

Richmond tech company inks fare dinkum deal Down Under

Digital Dispatch Systems Inc. becoming a major world player in mobile dispatch and payment processing technology for taxicabs

Bob Mackin

A Richmond company is changing the way the world's taxi industry does business.

Digital Dispatch Systems Inc. has 142 staffers in six countries on four continents and is positioning itself as the top global player in outfitting cabs with mobile data units for dispatch and payment processing. The latest deal is worth \$1.5 million to outfit a new Sydney, Australia, taxi company targeted at the aged and disabled.

"The taxi environment often-times is not electronic friendly," said vice-president of international business **Michael Hryb**. "The problem in dispatching taxis was how to make everything fairer for drivers and to optimize the use of vehicles."

Lime Taxis is billed as Australia's first premium wheelchair-accessible taxi fleet in Sydney. By year's end, the fleet of Mercedes Vitos will number 240 and give passengers with disabilities priority service. The taxis will be equipped with DDS's PathFinder application and iPilot 8000 on-board computer.

The deal to install the technology in 135 new taxis, which will be worth approximately \$1.5 million, could range as high as \$5 million as the fleet is expanded.

Hryb said the Australian taxi market is technologically progressive and closely managed by government through strict regulations.

Lime's owner is **MACT**, a wholly owned subsidiary of the giant **Macquarie Investment Bank**.

Macquarie has \$15 billion in market capitalization and operates in two dozen counties with 8,000 employees. Its biggest Canadian play is the management of the Highway 407 toll route north of Toronto. It's also a major equity provider to B.C.'s Sea to Sky Highway project.

The Australian taxi industry's payment processing is dominated by **Cabcharge**, which handles 90



DDS vice-president of international business Michael Hryb: "in the taxi business, it's all about operating expenses"

per cent of credit card, debit card and voucher transactions, worth about AU\$800 million a year, through its EFTPOS Fareway System.

DDS was one of more than two dozen companies that responded

DDS recorded \$27.2 million in revenue last year

to the original call for tenders. It was among five on the shortlist and then one of two that installed a working pilot project.

DDS employs 114 in Richmond. Paris-based **G7**, its biggest customer, signed on in 2000 and has since bought 4,800 models of DDS' Windows CE mobile data terminal. DDS has installed 200 systems using 70,000 devices on four continents.

The company is a spinoff of **Mobile Data International**, which pioneered a North American taxi dispatch system in 1978. A decade later, the group formed DDS. It acquired **Glenayre's** mobile data division in 1992, eventually diversifying from taxis into airport shuttles, auto clubs

and vehicle tracking. It acquired **Mobile Data Solutions'** transportation business unit in 1999 and now has offices in the U.S.A., the United Kingdom, Sweden, Singapore and India. The company went public on the **Toronto Stock Exchange** in 2003 (TSX:DD).

Since launching, the DDS systems have become more complex because of integration with payment processing, security and taxi meter providers. In Australia, DDS also integrated its system with a GPRS provider and video and audio provider for security.

DDS recorded \$27.2 million in revenue last year with an after-tax profit of \$3.3 million.

"We're getting a lot of interest internationally for our systems. It's being recognized this is going to help people save a lot of money," Hryb said. "In the taxi business, it's all about operating expenses. You need to get the underutilized miles down. Using optimization, it allows taxis to do that. They drive less and once they drop off that fare they can more quickly pick up another passenger."

DDS does 84 per cent of its business in foreign markets. ♦

■mackin@biv.com