

## From the Brazilian Northeast to the World

*An interview with Eduardo Peixoto, Business Development Executive at the Recife Center for Advanced Studies and Systems or C.E.S.A.R (<http://www.cesar.org.br>).*



**CCAPS:** *Tell Ccaps Newsletter readers a bit about the history of C.E.S.A.R.*

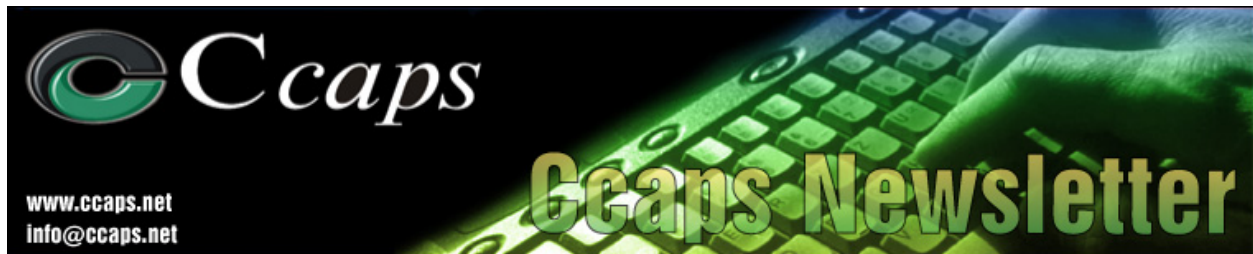
**PEIXOTO:** C.E.S.A.R is a private institute focused on innovation that was founded in 1996 in the Brazilian city of Recife. It evolved from an initiative by a group of professors from the IT Center of the Federal University of Pernambuco, which began to develop innovative processes to meet the demands of the IT market. The goal was to create a global IT and communication center for excellence that would gather the technical capacity of the available human resources with a market-oriented approach. Therefore, the university's brains should go beyond the academic sphere to empower the IT market and help transform the Pernambuco state's economy into something technologically innovative.

**CCAPS:** *What was your contribution to this process?*

**PEIXOTO:** I joined C.E.S.A.R in 2001, when there were already 150 people working at the institute. What most interested me about the venture was the idea of being present and working in an innovative environment brimming with challenges.

**CCAPS:** *What makes C.E.S.A.R a center for innovation in Brazil?*

**PEIXOTO:** Back in 1996, the founders of C.E.S.A.R realized that the Java language would dominate the market and, for this reason, we started working to develop and publicize this technology in Brazil. The institution encouraged the symbiosis between the market and academia, which generated an intense process of company development within the center itself. One of these processes resulted in the development of Radix, a search engine that emerged at the same time as Google, attesting to our potential for innovation. This tool was later acquired by a major Brazilian content provider. The same thing happened with Newstorm, a company specialized in the development of Content Management Systems (CMS); e-capture, specialized in the authentication of electronic transactions; and Tempest, which specialized in system security. In all, more than 10 companies were created and incubated at the institution.



**CCAPS:** *How do you leverage this process?*

**PEIXOTO:** Our mission is to bring the market into the academic environment and vice-versa. A footing in academia and an eye on the market. Only by doing this can we create a symbiotic cycle that benefits everyone involved. I currently work in the area of Business Development, where we identify problems or opportunities at organizations or in their business processes that can be resolved or leveraged by using information technology and communication. The problems or opportunities detected in the market are later studied at the institution with the help of our network of partner institutions, and of course, that of our clients. The developed solutions can be generalized to become a product, service or a new company. The bottom line is that we develop businesses through the discovered solutions.

**CCAPS:** *Can you share some figures with us?*

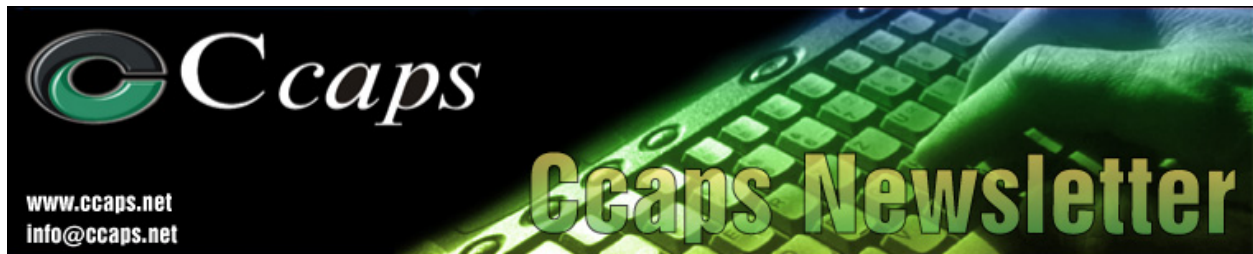
**PEIXOTO:** Since its foundation, C.E.S.A.R has recorded growth of approximately 40% per year and our current earnings are R\$45 million (US\$25 million). Counting the Porto Digital, we are a total of 103 companies that generate more than 3,500 direct jobs on the island of Recife Antigo.

**CCAPS:** *That's impressive! And what exactly is the Porto Digital?*

**PEIXOTO:** Founded in 2001, it is a complementary initiative to C.E.S.A.R. It emerged from a union of forces between the city and state governments together with private initiative to boost the economic life of the Recife Antigo region. It was there that the city's history began and is still home to historical monuments and the Stock Exchange building. In addition to leveraging the Pernambuco state economy, and more particularly, that of the city of Recife, C.E.S.A.R and the Porto Digital are also responsible for maintaining the region's historical heritage. This is because any company that sets up shop there must respect the original building facade, creating a charming dichotomy between the state-of-the-art technology developed therein and the history of the construction itself.

**CCAPS:** *In which areas operate the companies incubated by C.E.S.A.R?*

**PEIXOTO:** In the most diverse range of areas. These include Meantime (<http://www.meantime.com.br>), an online game developer; AiLeader (<http://www.aileader.com.br>), a pattern recognition and information recovery company; and Hive.Log (<http://www.hivelog.com.br>), which offers integrated solutions for the logistics area.



**CCAPS:** How does the incubation process work?

**PEIXOTO:** The C.E.S.A.R. incubation model has made a name for itself in the market by using innovative characteristics when compared to traditional processes. The most important of these is the fact that we are always seeking ideas or projects with the potential to become new ventures. The business opportunities result from our interaction with universities, research centers, investment funds and other entities interested in the development of new IT-related businesses.

**CCAPS:** *There is also another important initiative that you develop: C.E.S.A.R.EDU.*

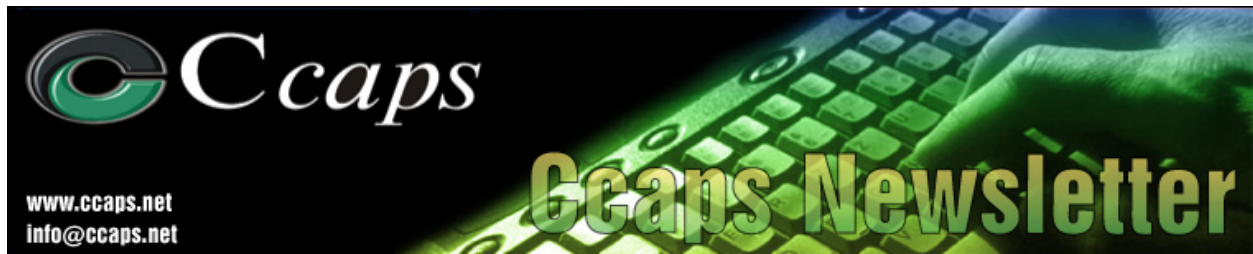
**PEIXOTO:** C.E.S.A.R.EDU is designed to train world-class human capital in Information Technology and Communication (ITC) based on performance, innovation and practical knowledge. We offer two lines of learning: the Professional Master's Degree in Software Engineering, held entirely in a Software Factory environment and focused on reuse and quality, and the Accelerated Software Technology Skills Training or FACTS.

**CCAPS:** *You must know that we work in the area of localization. After all, C.E.S.A.R. recently became a Ccaps client. Why is localization important for your processes?*

**PEIXOTO:** We have certain contracts that are closed directly with companies outside the country. Yet the majority of our revenue comes from the Brazilian domestic market. However, we work largely with the local offices of global companies and, eventually, our products are exported to the head office or other subsidiaries abroad. That is why internalization is relevant for all products. Every one of them leaves ready to be translated and compiled as part of a localization process that meets the specific needs of the client and locale.

**CCAPS:** *Even though the Brazilian software market has achieved a prestigious position in global terms, it still falls far behind other giants like India. In your opinion, what caused this disadvantage?*

**PEIXOTO:** First of all, I would say that not only India, which is undisputedly the leader in the IT offshoring sector, but also China, which will soon begin to fight for this position of leadership. Brazil's problem is that the IT market, and more specifically the offshoring market, is highly dependant on qualified labor. Therefore, when a specialization process begins in certain niches, human capital is crucial. And unfortunately, Brazil still lacks an education process for this kind of labor. Even though we are already recognized internationally, I believe that human capital is the barrier that we have yet to overcome. In order to improve our position even further in the global arena, we must create more training centers that establish partnerships with educational institutions and the market. Only then will we be able to overcome this barrier and leap positions in the global ranking.



**CCAPS:** *And this is precisely what C.E.S.A.R has been doing during its 11 years of existence, correct?*

**PEIXOTO:** Absolutely! Our human capital includes a staff of more than 640 professionals from different regions of Brazil and the world. Most of them have internationally recognized certificates, such as PMP (Project Management Professional), IBM Enterprise Connectivity J2EE, IBM Websphere Studio, SUN Certified Java Programmer and Java Developer, among others. This was only possible due to several different actions developed by the Center, such as the program to attract foreign professionals and incentives to obtain certifications and graduate degrees, such as C.E.S.A.R.EDU.

**CCAPS:** *May these 11 years become many more then. Congratulations on the initiative!*

**PEIXOTO:** Thank you.