

# IBA flies with top guns

 CZECH REPUBLIC



1,800-STRONG system integrator and software developer IBA has vowed to stick with high-quality services and skilled personnel, despite low-cost and recruitment drives by a range of rivals in Europe. Speaking to *IT Europa*, the

Czech-based firm explains it sees a strong future in charging solid, safe prices for providing more advanced capabilities.

Kirill Degtiarenko, marketing director (*above*), says: 'Our main competition comes from Indian outsourcers, which tend to go for the quantitative approach. I think a lot of clients are prepared to pay for a more reliable service and delivery on promises.' IBA sells to large enterprise customers in Europe, especially Germany, and has a growing presence in the US. It develops in Belarus, with a smaller R&D centre in the Czech Republic.

Over half of the company's projects also involve migration and system integration, because 'pure system development is not in such strong demand considering all the business applications that are

available', according to Degtiarenko. The company integrates technology from IBM, SAP, Microsoft, Novell and Sun Microsystems, among others.

Asked whether this month's European Union accession of Romania and Bulgaria will affect business for those developing in other central and eastern European markets, Degtiarenko sees it as a benefit: 'When they join the EU a large number of their skilled IT personnel will go either to other markets, or to the international companies entering their country. It is an opportunity for us.'

Degtiarenko sees personnel wars as a storm that IBA has already weathered in the Czech Republic. There, it works closely with local universities to find employees from a selection of newly-qualified IT engineers. [www.iba-it-group.com](http://www.iba-it-group.com)

## Solteq saddened

 FINLAND

AHEAD of its year-end results - due out at the end of the month - Finnish IT services group Solteq has admitted it's going to miss its previously forecast sales targets. Net sales are expected to be around €23m, and net profit will just barely be in the black. The slump is partly down to slack Q4 sales, Solteq claims, although its profit will also be hit for six by a major non-recurring charge of €800,000 relating to financial compensation that the Finnish court forced Solteq to pay to disgruntled client Arokarhu in October. [www.solteq.com](http://www.solteq.com)

# Comms giant to list

 RUSSIA

RUSSIAN IT group Sitronics intends to list global depository receipts on the London Stock Exchange, and its shares on the RTS Stock Exchange and the Moscow Stock Exchange in Russia later this year. For London, it will be the biggest technology flotation in five years valued at about \$2.5bn (€1.92bn). Sitronics expects to raise around \$500m (€385bn), mostly from the sale of new shares to fund expansion and development. Russian conglomerate Sistema holds 86pc of the equity and will retain a majority stake. Sitronics makes communications equipment and software, systems integration, semiconductor design, and consumer electronics. It is trying to position itself as an international corporate solutions supplier separate from Sistema and has recently inked an agreement with Vodafone Czech Republic for telco equipment supplies. [www.sitronics.com](http://www.sitronics.com)

### ▶ OUR ANALYSIS

Sitronics reported revenues of \$1.05bn (€850m) for the nine months to September 30th 2006, has offices in 25 countries and exports its products and services to over 60 countries. Its key telecoms operations are based in Prague and Athens with microelectronics businesses based in Kiev, Ukraine and Zelenograd, Russia. Sitronics works with the German fixed-line operator Callax, Polish mobile services provider Polkomtel, and Croatian T-NT (Deutsche Telecom subsidiary). Expect acquisitions across Europe when it raises the funds.

## enterprise news round-up

Portugal's president Anibal Cavaco Silva was in India this week with 200 compatriots, drumming up business and promoting partnerships. On only his second visit abroad since he became Portugal's president ten months ago Silva went to New Delhi, Goa, Mumbai and Bangalore, where he visited the headquarters of **Infosys** and **Wipro**. The president admitted that India and Portugal, despite historical links, 'have not been as close as they could have. Trade between the two countries is so low, it is almost negligible,' he said. Alcatel Portugal has invested in the telecommunications links of the Delhi Metro, but entrepreneurs among Portugal's 10 million people are being encouraged to seek partnerships with Indian companies. Silva said that it could provide

India not only with a bridge to the European Union, but also with a bridge to the 500 million strong markets in South America and Africa, with its privileged relations with Brazil and former colonies in Africa.

US-based IT services monster **IBM** and German giant **Siemens Business Services** (SBS) have won a contract big enough to nearly rival **CSC**, **Fujitsu**, **BT** and **iSoft** with their highly-strung £6.2bn (€9.1bn) UK NHS IT contract. The new deal, worth a socking great €7.1bn, means the German army will have its infrastructure managed by SBS while IBM keeps itself busy modernising endless applications and datacentres. But the big sense for both companies is of relief - the bidding process lasted a mind-numbing five years.

**IBM** also plans to open new centres starting with La Gaude in France, and Dubai, to help solve customer business problems using service oriented architectures (SOA). Customers, Business Partners and students are expected to benefit from the eight of these new SOA Leadership Centers (SLC) planned around the world. Centres are also expected to open in the future in Asia, North America, South America and Northern Europe.

IBM has also just launched an 'Applications on Demand' service in the Benelux market offering ERP, available in first instance for an SAP environment. It started in 2004, following the acquisition of the Corio specialised in hosting application service packages, and 'Applications on Demand' was progressively launched in the US in the course of 2005, and next in the United Kingdom. Strengthened by its success in these two regions this service is now available in the Benelux.