

## Success Stories: Ideas for Potential Players

I/S

ICT / Software



Sales / Services

### InterAct Technologies Japan Co., Ltd.

#### Call-Center Specialist Creates Business Bridges Between Japan and China



*InterAct Technologies Japan maintains its office in Kudanshita, in the heart of downtown Tokyo.*

Call centers are a central component of customer services, providing answers to consumers' questions about products and services and promoting sales over the Internet or by telephone. They have been proven to increase customer satisfaction ratings, and the market

size for call centers and related businesses continues to grow annually. As of 2004, this market in Japan was valued at ¥312 billion.

Beijing InterAct Technology Co., Ltd. has been growing in leaps and bounds through its call center software development and consulting operations. The company is gaining attention for its prowess in software development and its low-cost, independently developed products. InterAct solutions have been put to use by some of China's biggest companies—including home appliance maker Haier Co., Ltd. and computer manufacturer Lenovo Group Ltd.—at more than 300 call centers throughout China.

The company was established in January 2000, in the midst of China's IT boom. Company founder and president Ming Liu had previously worked in the telemarketing division of Japan's Kawasaki Steel Systems R&D Corporation (today JFE Systems, Inc.) and participated in a contact center development project in the United States. According to Mr. Liu, his foreign experience—particularly his understanding of the strict quality controls used in Japan—has helped him stay ahead of the competition and maintain InterAct's place in the industry.

- 2000 Beijing InterAct Technology Co., Ltd. established
- 2002 Department established to prepare for Japan business; offices launched in Shanghai and Tianjin
- 2002 Decision reached to apply for JETRO assistance
- 2002 Japan office opened in JETRO's Akasaka Twin Tower facility
- 2003 InterAct Technologies Japan Co., Ltd. formally established



*Country Manager Yutaka Uchidate sees InterAct's ability to offer advanced products at a lower cost as a great strength over its competitors.*



In just a few short years, InterAct Technology grabbed a majority market share in the call center sector in China. Mr. Liu's next strategy was to branch out overseas, and he saw direct investment in Japan as his next business opportunity.

Executive Vice President and Country Manager Yutaka Uchidate, who headed up the effort to expand into Japan, says, "Mr. Liu's familiarity with the Japanese market was key to our success." He points out other strengths, though: "Even when we go up against the leading European and North American companies producing the same type of products, we can beat them on price."

InterAct Technologies Japan was established in August 2003 as a wholly owned subsidiary of Beijing InterAct Technology. The project to establish the company was supported by an assistance program from JETRO's IBSC, or Invest Japan Business Support Center. While the Japanese subsidiary was locating permanent office space, it operated out of the free office space provided by the IBSC at JETRO's main office in the Akasaka district of Tokyo. It was here that the firm carried out its initial market surveys and marketing activities.

Mr. Uchidate notes that the company has experienced its share of problems. "There were a couple of times along the way when we had our doubts about pulling it off," he notes. "China was struck with the SARS epidemic right when we were entering the Japanese market, which made it very difficult on our people traveling between the two countries. Then there was a glitch in the fund transfers from the home office, which suddenly left us without funding."

Companies under JETRO's assistance program can normally use the free office space for two months. Citing unforeseen problems, Mr. Uchidate filed for an extension, which was approved. "JETRO really took care of us," he states. "Thanks to JETRO's help, we were able to overcome our difficulties."

It has now been three years since InterAct, the first IT venture company to enter the Japanese market on its

own, began its operations in Japan. Its primary business is OEM sales to Japan's largest manufacturers—like Fujitsu Ltd., which did not have its own software solution for call centers. The company also helps Japanese firms establish call centers in China when they expand into the mainland market.

The Japanese company recently launched a catalog shopping business in China. It publishes a magazine-style catalog titled *Direct Mail Life*, from which customers place their orders. As Japan has a longer history of this type of business than China, the operations, catalog design, and product selection for this project are all being handled by InterAct Technologies Japan. "The business was started only in July, and it's been a hit-or-miss process, but we would like to grow this business into a major income earner for the company alongside our call-center software products," says Mr. Uchidate.

**Japanese Operation**

**Established :** August 2003  
**Capital :** ¥15 million  
**Employees :** 3  
**Business :** Development, sales, and support of call-center software solutions  
**Location :** 8th Floor, Mizuman Bldg., 2-3-21 Kudan Minami, Chiyoda-ku, Tokyo  
**URL :** <http://www.interact.net.cn/>  
**Parent company :** Beijing InterAct Technology Co., Ltd. (Beijing, China; employees: 77)

