

Moroccan Finatech set sights on Europe

Biggest IT group in Morocco, Finatech is looking to expand into Europe...



"Today, our offshoring platform in Morocco, whether it is in ITO (information systems) or in BPO, works mainly in outsourcing, and now we wish to have our own branches in Europe, so through acquisitions of software and services companies that would enable us to offer our European customers a delivery model that would be local, but with a share of offshoring," Finatech's co-founder and CEO, Rachid Sefrioui tells *IT Europa*.

Since its creation in June 2007, Finatech has acquired 18 Moroccan SMEs, as well as two companies in California, and French system integrator Sysnek present both in France and Morocco. Strong of 700 employees, and a revenue near €50m in 2009, Finatech now aims at a target of two to three acquisitions per year. With €57m in equity capital and no debt, the young Moroccan company has a quite substantial acquisition capacity.

"By and large, we're looking at software and services companies that have revenues between €10m-€30m, and a workforce of 70 to 450 employees," adds Sefrioui. "We're looking in priority - but not necessarily in a special order - to companies that are in French-speaking countries (France, Belgium and Switzerland), but also in the UK because we already have an American branch working in direct sales with UK customers (especially in the web professions) and we'd like to be able to offer that kind of services in the UK through software and services companies that we're already in contact with."

This acquisition strategy, started in the course of 2008, had to be slowed down because of the lack of visibility during the crisis, but "Now, we're re-launching the process with some of them and with new ones." The acquisition of two companies with revenue between €12m-€14m is currently under examination: "We have today letters of intention with two of them that we'll be able to finalise in the end of the first quarter 2010, for an integration at the end of 2010," Sefrioui explains.

Finatech's offer is composed of three main axes: two around system integration - networks & infrastructures and payment systems & security - mainly intended to African countries that have a need in facilities, whether it is telecom or banking infrastructures. The third one is the IT services and offshoring centre, which is oriented towards Europe and the United States.

By far the largest group in Morocco, and the only one with such a large and integrated offer, Finatech's main competitors in Morocco are small SMEs. On the European scene, Finatech's competing but only indirectly with the big global integrators, such as Capgemini, Logica, CA, EDS, etc., "but they're not our direct competitors since they address bigger customers," explains Sefrioui. "We address more national or smaller European-sized companies, and large SMEs that are more attracted to a nearshoring model than an offshoring model."

Morocco benefits indeed from a real proximity - not only in terms of geography, but also in terms of language, culture and practices. "There's a big part of the Moroccan Diaspora's second generation that grew up in France, Italy, Belgium, England, Germany, that today is coming back in order to work in big companies like ours." And that gives Finatech a substantial advantage on the big Indian offshorers, in its aspiration to be the favoured partner of European companies looking to outsource their BPO or to manage the whole or a part of their ITO.