

A New Business Model For BASIS

by George Hight and Joe Rose

The next few years hold tremendous potential for BASIS International Ltd. and for Business Basic development in general. Alongside preparations for the release of our new product, BBj™, BASIS is positioning itself financially to sustain long-term growth, explore new markets for Business Basic and brainstorm new ways of doing business to better support you, our partners and customers.

As the company prepares itself to move beyond the Year 2000, we're looking into different ways to sustain strong, stable growth over the long term. We're taking advantage of the positive financial position in which BASIS finds itself by reinvesting some profits in BASIS while increasing our cash cushion.

Our financial position has never been better. If you care to take a look, we report our financials annually to Dun & Bradstreet Information Service. BASIS' current assets are more than double our liabilities and the company has no debt. We're experiencing continued rises in revenue each quarter of 1999. A portion of that is due to Year 2000 upgrades, but another good percentage is due to our larger customers upgrading to PRO/5® in preparation for the release of BBj and the capabilities this new product generation will give them.

The portion of profits that are being plowed back into BASIS are being used to add staff and systems, like a new accounting/customer database system, to manage growth, improve products and better serve our customers. The portion of earnings retained will give us a better cash position on which to fall back in lean times and, more importantly, allow us to "put our money where our mouth is" when we talk about partnering with our customers. We've already begun to explore the possibilities of mining new markets for Business Basic more thoroughly through our channels.

In 1998, BASIS established a wholly owned subsidiary in Germany, our largest European market, to help ensure customer support. And just this June, BASIS formed an alliance with SCS Consulting, a software application development firm, to deliver technical support to customers who want to migrate to graphical user interfaces (GUI).

SCS, based in Ft. Lauderdale, Florida, is a 5-year-old firm with expertise in migrating character-based BBx® software to Visual PRO/5® GUI. In the past two years, SCS has worked in 30 countries to port BBx code to a variety of platforms and to support, enhance and maintain BBx applications. Among SCS clients are banks, insurance companies, automotive firms and manufacturers.

In July, we invested in the establishment of Descore Inc., our new Canadian business partner for the distribution of BASIS software products. Dave Foster, formerly head of BASIS product distribution at the Canadian company, J.P. Brown Inc., heads the Descore effort. In acquiring the distribution side of the business from J.P. Brown, BASIS and Foster ensure seamless continuity in supporting BASIS Canadian customers.

All of these are steps in the new business model we're moving toward to better help you. We're thinking of new and different ways of supporting and partnering with our customers, in development, in sales and marketing, and in the financial sphere. The success of BASIS

International Ltd. is dependent on the success of our customers. And we'll continue doing everything we can to ensure your success with our products!

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