

Perseverance Pays

It has not always been smooth sailing for IRIS Corp but it can now build on its hard work.

SIFTING through the ground-breaking achievements of IRIS Corporation Berhad, it is hard to imagine that at one time, the company was facing the extremely real possibility of not even making it.

The company has built its name on its forte of providing smart card-based security and biometric solutions.

Although it also provides additional products and services such as smart card readers and airport baggage tagging system, its expertise lies in its patented core smart-card technology known as Image Retrieval and Identification System (I.R.I.S.).

It was instrumental in coming up with an electronic passport, making Malaysia the first country in the world to do so. The same technology was also used to produce the country's smart identity card called "MyKad".

The technology is also being exported to other countries.

Everything looks right for Iris. However, the story has not always been about smooth sailing. In fact, the early days were anything but. Since its inception in May 1994, Iris Corp has had to struggle to sail out of rough waters.

First, it was the regional financial crisis in 1997 and then the dotcom meltdown. Although Iris Corp is not a dotcom entity, its reliance on high technology smart cards has had an adverse effect on the company. One of the biggest problems then for the company was raising working capital to stay afloat.

The company could not raise working capital although it secured financing in 1999. The dotcom bubble burst in 2001 and the negative perception of technology made investors afraid to put their money in.

The danger of the company winding down was very real. The perception was that if the company were to collapse, it would have happened then. But the company weathered the storm through sheer grit and tenacity.

Interestingly, the idea of setting up Iris was mooted during a meeting at a watering hole between three founding members.

One of them had developed an electronic identification technology which allows the compression and storage of vast amounts of linear and graphical data within the limited storage capacity of a microchip while he was in the United Kingdom.

In the late 90s, the Government urged Malaysian scientists living and working abroad to return home and spawn local high-tech industries.

That was the start of Iris Corp, which started with an initial paid-up capital of RM6 million.

The trio had come up with the idea that security documents, which are paper based, can be augmented with a covert technology. They believed that the compression technology could transform and revolutionise identification methods in an era of growing demand for high-level security.

In January 1995, a technology transfer agreement was signed between MCS of United Kingdom and Iris Corp. The technology transfer allowed Iris Corp to own, design and manufacture certain intellectual property rights of MCS pertaining to its compression technology.

To complete the technology transfer, Iris Corp raised RM4.2 million by teaming up with the Berjaya Group Bhd. The technology was promptly transferred to Iris Technologies (M)



Sdn Bhd, in which Berjaya Group holds 70 per cent equity and Iris Corp the rest.

Iris Corp was then located in a small incubator building in Technology Park Malaysia (TPM). In 1998, it moved into its own 'smart complex' on a leased 4.5-acre land in TPM, which cost a total of about RM85 million. The complex houses manufacturing as well as research and development facilities relating to smart-card security solutions.

Soon after that, the company won a major contract with the Government to produce the Malaysia Electronic Passport (MEP). The RM24 million contract was to supply hardware and software to embed the smart chip into passports. The MEP was subsequently launched by the Immigration Department in 1998 as a showpiece of Malaysian ingenuity.

Today, it is estimated that more than seven million Malaysian passports using the smart card are in circulation. The technology has cut down the processing time of travel documents at Immigration checkpoints throughout the country using automatic gates, called Autogate.

Its MEPs are the first electronic travel document in the world. The Autogate was introduced in 2000 and it has reduced (travel document) processing to a mere 10 seconds from what used to take 45 seconds on average.

Smart card, though not really a newfangled technology, is an interesting innovation. Its ability to store information and to function as a microprocessor makes it a good device for development into a multi-purpose card.

Following the MEP project, Iris Technologies, working together with four other companies, won another contract

to create Malaysia's first Government Multi Purpose Card (GMPC). The project is estimated to be worth RM280 million. The four companies are Unisys (M) Sdn Bhd, Dibena Sdn Bhd, Computer Systems Advisors (CSA) Malaysia Bhd and ENCPR Sdn Bhd. The consortium formed a company GMPC Corporation Sdn Bhd to undertake the task.

Iris Technologies' contribution to the consortium is the provision of the microchip operating system for the smart card, which includes several layers of security features.

In every sense of the word, the GMPC is to be used for a myriad of purposes. The GMPC, called MyKad, is an identity card, immigration information card, driving licence and MEPS cash card all rolled into one.

The 32 kilobytes of memory storage in the MyKad and the data compression technology make all this possible. The MEPS cash card can store up to RM500 e-cash. With e-cash, one can shop and pay for goods and services by simply swiping the card at merchant outlets which have a smart-card reader.

It can also store health information of the holders, besides other applications.

By: Yusri A. Iman

