

Volume 4 Issue 4 April 2001

Top Stories

Openet Telecom and AT&T

Openet has announced a major convergent mediation contract with AT&T Wireless for next-generation mobile services. Under the contract, a multi-million dollar deal, Openet Telecom will deliver FusionWorks, its main convergent mediation solution to AT&T, providing them with a solution that will form the backbone of AT&T's business and decision support systems. FusionWorks, Openet's main application, is an open standards based distributed software platform. It provides a single software architecture that allows a communication service provider to identify and bill customers according to type of usage rather than solely time and distance. This process is of particular relevance at this time, as voice and data services converge. In 1999, Cross Atlantic Channel Partners (XACP) provided funding of £2 million to Openet in exchange for 13% of the company.

Openet is to create 200 jobs in Ireland, Europe and United States by the end of 2002 as part of a major global expansion. In 2000, Openet Telecom more than doubled its employment to 80 people. Openet sells into existing and emerging telecommunications companies on contracts valued from \$100,000 to multi-million dollar deals. Due to the skills shortage in Ireland, the company is in the process of establishing a laboratory in Hungary. It has offices in Ireland, the UK, Germany, France, Sweden and the US.

Formus closes and is for sale

Formus Communications (Irl) Ltd. has announced that it is closing with the loss of 71 jobs. The closure was a result of a decision by Formus' US parent company, Formus Inc., to restructure its European operations and withdraw support from a number of its operations, including that in Ireland. When Formus Inc. withdrew its support, Formus Ireland tried to get funding from other sources, including Irish telecom companies in the same space, but was not successful.

Tom Kavanagh (of Kavanagh Chartered Accountants) has been appointed Liquidator to Formus in a voluntary liquidation.

The business and assets of Formus are for sale. See advertisement on page 3.

Comnitel Technologies

Comnitel Technologies has announced € 15 million in an additional equity investment following the completion of a second financing round. The funding was provided by investors including ICC Venture Capital. New investors include SAIC Capital Corporation, Mercury Private Equity and Hamburgische Landesbank. 20-30% of the company was given in exchange for the investment. Declan Fox, Executive Chairman of Comnitel said that the funding had been oversubscribed. He saw the SAIC investment as being of particular strategic importance, as SAIC should be able to help Comnitel in developing key industry relationships.

Comnitel says that it is the only company providing mobile-specific network and service management systems to mobile operators. Its two main products are Centurion, a GSM fault management system, and Praetorian, a GSM management system. It hopes to see Centurion deployed in two European GSM networks by the end of 2001. Comnitel was established in 1999 and currently employs 52 people. It expects to go into profit by the end of 2002.

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Formus closes and is for sale

Job Losses in the Irish Technology Industry in March

Aspect Software announces major expansion CeBIT Technology Show

Feature Articles - page 22

"Managed Services - Part 1" - TIU insights on issues and opportunities in the large organisation for Irish software companies - Garrett Hickey and Roger Hatfield

Interview with Henry Woods, CEO of Soft-ex - Garrett Hickey

Market Report - Fran Hoey



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About InfoBrief

TIU InfoBrief is edited by Jean Sheppard with contributions from Garrett Hickey, Roger Hatfield, Mark McAuley, Fran Hoey and Nicole Mattern.

TIU TechWatch has improved weekly coverage of the Irish and international technology sector.

TIU Techwatch Archives

You can search our Archives online at:

www.techwatch.ie

FOR SALE

The Business and Assets of Formus Communications Ireland Limited (In Voluntary Liquidation)

**One of four operators of Broadband Wireless Access Services
in the Republic of Ireland**

Assets include:

Network Infrastructure for the provision of Broadband Wireless Internet Access
to Dublin Business Customers utilising 26 GHz frequency

1 Central facility
2 Hub-sites
39 CPE locations
1 Network Operations Centre
Point to point radios at 28 GHz frequencies
Customer Care & Billing System
Large quantity of hardware and software

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Other stories

Formus closes *from page 1*

Formus was originally a joint venture between Formus Communications and Dublin-based European Access Providers, set up by Rory and Charlie Ardagh. The Ardagh's sold their shareholding to Formus Communications last year, when that company was planning an IPO, which it abandoned in November, 2000. In 1999, Formus Broadband won one of four licences to run broadband Internet access in Ireland. However, its roll-out was delayed due to Broadnet Telecom, who did not get a licence, challenging the licence awards in the High Court. Formus' service was launched in November 2000, and it is thought to have had around 40 clients but not yet to have been profitable.

Job Losses in the Irish Technology Industry in March

Irish companies

IONA reported a rationalisation plan, with 160 set to lose their jobs. Its US operations will bear the main brunt of the cutbacks following the acquisition of five US companies, with its Irish division unmentioned so far.

Entropy has let 20 staff go, including its COO, Fionan O'Driscoll.

Internet consultancy firm, **Nua**, has announced that it has gone into liquidation.

Educational Multimedia Corporation, the e-learning firm, is shedding 50 workers in Ireland and 8 in the US, out of a total of 108. The company announced that it was restructuring as a result of the slower than expected growth in the US e-learning market and difficult capital market conditions. EMC is a subsidiary of Educational Multimedia Group. Another e-learning company, **WBT** is reducing its staff by 22.

Trintech is to reduce its staff by 5%, mainly in the UK and the US.

Nua, the Internet consultancy firm has gone into liquidation with the loss of 35 jobs. The company was 20% owned by Eircom. **Local Ireland**, 86% owned by Eircom is to let 12 staff go. In a re-structuring of its multimedia operations Eircom is to close **Randomondo**, its the digital publishing division which will result in 35 people losing their jobs.

New Jobs

Against these jobs losses should be set the expansion of many Irish tech companies mentioned in this issue. For example **Openet Telecom, VistaTEC, EPS, and IT Alliance**.

Irish operations of multinational companies in Ireland

Intel is to suspend the construction of its Fab 24 plant, the \$2 billion to its Leixlip facility. It is expected that around 1,400 construction will lose their jobs. This will postpone recruitment of the 1,000 people it was planned to employ in the plant. [see MNC section].

3Com is to cut around 30 jobs at its Dublin operations as part of a worldwide job reduction.

Cable& Wireless is to reduce the number of its Irish employees from 260 to 238.

There were great fears that there would be major job losses at **Xerox's** Dundalk facility where 1,000 people are employed but so far just 30 people have lost their jobs.

Aspect Software announces major expansion
www.aspectsoftware.com

Aspect Software, a provider of operation e-CRM applications for the European banking and insurance sector, has announced a major business expansion with the support of venture capital company 3i, and Enterprise Ireland. Aspect Software will invest € 5 million in accelerating the expansion of its business in Europe. The expansion programme, put in place with the support of KPMG Corporate Finance, will allow Aspect to expand in the areas of research and development, sales and marketing and recruitment. Aspect presently employs 35 people. The company's main product is Touchpoint2, which enables banks and insurers to automate their multi-product, multi-channel customer processes. Aspect's customer base is spread across Ireland, the UK and Europe and includes Irish Life and Permanent, ING, Bank of Ireland and Chase Manhattan.

CeBIT Technology Show
www.cebit.de

CeBIT, the IT and telecoms trade fair, was held in Hannover, Germany, between 22nd and 28th March. Over 8,000 companies from 60 countries took part in CeBIT which attracted an attendance of 830,000 people. 32 Irish companies were represented in the event. Listed amongst these were CardBASE, Eontec, Lake Communications, Network365 and Orbiscom.

Trintech and **Motorola** demonstrated the mWallet product solution at the CeBIT conference. Trintech's wallet technology for secure wireless transactions is the basis of Motorola's m-Wallet which was previously launched at the GSM World Congress in February, in France. The m-Wallet consists of PayWare mAccess acting as Wallet Proxy – which acts as a broker between the merchant, the user's device, and the Trintech PayWare issuer Wallet Server.

XIAM launched the Mobile Internet Edition of its mobile data-enabling Information Router software. The new software offers seamless and secure routing of information between enterprises and mobile users using WAP, I-mode or SMS. Customers, staff and partners can now securely retrieve critical information stored on enterprise computer networks using an Internet-enabled mobile device. This latest Mobile Internet Edition complements the existing Mobile Messaging Edition, which is based on retrieving similar information via SMS text messaging.

Point Information Systems was also at CeBIT, and unveiled new enabling technologies. One of Europe's e-business CRM leaders, Point is the first company to reveal compact HTML [cHTML] and short messaging service [SMS] support in a mainstream CRM solution. Both will come in the next release of the company's thin client CRM platform, e-point. cHTML, a subset of HTML, is used for displaying web content on mobile devices like cellular phones and augments the wireless access protocol [WAP] support already built into Point's product. Seen in Europe for the first time at CeBIT, e-point also breaks new ground in its use of open APIs based on HTML and XML.

New TIU service for Share option Schemes

TIU has launched a new service to support Irish software companies taking advantage of the Budget changes relating to Share Option Schemes.

The Finance Bill 2001, shortly to become the Act, has significantly improved the tax treatment of share option schemes. Section 15 of the Bill amends the "Principal Act", namely the Taxes Consolidation Act, 1997, to allow "Approved Share Option Schemes".

TIU have the **resources, experience and templates** to:

- Resolve the issues
- Establish the schemes; and
- Obtain the approvals - from The Revenue and outside shareholders

In a cost effective, objective, **independent and timely manner**.

Please contact Roger Hatfield or Elliott Griffin for a preliminary discussion of your requirements.

[A more detailed description of this service is contained in the additional attachment to the covering email, entitled: 'TIU Share Option Scheme service'](#)

Software Company News

Am-Beo

www.am-beo.com

Am-Beo, the Galway based provider of IP Billing Systems, has announced that it has closed its first major round of financing, with ACT Venture Capital. ACT is investing IR£3 million in the company, which specialises in billing software for data and IP services providers. The software receives information from data networks, identifies user transactions, calculates the prices for each transaction, and generates an invoice at the end of the billing period. Most of the founders, which include joint managing directors Anthony Behan and John Brady, had previously worked at Saville Systems [the Irish company listed on Nasdaq, which was acquired by ADC Communications]. Am-Beo was set up in Galway in early 2000, and recently released its first product, Rate-Rec. The second product, Web-Bill, will be released later this year. The company received a grant of £1.5 million from Enterprise Ireland earlier this year and has recently signed partnerships with Hewlett Packard, Xacct Technologies and KBT Systems in Canada.

Cognotec

www.cognotec.com

Cognotec, the Dublin based enabler for foreign exchange and money market e-commerce solutions for the financial services industry, announced a new joint venture with Softbank Finance Corporation and Posdata Co Ltd to develop, market and deploy Internet-based foreign exchange dealing solution to financial institutions in the Republic of Korea. At the same time, it was announced that Softbank Finance Corp has made an additional \$10 million investment in Cognotec bringing its total investment in the Dublin company to \$60 million. This makes Softbank the largest investor, with 31%.

Standard Chartered Bank has become a member of Cognotec's Liquidity Linq service. Liquidity Linq enables banks to pass their foreign exchange market risk on to another institution electronically, while continuing to offer a seamless service to their clients. Cognotec Japan K.K., a joint venture between SOFTBANK Finance and Cognotec, an Irish e-commerce service provider, has been selected by the Bank of Tokyo-Mitsubishi, to provide on-line foreign exchange dealing using the Cognotec AutoDeal LITE service. The company has also announced a new service, which allows banks to interface quickly to the FXall platform. The Cognotec FXall CONNECT service allows banks to connect directly to the FXall platform using the Cognotec AutoDeal LITE trading service.

There have been reports that Cognotec, which provides foreign exchange and money market e-commerce solutions, is to reduce its workforce by 10%, or by 24 people. Further job losses in the company have not been ruled out.

Point Information Systems

www.pointinfo.com

E-CRM solutions provider Point Information Systems reported that its revenues during 2000 more than doubled its 1999 figures, and the company turned in a healthy profit. Point says that part of its financial success has been due to the fact that it has not grown too quickly. Others factors in its success have been the launch of e-point 5, the latest version of its solution suite and changes to its business model, introduced in the last 18 months. Point has changed its sales process, so that instead of selling direct to customers it now sells through global and regional partners, such as Logica and Siemens. Currently Europe provides 50% of revenues and North America generates 35%. Point is presently undertaking a major push to increase its market share in North America and also in Asia.

For more details visit the Point Information Systems website

<http://www.pointinfo.com/dynamic/Site?mode=ViewArticle&type=News&artId=79>

Allfinanz

www.allfinanzinc.com

Allfinanz has agreed to a settlement with Lincoln National Risk Management over its March 2000 lawsuit regarding the infringement of LNMR's patented "Method and Apparatus for Evaluating a Potentially Insurable Risk". Allfinanz, as a result of the settlement, will be granted a license under US Patent No. 4,975,840, issued 4th December, 1990. The agreement will also involve the creation of a strategic alliance between Lincoln and Allfinanz to deliver a totally outsourced solution for underwriting and issuing life insurance policies online. Lincoln Financial Group is a financial services company with annual revenues of around \$6.8 billion. The Allfinanz focus is using Internet technology for the complete electronic fulfilment of financial services purchases and service. Customers include GE Financial Assurance, Travellers Life & Annuity, and Toronto Dominion Life Insurance Company.

Allfinanz and Friends Provident

www.allfinanzinc.com

UK insurer Friends Provident has launched an Internet initiative for its agents and brokers, using technology provided by Irish software company Allfinanz. Allfinanz's new xpertMatch software is a solution that gives Friends Provident agents and brokers an opportunity to invite their clients to the Friends Provident website to obtain an online quote, apply online and actually go through the underwriting and approval process in one short visit.

NewWorld Commercewww.newworldcommerce.com

NewWorld Commerce, a provider of e-marketing campaign software, and **Vendaria** Inc, a provider of streaming video solutions for sales, marketing and merchandising, have announced a joint technology and marketing programme. The programme will integrate the companies' products to extend customers' e-marketing capabilities. Under the agreement, NewWorld Commerce will license Vendaria Enliven to video-enable NewWorld Direct. Vendaria Enliven is a platform that hosts streaming videos that can be embedded into web sites and e-mails and viewed by consumers with modem speeds of 36k and above. Through the partnership, NewWorld Direct customers will be able to engage audiences through rich media. In turn, Vendaria will market the combined solution to its own customer base.

Two Irish companies, New World Commerce, an e-marketing solutions provider, and TecBrand, a technology-focused marketing services company have announced an agreement that will see them collaborate to provide complete e-marketing solutions to high-tech companies. Under the agreement, TecBrand will operate as a preferred partner and provider of NewWorld Direct, the company's e-marketing platform, and integrate it into its Internet-centric marketing solutions. NewWorld Commerce will use TecBrand as its preferred partner in the technology sector.

Soft-ex [previously Softech Telecom]www.soft-ex.net

Soft-ex is the new name for Softech Telecom, and reflects its move into e-services and bandwidth management. From 26th February to 2nd March, Soft-ex embarked on a weeklong road-show, introducing its iCMS [integrated communications management solutions] to its European partners, distributors and customers. iCMS offers what Soft-ex sees as an all-encompassing web-based communications management service covering voice, voice over IP, wireless and m-commerce, employee Internet management, e-mail usage, control of bandwidth video, audio and more.

Wolfe Group and Soft-exwww.wolfegroup.ie

Soft-ex (formerly Softech-Telecom International), a provider of Communications Management Systems, has announced its choice of Wolfe Group as its hosting partner in Ireland. Wolfe Group, which provides a range of hosted managed services, will host Soft-ex's iCMS servers at its Data Centre, located in Park West, Dublin. The partnership will enable Soft-ex to offer its recently announced iCMS services (Integrated Communications Management Solution) as a third-party hosted ASP service. Wolfe Group will initially host two racks of servers with further capacity being added as required.

Baltimorewww.baltimore.com

Following the month's analysts 'teach-in' conducted by Baltimore a warning from the Financial Services Authority is likely. With the CSFB analyst's call, based on Fran Rooney's comments, sending shares plummeting, the company's trading statement on the afternoon of the teach-in came too late to counter accusations that the company gave special information to the select group of analysts. Baltimore's AGM in a few weeks should make interesting viewing.

Baltimore Technologies and Ericssonwww.ericsson.com

Ericsson has announced that Baltimore's digital certificate technology is embedded in the Ericsson smartphone R380 to allow secure and trusted transactions. Baltimore Telepathy root certificates are embedded into the WAP browsers of the latest Ericsson R380 phones, providing an automatic trust relationship for secure, authenticated wireless services including mobile banking. The Ericsson R380 is a small-sized dual band "smartphone" combining the functions of a mobile phone with advanced communications features and PDA-like tools and is the first commercially available mobile Internet device with root certificates pre-installed.

VistaTECwww.vistatec.ie

VistaTEC, a global provider of high-tech and e-business solutions has moved into new premises on the South Circular Road, Dublin, as a result of its soaring growth rate. VistaTEC was number 24 in the Deloitte & Touche's Fast 50 Awards. Mervyn Dyke, CEO and President of VistaTEC commented "We have grown by 20% in staff numbers this year and our revenues have grown by 78% each year for the last three years with strong profitability and liquidity. VistaTEC, a leading provider of globalisation services, specialises in localisation of software, e-commerce and dot.com applications.

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Sx3
www.sx3.com

Belfast company, Sx3, has brought together the two Scottish companies that it acquired recently, **Microcentre** and **DPS Scotland**, under a single corporate identity, namely Sx3. Sx3 is one of the fastest growing technology companies in Ireland and is a subsidiary of the Viridian Group, Northern Ireland's largest plc, which is listed on the London and Dublin stock exchanges. The unification of Sx3's businesses in Scotland marks the first stage of a major corporate re-branding programme. Already employing 85 people in Scotland, Sx3 aims to create 25 new jobs there by the end of 2001. The company has also announced two new business relationships - a service contract with Motorola in support of its four mobile communication sites and the award of preferred supplier status by BSKyB.

Mirador Software
www.miradorsoftware.com

Mirador has announced that it has secured investment from the Campus Companies Venture Capital Fund to develop further its suite of financial software products and to hire senior management personnel. Mirador was founded 10 months ago. Its core team was originally involved in the development of AIB's 24-hour online banking solution. It presently employs 10 people. The Campus Companies Venture Capital Fund was set up to provide seed and early stage development capital for businesses promoted by staff and graduates of Irish Universities. Investors include Enterprise Ireland, the Irish universities, AIB, Montgomery Oppenheim and private investors. It is understood the amount of the funding was around £300,000.

IFS
www.ifs.ie

IFS, the developer of Internet trading solution for international financial institutions, has announced a deal with the **Citigroup Private Bank** which is to take IFS's MarginMan-GATE for collateralised trading. The Citibank Private Bank is the first of the world's leading financial institutions to implement the integrated product since IFS's recent announcement of the \$21 million Dene acquisition. This merger allowed the two companies to form the new MarginMan-GATE product that facilitates trading across the web.

IFS has announced that it has been chosen as a technology partner by **Currenex**, the world's first operational online global currency exchange. Under the terms of the agreement, an Application Program Interface between Currenex's Internet service, FXtrades, and IFS' MarginMan-GATE application will be built, allowing financial institutions to conduct automated collateralised Foreign Exchange [FX] trading on the Currenex exchange.

CardBASE Technologies
www.cardbase.com

CardBASE, a provider of smart card solutions for secure e-commerce has announced that it has been recommended for both ISO9001:2000 and TickIT by SGS Yarsley International Certification Services Ltd. Founded in 1993 and based in Dun Laoghaire, Co. Dublin, CardBASE provides smart card management systems for the Internet, banking, financial and airline markets. CardBASE solutions have been specifically designed to support the Visa International led Common Electronic Purse Specification [CEPS], EMV and the Public Key Infrastructure [PKI] standards.

sepro
www.sepro.ie

sepro, the Dublin software company, which specialises in how to generate revenue from billing, has prepared a 10-point guide on how telcos and ISPs can make money from the Internet. The list is available from www.seprobilling.com. One of the recommendations is: "Don't think like a traditional telco". sepro says that ISPs and telcos should sell offerings that other people develop, such as airline ticket sales and stock quote services. While CRM is important, sepro advises that PRM [Partnership Relationship Management] is the route to revenue generation in the Internet world.

SmartForce
www.smartforce.com

SmartForce has announced a strategic agreement with **Microsoft Corp.** to provide an e-learning solution to help Microsoft partners sell Microsoft products and solutions. The programme is directed to the 20,000 plus registered users of the Microsoft Direct Access website.

CBS MarketWatch has said that SmartForce has pulled out to the early lead in the e-learning sector and that it was the first public Internet-based training company to have real profit. The company has also finalised a multi-year agreement to incorporate SmartForce into Carnival Cruise Lines' IT Education and Career Development programme. Beginning in April, Carnival IT employees worldwide will access SmartForce e-learning directly through Carnival Campus. Carnival's new intranet site for computer education. SmartForce e-learning will also be made available to non-IT employees to increase their skill sets and knowledge of Microsoft Office and other end-user products. Carnival is the world's most popular cruise liner companies, based on number of passengers carried.

Fusion and ACI Worldwide
www.fusion.ie

Fusion Business Solutions, the e-business consulting division of Horizon Technology Group, has formed an alliance with ACI Worldwide, a provider of enterprise e-payment solutions. Fusion is to add ACI's electronic bill payment and payment technologies to its portfolio of Internet solutions. This will be of particular importance to it in its consulting work with the telecoms industry in Ireland and the UK.

i-Fusion
www.i-fusion.ie

i-Fusion is Horizon Technology's ASP provider. Gorilla Park, the Anglo-Dutch e-business incubator and publisher of Tornada Insider magazine, is the first i-fusion customer to avail of an extended set of functions offered by the applications service provider. i-fusion is building its business with SAP software and mid-March implemented a new release of its Internet-centric mySAP.com. The ASP market is still very much at an adopter phase, according to i-fusion managing director Joe Flynn but the company has already gone through a million pounds in contract value. The number of live users supported on its Sun-based infrastructure, which is managed and hosted by Wolfe Group, has doubled since the new year and now exceeds 100.

Trintech
www.trintech.com

Trintech has announced that it has signed a contract to implement its dispute management software (ICS) in Visa Iceland - Iceland's sole processor of Visa transactions. The implementation of the PayWare ICS product is intended to streamline Visa Iceland's chargeback processing by using Trintech's advanced knowledge-based system technology.

Vistech
www.vistechsoftware.com

Vistech, the Internet product development company, has delivered a global web site for Banta Global Turnkey Group (BGT), the supply chain management and turnkey manufacturing services firm. BGT, a division of Banta Corporation (BN:NYSE) is headquartered in Cork, employing 2,200 people across the world. Vistech's main product, Webcore Technology, incorporates a suite of dynamic site building tools. Webcore is based around industry standard XML and Java 2 Enterprise Edition software technology and enables Vistech to reduce the time-to-market for web-based systems.

Bull Cara becomes the Cara Group
www.cara.ie

The management of Bull Cara, the Irish subsidiary of Groupe Bull, has bought the company for €33 million (£26 million), from its owner Bull UK. The new company is to be called Cara Group Ltd. The buyout, partly in equity and partly in bank debt, was led by Managing Director David Little. The deal was financed by Hibernia Capital Partners, as equity partners, with the bank debt being underwritten by AIB. The management will own 30% of the company. Another investor is Pat Garvey, formerly of Sharptext, who will become chairman of the **Cara Group**. Cara, originally owned by Aer Lingus, was bought by Bull in 1994. Cara operates in two main business segments, infrastructure solutions and payroll outsourcing. With headquarters in Dublin, it also has offices throughout Ireland, and in England it has offices in Basingstoke and Brentford. It employs around 300 people. There had been rumours of its sale for some months.

Nebula Technologies
www.nebula.ie

Tridion, a European provider of web content management software, has entered into an agreement with Nebula Technologies, the Irish e-business solutions and services provider. Under the terms of the agreement, Nebula Technologies will offer Tridion's main product, Tridion DialogServer as part of its integrated service offering. Financial details have not been disclosed but it is hoped that the deal will allow Nebula to capitalise on the exploding content management market.

Amacis
www.amacis.com

Belfast company Amacis is a provider of e-channel management software. It has announced that it has fully implemented its Amacis Visibility solution in one of Germany's largest insurance groups. **HUK-Coburg Insurance Group** is using Amacis Visibility to manage incoming e-mail and web messages from its 6.5 million customers. It will also be used to manage the incoming messages for the newly announced Internet insurance service HUK24. Amacis at the end of February announced the availability of its Amacis Visibility Suite on the Sun Solaris operating environment. The company has raised STG£3.5 million in funding so far, and is presently undertaking a fund raising through Goodbody Corporate Finance.

IONA Technologieswww.iona.ie

IONA has announced a strategic agreement with **Sun Microsystems** to strengthen and extend the development capabilities of the IONA Suite. IONA will incorporate Sun Microsystems Forte™ for Java™, release 2.0 IDE, technology into the iPortal Application Server™, providing e-business developers with an integrated development environment for the creation of J2EE™ technology-based e-business applications.

IONA celebrated its 10th anniversary this month. The ever-present player in the Irish tech sector was the second Irish listed on the Nasdaq and now employs more than 800 people in 30 offices around the world. The company announced the opening of its new office in Rome, its third office in Italy, joining its operations in Milan and Ivrea. Already operational, the Rome office will focus on the implementation of the IONA Suite in the telecom and government markets, as well as co-ordinating IONA's sales activities in Central and Southern Italy. Recently, IONA announced its strategy of Total Business Integration with the IONA Suite, a comprehensive e-business platform for enterprises. The IONA Suite allows organisations to integrate existing back-office systems and new application and business processes outside the enterprise, known as Business-to-Business Integration [B2Bi].

Interconnect Billing Systemswww.interconnectbilling.com

Interconnect Billing has announced details of its first customer. The contract includes the provision of Interconnect Billing Systems' TerecASP service for **Nevada tele.com's** interconnect requirements in the Republic of Ireland, Great Britain and the USA. The implementation project is underway and the target is for live delivery at the end of March. Nevada tele.com was formed in Northern Ireland in March 1999, and is a joint venture between Energis and Viridian. Interconnect Billing is currently seeking funding of £1.25 million to conclude its funding requirements, having already raised £750,000 from non-institutional investors. A Dublin company, Interconnect has developed a standalone solution, TelRec, which it says is Ireland's first commercial Interconnect Billing platform with end-to-end interconnect charging and reconciliation solution, while offering full functionality, scalability and reliability to European wide operators.

Propylonwww.propylon.com

Propylon is a Dublin-based XML and pervasive computing solutions company set up in 1999. The company is 20% owned by **Interwave**, a US mobile network infrastructure company, and is in the process of a € 1.7 million round of funding, with the aim of raising € 4-6 million later in the year. Propylon recently announced the availability of the MissionControl Pervasive Portal Server. This server overcomes the complex nature of mobile portal space, simplifying the process of managing the long-term lifecycle of enterprise applications. Propylon has Sales and Support offices in Dublin, London and San Francisco and Development Centres in Sligo and Mumbai. Further expansions are planned from Q3 2001.

Qumaswww.qumas.ie

Qumas, based in Cork, is a provider of Enterprise Compliance Management solutions for regulated industries. QUMAS has announced that, due to Ireland's concern about the spread of foot and mouth disease, the QUMAS User Conference, Perspectives 2001, has been postponed to later in the year. It was due to take place from 14th-16th March in Killarney and will now take place in the Autumn. Titled "Perspectives 2001", the conference will focus on the regulated industry's most daunting issue, mastering regulatory compliance.

IT Alliancewww.it-alliance.ie

IT Alliance of Dublin has established a software development and testing facility in Belfast with plans to employ 49 people over the next three years. Backed by the Northern Ireland Industrial Development Board, the new centre in South Belfast will service the growth in IT Alliance's business in the Republic of Ireland and provide a springboard into other European markets. Established in 1997, IT Alliance is an indigenous IT services company. Employing 250 people, its business spans three main areas - outsourcing, testing and consulting services.

Cape Clear Softwarewww.capeclear.com

Cape Clear Software announced the availability of the alpha release of CapeConnect Two for J2EE through an Early Access Program (EAP). CapeConnect Two is the world's first Web Services Platform for Java™ 2 Platform, Enterprise Edition (J2EE) and Enterprise JavaBeans (EJB™). A Web Services Platform enables the creation, customisation, and hosting of Simple Object Access Protocol-based services on the Internet. The CapeConnect eXtensible Markup Language (XML) business server generates SOAP XML from any J2EE or EJB components. The generated XML can be exposed as a web service on the Internet. CapeConnect also enables the resulting web service to be easily customised and composed with other web services.

Macalla Software
www.macalla.ie

Dublin-based Macalla is to employ an additional 50 people in the UK over the next 18 months. The company says that the expansion is being undertaken to support the continuing uptake of Macalla's Mobility Suite. The company has opened new UK headquarters in Nicholas Lane in the heart of the City of London and plans for the uptake of Mobility™ by leading financial institutions in the City. Mobility is a modular, open software framework for building and deploying secure mobile e-commerce applications for mobile Internet and other channels. Outside Ireland, Macalla has offices in Madrid, London, New York and Frankfurt.

Macalla is to deliver an i-Mode solution in Japan. It has signed an agreement with **Dresdner Kleinwort Wassestein**, and has delivered a multi-channel mobile solution, which will enable the international investment bank to provide online informational and transactional services to its Japanese institutional clients, and trade via wireless and portable devices using i-Mode. By the end of 2004, Asia will see the Internet population rise to more than a quarter of the world's total, according to independent analyst, eMarketer.

EPS
www.eps.ie

EPS, the knowledge management company, has announced that it has installed Business Intelligence (BI) software for the Howmedica Osteonics Group in Limerick, which specialises in the manufacture of orthopaedic implants. Howmedica Osteonics was facing problematic issues across its Enterprise Resource Planning (ERP) system, which included a global requirement for information on product sales, access to more personalised and flexible data, as well as portable reporting solutions. The company decided to standardise on Cognos software, using EPS locally to provide the expertise. EPS is expanding, and recently moved into bigger offices in West Dublin.

Datalex
www.datalex.ie

Datalex has announced the opening of its regional sales office in Paris, as part of a major expansion into Europe. The European online travel market is expected to more than triple in size from an estimated US\$2.9 billion worth of gross bookings in 2000, to more than US\$10.9 billion in 2002. The market is focused on three key players: airlines, tour operators and online travel agencies.

Datalex's Java-based BookIt! Platform has been selected by **travelstore.com** to enhance its Internet booking services. Travelstore.com services the travel requirements of UK companies.

Datalex has deployed its first web-enabled implementation of BookIt! Tour. The solution has been adopted by **CSAA [The California State Automobile Association]** one of the largest membership travel services organisations on the West Coast of America. This club-wide solution for CSAA extends a centrally located, multi-channel tour management and automated accounting system to more than 40 travel agency locations in three western states of the US, for direct selling of travel services. BookIt! Tour provides intranet connectivity over a Wide Area Network [WAN] for more than 300 CSAA travel agents.

Piercom
www.piercom.com

Limerick company Piercom has launched ReQuest an intelligent web-based system that streamlines and accelerates each step of the recruitment process. "There was a gap in the market for an Irish web-based system for the recruitment market," states Mike Connolly, Sales & Marketing Director at Piercom. "ReQuest is aimed at recruitment agencies and at the corporate HR market. It offers all the advantages of a web-based application and is a turnkey solution for any organisation wishing to put the 'e' in its recruiting process."

Entropy
www.entropy.ie

Irish security company Entropy has confirmed that it has not gone ahead with its planned fundraising of £10 million due to it considering that the valuation put on the company was too low. Entropy has postponed until next year the European launch of its Managed Services Solution, a postponement which has resulted in the loss of 20 jobs. However, it intends to launch the service in Ireland soon.

Electric Paper
www.electricpaper.ie

E-learning company Electric Paper has won a contract, worth AUS\$250,000 [IR£108,140] with the **Queensland government** in Australia to provide training to 3,000 childcare workers in the state. The company has been expanding rapidly in the last year and has been increasing sales in Britain, where it recently won a £1 million contract to offer courses to the University for Industry. So far it has concentrated on the English speaking market, with a new office in Australia, and a strong distribution partner in South Africa. However, the company plans to introduce three new language versions of its products each year for the next several years. Electric Paper develops and sells technology training courses for non-IT professionals, including an introduction to word processing and the Internet. Electric Paper is authorised to assess the European Computer Driving Licence. Its revenues are shifting from CD-Rom based to Internet-based training. The ratio is to shift to around 50:50 this year and next to around 80% over the Internet.

Educational Multimedia Corporation
www.educationalmultimedia.com

Educational Multimedia Corporation which designs and develops e-learning solutions, has announced that its e-learning solutions have been selected to form an integral part of the **Open University's** staff IT training strategy. Under the terms of the agreement Educational Multimedia Corporation's range of training and post-training solutions for Microsoft applications and technologies will be deployed initially at the main campus of the Open University at Walton Hall, Milton Keynes and later at its 13 regional centres throughout the UK. The Open University will use the solutions in a blended learning approach for staff training in Microsoft Office, Project 98, Windows 95 and 2000 operating systems, and in Internet use. Employees of the Open University will be able to assess their proficiency, access training menus personalised to their individual training needs, and avail of instant post-training support. Since it was established in 1969 more than 2 million students have studied Open University courses. The university presently has 4,000 full-time staff and over 7,000 part time lecturers.

Network365
www.network365.com

Network365, a mobile commerce software vendor, has announced the signing of a distribution agreement with **Tomen**, Japan. Under the agreement, Tomen has agreed to market the Network365 mZone application suite through its sales channels both in Japan and the rest of Asia. Tomen is one of the leading Japanese trading companies, with consolidated sales in the fiscal year 2000 of \$28 billion, and is listed on the Tokyo, Osaka and Nagoya stock exchange. Tomen was one of the first companies to move into the cable television field in Japan and currently operates seven stations there. Network365 says that its mZone Mobile Commerce Server is the world's first purpose-built solution for shopping, ticketing, brokering and information services. A profile engine identifies device and protocol and responds with content optimised for that channel. A Wallet eliminates the need to enter addresses and payment details. Network365's shareholders include the Japanese venture capital company JAFCO, Amadeus Capital Partners, Trinity Venture Capital, and Enterprise Ireland.

Parthus, Hitachi and the development of Bluetooth
www.parthus.com

Hitachi and Parthus have announced that they will co-operate on the development of System-on-chip products, using Parthus' BlueStream Bluetooth platform. The launch of the agreement was witnessed in Tokyo by Tanaiste Mary Harney. As part of the co-operation agreement, Hitachi has licensed the Parthus BlueStream baseband and protocol stack, which will be combined with its own BiCMOS radio design using a Parthus BlueStream radio interface. Bluetooth is becoming the standard for wireless communication between a range of electronic devices such as mobile phones, laptops, PCs, printers and handheld devices. It eliminates the need for cables between inter-connecting devices, so that individuals can share voice and data using local wireless connections.

ANAM
www.anam.com

ANAM, the wireless software company has announced two major contracts, with international sports content providers WorldZap and Setanta. Both companies will use ANAM's WirelessPortal product, which was recently launched at the GSM World Congress in Cannes. Dublin-based **Setanta** will use ANAM's WirelessPortal to offer its subscribers in Ireland, UK and other European countries up-to-the-minute information on international sports event such as soccer and Formula One Racing. Through ANAM's product, Setanta's subscribers will be notified of breaking sports news with an SMS alert. Users then have the option to retrieve the full story via their WAP device. WirelessPortal can also be used as a tool by Setanta's journalists. Setanta recently signed a contract with Telenor to provide it with interactive sporting content. **WorldZap** is a Swiss-German company, which provides sports and entertainment content for mobile devices.

Digital Channel Partnerswww.dcp.com

DCP, the Irish technology services and product group, has been appointed to Gartner's eMetrix Alliance. A new division will be created within DCP to service international businesses wishing to install Gartner's eMetrix solutions. The eMetrix solution is a suite of integrated business performance measurement tools that monitors the status of a company's B2B initiatives and provides analysis of the company's performance against key performance indicators. DCP recently announced that it is in negotiations with London AIM quoted **IMS MAXIMS** for a reverse take-over of DCP by IMS. If this takes place, the enlarged share capital will be traded on the AIM market. DCP employs 160 people in offices in Dublin, London, and New York. DCP recently acquired Cosmedia, a new media skills company.

Orbiscomwww.orbiscom.com

Orbiscom, the provider of Controlled Payment Technology, has announced the launch of its Canadian operations in Toronto, an initiative aimed at extending its North American reach.

Systems Dynamicswww.systemsdynamics.ie

Systems Dynamics an Irish IT software and services company has been awarded a contract by **ADM** (Area Development Management) to develop and implement an Extranet. ADM is a private company established by the Irish Government to support local economic and social development. The new extranet will assist ADM in managing Programmes and Partnerships at local level between the community sector, social partners and state agencies and give them the ability to track performance remotely.

Duolog Technologieswww.duolog.com

Irish 3G design company, Duolog, has brought forward its business plan 18 months because of demand for its services. Duolog was formed last year by the former managing director of Silicon & Software Systems, Ray Bulger. The company, which currently employs 20, plans to hire 40 design engineers by the year-end – 18 months ahead of schedule. Despite the turmoil in the telecoms sector and technology in general, Duolog sees no slowing in demand for 3G design services from mobile vendors. "Many operators have invested huge amounts in 3G licences" commented Ray Bulger [CEO of Duolog]. "There is a rush on to provide revenue generating services and products for 2.5 and 3G applications and we are benefiting from that". The company has recently become members of two international standards bodies, the 3GPP and VSI alliances. Duolog is based in Dublin, Cork and Galway.

Bantry Technologieswww.bantry-technologies.ie

PEPiTA [Platform for Enhanced Provisioning of Terminal independent Applications] is a European collaborative project, composed of 3 major companies including Alcatel, 4 universities and 1 SME, which is Bantry. The Information Technology for European Advancement office in Brussels has assessed the technical qualification of the project and of the partners and approved it. Based on the Enterprise JavaBeans, specification, the PEPiTA project will offer application developers a library set for middleware functions as well as access to services independently of the terminals [ie PC, PDA, STB GSM] and access networks use [ie LAN, mobile, fixed, home network, satellite networks]. Bantry will be involved in part of the project, including the area of smart card services providing support for running secure applications where it will provide security-based services for wireless networks [WAP].

Amphionwww.amphion.com

Amphion Semiconductor [previously known as Integrated Silicon Systems], a Belfast-based semiconductor Intellectual Property [IP] design company, has been included in Infoconomist's guide to some of the "hottest UK start-ups". Infoconomist, the European high-tech business magazine, has produced its guide for the UK Technology Partnering & Investment Forum. The Forum's success has been built on Infoconomist's ability to spot winning companies that have gone on to complete successful initial public offerings [IPOs]. The Infoconomist's verdict on Amphion is that the company is operating in a market set for explosive growth. Amphion uses its technology to create innovative products for semiconductor applications in consumer electronics and communications markets. In January, Amphion announced that it had received \$10 million of new investment from a syndicate led by Apex Partners. This second round investment is being used to accelerate the expansion of the company's worldwide network of sales, marketing and support offices.

Volume 4 Issue 4 April 2001**Braxtel Communications**www.braxtel.com

Customer contact solutions company Braxtel has announced that it will hold a series of seminars, in conjunction with IBM, in the UK and Ireland. The seminar series, called "Unlock the Power of your AS/400" is designed to help attendees learn how to leverage the data in the AS/400 database more effectively throughout the organisation. In 2000, Braxtel launched a next-generation customer contact management product, the Fluency Communications Suite, which offers functionality with AS/400.

Buytelwww.buytel.com

In South Africa, Group 4 Falck, one of the world's leading security companies, has adopted Buytel's Teletrack/Corrections service to track offenders in the community. The service incorporates Voicevault™, Buytel's voice verification technology. Teletrack/Corrections provides Group 4's Correction Services with voice verification technology to monitor offenders via random or scheduled phone calls. Typically, when offenders are placed on probation or parole, there are restrictions on their movements. 'Over-the-phone' voice verification offers a cost-effective means of increased security supervision. The system is already up and running on a pilot basis and is expected to roll out to all areas in South Africa over the next 2 years. Buytel said that the system is also in early phase usage in the United States and significant interest is also being shown in its technology in the UK, France and Australia.

Phoenix Technology Groupwww.phoenix.ie

A new Internet product designed to boost customer service of global retail financial institutions has been announced by Dublin based Phoenix Technology Group, following a £3.5 million R&D investment programme. The product, called "e2", will allow customers to check out, over the web, how their application for a claim or financial product is progressing. It can also be used by managers in retail financial institutions to organise and control workloads and resources. The product is aimed at the global retail financial services industry. E2 is based on Phoenix Technology Group's main product, the IDT (Insurance DeskTOP), which is designed to increase back office productivity by 30-40%.

SMF Technologieswww.smftechnologies.com

SMF Technologies, the Limerick-based technology transfer company, which specialises in electrical current measurement, has been presented with a Reed Electrical Industry Award, one of the most prestigious awards within the British Isles for the Electrical Industry. SMF Technologies received the accolade in the Innovations Category and was the only Irish award-winner in the competition. SMF Technologies received the Innovation Award for its proprietary technologies for measuring both low and medium-to-high current. The technologies successfully address the challenge of accurately measuring electrical current in a non-invasive manner and are adopted in electrical current measuring instruments manufactured by third parties. Paul Doughty, Editor-in-Chief, Reed Electrical UK noted that the benefits to the Electrical Industry, in terms of safety first, because these methods are non-invasive, and ongoing costs savings, are considerable.

Platforms and Storage

Raidtecwww.raidtec.com

Cork company Raidtec announced that its nEngine™ V NAS server appliance received the AV Video Multimedia Producer Magazines 2001 Platinum Award in the Network Attached Storage category. The nEngine is the driving force behind the Raidtec RAIDserver Network Attached Storage system. Also, Raidtec's FibreArray SAN [Storage Area Network] storage array received Microsoft certification for Windows 2000 Advanced Server and Windows 2000 Professional Hardware Compatibility.

Eurologicwww.eurologic.ie

Irish storage solutions company Eurologic Systems is to provide its revolutionary new SANbloc network storage systems to Oracle Corporation's international Applications Solution Centre in Dublin. Eurologic's technologies are to be used as part of Oracle's global laboratory programme, which helps independent software vendors (ISVs) to improve software performance and test software development concepts. Dublin-based Eurologic is a worldwide provider of network storage solutions for storage area networking (SAN), original equipment manufacturers (OEMs), and for specific industry applications. Eurologic employs 360 people in Ireland and abroad.

Hitachi and Xnetwww.xnet.com

Hitachi Data Systems, a wholly owned subsidiary of Hitachi Ltd and Xnet, an Irish enterprise storage integrator, have announced an exclusive partnership. Xnet will integrate Hitachi Data Systems enterprise solutions in large and fast-growing companies who need to handle the increasing volumes of data. Xnet, established in 1995, is a privately owned and operated company with offices in Dublin and Belfast. It was named as the fifth fastest growing technology company in Ireland at the Deloitte and Touche Fast 50 awards.

Internet & E-commerce Companies News**The Yard launches Globestream**www.tvireland.ie

The Yard, one of Ireland's leading broadcast facilities providers, has launched a new subsidiary company, Globestream. With a £3.5 million investment in editing, compression and broadcast delivery systems, Globestream will develop a range of branded websites focusing on the delivery of audio visual media on the Internet for the first time in Ireland. The company's first product, Adnet.tv, will provide broadcast facilities to companies including advertising agencies and multinational organisations, which will allow them share and access their media assets online. Adnet.tv will offer companies a secure hosting and streaming site where files can be accessed from anywhere in the world in a variety of formats. A second service, Perfectday.tv will provide consumers with their own 'Personal video on the web' and will offer the opportunity to host individual video and audio clips on the Internet.

Citibank and Marrakechwww.marrakech.com

Citibank Mexico and Marrakech have announced a strategic alliance to offer e-procurement services to Citibank's corporate clients throughout Latin America, enabling companies to automate their procurement processes for products and services. The Marrakech Global Commerce Network enables organisations to trade together online. The MGCN offers companies four different services, namely, e-procurement, business intelligence, billing and settlement and open network services. Marrakech is a privately held company with offices in Dublin, London, Paris, Mexico City, Singapore and Dallas.

Xelectorwww.xelector.com

Xelector, headquartered in Dublin, is a provider of marketplaces for financial services and utilities. It operates on- and off-line marketplaces that enable companies to offer customers the ability to compare, select and acquire motor and travel insurance, credit cards, gas and electricity. **E*TRADE**, the UK online broker, and the finance website **money.net**, have chosen Xelector to provide financial service marketplaces. Money.net selected Xelector's Motor Insurance marketplace, as it allowed customers to compare guaranteed motor insurance quotes and buy on-line. Xelector has bought UK-based online energy marketplace **unravelit**. This company provides online comparison shopping for gas and electricity, and Xelector will now provide this service.

Goodbody Stockbrokers offer online tradingwww.goodbody.ie

Goodbody Stockbrokers, owned by AIB, has become the first Irish stockbrokers to offer online share trading to their private clients. Davy's is expected to launch its service shortly.

Data Centres in Irelandwww.inflow.com

US Internet data centre company **Inflow** opened its \$10 million Dublin facility. The IDA has said that some foreign companies are postponing plans to build such centres in Ireland.

Aer Linguswww.airlingus.ie

Aer Lingus has launched its new web site, which now contains a booking engine. Ryanair has had a booking facility on its website for some time now receives the majority of its bookings online.

Napsterwww.napster.com

On 6th March, a federal in the US gave Napster three days to filter out the copyrighted music of the big record labels. This will lead to a scaling back of Napster's activities while it tries to develop a business plan. The site may have to shut down for a time.

Volume 4 Issue 4 April 2001**Parallel Internet and Servecast**www.parallelInternet.com

Parallel Internet, an independent Internet solutions developer, has announced the launch of the new Servecast streaming media site. The site was commissioned in seven languages to support the pan European offering of Servecast. Servecast recently took in a record \$40 million investment for the development of the first truly pan-European network infrastructure, dedicated to the delivery of streaming media content. This new service will allow businesses to avail of high-speed and high quality online broadcasting. Servecast has developed its network, in partnership with Compaq and Cisco and it allows businesses to play rich media content from their websites

Spectel-Multilinkwww.spectel.ie

Spectel-Multilink, the provider of multi media conferencing systems, has announced the integration of video streaming to its 7 series portfolio. This new development enables users to stream events live across the Internet or the corporate Wide Area Network. The 7 Series portfolio offers voice, data and video on one integrated platform. According to Perey Research & Consulting, businesses will be spending up to \$4 billion on products to enable streaming media in 2003, while the entire streaming media market is set to reach \$22 billion by 2004. Irish company Spectel acquired Multilink in November, 2000 for \$30 million and the combined company is now known as Spectel-Multilink.

SureSkillswww.sureskills.com

Irish IT consulting and training company, SureSkills, is to partner with managed Internet services leader Vistorm as a security solution reseller and integrator for Ireland. The partnership will allow SureSkills to offer a new portfolio of fully managed Internet security services to enterprises in Ireland.

Telecoms Companies News

Comms 2001www.comms2001.ie

Comms 2001, due to take place in April, has been postponed because of the precautions being taken against the spread of Foot and Mouth Disease. The event has been re-arranged for 13th-15th June when it is hoped that the crisis will be over. CPG say that the vast majority of companies taking stands have re-booked for the date in June.

Hush Communications selects Worldportwww.hush.com
www.worldport.com

Hush Communications, the Dublin based global provider of managed security solutions and encryption key serving technology, has appointed Worldport to provide its service for the European market. Worldport Communications provides management service in a stack, covering operational-to-application managed web hosting, and Internet infrastructure services based in Dublin. Worldport convinced Hush that its facility was ideal for the European base of Hush's Global Key Server Network, which was originally located in Canada. Worldport's Dublin SuperCentre based in Blanchardstown is the first European server location for Hush.

Esat Businesswww.esat.ie

Esat Business has announced its investment of £500,000 in network infrastructure, as a result of signing a deal with Data Edge, the sole Irish reseller of Concord Communications eHealth solution, an integrated management solution spanning systems, applications, services and networks. It will help Esat Business identify potential points of failure in e-business infrastructure systems in real time.

Esat Business has also announced the availability of its 'Managed IP' [Managed Internet Protocol] service. The service offers customers a combination of a secure private network with the ability to have Internet Access and Remote Access delivered over one communications circuit. Esat says that because it is a fully managed service, customers no longer need to have in-house technical staff and this results in cost reduction.

NTLwww.ntl.ie

NTL has announced it will be launching a digital television service later this year in Dublin, Waterford and Galway. This launch will take place within the period of grace specified in its licences.

Volume 4 Issue 4 April 2001**Data Electronics**www.dataelec.com

Data Electronics, the Irish owned independent co-location and managed service provider has been chosen to supply co-location and managed services to the Internet Neutral Exchange [INEX], the main exchange point for Internet services between Internet services providers in Ireland. The exchange will be hosted in Data Electronics' new facility in North West Dublin. The signing of this contract will allow INEX to expand its range of services and cater for growing Irish Internet traffic. The new Internet exchange opens on 5th April. Members include AT&T, eircom net, Esat Business Esat Fusion, HEAnet, Indigo, nevadatele.com and others.

Zamanowww.zamano.com

Dublin-based company, Zamano, has created a WAP service that saves airport users time by providing them with up-to-date information on flight status and availability. Passengers stranded at airports over the past few weeks could have avoided going to the airport by using the Zamano service, which allows passengers and others to access real-time flight information and monitor the status of all flights to and from the airport through their WAP-enabled device or mobile phone. Already implemented by London City Airport, Zamano is currently in discussions with European airlines and airports to adopt the service. Irish-based Zamano is a mobile-Internet specialist providing wireless solutions to corporates and mobile network operators. It specialises in location-based services, mobile-entertainment, m-commerce and bespoke mobile-Internet solutions.

Worldport hosts Corporate e-Focus Exchange seminar

On 28th March, Worldport hosted a corporate e-focus exchange seminar. The event was followed by an official commissioning ceremony of Worldport's SuperCentre by the Taoiseach, Bertie Ahern. Notable speakers at the seminar included Ken O'Hara, ECO of the ESB, Rudy Burger, CEO of Media Lab Europe and Etain Doyle, Director of Telecommunications Regulations. The panel jointly explored ways to optimise opportunities to further the development of Ireland as an e-business hub of Europe. Ken O'Hara said that the ESB currently was handling more than 20 enquiries from potential Data Centre operators, with a total power requirement of 250 MW [the current demand of Cork City]. Worldport alone is anticipated to consumer 10MW at peak. This provision could become a real issue in Ireland.

Survey carried out for ODTRwww.odtr.ie

The Irish mobile penetration rate has risen to 67% as at February, 2001, up from 54% at the start of November, 2000. Two thirds of mobile phone users buy cards and pay for their calls in advance. Internet penetration now stands at 27%. Just over 1 million have home Internet access with around 500,000 using it a month. It would be interesting to know how often per month the people using the Internet log on. Almost two thirds of those who have Internet access have never purchased anything online, partly because of lack of interest and partly because of security worries. Probably also because people are worried that the goods will never arrive or if they do they will be the wrong items.

COLT Telecom official openingwww.colt-telecom.com

This month saw the official opening of COLT Telecom Ireland's Network Operations Centre at the IDA Business Centre, East Wall Road, Dublin 3. The opening of the centre represents part of an £12 million initial infrastructure investment for Ireland. The opening sees Dublin join COLT's pan-European IP network which links together the major commercial centres of Europe.

Amdocs and Esat Digifonewww.amdocs.comwww.digifone.ie

Amdocs [NYSE:DOX], a US provider of CRM, customer care, billing and order management solutions to the communications and IP industry, has announced the implementation of its e-care and prepaid solutions for Esat Digifone. This implementation is an integrated extension to the Amdocs customer care and billing platform, which has been operational at Digifone since June, 1999. Digifone now has more than one million subscribers in Ireland

Eircell and Esat Digifonewww.eircell.iewww.digifone.ie

Eircell and Esat have each said that they are conducting commercial trials of their GPRS [2.5G] networks and would soon offer the service to customers. It is understood that the services will be introduced mid-year. Customers of such a service can avail of always on connectivity and higher data transmission speeds.

eTel
www.etel.ie

eTel Group, a corporate telecom provider for Central Europe, has announced that it has completed a € 20 million vendor financing facility with Lucent Technologies to further strengthen eTel's financial base and accelerate plans to offer fast and reliable broadband telecom services in the region. This financial transaction re-enforces the relationship that already exists between eTel and Lucent and highlights both companies' commitment to Central Europe. eTel will use the funding to rollout ISP and voice and data switching equipment, in particular for the development of Metropolitan Area Networks, [MANs] in Prague, Budapest, Warsaw and Bratislava. These MANs will be connected to eTel's international gateway switching facility located in Frankfurt, Germany. eTel was established in 1999 by Sean Melly, founder and CEO of TCL Telecom, now WorldCom Ireland.

Conference on Irish telecommunications infrastructure

Erikki Liikanen, EU Commissioner for Enterprise and the Information Society will be in Dublin in April to address a major conference on the state and future of telecommunications in Ireland. The conference organised by the Chamber of Commerce in Ireland, will take place on the 19th April and is expected to attract over 150 delegates. The conference will look at an overview of Irish telecommunications infrastructure, placing particular emphasis on the rollout of broadband access on a national and regional level. Other speakers at the conference include Annraí O'Toole, formerly of IONA, now of Cape Clear Software

General Irish News
Digital Video Broadcasting Conference 2001

At this conference held in Dublin, CTO of **ChangingWorlds**, Dr Barry Smyth said that the new generation of Digital TV products and services has introduced a new form of information overload. It has become increasingly difficult for users to benefit from the availability of more and more channels and increased levels of programme content. He said that the only solution was personalisation. ChangingWorld's technologies include ClixSmart, personalisation engine, which enables the automatic personalisation of information content according to the specific requirements of each individual.

Global study by Ernst & Young and Cap Gemini Ernst & Young

This global study released recently is entitled "Business redefined: Connecting Content, Applications, and Customers." It finds that digital broadband access and fierce competition among communications, entertainment, and enabling technology companies are prompting a total transformation of current business models. The study points to dramatic changes in both consumer and business content production and distribution – whether the content in question is film, news, software or business applications. These changes are precipitated by the availability of widespread broadband network access ranging from DSL and 3G wireless speeds to direct fibre connectivity. According to Business Redefined, household currently connected with broadband access "consume" over 20% more entertainment time than households without high speed access.

Trinity Venture Capital
www.trinity-vc.ie

Trinity Venture Capital, part of the Reihill Venture Capital Group, has announced its second fund, adding € 100 million to its existing funds under management

Enterprise Ireland trade mission in Japan

The Tanaiste, Mary Harney has announced that contracts to the value of \$26 million were concluded between 6 Irish and Japanese companies during Enterprise Ireland's largest ever trade mission to Japan. 64 Irish companies participated in the Mission from the telecom, software and other sectors. Mary Harney also opened an incubator unit for Enterprise Ireland in Tokyo. Among the first companies in the unit are mobile commerce solutions company Network365 and wireless Internet technology company Xiam. Japan is Ireland biggest Asian trade partner and Ireland exported £1.8 billion to Japan in the first nine months of 2000.

Survey on computer ownership

Computer ownership and Internet connections continue to rise in Ireland, with 417,000 households owning a computer, representing 32% of the total number of households. 63% of those owning a home computer are now connected to the Internet. These latest CSO figures for Q4 2000 show that the mid-east region has the highest rate of ownership, standing at 38%. 81% of the total use computers for educational purposes and 89% use it for leisure.

Multinational Companies in Ireland

McKesson to invest £1.1 million in Cork

www.hboc.com

The government has announced that IDA Ireland has agreed an investment proposal with McKessonHBOC to establish a Software Duplication Centre in Cork. The new project will create 24 jobs. McKessonHBOC, employing 24,500 people worldwide is one of the world's largest supply management and healthcare technology companies.

Xerox

www.xerox.ie

30 people are to lose their jobs at Xerox Europe in Dundalk as part of the company's re-structuring. Currently Xerox employ 1,000 people in its Dundalk facility. The company says that it does not anticipate any further jobs cuts, which would mean that its Irish plant has suffered lightly in view of the huge re-structuring presently going on in Xerox.

Xerox, through its wholly owned European subsidiary, Xerox Ltd, has agreed to sell half of its stake in Fuji Xerox Co. Ltd to Fuji Photo Film Co., Ltd, for 160 billion Yen in cash, more than \$1.3 billion based on recent exchange rates. The transaction brings to nearly \$2 billion the amount Xerox has raised in asset dispositions since December 2000, representing a critical milestone in the company's turnaround plan.

Intel

www.intel.com

Intel has announced that it is to suspend, temporarily, the construction of its Fab 24 plant, the \$2 billion extension to its Leixlip facility. It is expected that around 1,400 construction workers will lose their jobs. Intel has said that it is postponing the start of production at the Fab 24 plant until 2003. It was expected that around 1,000 people would be employed there when production started. However, the start of production has already been postponed and the future of this project looks uncertain. It also seems that Intel Ireland is not immediately replacing all its workers who leave in the ordinary course of events. Worldwide, Intel announced on 9th March, it would cut about 5,000 positions over the next nine months. This amounts to about 6% of its work force. The company expects revenue for the first quarter to be down by 25% from fourth quarter revenue of \$8.7 billion.

Microsoft

www.microsoft.com

Microsoft has launched HailStorm, a new business model for its Internet services. The aim of the new service is to provide services such as instant messaging, online shopping and appointments as subscription services available through a PC, mobile phone or hand held device. HailStorm will not be specifically tied to any operating system. Bill Gates hopes that this latest move in the Microsoft.NET strategy will "create unprecedented opportunity for the industry and trigger a renewed wave of excitement."

EDS and Sabre

www.eds.com

EDS and Sabre have announced the signing of three agreements. EDS is to acquire Sabre's airline infrastructure outsourcing business and internal IT infrastructure assets for \$670 million. Sabre is awarding a 10-year \$2.2 billion service contract to EDS to manage Sabre's IT systems. Around 4,200 Sabre employees will move to EDS. The companies have also come to an agreement to jointly market IT solutions and services to the travel and transportation industry. Sabre is retaining certain businesses, and Dublin company, Gradient Solutions, which Sabre acquired in 2000, will not be affected by the agreement. Texas company, EDS, employs 400 people in Dublin.

Computer Associates

www.cai.com

MNC, Computer Associates, has announced a major mobile e-business initiative, in partnership with leading technology providers. Through the initiative, Aether Systems, Motorola, Nokia and Soft Design A/S have entered into agreements with CA to market solutions for mobile computing that are integrated with CA e-business management software. CA and EDS have expanded their existing relationship that includes EDS providing customised solutions and implementation services to support the initiative.

Job losses in world technology industry

Cisco announced it would cut its full-time workforce by as much as 11 percent during the rest of its fiscal year. This amounts to about 5000 jobs world-wide. **Ericsson's** first quarter sales and income will be lower than forecasted. Until this announcement sales had been expected to increase by 15 percent. It has stopped hiring in its largest division Mobile Systems and is considering cost cutting measures across the board. **Motorola** is to cut another 7,000 jobs – that represents 5 percent of its workforce. **Compaq** has let 5,000 workers go amid first quarter profit warnings. Irish jobs may yet be affected. **Nokia** lowered sales-growth predictions but maintained earnings-per-share forecasts. **Nortel Networks** is cutting 10,000 jobs or 12 percent of its workforce, **Lucent Technologies** is to cut 11,000 jobs and **JDS Uniphase** is also cutting 3,000 workers, or 10 percent, of its staff.

Financial Results

Trintech

www.trintech.com

Revenues for Q4 were \$15.5 million compared with \$9.0 million for the corresponding quarter ended 31st January 2000, an increase of 72%. Revenues for the year 2000 were up 62% on 1999. Demand grew particularly in the area of licence revenue, which saw an increase of 80% in Q4, 2000 over Q4, 1999. For the full year basic and diluted net loss per share was \$0.59 compared with \$0.31 for the same period in 1999. Sales and marketing expenditure grew 82% to \$5.0 million and research and development spending grew by 121% to \$6.5 million. During the quarter Trintech acquired Sursoft, a Latin American card management software company, and Exceptis Technologies [formerly Peregrine Systems], a provider of B2B and B2C Internet enabled payment infrastructure solutions. Trintech also completed the acquisition of the assets of Globeset, a Texas supplier of secure ePayment infrastructure services and products.

Horizon Technology Group

www.horizon.ie

Horizon Technology Group, announced half-year [to 31st December 2000] revenues of € 183.3 million, a 56% increase over the same period last year. The Group also reported adjusted profits after tax increased by 80% and on the same basis adjusted basic earnings per share have increased by 71%. Highlights of the half-year included the acquisitions of Commerce NTI Ltd and Clients Solutions Ltd in November, 2000, and their integration into the company's Internet Services Division. Its new division, iFusion, a new division within the group dedicated to the ASP market, showed a loss of more than € 2 million on a turnover of € 173,000. Horizon commented "because this business model requires significant up front investment, the group flagged that initially this would be a loss making business." The division is now one of SAP's largest ASP partners in Europe. In the US, similar ASPs are also experiencing delays in achieving profitability.

Datalex

www.datalex.ie

Datalex, an Irish provider of e-business solutions for the global travel industry announced results for the fourth quarter and full year ended 31st December, 2000. Total revenues for Q4 were \$10.8 million, an increase of 176% from Q4, 1999 and grew 9% quarter on quarter. E-business revenues increased 18% from Q3 to \$7.9 million. Gross margin for Q4 increased to 32% from 27% in Q3. The net operating loss for Q4 was \$5.4 million, reflecting planned investment in sales and marketing and in research and development. This was up on \$2 million on Q3. During Q4 new contracts were signed with Far&Wide and Singapore Airlines.

NTL

www.ntl.ie

NTL has reported losses of \$1.2 billion for Q4 2000. This compares with a profit of \$121.3 million year-on-year. Revenues for the period were \$853m and this met expectations. The company has invested \$11 billion in its UK national, regional and most importantly local broadband networks throughout the country.

Appointments

Horizon Technology Group

www.horizon.ie

Kevin Melia has resigned as Chairman of Horizon and Samir Naji, founder of the company and up to now the CEO, will become Executive Chairman. Charles Garvey, the operations director is to become CEO and Cathal O'Caomh is to become Chief Financial Officer.

Parthus Technologies

www.parthus.com

Parthus has announced that Kevin Fielding, a board Director and formerly Chief Operating Officer, is appointed President, responsible for the financial and operating objectives for the company. Eoin Gilley, who joins Parthus from Artesyn, is appointed Chief Operating Officer. Peter McManamon, board Director and formerly CFO, is appointed Executive Vice President for Corporate Development, reporting to the CEO. Elaine Coughlan, formerly Vice President of Finance at Parthus, is appointed CFO.

Technology Sales Leadswww.tsleads.com

TSL, the Carlow based technology marketing company, has announced the appointment of Colin Sillery as General Manager, Ireland. TSL provides sales lead generation solutions to some of the fastest growing technology companies in Europe and North America. Mr. Sillery assumes responsibility for the expansion of TSL's Irish operation. This will include managing all aspects of TSL Ireland's growth from 35 staff to 60 by the end of 2001.

WBT Systemswww.wbt systems.com

WBT, the provider of e-Learning content management and delivery software, has announced the appointments of Robert Orr as Vice President of North American Sales & Services and Des Noctor as Vice President of International Sales & Services. Both will report directly to WBT's CEO Peter Zotto. Prior to joining WBT, Mr. Orr was the Vice President of Sales for ChannelWave Software, Mr. Orr has also held various sales and sales management positions at Clarify Inc., Cullinet, and Xerox Computer Services. Des Noctor has been with WBT since 1998 and has worked on the successful growth of WBT in Europe. Prior to joining WBT, Des spent the majority of his career with Kindle Banking Systems.

Point Information Systemswww.pointinfo.com

Point has appointed Linda McNulty as its Business Development Manager. Since joining Point in 1995, Linda has held a number of positions in the company including Director of Global Training and Education; and Director of Business Development with Point's Global Business partners. Having worked with many of Point's existing customers around the globe, Linda brings her experience back to Ireland to develop Point's customer base locally.

Hush Communicationswww.hush.com

Hush Communications, the global provider of managed security solutions and encryption key serving technology, announced the appointment of Philip R. Zimmermann as Chief Cryptographer for the company. Zimmermann is the creator of Pretty Good Privacy [PGP], the first encrypted e-mail program and the founder of PGP Security Inc. Hush moved its corporate headquarters from Texas to Ireland in May, 2000 partly because of restrictive US laws on the export of encryption technology and presently employs 43 people at its Dublin offices. Hush distributes its solutions to the financial, medical and legal markets, and to government and educational institutions. These solutions include encryption products and management services in the secure communications industry. The company received US\$8.3 million in funding through Offroad Capital in May, 2000 in a 3rd round US placing. It received private funding of US\$9.4 million over two previous rounds. It is currently seeking US\$20 million that will last through to company profitability. This will be used to fund sales and marketing, and capital expenditure for the Hush Global Key Server Network, together with some further development work.

Feature Articles
TIU Publications – Chief Executive Interview Series – Second interview

Interviewed by Garrett Hickey

Interview with Henry Woods – Founder & CEO of Soft-ex
‘Integrated communications management brought to fruition’

In early March Garrett Hickey CEO TIU Group interviewed Henry Woods – Founder and CEO of Soft-ex. This is a resume of the interview where Mr Woods outlined the major current and planned developments at Soft-ex.

(1) INTERVIEW SUMMARY

Background – Henry Woods serves as Soft-ex CEO with responsibility for a broad range of strategic, financial, sales, technical and personnel functions that enable and ensure the continued success of Soft-ex. Founded in 1989 as Softech Telecom, Soft-ex is headquartered in Dublin and has fifteen international offices, with some 50,000 customers worldwide. Soft-ex has made a major transition from an ‘oldco’ [Softech] to a ‘newco’ [Soft-ex]. This involved enhancing a successful 10-year old product related business by developing a twin channel service related business [direct ASP and indirect telco]. Soft-ex during this process has also managed to convert a number of its major customer base.

Successful re-positioning – The overall theme and trend at Soft-ex has been **‘to bring integrated communications management to fruition’**. In February 2001, Henry Woods led the strategic repositioning and re-branding of the company as Soft-ex, reflecting its move towards e-services and bandwidth management while maintaining a commitment to traditional business partners and customers. The chief plank is iCMS.

What is iCMS? – Integrated Communications Management Solution is an integrated communications tool presenting unified reports for multiple types of communications traffic, offering a service to integrate data from telephony and Internet traffic with data from voice over IP, wireless and mCommerce together with unified web and e-mail usage. It is the main plank in the strategic re-positioning of the company as Soft-ex moves from being a supplier of software products to becoming a leading provider of managed services to major multi-nationals and the telecom industry worldwide. As a service, iCMS is delivered as a managed service with different service levels – Gold, Silver and Bronze – to meet customers’ needs.

How is iCMS delivered? – iCMS is being offered to customers through **three distribution channels**:

- (1) Soft-ex delivered ASP service** - not a product, using an ASP business model, with the Wolfe Group as the preferred hosting partner;
- (2) Telcos and other service providers** - offering the service themselves either as a product or a service offering – the initial focus being the Scandinavian telco market. The telco is likely to brand the service and roll it out;
- (3) Direct provision to MNC’s** - such as Microsoft, Dell, HP, and others. The MNC will take the product / service set and use it internally, or re-sell it as part of their product / service offerings.

‘This three channel strategy is a major new development for Soft-ex’ said Mr Woods. *‘It will extend our market reach and customer base enormously and be the engine of growth for the coming years’* he added.

iCMS road-show – The iCMS road-show has already started, with successful outings at Dublin, London, Oslo, and other venues. The London road-show attracted 35 companies, including Oracle, Amex, Cisco, BT, Dell and Intel.

Funding round - In addition a successful fundraising [with ACT Venture Capital, Stata and NIB] has been completed which will underpin the iCMS developments.

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'Unlike most of the recent investments in Ireland, Soft-ex has been in business for over 10 years and has been self funding to date from revenues, until the completion of the most recent funding round in November', commented Mr Woods. 'We have only gone to the market to seek funds when we needed them for major expansion' he added.

Future developments - The company has a turnover of IEP8.5M and employs circa one hundred and fifty people. Projected developments including the introduction of direct and indirect ASP services and the exploitation of new MNC channels to markets should lead to sales of IEP35.0M over 24 months.

Customers and Partners

Soft-ex software – Is currently installed in over 50,000 locations throughout the world, including organisations such as Microsoft, Oracle, Dell, UPS, Regus, and prestigious non-governmental organisations such as The United Nations. Soft-ex products are sold via network of more than ninety distributors of communications equipment, throughout 75 countries.

Partnership programmes - Include large-scale organisations such as Ericsson, Microsoft, Verizon, eSoft and Cyberguard. These companies will take the product / service set and both use it internally and re-sell it, either as a product or a service. Many major telcos and PTT's currently distribute Soft-ex's products, including the following:

- Eircom (Ireland);
- Telenor (Norway);
- Telia (Sweden); and
- KPN (Netherlands).

ASP partners - Such customers are being converted to ASP service providers for their own expanding customer bases.

Products and Services

The Soft-ex iCMS platform - Is the newest addition to the Soft-ex product portfolio, offering a solution to integrate data from Soft-ex Telephony Manager (including Voice over IP) and Soft-ex Internet Manager with data from the Soft-ex Wireless Initiatives currently being undertaken by the company.

iCMS - Is an integrated communications tool presenting unified reports for multiple types of communications traffic. iCMS enables customers to bring all communications traffic information together in a comprehensive and readable format. It provides detailed customer relationship management data for telecommunications traffic. It also enables this to be distributed widely and comprehensively within an organisation.

Business needs addressed - Has been used to address the needs of the telecoms industry in recent years which has been driven by three major factors:

- Phenomenal growth of Internet and e-mail;
- Equally extraordinary growth in wireless telephony; and
- Emergence and convergence of voice and data networks.

VoIP developments underpinned - Convergence of voice data and other media streams on same IP infrastructure is a major development that underpins strategic projects at Soft-ex. The provision of a combined communication infrastructure focusing on the need of (for example) Telecoms Managers, IT Managers, HR Managers and CFOs is now a major requirement and needs to be met in a focused way.

Toolkits provided - All managers now seek a variety and compendium of tool kits that assist with billing, accounting, traffic analysis and monitoring.

'The iCMS initiative will address these three key needs', commented Mr Woods

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Recent key activities

Expansion - In between 1996 and 2000 the company expanded by 500 per cent and opened some 11 offices in new locations. The key relevant events are as follows:

September 2000 - Mr Nick Koumarios [former CEO of Cable and Wireless] was appointed as Chairman and Non-Executive Director of Soft-ex.

November 2000 - A Euro 11.5M funding round was provided by ACT Venture Capital, Stata and NIB.

February 2001 - Soft-ex launched its Voice over IP module within its newly configured Telephony Manager product and finally in February 2001 Softech Telecom reflected its new vision strategy and branding under the name Soft-ex as it moved towards e-services and bandwidth management.

Strategic challenges facing Soft-ex

Challenging move - Soft-ex has made an extremely challenging move away from products towards services within the iCMS (integrated Communications Management Solution). A key component of this is to offer both iCMS as an e-service delivered through ASP partners, as well as a service sold through telco and other industry channels.

Wolfe Group - Most recently, Soft-ex has selected Wolfe Group as its hosting partner and Wolfe Group will host servers for Soft-ex services. Henry Woods told TIU that he views this as a major development for the company. The Wolfe Group partnership will enable Soft-ex to offer its recently announced iCMS service as a third party hosted ASP service.

Other channels - In addition to iCMS as an e-service, Soft-ex also offers a securely hosted managed service and a customer / re-seller hosted e-service depending on the needs of the customer.

Future plans

Current sales and target mix - Current sales revenues are IEP8.5M and planned growth over the coming 24 months should take sales to IEP35.0M. This will be heavily dependant on aggressive growth plans. The sales target mix should eventually be 80% service based. As the model transfers to an ASP paradigm, 60% of business should be coming through the ASP channels.

Conversion plan - Soft-ex have a conversion plan for their existing customer base. There is a major change between 'oldco' (150 people, geographical coverage, profit driven and self funding) and the different shape of 'newco', which has been founded in the wake of the most recent ACT, NIB & Strata funding round.

Management team growth - In addition, Henry Woods has broadened the management team with individuals such as Ian Sparling, John O'Regan and Adrian Tuck, (heading up the US operations and Vice President of business development). Soft-ex have commenced a recruiting drive for essential sales and marketing staff, and the road-show to roll out iCMS to up to 80 customers has already commenced.

MANAGED SERVICES - Part 1*written by Roger Hatfield and Garrett Hickey***TIU insights on issues and opportunities in the large organisation for Irish software companies**

TIU, through working with its clients and with large users of IT, has a wealth of experience in addressing the scope, the service level definitions, the constraints and core features and pricing of managed services.

This article addresses the background to the move by many organisations into seeking managed services solutions to all or part of their IT needs. In the next article we will be addressing the issues from the perspective of the supplier of the services, including the key features and nature of managed service metrics.

(1) WHAT IS THE SCOPE OF AN IT FUNCTION IN A LARGE ORGANISATION?

Key functions - The typical IT function consists of three sub-functions as follows:

- **Applications** - development, maintenance and support
- **Operations** - for an in house data centre, a branch network and the communications infrastructure
- **Technical support** - for all hardware & software related to applications, communications, operations etc.

Staffing - The IT function is manned by dedicated and full-time 'in-house' IT staff, with a background in the organisation and solid knowledge of its business applications, operational environment and technologies deployed. The fundamental building blocks of expertise typically come from the in-house component, even where third party software applications are concerned. Generally, local and specific business knowledge is what makes the difference. The key issue becomes attracting and retaining staff with the loyalty and experience levels necessary.

Management structures - The IT function needs to be 'upwardly' managed to meet senior management expectations. It also needs to provide a capability to meet user needs and thus overt or implied service levels and cost expectations. IT objectives and goals are usually set and reported through jointly manned committees for (1) technology steering; (2) project management; (3) operations management. These create a viable framework for the business and financial management of a function. However, in an increasingly fast changing and complex business environment, reporting mechanisms and service definitions can easily become 'blurred' and intermeshed with internal management politics.

(2) HOW DOES A TRADITIONAL 'IN HOUSE' IT FUNCTION DEFINE SERVICE LEVELS?

'Spend / resource' framework - The traditional 'in house' IT function responds to the demands of the business in a manner that copes well with planned increases in the business and consequent IT requirement. Such needs are typically determined in a three year IT expenditure plan with annual IT budgets. The annual budget proposes capital and non-capital expenditure and by implication allocates resources – people and money – to the IT function. Whereas new development projects may be included or excluded [depending on user needs], there is an underpinning core level of expenditure and resource requirement that is used to maintain basic service to business users. This long term development approach can rapidly be overtaken by events as organisations are now expected to cope with an ever increasing rate of change as new products and processes are introduced.

Service not defined - Such a function provides a 'level of service' that is based upon inherent, achieved performance [plus planned changes] provided by the dedicated, in-house IT staff and management. The service levels delivered are often extremely high for specific tasks that have become the organisation's core services but can be much worse once product or process change requires rapid response. The service provided is often not defined at all except at a macro, all encompassing level. This leads to several constraints on IT management.

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(3) HOW IS A TRADITIONAL 'IN HOUSE' IT MANAGEMENT CONSTRAINED?

Constraints - A traditional 'in house' IT function attempts to operate within three constraining factors:

- **Skilled people / management** - Typically the IT function is heavily dependant on skilled people and managers with scarce applications and technical skills, covering a range of activities in the applications and technical services areas [with less scarce skills in the operations areas]. These staff get easily bored and need to be kept motivated and rewarded with interesting and challenging work as well as financial rewards;
- **Data centre / branch capital budget** - The data centre will have a strong capital expenditure component for both initial spend and upgrade spend for: (a) premises and core infrastructure [less depreciation]; (b) the hardware and communications infrastructure [less depreciation]; (c) systems software and applications software licences [adjusted for usage and time]. There will be similar structure for the branches in a branch network. The 'cap-ex' component is a major significant up-front cost constraint;
- **Expenditure budget** - The amount of P&L spend - both direct and indirect - that is allocated to an IT function, including the cost of the people, training, premises, office support etc has to be spread over support and maintenance [necessary but dull] and new projects [challenging and business driven]. New projects tend to absorb the best applications developers / talent in the organisation. Support and maintenance is essential and is used as a training-ground for developers. Support is used to get permanent staff up to speed with core applications.

Issues buried - The constraints above are often 'buried' within the IT function and only aired at the annual budgeting process. At this point the aim of the IT manager is to obtain increases in 'once off' spend and resources [based upon business need] and suitable uplifts in recurring spend [based upon incremental cost of ownership]. All the effort and management focus tends to get focussed on the resource availability, not on meeting users needs directly.

Resource vs. service – Such an approach is usually a 'one way ticket' to a bigger and slower IT function that tries to meet the needs of users and the resource providers. However there is little flexibility other than to cut once off spend and reduce the variable resource in 'blocks' that do not adjust to reflect users' needs. Typically, none of this gets a serious airing unless there are major concerns about (1) value for money and (2) service provided. It usually sets in train a process to measure 'service outputs' and 'quality of result' that will be adjusted to meet differing cost budgets and varying business circumstances.

New dimension - Clearly this introduces a new factor – that of 'value for money' for a 'service output'. This is the core of the managed services industry and the death knell for the many poorly prepared in-house IT functions that cannot fight defensible ground in a changing world. If poorly managed with 'woolly' objectives, a transition from an in house IT environment to an outsourced managed services environment can also be the death of the business concerned.

(4) WHAT IS INVOLVED IN A MANAGED SERVICES / OUTSOURCING ARRANGEMENT

Managed services are radically different - It is 'why' and 'where' they are performed as well as the 'what and how' of charging and measurement that comprise the radical difference in the provision of a managed service. The concepts of 'service level' and 'value for money' provide the glue that binds all this together in a service-orientated framework. Resources, inputs, capital and non-capital expenditure and all other relevant resources are absorbed by the Managed Service Provider [MSP] at a transparent transfer cost.

Managed services components – The functions or tasks that take place in outsourcing are provided by the MSP. Such managed services are usually organised by:

- Applications managed services [AMS];
- Operational support services [OSS];
- Technical support services [TSS].

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Managed services agreement - This provides the basis for the managed service which is then offered back to the customer on a 'pay per service component' basis subject to various service level agreements [SLA's] in the context of an overall managed services agreement [MSA].

MSA timescale - Such an agreement is usually put in place for five or more years, to allow the MSP to become familiar with the applications concerned, to absorb the capital costs of the customer's hardware and communications infrastructure and to allow the provider to achieve and deliver economies of scale.

The issue for the organisation is then to manage the various SLA's to obtain value for money and to 'raise the bar' with the MSP as required over the lifetime of the agreement. Managing the SLA becomes the core of the relationship between the MSP and the organisation.

Service level metrics - The concepts of service definition, measurement, benchmarking, enhancement and management are core to managed services. The lynchpins around which all of this is built are service level and related metrics. In order to define initially certain managed services metrics [and subsequently to re-define them if required through a change management process], the following should be included in an MSA:

- Service level objective [SLO] definition;
- Service level agreement [SLA] definition;
- Service level agreement [SLA] maintenance;
- Service management framework [SMF].

The nature of managed service metrics will be explored in the second article in this series.

Market Report for month ended 26th March
written by Fran Hoey

As March drew to a close, battle-weary investors began to cautiously edge their way back into the markets with the downward spiral seeming to bottom out. It's bargain time many analysts are saying, but it won't be plain sailing for a long time yet. One year on from the big tech crash of 2000, global markets suffered the effects of the US and Japanese economic problems and corporate profits in the world economy are being hit. In Europe, the foot and mouth outbreak is leaving investors uncertain and, while tech companies across the board announce cutbacks, the ITSI companies have been very vulnerable. In the US, shares (now old-economy stocks too) took a battering despite Greenspan's interest rate cut (a 75 basis point cut didn't materialise), with recession looking more and more likely. The Nasdaq shed just under 17% to 1918.5, and the Dow closed on 9687.5, down 9%. In London, the FTSE-100 dropped 5.75%. At the time of going to press, it is likely that the European Central Bank will cut rates by a quarter of 1 per cent.

Irish tech shares seemed to be a prime target for analyst downgrades and high levels of selling saw ITSI down 31.8%. There are a significant number of worries for the Irish economy. All stocks would be affected by a major foot and mouth outbreak, not just the food and dairy sectors. Continued US MNCs job losses will take their toll also. On the Nasdaq this month, Baltimore plummeted, down almost 60%, to \$3.21. This followed numerous analyst downgrades as the group warned that the slowdown in US corporate spending on IT had resulted in contracts being delayed. The company expects Q1 revenues be £25 million - £5 million less than expected.

The other big faller was Trintech, crashing to \$2.75, down 53%. The company announced Q4 revenues of \$15.5 million, an increase of 72% year on year. Demand grew particularly in the area of licence revenue, which saw an increase of 80% over Q4, 1999. However, the company is still losing money at a great rate and sentiment towards Trintech shares has hit rock bottom. At CeBIT in Hannover, Trintech and Motorola demonstrated the mWallet product solution. Trintech's wallet technology for secure wireless transactions is the basis of Motorola's m-Wallet, which was previously launched at the GSM World Congress in February.

IONA celebrated its 10th anniversary in March, with the company now employing more than 800 people in 30 offices around the world. It announced a strategic agreement with Sun Microsystems to strengthen and extend the development capabilities of the IONA Suite. The company also officially opened new offices in Rome. IONA shares on the Nasdaq were down over 35%, on \$35.3125, due to the difficult market conditions. Parthus and Hitachi announced that they will co-operate on the development of System-on-chip products, using Parthus' BlueStream Bluetooth platform. Parthus shares lost 27%, on \$13.375.

Datalex reported results for Q4 2000. Total revenues were \$10.8 million, an increase of 176% from Q4, 1999 and up 9% quarter on quarter. The net operating loss for Q4 was \$5.4 million, reflecting planned investment in sales and marketing and in research and development. The company also announced the opening of its regional sales office in Paris. Of the two e-learning companies, Riverdeep performed the strongest, finished only marginally down on \$23.375. SmartForce, however, dropped 33% to \$26.0625.

In London, Horizon, showed half-year [to 31st December, 2000] revenues of €183.3 million, a 56% increase over the same period last year. Horizon shares fell 39% to 277.5p. SMF Technologies was been presented with a Reed Electrical Industry Award (in the Innovations Category), one of the most prestigious awards within the British Isles for the Electrical Industry. SMF's share price dropped 19% to 72.5p. The other Irish tech representatives in London couldn't avoid the downturn with ITG and Rapid down 16.5% and 13% respectively, on 430p and 77p. On the Neuer Markt, Conduit shed just over 4% to close on €11.6.

The next few weeks are bound to be interesting times for global markets, with volatility in the tech sector likely to continue. Are investors willing to take a risk? Are shares going to rebound from the recent downturn? We all need some good news to pick things up.

TIU Enabling high growth technology

TIU IT Consulting ~ TIU Business Consulting ~ TIU Financial Consulting ~ TIU Publications

The **TIU Group** serves the high growth information technology sector and the financial services sector, with the objective of 'enabling high growth technology' and delivering 'business IT value' to financial institutions.

TIU's clients include the leading quoted and unquoted technology companies, financial institutions and banks. TIU has advised some 60 companies since its foundation by Garrett Hickey, CEO, in 1996.

TIU's has four strategic business units as follows:

- **TIU IT Consulting** - Provides IT management advice, interim IT management services; advice on the outsourcing of technology; advice on the selection of technology; IT strategies and project management, largely to the financial service market place.
- **TIU Business Consulting** - Provides strategy consulting, business management advice and interim sales, marketing and product management, focussing on the customer / product / market aspects of technology;
- **TIU Financial Consulting** - Provides financial consulting; corporate finance and M&A services; interim financial management; valuation services; financial planning and development, to IT companies, financial institutions and advisors to the IT industry; and
- **TIU Publications** - Publishes TIU InfoBrief, TIU TechWatch, TIU Irish Technology Review and the Irish Technology Share Index (ITSI).

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