

Past JETRO Client

After Opening Japan Office, Coverity Grows Customers Seven-Fold, Doubles Staff, Opens Second Office

March 2011--In 2009, we interviewed Rich Cerruto, managing director of Asia-Pacific for Coverity, about the opportunities that attracted his company to Japan, and working with JETRO to establish the company's first Japan office. We caught up with him again to see the progress that has been made since establishing the office and were surprised to learn the extent of the company's progress in just a year-and-a-half's time.



Coverity's revenue from Japan continues to represent over 20 percent of the company's global revenue. "I'm told that it's rare for an IT company to get that percentage of their business from the Japanese market in such a short time," said Mr. Cerruto. "Japan is a very significant market for Coverity."

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In that short time, the number of Coverity's customers in Japan has grown from 10 to 70. Mr. Cerruto attributes this growth largely to having a direct sales presence in Japan. Before opening the Japan office, Coverity gained its customers solely through a reseller. "A reseller is not going to be as aggressive and interested to [market your product], in my experience," he said. "Having a local presence gives us the ability to experiment--to be a little bit more aggressive and creative--without being encumbered by distribution channels." Customers include NEC, Fujitsu, Konami, Mitsubishi, Toshiba, NTT, Epson, Sega and Simplex Technology, who used Coverity's bug-detection software while developing a trading system for the Osaka Stock exchange.

To support this growth in customers, Coverity has expanded its staff from 8 to 16, has opened a second office in Osaka, and has completed localization of its software, translating the user interface into Japanese. Coverity has also expanded into the automotive and aerospace & defense sectors, two areas the company has been targeting, and penetration into which Mr. Cerruto says has "definitely been attributable to having a strong, local sales presence."

The company has also started its first development partnership with a top-ten Japanese electronics company, who is helping Coverity develop a new product. "I would characterize the Japanese customer as one who pushes the product to its extent, to its limits, and then really tries to get the

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most out of it,” he said. “We have several notable improvements that have been driven by Japanese customers and that help us worldwide. [The development partnership] would not have happened without the local

office. Not only do Coverity’s Japanese customers help improve the company’s products, they are also asking their suppliers to use Coverity’s software as well. “As Japanese companies outsource the development of software to places like China and India,” Mr. Cerruto said, “the Japanese customers are asking their suppliers to use our products.”

Looking forward, Mr. Cerruto expects Coverity to grow its presence in Japan’s aerospace and defense market, continue hiring for the company’s two offices in Japan, and anticipates growing the business in Japan “another five-fold over the next few years.”

Japan Company Profile

Japan Company:	Coverity Japan Branch Office	
Established:	December 2007	
Employees:	16 in Tokyo, 2 in Osaka	
Business:	Software that identifies defects and security vulnerabilities in source code	
Locations:	Shinjuku Nomura Bldg., 10 Fl. 1-26-2 Nishi-Shinjuku, Shinjuku-ku Tokyo 163-0510 Japan	Hankyu Grand Building, 20 Fl. 8-47, Kakuda-cho, Kita-ku Osaka-shi Osaka, 530-0017
URL:	http://www.coverity.com/html_ja/	
Parent company:	Coverity, Inc.	

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**Note: The opinions contained in this article are based on the experiences of the interviewee. They are not representative of all experiences in Japan or working with Japanese companies, and do not reflect the opinions of JETRO.*

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