

Talking Technology

Software firm finds its niche

By Steve Burns, Capital News contributor

Love what you do and the money will follow, says Quantech CEO

At the end of 1998 QuantechSoftware.com was incorporated in Edmonton and then moved its operation to Westbank in 2000.

Prior to this, Jack Pyck was a business manager for an RV dealership and was developing a software program on his own to assist him with the financing process with customers.



Jack Pyck, president and CEO of QuantechSoftware.com, says he loves to build and create things, and that is what he has done with his new software company based in Westbank. Photo Gordon Bazzana

At the time, arranging financing for a customer was a paper-driven, cumbersome process.

When Pyck's partner Dave Morris, a local software developer, saw the software he thought that with some enhancements this could be a great business opportunity.

Shortly afterwards, they took the leap of faith and created Quantech.

Quantech specializes in providing its financing software to businesses that do in-house financing.

This includes dealerships in automotive, RV, marine, power sports, truck and heavy equipment.

The business now has more than 300 dealerships across Canada using the software and a staff of nine.

I asked Pyck some pertinent questions about the development and growth potential of his software firm.

Why a technology entrepreneur?

"I always enjoyed working as a business manager in an RV dealership," Pyck says.

"I love to build and create things. I have never been a real software programmer but this area interested me.

"Seeing the need in the finance area, I thought I could create a software solution.

"Of course, before my partner Dave looked at the system, I thought it was perfect.

"However, I quickly realized that different people work with the program in different ways so we had to create a more flexible solution.

"It took us about a year of development to create this flexibility and to commercialize the product.

"We know that our software works very well in all environments because we know our customers and our industry. "

Why the Okanagan?

"I am a big fan of Westbank and Kelowna," Pyck says.

" I grew up in Europe, my wife was from Ottawa, we were living in the U.S. and we had never heard of Kelowna before.

"However, after coming to visit we chose to purchase our home in Kelowna.

"We looked at the life that we wanted to live and Kelowna had it all.

"It was quite simple—we packed our bags and moved to Kelowna."

Pyck says they had no difficulty recruiting an excellent talent group of software programmers to their company, led by Bill Buckels who moved here from Winnipeg.

"The Okanagan is a great place to live. Where else can you do something that you love, sell it to the world and still have time to enjoy a balanced lifestyle?"

What pain do you solve for your customers?

"We take the paper-intensive credit process and automate this process for the dealership and the customer. This not only saves the customer and the dealership time but it also speeds up the credit approval process for the customer," Pyck points out.

"We are much more of a service company than simply a software solution. For instance, we provide customized forms with the cost of our software.

"We work with the business to customize the software to the way that they do business.

"Our customers purchase the program starting from \$795 with a monthly support fee of \$159.

"The support fee covers everything, including the design of any custom forms and the cost of updating the program. We want our customer to pay one amount, rather than be charged for constant upgrades.

"Our customers never pay another fee to upgrade the program, which can occur frequently due to changes in bank forms, etc. We believe our customers highly value our pricing model as everything is known upfront."

What differentiates Quantech?

"Our focus on customer service differentiates us from our competition," Pyck explains

"For instance, most of our competition is larger software companies that provide software better suited to the larger dealerships.

"Their software is much more expensive, is not so user friendly and is not customized to the needs of their customers.

"To differentiate ourselves, we focus on the small to medium size dealerships, provide them a cost-effective software solution with unlimited services to meet their needs. Our competitors can't touch our hands-on personal touch.

"Another differentiator for us is our approach to sales. We do not have a sales force but rather we work together with other companies that already sell to dealerships, such as companies selling extended service contracts.

"Those companies also want the program in the dealership as it helps to integrate their products."

What is your long-term vision?

"In the long term, our vision would be to see a 10-fold increase in our customer base.

"Our technology vision is to always be three years ahead of our competition. Larger competitors are not able to be as agile in their technology development as we are."

What are your key challenges?

"Of course, there is always room for improvement in any company," Pyck says.

"The main improvement we want to make is in our market penetration, which would grow our customer base significantly.

"Specifically, we would like to see our penetration in the Ontario and British Columbia markets improve.

"The issue is having the dealerships use our software. We know that once a dealership uses our software they will become a customer for life.

What new things are you developing?

"Six months ago we began writing a new program in a new language that will be able to allow our customers to do a lot more business online," Pyck says.

"The new program will be at a similar price point. We will upgrade our existing dealers with the new program at no extra charge.

"With our new program, the customer will be able to complete one application and access multiple financing sources, rather than completing separate applications for each potential financing source.

"This way the dealership can provide the customer with greater choice in their financing options.

"We are also working with e-lending software providers, such as BCE Emergis (<http://www.emergis.com>) to provide our customers with a comprehensive interchange for their business."

What were your most critical decisions?

"Our most critical decision is related to our marketing strategy of partnering up with major industry players, such as insurance companies and manufacturers such as Honda Canada. This has worked quite well for us," Pyck says.

"We have also been careful to grow slowly and keep our costs down. We started the business in Dave's garage with four people working with us.

"We have always used our own capital and would like to keep it that way.

"While our focus has been on the Canadian marketplace we are going to push heavily into the U.S. marketplace over the next few years."

What would you do differently?

"The only thing that I would do differently is that I would have started earlier—perhaps 10 years earlier. I enjoy being part of a world class organization dedicated to its customers," Pyck notes.

What advice would you give to technology entrepreneurs?

Pyck has three pieces of advice for entrepreneurs:

- Don't go it alone—Surround yourself with knowledgeable people. You will not know it all. He and his partner Dave Morris are very different people. They work well together and compliment each other's skills. "Neither of us could achieve the same results without the other," he says.
- Partner early—Partnering early on in their development, Morris and Pyck used the resources of the University of Alberta's math department to help them develop our

software program. "As our finance program uses complex mathematics, accessing their skills and abilities were invaluable to us," Pyck says.

- Commercialize properly—If you build the software program for your own use it is likely not going to work in the real world.

"Take the time to have others look at the program and make suggestions for improvement," Pyck says.

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So, if you are a technology entrepreneur, hang in there. Quantech is evidence that you can have it all—building world class software in a place that offers you and your employees an unparalleled lifestyle.

Perhaps it is true after all —love what you do and the money will come.

Next Week: Inside MicroSurvey Software

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