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Local Tech Legends

With 12 years of uninterrupted growth, 3,000 employees, and close to \$700 million in revenue, UXC Limited is the local IT company that is taking on its big international competitors.

Images by Joseph Feil

Australia's largest locally owned IT services company, UXC Limited, has grown from a small start-up to a homegrown success story. Managing Director Cris Nicolli is focusing on making UXC as customer-centric, flexible, and innovative as possible, and differentiating the company from its competitors. *The CEO Magazine* spoke to Cris about how UXC has grown so remarkably over the past 10 years, why governments need to invest in and support Australian IT companies, and where the industry is heading in the future.

Cris's career didn't start in IT. "I initially trained as an accountant and did my qualifications in business management," Cris explains. "I found myself being the

CFO of an IT company and discovered how fulfilling it was to be part of an exciting, growing business. I took on a number of different roles over that time to broaden my experience. I ran the Asian region for Digital Equipment Corporation. Following that, I did a stint with Nortel Networks as its Asia-Pacific services director. The amount of travel became too much, so, like many executives in global roles, I looked for a locally based position."

Through his professional network, Cris was introduced in 2003 to a small listed company called UXC. He accepted the role from founder and then chairman Geoff Lord to head the IT division of UXC.

"I've been in the IT sector for a long time, and feel blessed to have been given the opportunities I

have in such a challenging, vibrant, and constantly changing industry," Cris says.

Since Cris joined UXC, the company has grown significantly. A key success factor, Cris says, is that UXC didn't pursue the big end-of-town markets that had strong competition but aimed to find niches where the company could make its mark.

"We wanted to be different from the large multinationals. Our strategy became about identifying market segments we thought were large enough to build a sustainable business from, but also had good growth potential. It was important we exhibited characteristics that impressed customers. These included having leadership positions in particular markets, maintaining relevancy with our >



partners, and being very focused on proving the viability of a market, or, if it was not fitting our ROI criteria, exiting that market.

“We established specialist businesses in enterprise applications including Oracle, Microsoft and SAP. By aligning ourselves with these brands, our chances of success have increased significantly.”

Having achieved this, UXC turned its focus to expansion in the managed services area. “We acquired an IT infrastructure business that had a strong set of customers and considerable scale,” Cris says. “This gave us a bigger market presence and the means to pursue larger opportunities.”

Cris describes UXC’s strategy of being market leaders in selected spaces. “We achieved this by organic growth or acquisition. We acquired companies that serviced particular market niches.”

The formation of strategic alliances with technology partners is a constant of UXC’s strategy. “Remaining relevant to our partners is crucial,” Cris says. “This has served UXC well and ensures it can leverage partners’ solutions to help win increasingly large opportunities. We regularly refresh our alliances. We have mainstay partners such as Microsoft, Oracle,

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SAP, Cisco, and Alcatel Lucent, who are integral to our core offerings. We supplement these with new partners as we move into new and emerging fields.

“We focus on market segments we want to be leaders in, and that offer good growth opportunities. Recently, we acquired a cyber-security consulting business. We identified this as a space with good growth potential and one in which we wanted to gain a strong foothold. We were on the money; the business we acquired has grown well, and the cyber-security market shows little sign of abating.”

Cris has dedicated himself to instilling a service-oriented culture in UXC; being of service to others is deeply ingrained in his personal philosophy. “The leadership team and I have a role to inspire our employees to be confident, capable, and humble, and at times to take on the unimaginable,” Cris says.

“We have a number of core values that guide the way we do business at UXC, and how we treat each other, our customers, our business partners, and all of our stakeholders.

“Keeping our promises, meeting or exceeding expectations, and delivering on our

obligations—be that to external parties or internally to each other—is fundamental to the UXC style of working.”

Cris believes a company is only as good as its leadership. He thus sees the development and cultivation of leadership skills at UXC as central to the company’s success. “We have developed our own leadership program. Nearly 200 of our people have attended this to date, and the feedback has been fantastic. We need transformational leaders to be the drivers of change in the business, and our leadership program is helping us achieve this.”

Being an Australian company is essential to UXC’s character. “Many of our competitors are multinationals, which means that often they are not as agile as us. A lot of their decisions need to be referred offshore. With UXC, our key decision-makers are local and thus we make critical decisions on the spot, and decide instantly how we might need to flex to achieve an outcome for a customer.”

The elements of agility and flexibility go to all levels at UXC. “We promote these principles in everything we do, be that at a customer site, in a sales context, or our back office. Everyone is

encouraged to think and act with agility.”

Being an Australian company comes with some challenges. Costs can be higher than competitors’, who often outsource services to large offshore centres. “There is nothing wrong with offshoring,” Cris says. “It is a commercial reality. However, we look to develop competitive solutions that while they might incorporate offshore components they also strive to preserve Australian jobs. It is disappointing to see so much capability going offshore. As the leader of an Australian company, I like to think if there are viable alternatives, we can implement these.”

Cris believes that government needs to do more to support the local IT industry. “I do think government and industry need to back Australian IT companies more, rather than just going down the typical path of awarding their major contracts to large multinational players. We have, however, had a very positive experience with the Tasmanian Government where we achieved a win-win result. Rather than moving some of our capabilities offshore, we’re establishing a delivery support centre in Hobart. The state government has provided us with funding to assist with this. We are very pleased—we’re preserving Australian jobs and also creating opportunities for employment for Tasmania.

“The IT industry is evolving at an unprecedented pace,” Cris says. This change is playing out in conjunction with an increased need for companies like UXC to simplify complexity for its customers. “We use a slogan ‘Creating simplicity and meaning in a complex world’. One of the most valuable things we can do is to simplify options and communicate these in straightforward business terms that customers can understand.”

Simplifying the complex also has an internal focus. “Businesses like ours need to constantly streamline processes to cope with the rate of

change. I think the IT industry needs to be more accountable for its outcomes and more business oriented,” Cris notes.

Protection of customer data is something that figures in Cris’s thinking. He sees the relentless pace of change brings with it new security risks. “Customers are seeking greater security of their data. It is incumbent on us to do everything possible to maximise this.”

UXC will remain focused on expanding its market. A consistent feature of this will be customer focus. “The thing that has endured for us over time is our commitment to customer-centricity and behaviours like agility, speed to market, pragmatism, meeting our promises, and being humble,” Cris says.

“As customers value the outcomes we deliver, they ask us to undertake more complex, larger pieces of work.” This gives UXC a dual track for business development: cultivating opportunities with existing customers and winning new customers. “The successes we have with existing customers mean they are more likely to use us again; in addition, they often act as references when we are pursuing new customers.

“We are seeing good growth in Australia and New Zealand, and are very keen on expanding our North American business. This has a strong growth profile. We are winning some big-brand customers and receiving great support from Microsoft in their Dynamics ERP market. Our business in North America now turns over in excess of \$70 million.”

To stay on the front foot, Cris is constantly looking at new areas UXC can move into. He regularly seeks input from industry experts to help guide his thinking. “I run a customer advisory council where 18 CIOs join me every three to four months,” Cris says. “I poll them as to where they think the market is



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heading and, if applicable, what they are going to be spending in the next two years.

“We merge feedback from the council with our own research to help identify growth opportunities in particular markets. Through this, we consider areas like information and cyber security, service management, digital, big data, and other evolving spaces. We look at emerging areas that have potential to really help our customers improve their businesses,” Cris says.

There are a number of strands to UXC’s future success, Cris explains. “We must maintain our focus on organic growth. Concurrent with this, we will continue to examine new market segments. If we can acquire talent or businesses to establish a strong position in a selected area, we will do this. It is critical that there is alignment between these new segments and the needs of customers. We must be selective in what we invest in, and make sure that these can develop into points of differentiation for UXC in the marketplace.

“The final arbiter of our success is the customer. If our people are focused on how to make a difference to the customer and we run a smart business, we will grow to become a stronger, more robust company, a great place for people to work, and a truly successful Australian company.” •

