

Tech firms get with the programme

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One of the tricks of being in government is learning how to take with one hand and give back with the other.

So it is with the Technology Development Grant programme – the Government gets to look good by giving a bunch of successful companies money that it denied them when it cut off Labour's tax credit for research and development.

And, of course, it comes with a nanny–state twist – the selected firms have to undergo a rigorous audit of their research and development spend, and they get about 20 per cent of what they are spending already.

They're not complaining, though – technology firms already spend a big chunk of their revenue on research, and the extra from the Foundation for Research, Science and Technology (Forst) will help accelerate growth.

Jade Software chief executive Craig Richardson says his firm will use its \$3.2 million over three years to bring forward its research into advanced analytics, including recruiting a couple of top researchers in the area of machine learning.

"It also allows us to engage with local and overseas universities in terms of their knowledge," Richardson says.

This week, Jade released its next–generation product: a high–performance database called JOOB designed specifically for use from applications written in .NET.

It launched JOOB at Microsoft's TechEd conferences in Auckland and Berlin, and one of its key markets will be Microsoft developers who are coming up against the limitations of the SQL Server database.

To make it even more compelling, Jade needs to add components so developers can quickly build advanced analytics into their applications.

"The advanced analytics market is estimated at about US\$1.5 billion (\$1.9 billion) a year and we think it's set to take off," Richardson says.

Microsoft has less than 2 per cent of that market, but Jade believes that with its tools developers will be able to create applications on relatively modest hardware which match and beat the sort of analysis provided by specialists such as SAS and SPSS, which were bought by IBM last year.

"We want to move beyond query reporting and analysis actionable to operational intelligence.

"We think a lot of analytics is not that complicated, but the challenge is how do you operationalise that intelligence into smart business processes."

He says spending has slowed on traditional ERP, or enterprise planning systems – what Jade calls "systems of recording" – and the opportunity is now for "systems of engagement", which find new ways to use the data in those core systems.

Auckland–based utility billing specialist Gentrack is also in a market where the technology is changing rapidly and it needs to invest to keep ahead. Chief executive James Docking says that as the energy sector moves to smart grids, billing systems need to evolve to enable the switch.

As part of the process of breaking the firm out of United Kingdom software conglomerate Sanderson



Jade Software chief executive Craig Richardson. Photo / Supplied.

and bringing it back to New Zealand, a cornerstone shareholding was sold to Cameron O'Reilly's Bayard Group, now Landis+Gyr, which is now the world's largest electricity meter supplier.

Gentrack is getting \$1.4 million from Forst, and Docking says that will allow it to keep ahead of customer needs. It's also developing Gentrack as a cloud application.

"The big advantage is customers don't have to invest in hardware, so the system can be up and running quickly," he says.

The restructuring of the electricity sector in the 1990s left Gentrack doing the billing for most electricity retailers. Meridian tried to switch a couple of years ago but is now back in the fold having dumped \$20 million after scoping out an Oracle system unsuccessfully.

Meridian is also investing heavily in smart meters, so wants the kind of software that will allow it to meet its potential for better power use and lower system demand.

Docking says Gentrack's water billing software is also proving competitive in Australia, where 17 Tasmanian councils have recently amalgamated their billing systems into one Gentrack solution.

In total, 26 firms share \$92 million in the technology grant programme. Douglas Pharmaceuticals, Fisher and Paykel Healthcare, Gallagher Group, health-software developer Orion, chip-maker Rakon, Tait Electronics and Weta Digital all got more than \$7 million, and network analysis technology provider Endace got \$6.7 million, while the smallest grant, \$490,000, went to Auckland firm Serato, which develops pitch-shifting tools for digital music production.

But innovation doesn't just come from the big end of town, as evidenced by the Great New Zealand Remix and Mashup Competition. The \$20,000 supreme prize went to Daniel Pietzsch for his web-based NZWalks application, which combines Department of Conservation and Google Maps data to allow people to view easily the route, type of track, length and elevation profile.

Cameron Prebble got \$5000 prize for his MashBlock tool, which allows users to quickly extract census data with location-based queries.

A full list of winners is available at mixandmash.org.nz

adamgifford5@gmail.com