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Nova ready to tap RM100m jobs

BY ELAINE ANG

HEALTHCARE and e-government solutions provider Nova MSC Bhd has identified over RM100mil worth of potential projects to tap in both the healthcare and e-government segments, said business development director Lai Teik Kin.

"We know of these projects and are working on (securing) them. We have been making visits to these potential customers and negotiations are ongoing. It may even be possible to reap some benefits this year," he told *StarBiz*, adding that the talks were in "varying stages of closure."

About 70% of the RM100mil worth of projects are from Malaysia and Singapore, and 60% of the value is in the healthcare segment. Lai expects the projects to be realised within 24 months.



Nova had been making headway in the overseas market and had recently clinched its first contract worth RM1mil in Thailand to implement its healthcare solution, *Vesalius*, in Bangkok's St Louis Hospital.

Besides Malaysia, Singapore and Thailand, Nova's current markets also consist of Vietnam, Indonesia and Hong Kong.

"We want to expand and strengthen our position in existing markets. Our key focus will be on the local market – Malaysia and Singapore," he said.



Lai Teik Kin . . . we are working on securing the projects.

According to Lai, Nova had an order book of RM18.2mil as at March 31, of which over 80% came from the domestic market and the balance from countries like Thailand, Vietnam, and Indonesia.

"It creates a healthy backlog for us with implementation work for the next nine to 10 months," he said, adding that the company's sales orders were spread over 20 customers.

Lai said Nova had also been receiving a lot of overseas enquiries about its products.

"We will be entertaining a group from Brunei this month, and last month, a delegation from Myanmar visited us," he said.

The company is also in the midst of bidding for an e-government project in the United States.

"It is a pilot project for us to gain a foothold there first. In addition, we are looking at the Shanghai market and are in advanced stages of negotiation with hospitals in Hong Kong for our healthcare product," Lai said.

In the next six to 12 months, Nova plans to explore the Middle East market in conjunction with the Multimedia Development Corp Technopreneur Development Flagship programme.

To assist in its expansion in the Asian region, Lai said, the company was also planning to increase the number of its partners in the region.

"We are very partner-centric in our expansion overseas. We currently have six overseas partners, but we plan to double the number to 12 by the year ending March 31, 2005," he said, adding that Nova's pioneering projects in Vietnam and Thailand were secured jointly with its partners in those countries.

For the year ended March 31, Nova recorded a net profit of RM3mil on the back of revenue of RM31.9mil.

"Over 50% of sales generated during the last financial year were from the e-government side as the severe acute respiratory syndrome (SARS) outbreak had caused most Governments to re-look at their budgets to improve their systems.

"However, SARS also resulted in many lost business opportunities for us in the healthcare segment as hospitals deferred their investments in information technology (IT)," he said.

Performance wise, Lai expects Nova to record a better performance for the year ending March 31, 2005, compared with 2004, with 60% of its revenue coming from the healthcare segment.

"With SARS no longer a threat to the world, hospitals can focus on upgrading their systems. I believe IT spending by hospitals will increase," he said.

On new products, Lai does not see a need to build them as yet.

“It is important to be number one in the areas we are in. There is still a huge market, especially China, to tap for our products,” he said, adding that the company spent 15% of its revenue on research and development (R&D) yearly.

Lai said Nova would continue to focus on R&D initiatives in two main areas – the localisation of products to suit the countries Nova has penetrated as well as increase the functionality of its products.

Nova's customers include Singapore General Hospital, Singapore National University Hospital, Perbadanan Putrajaya, and the Land Transport Authority of Singapore.

Locally, the company is currently implementing its healthcare system in the Penang Adventist Hospital and Johor Specialist Hospital.

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