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novaMSC enters the global market

BY SHARMIN JASSAL

IT'S an enviable situation to be in. Ask any company if they would like to be sought after for their solutions or products by more matured markets, like the US and Europe, and the resounding response would most probably be a "yes!"

"It's a good feeling, there is nothing like benchmarking ourselves with international competitors." was Lai Teik Kin's sentiments, one of the founders of novaMSC Bhd and business development officer.

The particular solution that has attracted such interest from the US and Europe is nova's PlanCheck Expert, one of the three solutions in nova's suite of e-Government software solutions.

Lai explains, "This solution allows a building planner to submit their plans electronically to the local authority. Plans are typically drawn using Auto CAD software and then printed out and sent for approval to the local authorities. With PlanCheck Expert, the submission can be made electronically. nova has built an engine that performs compliance checks on building services components with building regulations, such as ventilation systems, hydraulic systems and fire protection systems."

Understandably, nova is doubly excited as they have gained interest from a council in one of the cities in the US and a company in Norway.

"This recognition is quite an achievement for us. According to the council in the US's report, they state that they have looked around for such a solution and have till now, not been able to find it."

The deal with the city council in the US, says Lai is in its advance stages of



Lai Teik Kin

negations and the formalisation of this new partnership will soon be announced.

These expansions are in-line with nova's business development plan. Currently in phase three, nova has in fact super seeded its own expectations by moving into the US and Europe. Originally, phase 3 (from 2004 to 2007) was to establish an Asean and China market.

With a strong pipeline of contracts within the region for its e-Government and healthcare solutions, the next step is to widen its borders, geographically into new markets and form new partnerships in Brunei and Vietnam.

“We are already in Malaysia, Singapore and Thailand. We are also making headway in China. We expect to receive an order from at least one hospital in China by March 2005” Lai stresses that nova will continue to remain focused as a provider of ready-to-deploy, industry-focused application software and services for both the government and healthcare sectors as they pride themselves by being experts in their fields.

Lai says nova believes that its ability to stand apart from its competitors is by providing value while providing comprehensive solutions to its clients. “Most of our competitors for the e-government and healthcare solutions are multinational companies (MNC) many local players with a lot to offer. However, we feel that they do not provide the value nova brings into a project. Our people and our solutions are our assets.”

nova has already implemented PlanCheck Expert in Singapore's Building and Construction Authority. nova's other major clients include Perbandaran Putrajaya, the Chinese University of Hong Kong and District Planning System of Indonesia.

Also recently deployed in Singapore is nova's solution for the healthcare sector. In late March this year, nova implemented a new Electronic Medical Record System to provide a seamless patient workflow system at Singapore's National Skin Centre. The paperless system will make long waits to see the doctor, collect prescriptions and long queuing lines to make payments a thing of the past.

“It has created a big impact, and we're very proud of it because it is completely web based and completely paperless. What this means is two million pages of patients' records were scanned into the system and from now on, caregivers only need to input all patients' data on-line.”

According to Lai, the skin centre sees almost 1,000 patients a day. As a large institution, it has had problems trying to reduce waiting time. nova managed to implement some innovative solutions to keep reduce the waiting time.

Apart from the skin centre in Singapore, nova has also secured notable customers such as Singapore's General Hospital and National University Hospital. At home, nova has secured Puteri Specialist Hospital in Johor, Kumpulan Perubatan Johor and Penang Adventist Hospital.

It is useful to note that on Thursday, the Penang Adventist Hospital rolled out its newly installed appointments system. Lai adds that once the entire suite of the healthcare solution has been installed at Adventist, it will be another one of nova's showcase hospitals in Malaysia.

Asked if being a listed company helps in attaining their clients whom are mostly governments, Lai's response was, "It helps a little. It gives added assurance that we will be around for a long time."

However, Lai was not able to provide an indication as to nova's FY March 2004 performance, which would be the first annual results it will announce since being listed. Instead, he added, "Healthcare solutions is a maturing market, so there is a need for good information and communications technology (ICT) solutions/systems. Our aim is to be a major exported of ICT.

The only figure I have with me is, since listing on Mesdaq in Aug 19 last year, our order book has bloated to about RM22 million."

For the nine months ended Dec 31, 2003, revenue amounted to RM23.88 million. Earnings and earnings per share amounted to RM2.73 million and RM1.23 respectively.

The stock's initial public offering (IPO) price was 28 sen and it has dipped to a low of 27 sen and a high of 69 sen.

Faulting nova's lacklustre stock price performance to management's focus in building and strengthening its business, Lai says efforts are being made to liven things up for its investors. A research report published three days before its IPO, places a fair value price-earning ratio of 12.6x, given nova's promising earning growths and niche business segment. This translates into a share price of 55 sen, which represents a 96 per cent upside over its IPO price.

nova closed at 27 sen on Thursday.

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