

Strategic Alliances for Success: Story of IFS Japan

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Synopsis

Seventeen years after the dawn of new millennium, IFS and NEC celebrated 19th Anniversary of their very successful journey. IFS was an ERP company founded in Linkoping, Sweden in 1983. IFS Applications was single, integrated ERP suite developed by IFS that enabled global and demanding business to successfully handle four core process, namely service and assets management, manufacturing, projects and supply chain management. As of 2015 Gartner recognized IFS Applications as a leader in the Gartner Magic Quadrant for Single-Instance ERP for Product Centric Midmarket Companies. By year 2016, IFS's revenue had reached 3.6 Billion SEK.

IFS business model was to conduct the product development at R&D centres in Sweden and Sri Lanka and to develop global and local cooperation with partners to enable continued development of the company's competence and market presence with lower risk and capital requirements. IFS's partnership strategy was dating back to its roots even though it was found to be very challenging to be implemented. As of June 2017, some of IFS regional offices totally relied on direct sales and some employed mixed mode. The strategy of IFS Japan was to totally rely on the partners by becoming a "Partner Enabler" and "the communication link between partners and IFS global organization, in particular R&D".

IFS Japan was a very compact organization with a flat structure, open door management and with many other distinct characteristics and was very different to the other regional organizations in APAC region. With the acquisition of Avalon in 1996, a US based ERP vendor which had presence in Japan, IFS started its operations in Japan by formation of IFS Japan in January 1997.

The partnership Avalon and NEC had before Avalon's bankruptcy, paved the way to IFS Japan to approach NEC. With successful negotiations backed by deep insights, IFS and NEC became partners in May 1998.