



# IBM's success a walk in the Technology Park

## **The story so far:**

IBM Global Services is the world's largest information technology services provider. Its 150,000 employees serve customers in 160 countries around the world, integrating IBM's services, hardware, software and research capabilities to help companies of all sizes realise the full potential of information technology.

IBM has had an Australian presence for over 75 years and it now employs more than 10,000 workers. In 1995, the company established its Southern Region Data Centre in Ballarat, Victoria, after winning a major contract to support the information technology requirements of a number of Victorian Government agencies. Ballarat is 100km from Victoria's capital city, Melbourne.

In July 2003, IBM set up its new Regional Software Solutions Centre in Ballarat. It has since evolved from a regional data centre to focus on global customer support, and the centre is now a strategic outsourcing site for the company.

Located in the Ballarat Technology Park, IBM was the first tenant in a groundbreaking partnership between the University of Ballarat, the City of Ballarat and the State Government. Managed by the University, the Technology Park provides occupants with high quality fibre optics and network facilities specifically designed to support IT companies and IT functions of major corporations.

IBM's operations at the Park involve over 800 employees supporting Application Management Services, Enterprise System Services and a Client Service Centre that has proved a success for the company and benefited the local university and community.

IBM joins Telstra, American Express, Optus, Westpac, Qantas, and government agencies as tenants, leveraging the low cost advantage of operating outside a major capital city.

## **Victoria: The Business Case**

For IBM, locating in regional Victoria proved to be a cost-effective move. Technology Park tenants benefit from a lower cost of living and access to suitably skilled staff, which combine to make it a smart business location.

IBM work closely along side the University of Ballarat to operate an 'earn as you learn' program that provides employment opportunities for students during study and after graduation. About 75 per cent of undergraduate students make up the primary workforce at the centre and they can get credit towards their degree while getting industry exposure.



The program gives students valuable hands-on experience, helps the university attract capable, enthusiastic people, and gives IBM an opportunity to contribute to designing curriculum that suits their business needs.

IBM Ballarat Location Manager Gary Johnstone, says the company was excited to help shape a model that was a world first in the way a business works with a local community and its primary academic institution.

Smart people are the key to success and we're building those relationships that connect people, create synergies and foster a collaborative culture – which is how IBM likes to do business.

"We've also really valued the opportunities the university has provided to engage with other businesses here at the Park. The monthly executive breakfasts allow for some serious business collaboration and networking from the Vice Chancellor through to CEOs," Mr Johnstone explained.

"It's a great package; support, education, development and networking are all part of the concept and the payback is not only through high business and employee satisfaction, but a \$250 million a year contribution to the regional economy."

The University of Ballarat commends the Victorian Government on being a driving force behind the precinct's success, sponsoring companies and building infrastructure. Five per cent of Ballarat's workforce is now employed at the Technology Park.

A new high-tech internet security lab in the technology park is one of the more recent examples of strategic collaboration fostered by this cross-sector business setting. Recognising the growing need

for e-security innovation, IBM, Westpac, the University and the Victorian Government are now working together to set-up a specialist lab, making the most of the tech park's resident research capabilities, finance sector interests and IBM's capacity to commercialise and deliver high-end solutions.

#### **The Future:**

IBM sees the physical space to expand operations as it grows as a major plus for locating within the Technology Park as this facilitates IBM's flexibility to respond to changing client needs. However, Mr Johnstone insists it's not all about real estate.

"The real value here lies in the collaboration opportunities, the networking that is being promoted. There is a good mix of corporations and lots of high quality career opportunities on offer, with a relatively stable workforce and longer client relationships.

"We're relationship-driven and this idea that we can 'near source', have our suppliers close by in the Technology Park, and really get to know them, trust them and work alongside them gives you a great sense of business security. It's a great incubator for innovation."

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