

Highlights from the “Grape Escape”

Event Rating:



When: July 24, 2003

By: Judith Rusate of JRocketMarketing

Where: Greenwich, CT

Demographics:

- Total attendees: Approx. 30
- Top analyst representatives from most major IT research firms
- CEOs from all presenting firms and customers
- Several other top executives from vendors present

Marketing Highlights:

- Invitation Only
- Very intimate, professional
- Excellent CEO-to-CEO and CEO-to-IT analyst interaction
- Ideal format for introducing or re-acquainting companies to analysts
- Event conducted in wine cellar of outstanding restaurant

Headlines:

Aligo

- A provider of mobile business productivity solutions (mobile email to field and sales force automation)
- Great growth in recent history which bodes well for a firm in this segment
- Has been very successful outside of U.S. market, particularly Japan
- Will soon add .NET support to product line that already is strong in Java platform
- Strong Sun channel. Also has KPMG Consulting and several vertical channel partners.
- Products are device and network neutral (i.e., it runs on almost any mobile telephone device, PDA, RIM) – Runs on 4400 known devices
- Privately held

My Assessment:

- Small, new firm that's already tracking well
- More channel development and key client wins will aid Aligo's upside
- Would be invaluable to some CRM vendors, process automation firms and others

Guidance

The Newsletter for Technology CEOs

Deltek

- A well kept secret for too long – Has blossomed when many PSA and ERP vendors have floundered
- Has a surprisingly massive install base within project oriented industries:
 - Over 8000 customers in total
 - 2/3rd of 500 largest Architecture/Engineering firms
 - 9 out of top 10 Federal prime contractors (e.g., CSC)
 - 1500 government contractors are users
 - 3 out of top 5 largest U.S. contractors and Canada's largest firm
- Firm is challenging established ERP leaders for prominence in top 5 of ERP leader board
- Announced new releases of three products
- Taking a much more aggressive posture in a rapidly consolidating marketplace – offers a choice to firms looking for software from a firm not obsessed with deal making and merger integration issues
- 20 year old firm
- Privately held

My Assessment:

- Expect Deltek to disrupt the clubby LOPS (Lawson, Oracle, PeopleSoft and SAP) crowd. Big ERP players will try to minimize or pigeonhole Deltek but the consolidation chaos affecting the majors will continue to negatively affect them. Expect Deltek to benefit from this for the next two years.
- Excellent mid-market competitor with a number of mega-customers. They seem to sell and understand their verticals better than mid-market wannabes.

Timeline

- Their tagline says "Powerful Software for Business". This may be an understatement given that the company has some of the best and most powerful patents in financial reporting/data mining. Their patents make them the "Eli Whitney in the data warehouse industry". Patents have been licensed to firms like Microsoft, Oracle, Hyperion and Lawson Software.
- Remember: patent license income only 30% of total revenues. License and maintenance revenues from U.S. and International sales of its main products make up majority of revenues.
- Has several products that dramatically enhance custom or package financial systems
- Had a customer describe the use of Timeline products in a sales analysis application. Customer achieved significant ROI in record time. Customer accolades were nothing short of glowing.

My Assessment:

- Small firm that's re-inventing itself
- Aggressively protecting its key assets – This may make the firm an acquisition target for the right player