

**Vertex Software to Announce Rapid Growth Post Stake Sale to NTT Data Corporation, Japan's Largest It Services Company** Pune-based Vertex Software, promoted by four COEP engineers, who are also first generation entrepreneurs, namely Nitin Datar, Ashok Kalluraya, Ajay Patil & Ajit Patil, is perhaps the largest Indian SME in the Japanese software market, with 50% share of its software business coming from Japan. It provides software to several Fortune customers in Japan and US with specialization in the field of e-Business applications, mobile technologies and product outsourcing space.

Last November Vertex Software announced a 68.7% stake sale by its promoters to NTT DATA Corporation ('NTT DATA'), which is a 9 billion USD software giant and Japan's largest IT services company. NTT DATA which has operations in Japan, US, [Europe](#) and China and now has a footprint in India through Vertex Software. By virtue of this, Vertex Software is now an NTT DATA group company, which is the world's 15th largest IT services company \*.

Shinichi Yamada, CTO of NTT DATA recently inaugurated the new facility of Vertex Software located at Aundh. The new office is planned to be around 35,000sq.ft. and can house 360 people. This is a major expansion for Vertex Software with an investment of over 1.5 million USD (Rs.6 Crores).

On the occasion of the inauguration of the new office, Shinichi Yamada said, 'We see that Vertex will play an important role of our global strategy. Since our investment in Vertex last year, we have taken active steps to integrate Vertex with our Japanese, American and European operations. We will keep investing and ensuring that Vertex becomes a strong foundation of our global strategy in the coming years.'

Vertex Software plans to grow from the current 250 employees to around 400 in the current year, with its sales growing from 8 million USD to 12.5 million USD, a growth of more than 50%. 'We plan to sustain a growth rate of around 50% for the next 3 years and we are targeting a sales revenue of 35 million USD (Rs.140 Crores) by 2011', says Nitin Datar, President, Japan Operations. 'Japan will be a key focus area for us, as it happens to be the 2nd largest software market in the world and holds a huge untapped potential. Vertex Software is well-poised to exploit the Japanese market. We are expanding our Japanese in house training programs this year and already have 40% of our 250 employees trained in Japanese' adds Datar.

## **ACQUISITION OF JAPANESE COMPANY BY VERTEX**

Also, Vertex Software has acquired a small but important sales & marketing company in Tokyo, called Global Passenger, which has a 5 member dedicated marketing team and existing relationship with marquee Japanese companies. Of these 4 members are Japanese nationals who have excellent sales and marketing background and good connections with Japanese conglomerates. Vertex Software already had a non-exclusive alliance with Global Passenger to market its services in Japan.

Vertex's Japan operations were so far managed through its Branch Office in Tokyo. Now, Vertex has recently established a wholly owned Subsidiary in Tokyo and has acquired a new office space for its Tokyo operations as well. The ex-CEO of Global Passenger - Mr. Nakamura Shigeki, is now the CEO of the Japanese subsidiary.

Mr. Tak Iritani, Executive Director, who is stationed in Pune said, 'Acquisition of Global Passenger gives us a high quality Japanese national team to spear head our sales and marketing efforts in Japan'. Mr. Iritani added, 'Our association with NTT DATA will accelerate our growth not only in Japan but in other geographies as well. We are already closely networked with the global (US, European) subsidiaries of NTT DATA'

Vertex has marquee customers in both Japan and the US and revenues split equally between the two markets. Just about 5% of its revenues last year were from NTT DATA. Going forward, the association with NTT DATA, which has 25,000 employees worldwide, will be hugely beneficial and help in its rapid growth plans.

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