

THINKING ABOUT THE FUTURE

EVERY MONTH, A GROUP OF FOUR OR FIVE YOUNG PEOPLE SIT IN AN OFFICE AT SAGE TECHNOLOGY AND THINK.

The Technology Innovation Group or 'TIG' as it is referred to internally is ensuring the sustainability of the business for the future. The talented, innovative and creative thinkers in the business get an opportunity every month to "do Think Tank stuff". In fact they get an extra month a year to think - that could be at work, at home, even at the beach.

They present ideas to the rest of the staff who evaluate them. According to Sage managing director and owner Lynda Bertoli: "We toss them (ideas) round and do the research.

"If we think it's something we should invest in then we do a business plan for it," she said. "We get them to work on it or assign it to someone else in the business. It's really exciting."

But it's not just the TIG members who are expected to come up with the ideas. Every employee can submit ideas for evaluation, in fact they're encouraged to do so.

Sage Technology must stay abreast of the latest in the IT industry and the TIG is just one way it does that. Sage Technology provides strategic business and IT consulting; software and web development; network management and support; and more recently has become a mobility solutions provider.

The company boasts more than 300 clients around Australia and overseas. Power stations in Bermuda and Indonesia are using one of its homegrown software products.

"For years, the business was an up

and down rollercoaster ride," Lynda said. "We decided we wanted to flatten out the peaks and troughs and that meant developing annuity revenue streams."

Sage looked at this in two ways. One was through developing a proactive network management model that clients pay for on a fixed monthly fee basis. The Sage team is managing its clients' networks using monitoring software that enables staff to identify problems and resolve them sometimes even before the client is aware. It's proven very popular and the rollercoaster ride is flattening out.

"They've (a client) got costs they can predict and manage, we've got an annuity revenue stream we can predict," Lynda explained. "It's a win-win. And we are extending that into a more comprehensive managed service, completely looking after all their IT needs for a single monthly payment."

This means smaller businesses don't need to employ a specialised IT person and larger companies can use Sage services as part of their IT team.

Most of the support is provided from the Morwell headquarters however there are staff who make onsite visits on a scheduled basis.

The other way of developing annuity revenue streams was to develop products, sell the products and support the products on an ongoing basis.

This was an opportunity identified following the successful commercialisation of a world class software system called PAS (Permit Administration System). It

was Sage's first major product development and done in conjunction with Loy Yang Power who wanted a custom solution.

The outcome - a rigorous permit to work process which reduces risk and improves efficiency in complex industrial operations - has received the highest endorsement you can get. Sage, with Loy Yang Power, was awarded Institution of Engineers Australia, Victorian Engineering Excellence Awards for both Workplace Practice and for Industrial Development or Manufacturing as well as being named as a national finalist in the same awards. Another client has achieved National Safety Council of Australia five star safety rating by including PAS as a key component of its safe work practices.

"What it's saying is here in Gippsland, we've worked with a world class generating company to deliver a world class safety solution," Lynda said. "That's really powerful because it says that LYP has world's best practice in terms of its permit to work process and the people who developed it are people who are all Gippslanders."

Sage director, Peter Kingwill, is the PAS expert. He has been "on the road", successfully marketing PAS around Australia and internationally. Nationally, the product has been sold to nickel processing plants, power stations, paper manufacturers and other large industrial plant. Power stations in Bermuda and Indonesia also use the system.

According to Peter, PAS is designed more for medium to high

complexity businesses - complex process plant is a term sometimes used. These businesses include oil refineries, power stations, industrial processing plants and paper mills. "PAS can be adapted to suit various businesses," he said. "And we're slowly building up a client base."

Ironically, one of those sales came about because Peter was "on the road" or "up in the air" to be more precise. He featured in a lighthearted story in the Qantas in-house magazine which was read by an executive from Ravensthorpe Nickel, a project of BHP Billiton. The executive phoned Peter. A product demonstration and lengthy sales negotiations followed. Now the company has taken up PAS.

Most of the growth and interest in PAS is coming from organisations with multiple plants.

Another product Sage has gone to market with is ROCI, Remote Operator Call In, a lone worker monitoring solution developed for Gippsland Water. ROCI is a PDA-based mobility solution which saves time, effort and money in the monitoring of the safety and well-being of remote or lone workers.

Sage made a strategic decision nearly two years ago to become a mobility solutions provider. It would develop specific mobility products that it could then on-sell and create a revenue stream through repeated product sales and ongoing maintenance and support agreements.

"It is part of the initiative we have to smooth out the peaks and troughs," Lynda said.

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Sage is currently working on a range of mobility solutions. It has a partnership with a mobility platform company, Dexterra, in the United States. "Our guys had to be trained and certified to develop this in this platform and they did very well," Lynda said.

The US company invested enormously in the development of the platform which enables people working in the field with access to company systems, while they are on the job, using handheld devices.

According to Lynda, "it is a world leading solution that we have used to provide mobile solutions customised to ensure our clients receive the greatest flexibility and benefits from the technology".

Sage has developed some really good alliances and partnerships with other providers. "Other companies can fill those gaps in skills and knowledge that we don't have," Lynda said. "These are an important part of the business growth too - developing partnerships and alliances that have two-way benefits."

The business has also invested heavily in infrastructure over the last two years. It has implemented Voice Over Internet Protocol (VoIP) because it's cost effective and another of the products Sage now sells.

VoIP is the convergence of voice and data using your computer system and equipment to run your phone service; eliminating the need for a separate PABX.

"We've implemented it on clients' sites - it saves significantly on telephone costs for most companies."

Lynda praised the company's loyal local client base "It's really great that we've been able to work with our client base in Gippsland to develop some of these products and services," she said. "It reinforces that we've got really good thought leaders in Gippsland who are innovative and want innovative solutions for their businesses or organisations. For us, that means we are then able to take the results and offer them outside the region... which is what we're doing now."

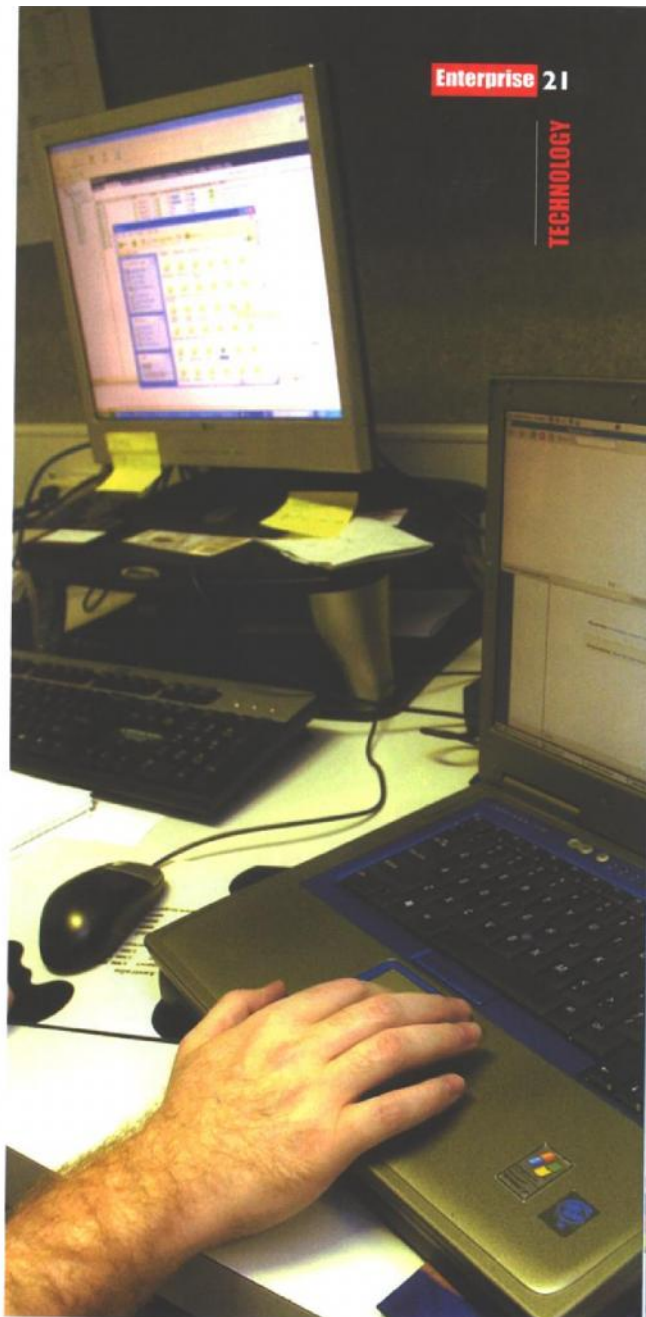
"The more we sell outside Gippsland, the better it is for us and the region."

Sage is well known throughout Gippsland with offices in Morwell and Sale (and also Melbourne). But that is changing. A map on the wall of an office pinpoints the many locations of other clients.

Sage does a lot of marketing, much of it over the internet through webinars (web demonstrations). In fact it is doing at least two or three international demonstrations a month.

"You can't afford to stand still," Lynda said. "It used to be every two years that staff were retrained. Now you need to train people nearly every year to keep up with an evolving environment. We have really made a significant investment into training and development. It's necessary."

In the meantime, there are plenty of people thinking about the next step...



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