

ZWCAD is growing its overseas reach with 2-D CAD

By LI WENFANG

Having expanded into 75 countries and regions in five years, Guangzhou-based software developer ZWCAD Software Co wants to become one of the world's top five makers of two-dimension (2-D) computer-aided design (CAD) products in the next five years.

The company, which was founded in 1998 and began doing overseas business in 2004, is one of the top 50 makers of 2-D CAD products worldwide, CEO Truman Du said. Its products include a 3-D series.

The company posted less than \$1 million worth of exports in 2007 and \$2.59

million last year.

Du said the company's exports are likely to reach \$5 million this year despite the global economic downturn.

With emerging economies such as Russia and Brazil its major overseas markets, ZWCAD has been edging into developed countries.

ZWCAD recently secured deals with Sony-Ericsson and Lufthansa Airlines. Honda, Alcatel-Lucent, GP Batteries, THORN Lighting and General Electric (GE) are also its clients.

The company has registered 150,000 users with products supporting 12 languages.

Managing its overseas sales through more than 170 agents, the company has

found immense opportunities yet to explore.

"The big players (agents) in the world have not cooperated with us yet. They are still watching us," said Du.

Hoping to become a "Huawei" in the software industry, ZWCAD wants to generate half of its revenue from the overseas market, up from less than 30 percent.

Huawei Technologies, a major Chinese telecommunications equipment supplier based in Shenzhen, another city in Guangdong province, generates about 70 percent of its revenue from overseas business.

Du said ZWCAD is developing a branch and a research and development (R&D) center overseas, but still will go

through agents.

The company recorded sales revenues of 60.45 million yuan last year, up from 40.25 million yuan in 2007. The company expects sales to reach 80 million yuan this year.

Net profits should remain flat this year, given the economic downturn, Du said.

The company generated net profits of 14.79 million yuan last year, an increase of 23 percent compared to 12 million yuan in 2007.

In the domestic market, Du said the company should be able to match Autodesk, the dominant player worldwide, in newly sold sets this year.

The company has stepped up sales efforts targeting State-owned companies since

October 2008, when the impact of the global recession became more serious.

Previously, it had focused on foreign-funded companies and small and medium-sized enterprises.

"Only when the privately run firms improve will the market become better," Du said.

The company has formed an alliance with nine domestic developers. The company is engaged in the commercial side, and its partners focus on development and technical support.

With a work force of 360 people, the company operates branches in Beijing and Shanghai and an R&D center in Wuhan, the capital city of Hubei province.

Du said that he saw the economic downturn as a chance to restructure and strengthen management to become healthier for the future.

"We should go a step ahead of our competitors in innovation," he added.

The company plans to expand its R&D staff from 90 to 200 within the next two years.

Du said the company was not in a hurry to go public, although it had restructured into a shareholding company in 2007.

ZWCAD was recognized by the Guangzhou government last year as a major software enterprise and has since started enjoying local tax incentives.