

## Aggressive OpenSpan hires new CEO, closes C round, keeps growing

**Analyst:** Dennis Callaghan

**Sector:** Enterprise Software

### Event summary

- OpenSpan has hired former CDC Software president and CEO Eric Musser as its new CEO. Former CEO Francis Carden, who had held the position for more than three years, remains with the company as chairman.
- The company recently raised a \$13m C round to expand its operations and international marketing efforts. It's now raised at least \$22m since it was founded early in 2005.
- OpenSpan's growth has been impressive to date. It claimed revenue in the first half of 2008 exceeded revenue in all of 2007, when it added 30 new customers. In the next 12 months, it expects to double the 75,000 seats it sold in the past 18 months.

### The 451 take

We've seen OpenSpan successfully go beyond the contact center to the financial services desktop. It's now reaching beyond the desktop to incorporate back-end applications, presenting a unified Web services interface via a virtual layer. Dare we say that OpenSpan is doing SOA the way it was meant to be done? With its expanded technology, track record in turning proofs of concept into large deals, new funding and big-company CEO, OpenSpan seems primed for growth and could provide a shot in the arm for SOA initiatives in the process. The financial services industry in particular should prove to be fertile ground for the company in that regard.

### Details

**OpenSpan** has hired Eric Musser, the former president and CEO of business applications software vendor CDC Software, as its new CEO, replacing Francis Carden, who had been in that role since April 2005. It'll be Musser's job to guide OpenSpan to its next stage of growth, and he'll have an extra \$13m to play with from a C round OpenSpan raised from **FTVentures** and **Globespan Capital Partners** with existing investors **Matrix Partners**, **Sigma Partners** and **Imlay Investments** also participating. That brings the total OpenSpan has raised to at least \$22m since its founding early in 2005.

Musser inherits a company with a lot of momentum. OpenSpan claims that 2008 first-half revenue has already exceeded revenue for all of 2007, fueled by several seven-figure deals, especially in the

financial services space. Contact centers, telecommunications and high tech remain key verticals for the company as well. The company now has close to 70 customers plus about 30 more proofs-of-concept. Production deals are running in the \$250,000 to \$400,000 range. Version 4 of its OpenSpan Platform moves beyond the desktop to the datacenter. It includes a Virtual Broker that allows desktop application logic to be exposed as Web services. This will allow OpenSpan to integrate and automate processes between desktop and legacy applications with no installation required at the client. OpenSpan has about 70 employees.

### **Competitive landscape**

OpenSpan still identifies in-house development as its chief competition. **Jacada** and **Cicero** remain in this space, though it's unclear if either has moved beyond the call center, as OpenSpan clearly has. It acknowledges running into Israeli customer interaction management software vendors **eglu**, **Business Technologies** and **Composia Software**, but those don't appear to be very direct competitors, and again are strictly call-center plays. We recently initiated coverage on a new company, **SynerG Software**, whose messaging is very similar to OpenSpan's. It too intends to go beyond integrating desktop applications and add server-based legacy apps to the mix, creating a virtual layer of these applications and automating processes between them. Technology-wise, SynerG may be the most compelling alternative to OpenSpan, though OpenSpan has a head start in terms of market penetration. Enterprise mashup vendors, particularly **Serena Software's** Serena Business Mashups, which supports process automation between integrated apps, and **Nexaweb Technologies'** Enterprise 2.0 platform, which supports legacy application integration, offer some competition. Other legacy modernizers like **MicroFocus** and **NetIQ's Attachmate** could be competitors in Web services – enabling those legacy applications. Since OpenSpan does this along with desktop integration and process automation, it's got a more complete offering.

### **About The 451 Group**

The 451 Group is a technology industry analyst company focused on the business of enterprise IT innovation. The company's analysts provide critical and timely emerging-technology insight to clients at vendor, investor, services and end-user organizations – insight that aids both strategic and tactical decision making for competitive advantage.

The 451 Group is headquartered in New York, with offices in key locations, including San Francisco, London and Boston. The company also operates Tier 1 Research – an independent division of The 451 Group – which analyzes the financial and industry implications of developments impacting public and private companies within the IT, communications and Internet sectors.

For additional information on the company or to apply for trial access to its services, go to: [www.the451group.com](http://www.the451group.com)