

Success Stories: Ideas for Potential Players

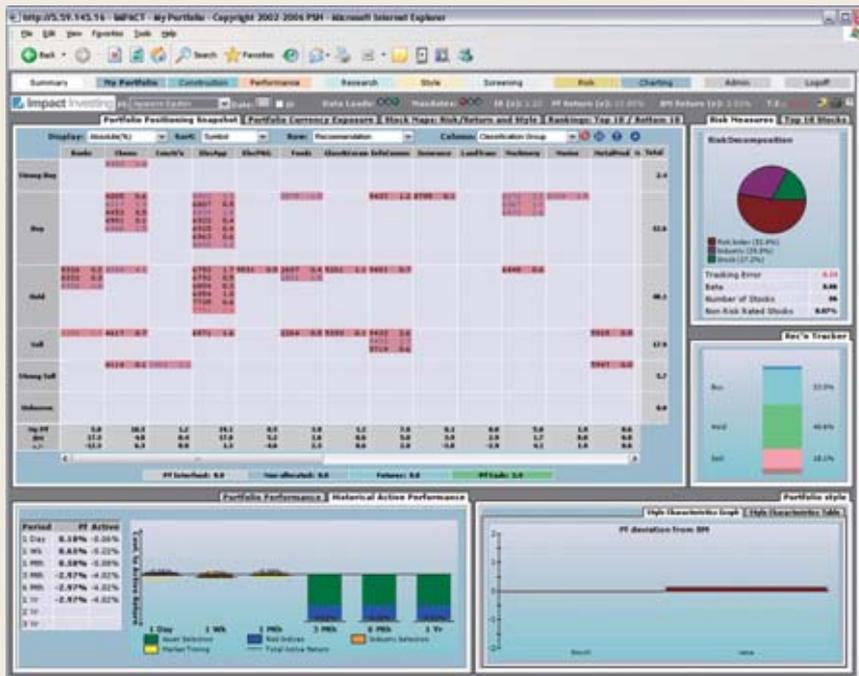
ICT / Software

Impact Investing

Sales / Services

Impact Investing Pty Ltd

Making an Impact on Equity Investment Decisions



Impact Investing's innovative software gathers, sorts, and analyzes data that fund managers can utilize to assess portfolio risk.

Impact Investing is an Australian-based niche company that provides a unique software tool enabling fund managers to create portfolios with greater confidence and clearer focus. Founded in 2002, Impact built a dominating presence in its home market through word of mouth and established a branch office in Tokyo in Octo-

ber 2005 to better serve its Japan-based clients and further penetrate the Japanese market.

The key advantages offered by Impact's software are its ease of use by portfolio managers and its ability to aggregate all the information managers need to make coherent, defensible investment decisions, without forcing them to pore through piles of weeks-old market analysis.

"We're a company that was founded by former fund managers running global portfolios," notes Impact's Managing Director Stephen Borthwick, "and our product is designed to precisely meet a manager's requirements."

IMPACT is a portfolio-analysis and risk-management software that brings real-time market information from data vendors, up-to-date risk analysis reports, and surveys of portfolio "style" to the

- 2002 Impact Investing Pty Ltd established
- 2005 Tokyo office opened
- 2005 London office opened
- 2006 IMPACT 2.2 released
- 2006 Boston office opened



Impact Investing

Impact Investing's Managing Director Stephen Borthwick felt it was important that his company establish a physical presence in Japan to better serve its clients in the country.

desktop computers of fund managers, who can use this information to reassure both clients and consultants that there are no unintended risks in the portfolio.

“We looked around the market for tools that would help portfolio managers do a better job and realized that the selection was very poor, most of the software being for very specific uses, like gauging tracking error, and user unfriendly. That’s when we decided to create a product on our own.”

One feature of IMPACT software is that it simply pools information from available sources—including in-house analysts—to eliminate technical chores for fund managers; it does not induce or force an investment process on a company. IMPACT thus frees the managers to focus their attention on the big picture and enables them to engage in whatever style of investment they wish to pursue—whether oriented toward growth or value—in a more structured and risk-conscious manner.

With the company’s entry into the Japanese market, IMPACT—provided under a licensing agreement with investment firms—has been fully localized with Japanese language capabilities. “Surmounting the language barrier has been one of our biggest challenges so far,” admits Mr. Borthwick, “but we think that all the translation problems have been worked out now and that our software is completely localized. We also provide first-pass versions in French, German, and Spanish, and with our multilingual capabilities, we’re preparing to expand into other Asian markets, particularly Hong Kong.”

Besides an office in Tokyo’s Nihonbashi in the heart of Japan’s financial district, Impact Investing has branches in Boston and London. “We initially serviced our first client in Japan from our Australian office, but we felt that it was important to be on the ground and to have a physical presence,” Mr. Borthwick recalls of the decision to move into Japan. “We don’t do direct selling, but through recommendations and conversations with portfolio managers, we’ve been able to add two more full clients in Japan this year, and we’re hoping to gain five more within a year.”

The market entry was a seamless one, Mr. Borthwick contends, due largely to JETRO’s assistance. “The business style is more structured and formal in Japan compared to Australia, which is probably as informal as things can get. There are also differences in the systems of taxation and insurance. Without the support of people with genuine local knowledge, it’s easy to fall into holes over even little things, like the use of personalized stamps here rather than signatures. JETRO was thus an invaluable source of information in helping us get set up. We were provided with a temporary office while we looked around for a permanent location and directed to scribes who have experience working with foreign companies and thus have an idea of what we don’t know. For any company thinking of moving into Japan, I would strongly recommend contacting JETRO.”

While any business decision entails risks, eliminating unintended ones can help generate positive and rewarding results. With a business strategy as perspicacious as its software, Impact Investing appears poised to leverage its decision to set up a branch in Japan into a genuinely positive and rewarding future.

Japanese Operation

- Established :** March 2006
- Capital :** None (representative office)
- Employees :** 2
- Business :** Japanese and Asian client support for IMPACT software
- Location :** Level 7, Nihonbashi Wakamatsu Bldg., 3-3-6 Nihonbashi-Honcho, Chuo-ku, Tokyo
- URL :** <http://www.impactinvesting.jp/>
- Parent company :** Impact Investing Pty Ltd (Sydney, Australia; employees: 12)

