

## Success Stories: Ideas for Potential Players

I/S ICT / Software



Sales / Services

### Founder International, Inc.

**Targeting greater growth in an open Japanese market.**



*Peking University Founder Group Corporation (PUFG) established in 1986 by Peking University.*

Peking University set up the Peking University Founder Group Corporation (PUFG) in 1986 as a fully-owned operation to bring the fruits of Peking University's research to the market place, resulting in one of China's leading IT businesses today. PUFG in turn came to the Japanese market by establishing Founder International, Inc. in 1996. From its base in Gotanda, Tokyo, it began using its highly original software to make steady strides in the market.

The Japanese language uses Chinese characters in its writing system. As PUFG expanded its business in

China, interest in its system grew among Japanese newspapers and publishing companies. Japan already has a comprehensive system for newspaper publishing, but PUFG established a local subsidiary as its product is so much more advanced than the competition, with the belief that there was ample opportunity for it in the market. At present, Founder International companies have a combined total of 500 employees, with consolidated sales in 2006 having grown to ¥3.4 billion.

Their first product in Japan was a flyer production application that creates promotional pieces used in supermarket promotions. One of the special features of Founder's software is the interactive database link. Product information and photographs stored in the database are accessible from the production window, and a rich variety of design options are available. Changing text or photographs is also very easy. These features provide great time and cost savings compared to earlier systems. Now Founder's software is used by supermarkets throughout Japan.

The attraction of Founder's products lies in the interactive database link. Layout and figures, article design and content, advertisement placement and management—all aspects of the production process are centrally managed through the database.

- 1996 Founder International, Inc. established.
- 1997 Develops system for Recruit Co., Ltd. to lay out used-car publication.
- 1998 Provides Kyoto Shimbun Co., Ltd. with Megalith newspaper typesetting system.
- 2004 Sets up Osaka office.



Guan XiangHong, CEO

FOUNDER





The latest version of FounderFIT, which automates database typesetting.

Founder’s system uses an open architecture that makes it easy to interface with and import material from other software applications and systems. In contrast, competing Japanese products are less open and consist of mostly proprietary features. That makes them less versatile and more costly while making Founder’s products even more attractive.

Speaking about his 18 years of experience in Japan, Founder’s CEO Guan XiangHong said, “To succeed in a foreign country, one needs to understand that country and expand one’s business in line with the rules and customs of that country. Japan is much more open now than it was when I first arrived. There are now many more opportunities for foreign companies here.”

Yet Guan and his crew are also putting their effort into international partnerships. Founder International has 100 employees in Japan, 300 at its Beijing subsidiary, and 100 at its Wuhan subsidiary. Marketing and product planning is handled in Japan, while software development takes place in China. Founder already has plans to expand operations through acquisition of Japanese companies. It is actively grabbing business opportunities, including one serving the ticket gate system in Beijing’s subway.

Guan has ambitions for the future. “We have footholds in both Japan and China. We’d like to take advantage of this by going into the Chinese market in partnership with a big Japanese firm. We would also like to go into the U.S. and European publishing industries with the technology that we have forged in Japan”

Founder International seems to be pioneering a new business model: use success in the Japanese market as a foundation for building a position in a neighboring country.

#### Japanese Operation

- Established : March 1996
- Capital : ¥377.67 million
- Employees : About 500 (entire group)
- Business : DTP software development and sales, database system development and sales, printing, logistics, publishing, newspaper publisher system solutions, RIP graphic arts software development and system solutions, Chinese font sales, development outsourcing/offshore development in China, publishing and printing business process outsourcing
- Location : Ooimachi Center Building 5F, 1-24-5 Ooi, Shinagawa-ku, Tokyo 140-0014, Japan
- URL : <http://www.founder.co.jp/>
- Affiliated company : Peking University Founder Group Corporation (PUFG) (Beijing, China; about 20,000 employees)