

Greentree readies for growth spurt

By TOM PULLAR-STRECKER - The Dominion Post | Monday, 30 July 2007



CHANGING GEAR: Kiwi-built business software developer Greentree counts a Formula One racing team among its clients

New Zealand's answer to SAP, Auckland-based enterprise resource planning software vendor Greentree, will invest \$1.1 million on improving its software to help meet its ambitious goal of growing its customer base from 800 to 10,000-plus customers.

The company, which employs 42 staff, has received a \$350,000 grant from the Foundation of Research, Science and Technology to develop a sophisticated testing tool. Greentree chief executive Peter Dickinson says the tool will improve the reliability and compatibility of updates and enhancements to its software, making it safer to push these out more regularly.

"We already have very automated systems for deploying updates and we release them every night and that has the fantastic benefit that customers get new features quickly. The downside is if you 'break anything'. "What we are looking to do with this grant is to put in incredibly clever testing tools so we can put out the most bulletproof software quickly."

With revenues of about \$10 million in the year to March, Greentree is a minuscule player in the global ERP market, which analyst Gartner estimated was worth US\$17.5 billion (NZ\$22.5 billion) last year.

"I liken it to the food market of the software world," says Mr Dickinson. "Everyone has got to eat some of this stuff." Despite its size, Greentree does not specialise in any individual industry vertical, and instead aims to provide full capability across the market.

Its big competitors are often slow to localise their applications for Australian and New Zealand firms, Mr Dickinson says. "You would be stunned over the years to see how poorly some of the big packages have handled things like gst." Greentree typically picks up customers who are for one reason or another disaffected with the major vendors and are considering switching business software providers, something companies do on average every seven years, he says.

Though 30 per cent of its sales come from New Zealand and 60 per cent from Australia, Greentree has established a toe-hold in the US and Britain during the past 18 months. In Britain, its software is used by Formula One racing team Super Aguri which employs 160, and tourism venture Castle Howard Estate, which has 250 staff.

Greentree sells through partners and Mr Dickinson says it need not grow its staff to meet its ambition of signing up 10,000 customers. He says the company is profitable, debt free and will continue to "avoid capital markets", preferring a conservative approach. "When you run out of cash, that's when bad things happen to you, and that can brutally apply to software ventures."