

Emerging Companies to Watch in 2001

Methodology: To identify and select the Top 100 Emerging Companies for our special supplement, *Computerworld* invited companies to nominate themselves on our Web site from June 5 through July 14.

To qualify, companies had to be corporate-focused, for-profit ventures with revenue of less than \$250 million and founded no earlier than 1995. Qualified candidates also had to have an innovative product or service available by Dec. 31, 2000, and customer references. To be considered, companies had

to have a management team in place (rather than one person acting as CEO or vice president of marketing, sales and so on).

Nomination forms were categorized by market. A panel of *Computerworld* editors then reviewed the forms and selected finalists in each market segment.

The finalists' nomination forms were then sent to a panel of information technology industry influencers — senior-level executives who are both providers and users of IT, including Chris Horrocks, CIO at Selecterra

Inc.; Tim Byers, CIO at SESCO Inc.; Jeanne W. Ross, principal research scientist at the MIT Center for Information Systems Research; Ann Delligatta, CIO at Autobyte.com Inc.; Irene Dec, vice president of The Prudential Insurance Company of America; Mike Crowley, CIO at Campbell Soup Co.; Dick Hudson, president of Dick Hudson & Associates; Bob Schwartz, vice president and CIO at Panasonic USA; John Puckett, vice president and general manager of wireless and Internet strategies at Polaroid Corp.; Priscilla Tate, director

of the Technology Managers Forum; Honorio Padron, president of the business services group at Unicom Corp.; John Voeller, chief knowledge officer, chief technology officer and senior vice president at Black & Veatch; and Alan E. Brill, senior managing director at Kroll Associates.

The panel of IT influencers rated the finalists on the following characteristics:

- The company and its technology offer demonstrable value to corporate IT operations in Fortune 1,000 companies; the

product or service addresses problems or challenges that IT managers face.

- The company is innovative; the product or service presents a new and creative approach to an IT issue and competes in a relatively new or emerging market.

- The company demonstrates positive signs of an ability to execute its strategy (revenue, revenue growth, funding, management team).

These scores were totaled for each market segment. Companies with the highest scores in each of the market segments were selected for our Emerging Companies list.

COMPANY NAME	LOCATION	WEB ADDRESS	NUMBER OF EMPLOYEES	YEAR FOUNDED	FOUNDER(S)	PUBLIC OR PRIVATE	PRODUCT(S)/SERVICE(S)	PRIMARY MARKET FOCUS
Application development tools								
Crossworlds Software Inc.	Burlingame, Calif.	www.crossworlds.com	270	1996	Katrina Garnett	Public	InterChange Server, application connectors, custom and legacy application integration tool set	E-business infrastructure software
Crystallize Inc.	Ann Arbor, Mich.	www.crystallizes.com	73	1998	Helene Abrams	Private	Data Conversion Solution 3.1, Change Key Flexfield Solution 3.1, Supply Chain Optimization Solution 4.2	Oracle applications market software
Data Junction Corp.	Austin, Va.	www.datajunction.com	60	1995	Darrell Blanford	Private	Data Junction 7.0, DJEngine 7.0	Data integration software
Epicentric Inc.	San Francisco	www.epicentric.com	180	1998	Ed Anuff, Oliver Muoto	Private	Portal Server 3.0, Syndicated Services 3.0	E-commerce portals and portal networks
Extensibility Inc.*	Chapel Hill, N.C.	www.extensibility.com	45	1998	Reid Conrad, Lee Buck	Private	XML Authority 1.2, XML Canon Beta EA, XML Instance 1.0	E-business software
Outlook Technologies Inc.	Chicago	www.outlook.net	50	1995	Elias Manouosos, Robert Grzywinski	Private	CMS/Media 1.2, CMS/Merchant 1.1, CMS/Core 1.2	Back-office infrastructure for Web sites
Application service providers								
Agiliti Inc.	Bloomington, Minn.	www.agiliti.com	140	1999	Tom Kieffer	Private	Business services, e-commerce services, IT services	Rentable application services
Broadreach Consulting Inc.	Wayne, Pa.	www.ebroadreach.com	500	1995	James W. Dixon	Private	Management consulting, applications and infrastructure solutions	Business-to-business services
CoVia Technologies Inc.	Mountain View, Calif.	www.covia.com	105	1996	Deidre Paknad, Daryoush Paknad	Private	SalesOnline, Intranet Included, Team-Online, BizOnline 2.0, InfoPortal Platform	Hosted Web applications
Genesis10	New York	www.genesis10.com	127	1999	Harley Lippman	Private	IT staff augmentation, project management services, project outsourcing	Software development consulting services
iBenefits Inc.	El Segundo, Calif.	www.ibenefits.com	270	1997	John Gran	Private	iElect, iAdmin, iWorksite	Internet-based human resources software
Interliant Inc.	Purchase, N.Y.	www.interliant.com	1,500	1997	Leonard J. Fassler	Public	INIT ASP Host, INIT Commerce: Channel Commerce Platform Solutions, INIT Collaboration: Defeating Borders	Hosted applications and Internet professional services
Telera	Campbell, Calif.	www.telera.com	140	1998	Prem Uppaluru, Mukesh Sundaram	Private	Telera Contact Center Connect, Telera Connect, Telera Quick Connect	Business communications application services
TellSoft Technologies	Colorado Springs	www.tellsoft.com	70	1997	Shaun McNerney, Paul Carver	Private	iTalkWeb, iTalkLive, iTalkSlides	Phone-to-Internet content and communications solutions
Customer relationship management								
Annuncio Software	Mountain View, Calif.	www.annuncio.com	235	1997	Didier Moretti, Maurizio Gianola	Private	Annuncio Live 2.1, Annuncio ToGo 1.0, Annuncio Bright 3.0	Electronic-marketing software and services
E.piphany Inc.	San Mateo, Calif.	www.epiphany.com	800	1997	Steven Blank, Elliot (Ben) Wegbreit	Public	E.5 System	Customer interaction software
Ineto Inc.	Austin, Texas	www.ineto.com	90	1999	Mike Betzer, Alasdair Campbell, Stephen Michael	Private	Ineto Conductor	Internet communications product
IslandData Corp.	Carlsbad, Calif.	www.islanddata.com	50	1995	Guy Jones, Jeff Stanford	Private	ExpressResponse 4.5	E-mail and Web management software
Knosys Inc.	Boise, Idaho	www.knosysinc.com	70	1995	Bob Lokken	Private	ProClarity OLAP Client 2.0, ProClarity Analytical Platform 2.0, ProClarity Add-In for Microsoft Excel 1.0	Business intelligence, online analytical processing services, analytical applications
Kovair Inc.	San Jose	www.kovair.com	40	1999	Krishna Subramanian	Private	Kovair VIP Center Strategic Account 1.0	Relationship management software
MarketSoft Corp.	Lexington, Mass.	www.marketsoft.com	75	1998	Greg Erman	Private	eLeads, eOffers	B2B and B2C software
Responsys.com	Palo Alto, Calif.	www.responsys.com	130	1998	Anand Jagannathan	Private	Responsys Interact 2.3, Responsys Jumpstart	Online permission marketing software
RightNow Technologies Inc.	Bozeman, Mont.	www.rightnowtech.com	260	1997	Greg Gianforte	Private	RightNow Web 3.2	Web-based customer service software
Service911.com Inc.	Dallas	www.service911.com	84	1997	Lawrence Schwartz	Private	Webskin 3.0	Web-based support services
Talisma Corp.	Kirkland, Wash.	www.talisma.com	465	2000	Pradeep Singh	Private	Online eCRM Suite 2.0, Enterprise eCRM Suite 2.5, Small Business eCRM Suite 2.5	Web-based customer relationship software

PROFILE

Extensibility: Riding the XML Wave

BY ROBERT L. MITCHELL

When consultant Wafa Khorsheed set to work on Dearborn, Mich.-based Ford Motor Co.'s XML-based Build-To-Order project, which will allow the automaker to sell over the Internet, he turned to XML Authority, a software tool from Extensibility Inc. in Chapel Hill, N.C. Khorsheed says he was impressed by the intuitive graphical user interface of the tool, which was designed for creating, managing and converting XML schemas. "It conveys the logic of the schema easily," he says.

"[XML Authority] is a very intuitive, very approachable technology that lets users work at the abstraction level and not get their hands dirty at the code level," explains Extensibility CEO Reid Conrad.

"XML is central to where we see technology going," he adds. "We want to dominate in the XML infrastructure space." Those are big words for a start-up launched in 1998 with just \$1.7 million in venture-capital funding. But in the past two years, the com-



Extensibility CEO Reid Conrad

pany has sold more than 2,500 software licenses to customers such as Price-waterhouseCoopers in New York and Sun Microsystems Inc. And it has signed up an impressive list of partners that offer XML Authority with their

own products, including such heavyweights as Microsoft Corp., Oracle Corp. and Commerce One Inc. in Pleasanton, Calif.

"The key to Extensibility is to look at who has adopted them," says Marshall Martin, an analyst at Zona Research Inc. in Redwood, Calif. "These are very inventive companies they partner with. Each has made a build-vs.-buy decision." Another reason for success may be pricing: XML Authority starts at \$99.95 for a single-user license.

Computerworld wasn't the only one to notice Extensibility. On Aug. 3, Palo Alto, Calif.-based e-commerce vendor Tibco Software Inc. acquired Extensibility in a stock transaction valued at about \$100

PROFILE

Knosys: Casting the Right Team

BY ELLEN FANNING

Some might consider it putting the cart before the horse, but for Bob Lokken, president and CEO of Knosys Inc. in Boise, Idaho, casting the right team of people first and then finding a product to sell was key to launching a successful start-up.

"[It was] a little bit backwards. But the most important aspect of a start-up is its team of people," says Lokken.

Launched in late 1995, Knosys is a spin-off of Boise, Idaho-based Extended Systems



Bob Lokken, Knosys president and CEO

Inc., which itself was a spin-off of Hewlett-Packard Co. The founding members, Lokken, Clay Young, Phil Bradley, Gary Braach and Mark Ickes, teamed up to create ProClarity, a front-end analytical application

platform for Microsoft SQL Server 7.0 that allows end users to graphically organize and then analyze data over a corporate intranet. ProClarity eliminates the need for intervention by the IT staff, thus reducing installation

and maintenance costs.

The Veteran's Administration Hospital in Tacoma, Wash., uses ProClarity to browse a data warehouse of patient information. Jean Laubscher, project manager for the hospital's Consumer Health and Information Performance System development team, says the tool helps end users, including data specialists, executives and quality managers, display patient data for analysis.

"It's a very intensely graphic product that lets you visualize the data. I would contrast it with a flat, black-and-white report with columns and numbers. This is highly visual and rapidly responds to queries. You make your selection and see it displayed immediately," says Laubscher.

Lokken reports that Knosys now employs 75 people and expects revenue growth of 200% over last year's revenue of \$2.9 million. An initial round of funding was provided by Pacific Asset Partners.

Howard Dresner, an analyst at Stamford, Conn.-based Gartner Group Inc., says Knosys has "bet the farm" on Microsoft Corp., but adds that isn't a bad bet to make. "[Knosys] is a visionary in the market. Now

COMPANY NAME	LOCATION	WEB ADDRESS	NUMBER OF EMPLOYEES	YEAR FOUNDED	FOUNDER(S)	PUBLIC OR PRIVATE	PRODUCT(S)/SERVICE(S)	PRIMARY MARKET FOCUS
E-commerce								
Acta Technology Inc.	Mountain View, Calif.	www.acta.com	200	1996	Alex Gorelik, Sachin Chawla	Private	ActaWorks RealTime 4.2, Commerce eCaches 1.0, Analytic eCaches 2.0	Enterprise resource planning software services
Blue Martini Software Inc.	San Mateo, Calif.	www.bluemartini.com	235	1998	Monte Zweben	Private	Customer Interaction System 3.1, support services, e-business intelligence services	Manufacturing and retail industry software
Cephren Inc.	Palo Alto, Calif.	www.cephren.com	200	1997	Jas Dhillon	Private	ProjectNet 4.0, MarketNet 1.0, PrintNet 1.0	Web-based services for global construction industry
DataCert.com Inc.	Houston	www.datacert.com	30	1998	Eric M. Elfman	Private	ShareDoc 1.0, UPS Document Exchange Invoices 1.0	E-business services for information exchange
ECOutlook.com	Houston	www.ecoutlook.com	105	1999	Mark Kingston	Private	SupplierLines, CustomerLines, TransportationLines	Web-based supply-chain software
Emerald Solutions	Portland, Ore.	www.emeraldsolutions.com	650	1997	Martin Wright, Jerry Grant, Steve Darrow	Private	Strategy services, interactive design services, engineering technology services	E-business services
GetThere Inc. **	Menlo Park, Calif.	www.getthere.com	350	1995	Dan Whaley, Bruce Yoxsimer	Public	Global Manager 4.6, FlightRez, ePartner	Internet marketplace for business-to-business travel services
Groundswell Inc.	San Francisco	www.groundswell.net	200	1999	Paul Stich, Dean Alms	Private	Internet consulting services	E-business communities
IPNet Solutions Inc.	Newport Beach, Calif.	www.ipnet-solutions.com	108	1996	Don Willis	Private	EBusiness Suite 3.2, eBusiness Transact 3.2, eBusiness Collaborate 3.2	Online transaction management infrastructure
NetReach Inc.	Ambler, Pa.	www.netreach.com	80	1995	Peter G. Randall	Private	Hosting solutions, application services	E-business solutions for business-to-business and business-to-consumer
Newmediary Inc.	Newton, Mass.	www.newmediary.com	50	1999	Scott Cohen	Private	E-business services	Online marketplaces for e-business services
ONEX Inc.	Indianapolis	www.onexinc.com	200	1997	Joseph Huffine, Sally Breen	Private	E-business consulting services	High-tech consulting for e-business
OnLink***	Redwood City, Calif.	www.onlink.com	175	1996	Buck French, Jeffrey Loomans, Patricia Munter	Private	OnLink Sales 3.4, OnLink Surveyor 1.0, OnLink Composer 3.4	Internet sales and marketing applications
Perficient Inc.	Austin, Texas	www.perficient.com	200	1998	Bryan Menell	Public	Virtual Professional Services Organizations, Virtual Education Services Organizations	Services for Internet software companies
Saga Software Inc.	Reston, Va.	www.sagasoftware.com	684	1997	Daniel F. Gillis	Public	Sagavista 1.2, Natural 4.1, Adabas 7.1	Enterprise application integration software
Ventro Corp.	Mountain View, Calif.	www.ventro.com	463	1997	David Perry	Public	LabPoint, Promedix, Chemdex MarketLink	Business-to-business e-commerce services
Xpedior Inc.	Chicago	www.xpedior.com	1,500	1998	Not applicable; formed by a spin-off	Public	Imagine Process, Xpediators, Enterprise eQ	End-to-end e-business solutions
Zefer Corp.	Boston	www.zefer.com	481	1998	Anthony Tjan, Kaming Ng	Private	Consulting services	Internet strategies and solutions provider
E-market exchange								
Adexa Inc.	Los Angeles	www.adexa.com	280	1995	K. Cyrus Hadavi	Private	iCollaboration 4.6	Collaborative commerce software and services
Aeonware Inc.	Alpharetta, Ga.	www.aeon-shopping.com	115	1995	Michael Mildemberger	Private	Aeonware MARK/8 Marketplace, Aeonware MARK/8 Hosting, Aeonware MARK/8 Wholesale Manufacturing Procurement	Software for business-to-business and business-to-consumer markets
CommerceRoute Inc.	Emeryville, Calif.	www.commerceroute.com	57	1997	Doron Rotem	Private	CommerceRoute 2.0, eBusiness Suite 2.0, Global Connect	Software that provides mass connectivity of trading partners
CrossCommerce Inc.	San Francisco	www.crosscommerce.com	60	1999	Peter Nordberg	Private	AIM 1.0, Virtual Product Warehouse 1.0, Merchandising Intelligence 1.0	Software that automates core e-commerce business practices
Exterprise Inc.	Austin, Texas	www.exterprise.com	110	1998	Manoj Saxena, S. P. Rana	Private	ActiveMarket 2.0	Software platform for business-to-business marketplaces
HelloBrain.com	Santa Clara, Calif.	www.hellobrain.com	60	1999	Joe Tung, Bharat Sastri	Private	Intellectual capital exchange, private exchanges	Intellectual capital exchange for the high-tech industry
Logistics.com	Burlington, Mass.	www.logistics.com	140	2000	Yossi Sheffi	Private	Digital Transportation Marketplace 1.0, shipper solutions, carrier solutions	Transportation procurement and management services
MindFlow Technologies Inc.	Plano, Texas	www.e-mindflow.com	35	1999	Jay Reddy, Mark Griffis	Private	ProcureMind 1.5	Purchasing software
Mxi Technologies Ltd.	Ottawa, Ontario	www.mxi.com	56	1996	Brad Forsyth, Doug Brouse	Private	Maintenix 3.2, Expeditor 1.1	Aircraft maintenance management software
Nitorum Corp.	Norwalk, Conn.	www.nitorum.com	98	1999	Kristopher King	Private	Intelli-Gage 2	Business-to-business electronic-procurement application
SingleSourceIT	Columbus, Ohio	www.singlesourceit.com	70	1999	Randy Wilcox	Private	Decision support, acquisition services of IT-related products, asset management of IT-related products	Web-based IT lifecycle management solution
Tradec	San Jose	www.tradec.com	30	1996	John Abe	Private	Tradec Standard 5.0, Tradec with PurchasingPro 5.0, Tradec with SalesPro 1.1	Supply-chain hub for the electronics industry
Vitessa Corp.	Seattle	www.vitessa.net	165	1997	David P. Mullan	Private	Vitessa Merchant Exchange 1.5	E-commerce network for Web sites
Internet-based applications								
2netFX	San Jose	www.2netfx.com	20	1996	Eric Yao	Private	HDTV over IP Server & Player, ThunderCast IP Server, StreamRider Player	Broadband Internet and intranet network solutions
Activate Corp.	Seattle	www.activate.com	150	1997	Chris Maskill	Private	Active Conference Center 1.1	Webcasting software
Backsoft Corp.	Sarasota, Fla.	www.backsoft.com	70	1997	Bert Kastel, Rich Swier	Private	Commerce 2.0, Procurement 2.0, Talk 3.0	E-business supply- and buy-side applications
Buzzsaw.com Inc.	San Francisco	www.buzzsaw.com	260	1999	Anne Bonaparte, Larry Wares, Carl Bass	Private	Project collaboration, bidding, construction management	Business-to-business tools and services for the building industry
CUseeMe Networks	Nashua, N.H.	www.cuseemetworks.com	125	2000	Killo Caballero	Public	V2ASP, CUseeMe World, Videochat Your Site	Interactive voice and visual communications
Delano Technology Corp.	Markham, Ontario	www.delanotech.com	422	1998	Bahman Koohestani	Public	Delano e-Business Interaction Suite 2.5, Delano Customer Velocity 2.0	Interaction-based e-business solutions
ERoom Technology Inc.	Cambridge, Mass.	www.eroom.com	174	1996	Jeffrey Beir, Pito Salas	Private	eRoom 4.2, professional services	Internet collaboration software
EYak Inc.	Boston	www.eyak.com	60	1999	David Friend, Jeff Flowers	Private	eSEE	Voice network application

PROFILE

Xpedior: Developing E-Business Strategies for Customers

BY MELISSA SOLOMON

Allstate Insurance Co. needed to get a handle on its project management. But when the company put out a bid for an information technology consultant to help create a Web-based application, just a few firms responded.

And among those, the only contender "who had a keen interest in developing a relationship with us was Xpedior," says Andy Rieder, assistant vice president at the Northbrook, Ill.-based insurance company.

Xpedior Inc. got the job, and, with the system scheduled to go live this month, Rieder says he has no regrets about his choice. "They've been very cooperative, and they haven't disappointed us in terms of quality or cost," he says.

David Campbell, president and CEO of Chicago-based Xpedior, says the key to the company's success is its ability to customize electronic-business strategies for companies. "[We look at] how people can do their business differently because the Internet



David Campbell, Xpedior's president and CEO

exists," he says.

Xpedior works with companies to examine hundreds of processes, like recruiting, planning, distribution and procurement, to see if there are new or refined ways of handling those tasks in an e-commerce world.

The company, formerly a division of Metamor Worldwide Inc. in Houston, was founded three years ago but went public just last December. With 1,700 employees and customers such as Bell Canada International Inc. in Montreal, Citibank in New York and Hewlett-Packard Co., Xpedior stands out as one of the leaders in its industry, says Andy Efstathiou, an analyst at The Yankee Group in Boston.

"The good news about them is they've grown solely by organic growth rather than by buying," he says, which has allowed the company to develop a single corporate

PROFILE

HarvestRoad: Targeting New Markets

BY LEE COPELAND

After netting a \$15 million bounty from an initial public offering on the Australian Stock Exchange last September, Perth, Australia-



Grame Barty, HarvestRoad's founder

based HarvestRoad Ltd. is ready to expand into the Asian markets. Founded in 1996 by Grame Barty, a former telecommunications executive at Nortel Networks Corp., the start-up develops software tools that automate the creation of Web portals and community sites.

HarvestRoad's flagship product, WebPower, is a suite of four applications: a wizard-driven tool for setting up a Web site, a tool for publishing documents to the Web, a document management application and an e-commerce engine. All the applications in the WebPower suite are accessible via a Web browser and are available on Sun Solaris, Unix or Linux operating systems.

Barty, managing director at HarvestRoad, says he believes support for Linux will drive adoption of the new product in China, India

and Malaysia, the three markets his company is targeting. Barty also notes that the product's relative ease of use drove its adoption in Australia.

Helen Thompson, a project leader at The Electronic Chamber of Commerce in Victoria, Australia, says WebPower enabled the nonprofit organization to create and launch its portal site in four months. "The tools are very easy to use, and that's why we've found them attractive," says Thompson. "Normal people, not those with IT specialist skills, are maintaining the site, and it's easy for them to regularly publish and update information."

The organization also trains business members to create auxiliary sites, which link to the main portal, with HarvestRoad's tools. Barty estimates that 80% of the firm's \$2.4 million in revenue last year came from Australia, while the remaining 20% was derived from Asian markets. Barty says he hopes to double sales abroad by next year and operate in the black by next October.

The company employs 68 people and posted an income loss of \$3 million for its fiscal year ended June 30. ▀

COMPANY NAME	LOCATION	WEB ADDRESS	NUMBER OF EMPLOYEES	YEAR FOUNDED	FOUNDER(S)	PUBLIC OR PRIVATE	PRODUCT(S)/SERVICE(S)	PRIMARY MARKET FOCUS
Internet-based applications (continued)								
FinTrack Systems Corp.	New York	www.fintrack.com	50	1997	Murugan Manivanan	Private	Equity Trading System 1.2, Derivative Trading System 1.0, Fixed Income Trading System 1.0	Internet-based trading systems
Google Inc.	Mountain View, Calif.	www.google.com	115	1998	Sergey Brin, Larry Page	Private	Web Search, Google Site Search	Internet search software
HarvestRoad Ltd.	Claremont, Western Australia	www.harvestroad.com	60	1996	Grame Barty	Public	HarvestRoad Wizard 2.0, HarvestRoad Publisher 1.3, HarvestRoad DPMS 1.2	Virtual community software
IDFM Inc.	Burlington, Mass.	www.idfm.com	28	1996	Steve Parrella	Private	Process Innovator 3.0	Internet software solutions
NetDecide Inc.	Falls Church, Va.	www.netdecide.com	50	1996	C. C. Chang	Private	Decision Server, AdvisorDecide/Personal Decide/PlannerDecide, IntelliDecide	Web-based financial software
OpenReach Inc.	Wakefield, Mass.	www.openreach.com	60	1999	Mark Tuomenoksa	Private	TrueSpan	Internet-based business communications software
Saba Software Inc.	Redwood Shores, Calif.	www.saba.com	460	1997	Bobby Yazdani	Public	Saba Learning Enterprise, Saba Learning E-Store 4.0, Saba Learning Exchange 4.0	Learning management software and services
Mobile and wireless								
Etrieve Inc.	Hillsboro, Ore.	www.retrieve.com	30	1998	Mike Maerz, Ash Gupte	Private	M3 Mobile Message Management 1.0	Mobile e-mail services
W-Trade Technologies Inc.	New York	www.w-trade.com	160	1997	Donna R. Oliva, Sergey Fradkov	Private	w-Trade Wireless Securities Trading 4.01, w-Bank Wireless Banking 4.01, w-Store Wireless e-Commerce 1.0	Wireless software and mobile business solutions
Wysdom Inc.	Richmond Hill, Ontario	www.wysdom.com	175	1998	Kashif Hassan	Private	mMobilize, mPortal, mShop	Global wireless Internet access provider
XcelleNet Inc.	Atlanta	www.xcelle.net	265	2000	D. Crumpler	Private	RemoteWare, Afaria	Enterprisewide strategic management software
Network systems management								
Aelita Software Corp.	Powell, Ohio	www.aelita.com	120	1998	Ratmir Timashev	Private	Domain Migration Wizard 5.0, Enterprise Directory Reporter 4.0, ERDisk 5.0	Microsoft-centric directory and systems management software
DataCore Software Corp.	Fort Lauderdale, Fla.	www.datacoresoftware.com	125	1998	George Teixeira	Private	SANsymphony 1.0	Network storage software
Ecora Corp.	Portsmouth, N.H.	www.ecora.com	41	1999	Alex Bakman	Private	Ecora Documentor 1.0, My Ecora 1.0	Network infrastructure software
Entelagent Software Corp.	Agoura Hills, Calif.	www.entelagent.com	24	1996	John D'Angelo	Private	SAMS Surveillance System 2.2, SAMS E-Mail Warehouse 2.1	E-mail content management systems
Netarx Inc.	Bingham Farms, Mich.	www.netarx.com	30	1997	Sandy Kronenberg	Private	NMS Remote Network Monitoring 1.0, The Ticker 4.0, RESNet 2.0	Network infrastructure software
Netier Technologies Inc.	Carrollton, Texas	www.netier.com	75	1997	James V. Crocco	Private	NetXpress Information Appliances XL1/2000, Rapport Administrative Software 2.0, Application Embedding Services 1.0	Networked computing devices and network management software
Orillion Corp.	Houston	www.orillion.com	114	1995	Jerry R. Sellers, Terry P. Lindsey	Private	OVista 4.1, OVantage 2.0	Systems and technical solutions for telecommunications carriers
Response Networks Inc.	North Andover, Mass.	www.responsetnetworks.com	50	1999	Ivan Shefrin	Private	ResponseCenter 2.5	E-business management software
Security								
Arcot Systems Inc.	Santa Clara, Calif.	www.arcot.com	100	1997	Ram Varadarajan	Private	Arcot WebFort 3.0	Security software for Web-based applications
Authentica Inc.	Waltham, Mass.	www.authentica.com	35	1997	David Pensak	Private	PageVault, WebVault, MailVault	Internet security software
BioNetrix Systems Corp.	Vienna, Va.	www.bionetrix.com	75	1997	Peter Bianco, Karl Ware	Private	The BioNetrix Authentication Suite 3.1	Security software
Sanctum Inc.	Santa Clara, Calif.	www.sanctuminc.com	90	1997	Eran Reshef	Private	AppShield 2.5, AppScan 1.0, AppAudit	Web application security and control software
Securant Technologies Inc.	San Francisco	www.securant.com	105	1997	Jonti McLaren, Eric Olden	Private	ClearTrust SecureControl 4.2	E-commerce software
Web infrastructure								
Adero Inc.	Boston	www.adero.com	240	1998	Paul Cheng, Robert Carney	Private	GlobalWise 1.5	Global turnkey services for online
CacheFlow Inc.	Sunnyvale, Calif.	www.cacheflow.com	350	1996	Michael Malcolm	Public	CacheFlow Internet Caching Appliances 3.0, CacheFlow Content Manager 1.0, RealProxy for CacheFlow 1.0	Internet-caching appliances
CoreExpress Inc.	St. Louis	www.coreexpress.com	150	1999	Michael Gaddis	Private	Internet Data Exchange System 1.0	Extranet infrastructures
Evoke Communications Inc.	Louisville, Colo.	www.evoke.com	456	1997	Paul Berberian	Private	Evoke Webconferencing, Evoke Webcasting, Evoke Talking Email	Internet communication services
Interwoven Inc.	Sunnyvale, Calif.	www.interwoven.com	480	1995	Peng Ong	Public	TeamSite 4.2, OpenDeploy 4.2, TeamSite Templating 4.2	Web site software and services
Kinecta Corp.	San Francisco	www.kinecta.com	110	1998	David Mathison, Adam Souzis, Arthur Do	Private	Kinecta Interact 3.0 (includes Kinecta Interact Server and Kinecta Interact Subscriber) 3.0, Kinecta TrafficRegister 3.1	Internet content aggregation platform
Nishan Systems	San Jose	www.nishansystems.com	100	1998	Aamer Latif	Private	SoIP, Series 2000, Series 3000	Storage networking products
Packeteer Inc.	Cupertino, Calif.	www.packeteer.com	120	1996	Brett D. Galloway, Robert L. Packer	Public	PacketShaper 4.1, AppVantage 4.2, Application Acceleration Line 1.0	Internet application infrastructure
ProactiveNet Inc.	Alviso, Calif.	www.proactivenet.com	82	1997	Ajay Singh	Private	ProactiveNet 3.5	E-commerce software
TopTier Software Inc.	San Jose	www.toptier.com	200	1995	Shai Agassi	Private	TopTier eBusiness Integration Portal 3.0	Enterprise information portal technology and products
VMware Inc.	Palo Alto, Calif.	www.vmware.com	89	1998	Mendel Rosenblum	Private	VMware 2.0 for Windows NT and Windows 2000/VMware 2.0 for Linux 2.0.1, VMware server products	Desktop and server software
Yipes Communications Inc.	San Francisco	www.yipes.com	200	1999	Peter Kaminski	Private	Yipes MAN 1.0, Yipes NET 1.0, Yipes WAN 1.0	Scalable bandwidth provider

NOTE: * Extensibility was acquired by Tibco Software Inc. in August. ** GetThere is under agreement to be acquired by Sabre Holdings Corp. *** OnLink was acquired by Siebel Systems Inc. in August.

PROFILE

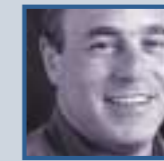
Response Networks: Tracking Web App Performance

BY MARK HALL

Dick Vandenberg thinks his scalded-dog theory explains why Alexandria, Va.-based Response Networks Inc.'s service-level agreement management tools will make the transition from the S/390 mainframe, where he uses them now, to the Internet.

The vice president and manager of branch automation at First Tennessee Bank NA in Memphis says that in the world of service-level agreements, subjectivity is unacceptable but inevitable among end users. "So I need to know whether the application is running like a scalded dog or slowing everyone down big time." And the cold, hard facts he gets in reports from the vendor's response center let him know precisely how things are running.

Pulsar, the latest product entry from Response Networks, uses Jini and Java technology to report on application response time across the Internet. Response Networks is licensing Pulsar to large Internet providers that will offer the service to users like First Tennessee Bank, which has already done some testing with the product.



Founder Ivan Shefrin: Thinking ahead



CEO Ted Joseph: Solid business plan

John McConnell, principal analyst at McConnell Associates in Boulder, Colo., says, "They've got a real solid business plan and technology."

Richard L. Ptak, an analyst at Hurwitz Group Inc. in Framingham, Mass., agrees, adding that Response Networks founder Ivan Shefrin and CEO Ted Joseph are impressive managers. "I speak to a lot of bright people in the industry, and Response Networks has some of the

most exciting, leading-edge thinkers in the industry," Ptak says.

That technology and management combination inspired a recent multimillion-dollar investment from Cisco Systems Inc. According to Cisco Vice President Eugene Lee, Response Networks has strategic technology in an area the San Jose-based networking giant "wants to learn about." ▶

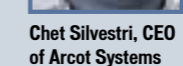
PROFILE

Arcot Systems: Securing Web Identities

BY LEE COPELAND

Founded in 1997, Arcot Systems Inc. makes software that tackles the tricky task of verifying digital identities on the Web. The Santa Clara, Calif.-based start-up sells its Internet security software to e-commerce, health care and financial companies.

Arcot's WebFort software combines digital certificate technology with an encrypted security key technique called Cryptographic Camouflage, which works by hiding a user's encrypted security key among several



Chet Silvestri, CEO of Arcot Systems

fake keys. In competing security systems, an encrypted key can be decrypted by searching through the key space for one authentic, readable key. In Arcot's security scheme, all the keys in the key space are readable, but

only one unlocks access to a Web account. After three failed attempts, the user or potential hacker gets locked out of the system.

"It's similar to leaving 1,000 keys beneath the doormat," says Marlin Gilbert, vice president of business development at Arcot. "All the keys look like they fit the lock, so the thief has to go through each one to find the right fit."

James Hurley, an analyst at Aberdeen Group Inc. in Boston, says Arcot's technique would foil a potential hacker through sheer exhaustion. "The time required to guess all 1,000 keys would take a lifetime," he says.

Chet Silvestri, former president of Sun Microsystems Inc.'s microelectronics unit, was brought in as CEO of Arcot in July. In August, Arcot raised \$21 million in fourth-round funding, bringing its venture capital total to more than \$40 million.

The company employs 125 people. ▶