to report to their line manager on tasks completed."

The only way to manage this was through web-based applications, said Bulman. Given the product is also sold on an application service provider basis, the client only rents the software and pays for the time it uses the product, making it cost-effective to link in a lot of users, he said.

iTools counts Fisher & Paykel Finance, TelstraClear, eftpos firm E'TSL, Air New Zealand and the Waitemata and South Auckland health boards among its clients.



managing director Chris Bulman. The company has a deal with IBM in the UK. Photo: Brendon O'Hagan