

## Success Stories: Ideas for Potential Players

I/S

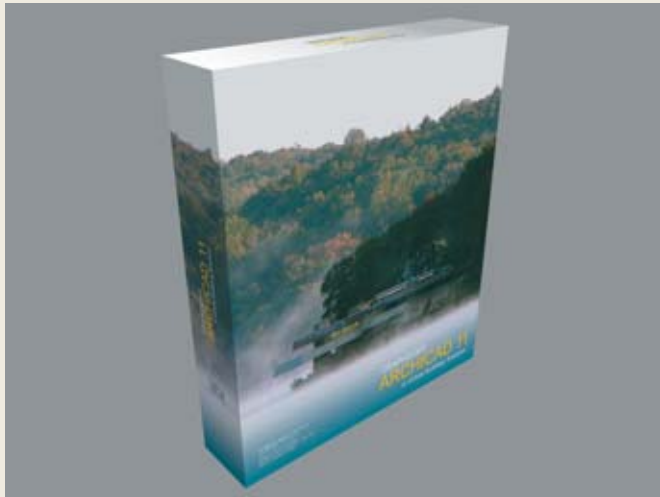
ICT / Software

**GRAPHISOFT®**  
Virtual Building Solutions

Sales / Services

### Graphisoft Japan Co. Ltd.

**A 3D architectural CAD pioneer leverages its strengths.**



*ArchiCAD 11, a 3D object computer-assisted design (CAD) program, supports the building process comprehensively, from planning and presentation through to design, quantitative data gathering and plan drawing.*

Hungary-based Graphisoft, founded in 1982 by two students at the Hungarian Academy of Sciences to make architectural computer-aided design (CAD) software, has created a niche for itself in the CAD field. From the start Graphisoft has pursued a highly original strategy, limiting its 3D CAD focus to the field of construction, thus becoming a 3D architectural CAD pioneer.

Seeking to internationalize its business, Graphisoft began appealing to markets outside Hungary almost

immediately upon its founding. After consolidating a base in Europe, it soon opened up sales channels in the United States and Japan, and now its products are supplied to 80 countries.

Operations in Japan began with the establishment in 1994 of a sub-branch to Graphisoft's American arm. First, the software had to be localized, which entailed not just translation into Japanese and adjustment for domestic building standards, but also adaptation to accommodate unique building materials, such as tatami mats and fusuma sliding doors. This set the stage for the foundation of Graphisoft Japan Co., Ltd. in 1996. The Japanese entity now has an Osaka office and is ready to do business throughout Japan.

Graphisoft's main product, which brings in 70% of its receipts, is ArchiCAD, a software program for 3D architectural design. The rest of the income comes from a line of optional programs related to the ArchiCAD.

ArchiCAD features three selling points, the first of which is the visual enhancement designers get when working in three dimensions. Even today, most CAD programs for architectural designs are 2D ones, but when you use ArchiCAD instead, you can see images incredibly similar to the finished building.

1994 Graphisoft enters Japan with establishment of local sub-branch to American office.

1996 Graphisoft Japan Co. Ltd. founded.

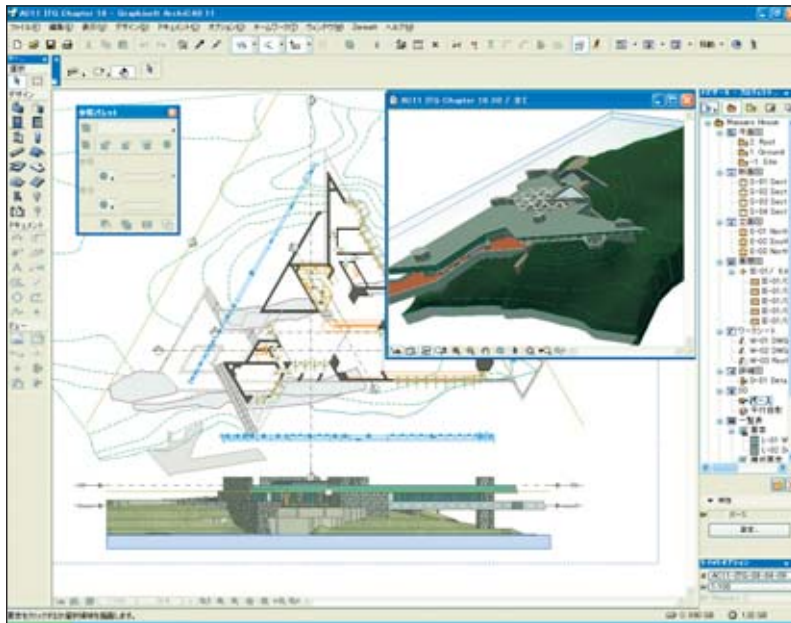
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Nobuhiro Hara, General Manager and President

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The second forte of the ArchiCAD suite goes by the name of "object intelligence." Imaginary models of walls, floors, windows, and other elements of buildings are packaged with the software, and they have



Interface of ArchiCAD 11 for Windows

information about their properties and roles programmed into them. The manipulation of these intelligent objects saves labor and time. If after erecting a wall you drag a window over it, for instance, the wall will automatically open a space for the window, but dragging a window over a post will not similarly cause the post to open up. Quantitative information on the elements of buildings is also easy to learn.

The third forte is automatic document coordination among design views. Based on the concept of constructing a complete model of a building in a computer (virtual building), ArchiCAD will use its database to convert the 3D data into the form required for whatever plan you wish to see. Designs can be easily input or altered in either 2D or 3D while maintaining consistency among design views at all times.

In this way, ArchiCAD has a number of features surpassing what conventional architectural CAD programs can offer. Better than that, few other companies have ventured into the territory of 3D design, where the position Graphisoft has built up is virtually unassailable.

But General Manager and President Nobuhiro Hara says,

"Our current situation is by no means satisfactory in all respects." One of his concerns is the slow speed globally of the transition from 2-D designing to 3-D. Another is the long slump in the Japanese economy and the

cutbacks in public works.

Contraction in this country's construction market has shackled the shift to 3D CAD software.

Despite the unfavorable environment, Graphisoft Japan has made substantial progress in securing recognition of ArchiCAD's merits. More than 2,000 offices throughout Japan have adopted the software. Most of them are small architectural firms. A full package of ArchiCAD and its optional programs costs about ¥1 million, which is a price that even tiny designing offices can afford.

The sales channels for Graphisoft products rely heavily on local sales agents. Ninety percent of the total sales go through big retailers of automated office equipment and designing goods.

The slump in the construction market is hurting business at present, but Hara takes the view that there is hope in adversity: "Precisely because competition is so fierce, designing departments are under heavy pressure to upgrade their productivity. Our software offers them the competitive edge they need."

**Japanese Operation**

- Established : 1996
- Capital : ¥30 million
- Business : Architectural CAD software sales
- Location : CARO Akasaka, 6-13-13, Akasaka, Minato-ku, Tokyo 107-0052, Japan
- URL : <http://www.graphisoft.co.jp/>
- Parent company : Graphisoft R&D Rt. (Budapest, Hungary)

