

IBISWorld: A Pioneer in Business Data

by BARBARA BRYNKO

This summer, when Justin Ruthven moved from Melbourne, Australia, to Santa Monica, Calif., he officially staked his claim to a piece of prime American turf as the president and managing director of IBISWorld. IBISWorld, underscored with the phrase “where knowledge is power,” bills itself as “America’s richest source of business information.” The Australian-based company is expanding this year, bringing its winning formula for business research to new U.S. markets nationwide, staffing offices, and revamping its Web site for one-stop shopping.

For Ruthven, the timing couldn’t be better. He sees a trend that is infiltrating the desktops and offices of businesspeople in all industries: time-poor executives and librarians are trying to deal with intense workloads and lean budgets. Getting accurate, up-to-date information is critical for keeping a company’s operations running smoothly. IBISWorld produces a full range of reports covering more than 700 U.S. industries and more than 8,000 U.S. companies. The reports, which are designed to save time for clients and provide detailed content in context, include background information, statistics, analysis, and forecasts.

What sets IBISWorld reports apart from others is that they are produced by an independent source, Ruthven said, rather than by an industry association with a vested interest. According to Ruth-



Graphic from the cover of an IBISWorld Industry Report

ven, IBISWorld’s 120 subscriber clients include a range of high-profile enterprises and organizations such as Deutsche Bank AG, the University of Michigan, FedEx, IBM, USPS, the Trade Commission of Spain, and Morgan Stanley. Categories cover industries from Agriculture, Forestry, Fishing, and Hunting to Mining to Information to Educational Services.

A Global Reach

Ruthven has held several positions with the company in the past 13 years, from research and sales to marketing and product development. In the mid-1990s, he expanded IBISWorld as head of its overseas development program in

Jakarta, Indonesia, and later was instrumental in arranging a license agreement with the Taiwan Institute of Economic Research to create the second offshore operation. Today, its reports reach into markets in Australia, the U.S., Indonesia, and, in the next year, China.

The company is trim, listing a total of 80 employees—65 in Australia and 15 in the U.S. Of the total employees, the staff is divided into three nearly equal categories: analysts, customer service representatives, and administrative employees. Ruthven values the importance of a personal touch in his business. “Customer service is critical,” he said. “Any problems need to be resolved immediately. Now that we’re in the U.S., we can take care of our customers here personally and not have

to worry about the time difference between the U.S. and Australia.”

With corporations tightening their budget belts, “it’s not easy for a company to carve out budget dollars where they don’t exist,” he said. But those executives who are empowered with a budget know that a high value of information comes at a cost, he said.

Exploring the Product Line

IBISWorld has four information databases that cover the U.S. economy: Industry Market Research, Industry Risk Ratings, Company Research, and Business Environment. Most of the industry reports are updated quarterly, according to Ruthven (except, of course, for an industry such as haymaking, which may be updated once a year instead). IBISWorld leaves few stones unturned, digging into the usual, unusual, and unique.

Each hefty report tackles the industry from different angles with a relevant impact on the vertical market. With a current total of 723 industries in the U.S. economy, IBISWorld’s Industry Risk Ratings “measure the difficulty of each industry’s operating environment on a 9-point scale—where 1 represents the lowest risk and 9 is the highest risk,” according to the Web site.

“The reports are labor-intensive, but we concentrate on economy of scale,” said

Ruthven. It’s far easier for IBISWorld researchers and analysts to update an existing report than an executive or company librarian to start the process from scratch, he said. “Why reinvent the wheel?” The reports drill down into every industry for data and analysis that can help shape corporate decisions.

Three Decades of Experience

Ruthven’s father, Phillip, the founder and nonexecutive company chairman of IBISWorld, is one of Australia’s best-known social and economic forecasters and public speakers. Armed with a reputation for being a strategic thinker, Phillip launched the company in December 1970 (it was in full operation by 1971), and he remains the sole owner today.

“The greatest challenge we’re facing now is brand recognition,” said Ruthven. “Getting the message out to people is essential.” Those who use IBISWorld are loyal supporters, creating a nearly 100-percent renewal rate for its customer base, which changes occasionally because of mergers and acquisitions, and 100 percent for revenue dollars.

Although global growth has been steady, Ruthven sees the U.S. market as a critical piece to the puzzle. “We want to build the U.S. business to be self-sufficient,” said Ruthven, who is aiming for 60-percent growth for 2006.

‘The Answer Is Know’

“With our expansion into the U.S., we’re literally putting our toe in the water this year,” he said. “We have a proven product, but the trouble is getting our name out there.”

Ruthven hired five salespeople this summer and plans to hire a couple more next year. “We’re here to make things happen, we’re rolling up our sleeves and getting our phones connected. We’re ready for business,” said Ruthven.



Justin
Ruthven