



Software innovator had cool beginnings

After inventing a new technology, Antarctica had to find a market for it

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Imagine an Internet innovator who designs a new search-engine technology and names his company Antarctica to imply the sense of adventure consumers will get when they use the product. Pretty cool, right?

Well, almost. Things didn't quite play out that way at Antarctica Systems Inc., a software firm whose name is ironic, given that it is located in relatively balmy Vancouver. Not to mention it needed further exploration to map out its future.

In recent months, Antarctica has nailed down \$4.7-million in venture capital from five investors and was featured as one of 20 new technology companies to be showcased for American venture capitalists and potential partners at IBDNetwork's prestigious Under the Radar event in Mountain View, Calif. Antarctica walked away with several offers for investment, should the company move to the United States.

Antarctica, which has 30 employees and plans to expand to 50, expects to be profitable by the fourth quarter of this year, while the 25 customers for its lead software product, Visual Net, are pushing revenue ever higher. The company makes a software program that lets users find and zoom in on data from their company records.

Things have not always gone so well. Having co-written the Internet language XML and having founded Open Text Corp., Vancouver software guru Tim Bray designed a search engine that would deliver visual results. The idea was that visual cues would enable users to more quickly find the search engine result they were seeking.

Mr. Bray raised \$4.5-million during two rounds of financing. He then brought in a management team and prepared to commercialize the technology. The only problem, recalls Barry Yates, Antarctica president and chief executive, was in 2002 potential customers thought the idea "neat," but not neat enough to open their wallets. Antarctica found itself frozen out of the marketplace.

The target clients were information vendors, companies such as Lexis-Nexis, as well as libraries. But if libraries have a dollar to spend, "they'd rather buy more books than technology," Mr. Yates says.

The turning point came in 2003 when, after weeks of trying to sell a potential client on the search-and-retrieval side of the technology, the deal fell through. At the same time, the staff began exploring the idea of applying their search application to the rigorous parsing of data -- using it to examine and analyze inventory, profits, products, customers and other information.



CREDIT: Ian Lindsay, CanWest News Service

X-BOX FOR BUSINESS: President Barry Yates says Antarctica Systems Inc.'s software helps companies understand their business processes.

The week the sales staff told management the search engine technology wouldn't cut it, Antarctica landed its first customer for Visual Net. Mr.Yates and Antarctica's staff rifled through their Rolodexes and began calling people to tell them what they were working on and ask how it might help their organization.

"We had a very interesting technology," Mr.Yates says. "The question was, what business problem was it going to solve? When you look back at it, it was a little naive of us to say, 'Well, we'll figure that out.' "

The offer Antarctica put on table was if Visual Net didn't help the customer address its problem, then the companies would part ways. Otherwise, Antarctica moved in to close the deal. Mr.Yates says that approach has had a high success rate.

As a smaller vendor in the \$6-billion business intelligence market that includes rivals Cognos, Hyperion and Business Objects, Antarctica is challenged to show its product is different. "The way we address that is to say, 'Give us an opportunity and we'll prove it to you,' " Mr.Yates says.

One way the company has done that is to articulate its complex product in a 30-second pitch. Now the company describes itself as an X-Box for business. The concept, Mr.Yates says, suggests the product is a visual, interactive, intuitive console geared for companies to see what is going on in their company and understand the root causes of its performance.

Mr. Yates contends businesspeople are like gamers in that they are addicted to their computers. The incident that cemented this analogy was the morning Antarctica sent out an e-mail to one of its customers, a company of several hundred users of its Web-based software program. The e-mail informed users Visual Net would be down for the day for system upgrades. First thing in the morning, Antarctica's phones started ringing off the hook. It turned out no one had read the e-mail because before they even logged on to their e-mail system, they switched on Visual Net to learn what problems they should focus on that day.

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