Winning on Windows®

75 ISVs Blazing a Path to the Future of IT

By Rich Levin

There's a powerful new force headed straight for the enterprise and it could change the face of IT. A group of 75 relatively unknown software vendors are poised to inject the enterprise with a $1 billion dose of innovative vertical technology solutions, according to a new survey of more than 10,000 North American ISVs by Reality Research.

These are the ISV 75, the fastest growing independent software vendors on the Microsoft® Windows® platform, some of whom are experiencing Internet-era hypergrowth of 500% to 2,300%. This remarkable group is growing at an impressive 119% year-over-year, more than doubling its average annual sales of $6.4 million in 1997, to a projected $14 million each by the end of fiscal 1998.

That's 8.5 times the 14% compound annual growth rate for the 1998 software market worldwide, as projected by market researcher International Data Corp., in Framingham, Mass. And it's nearly 6 times

greater than the 20% median of the industry's top 100 software vendors, as reported by Soft*Letter, a software industry newsletter.

> **For IT leaders, keeping an eye on these fast-growing ISVs offers a peek into the future not only of the Windows platform, but of enterprise IT trends and technologies overall.**

"Reach beyond the obvious leaders on the Windows platform and some eye-opening facts emerge," said Robin Rather, president of Reality Research, a wholly owned subsidiary of CMP Media. "These Windows ISVs drove $486 million worth of packaged software solutions, tools, and products into the enterprise in 1997, and are expected to generate more than $1 billion in gross revenue for fiscal 1998."

These up and comers are offering innovative products spanning nearly all enterprise

system and application categories, from the front office to the back office, from the browser to the data warehouse and the development lab in between, serving some 56 vertical industry segments overall. With this kind of momentum, these 75 market climbers may well be on their way to becoming tomorrow's household enterprise names.

EXPOSING THE FUTURE ENTERPRISE

Indeed, just as upstarts Amazon.com and Yahoo! foretold the dawn of E-commerce and business portals, the ISV 75 clearly represent leading indicators of where enterprise investment is heading. For IT

leaders, keeping an eye on these fast-growing ISVs offers a peek into the future not only of the Windows platform, but of enterprise IT trends and technologies overall.

Chief among them: Hosted turn-key offerings that scale from the server farm to the back office; ERP systems that can be customized with little or no programming; painless systems integration powered by distributed multi-language components; and radically improved levels of application manageability.

And it doesn't end there. Nearly all of these top ISVs are aiming for unprecedented levels of heterogeneous systems interoperability, driven by broad support for XML now being integrated into their next-generation offerings.

Perhaps even more important, the same tools, technologies, and developer services these commercial software houses lean on to stay ahead of the pack can benefit traditional enterprise IT shops running with the technology bulls.

LOOKING TO THE FUTURE

Not surprisingly, nearly all of the ISV 75 said that they're embracing Microsoft's Windows DNA [Distributed interNet Architecture] as the preferred development model for building distributed Web applications today, and for readying their enterprise offerings for Windows 2000 tomorrow.

To that end, they're rolling in support for core Windows 2000 services, such as the integrated transactional and message queuing services of the new COM+ component model, the Windows Installer Service, Active Directory™ directory services and Single Sign On.

"We're bullish on Active Directory and Single Sign On," said Bill Bice, president of Prolaw Software, a vendor of integrated case management, billing, and accounting packages for legal practices, and #11 on the ISV 75. "Customers get easier maintenance and administration and we can focus on

LEADING TRENDS:

- **Hosted turn-key offerings that scale from the server farm to the back office**

- **ERP systems that can be customized with little or no programming**

- **Painless systems integration powered by distributed multi-language components**

- **Radically improved levels of application manageability**

delivering a business solution, not directory services plumbing."

Ted Johnson, executive vice president and co-founder of Visio Corporation, the ISV 75's #61 company, agreed. "We're taking full advantage of Windows Installer in Windows 2000," Johnson said. "This means we don't have to invest valuable resources developing our own stovepipe systems management services, yet we can still give our customers centrally managed installations, configurations, updates, uninstalls, and self-

repairing apps."

Nearly all of these leading edge ISVs credit the enterprise's rush to embrace Windows NT® with opening vast new markets for them. They also credit the Windows platform's array of integrated services and components with freeing them from the burden of building low-level plumbing, and allowing them to focus on embodying vertical domain expertise in code.

"NT is creating new marketplace leverage points and distribution vehicles," said David Blumstein, CEO of Top Tier Software, an ISV 75 runner up. "I can't imagine a company growing as fast as we have on Macintosh, OS/2, AS/400, MVS, OS/390 or—quite frankly—most flavors of Unix. The critical mass of a market just isn't there. We interoperate with all of those platforms, but we get there from the vantage point of NT."

AIMING FOR INNOVATION

The people behind the ISV 75 said there's a direct and inextricable link between the path their organizations are blazing and tomorrow's IT standards.

"There is direct link between our growth and innovation," said Ching-Fa Hwang, president of NetIQ Corp., in Santa Clara, Calif., #1 fastest growing ISV on Windows. "I think the two are inextricably intertwined. We need to see where the industry is going before others have discerned the direction, and deliver that solution first."

Revenues at NetIQ are

rocketing from $300,000 in 1997 to $7 million in 1998—an impressive 2,250% growth rate. Founded in 1995, the company's flagship AppManager Suite found immediate acceptance among enterprise shops when it shipped in January 1997.

The product, a comprehensive package for managing perfor-

> ### "There is a direct link between our growth and innovation"
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> *#1 fastest growing ISV on WIndows*

mance and availability of distributed Windows-based systems, gives IT managers a Web or desktop console through which they can monitor application service levels, optimize system performance, and increase availability through automated problem detection and correction.

TOMORROW'S TECHNOLOGIES TODAY

"It was clear to me that Windows NT was going to become a strategic enterprise platform for running major business apps, and that organizations were going to need management tools that helped them track and boost NT service levels," Hwang said.

Clear to Hwang, perhaps, but not to the rest of the industry

back in late 1995. While industry pundits were eyeing NT as a workgroup offering for file, print, and app services, NetIQ's engineers were steaming ahead of the pack, addressing the scalability requirements of NT in the enterprise.

"From the beginning, we decided to build AppManager on Windows DNA from scratch, using Microsoft SQL Server™ on the database and repository tiers, COM components on the application tier, and a browser or Win32®-based client on the front end," Hwang said. "Using a distributed architecture allowed us to deliver the scalability."

But Hwang isn't resting on his NT laurels. Continuing to bank on Windows, he said NetIQ has already integrated complete

support for Windows 2000's new Windows Management Instrumentation (WMI) framework, a system management interface that allows applications to be managed as discrete elements, as integrated components, or as inter-related parts of a large enterprise.

"Our architecture will leverage WMI to enable Windows 2000 sites to scale from a small workgroup to a departmental group, all the way to a large enterprise that may comprise hundreds or thousands of servers distributed geographically," Hwang predicted.

EARLY ADOPTION, EARLY LEADERS

It's this kind of early adoption and technological innovation

ISV 75

The 1999 Ranking of the Fastest-Growing Windows ISVs

Rank	Company	City, State URL	% Annual Growth	1997 FY Revenue (in thousands)	1998 FY Revenue (in thousands)	CEO	Year Founded	# Employees	Public/Private	Primary Type of Application
1	NetIQ Corporation	Santa Clara, CA www.netiq.com	2248.8	$301	$7,070 †	Ching-Fa Hwang	1995	100	Private	Systems Management
2	Dialog Software, Inc.	New York, NY www.dialogsoft.com	849.4	$158	$1,500	Peter Tobeason	1997	12	Private	Customer Management
3	Winternals Software	Austin, TX www.winternals.com	787.6	$169	$1,500	Edwin Brasch	1996	3	Private	Utilities
4	DataNet Quality Systems	Southfield, MI www.winspc.com	658.5	$791	$6,000	Hugh Greenberg	1996	24	Private	Business Operations
5	Attest Systems, Inc.	Novato, CA www.gasp.com	616.1	$1,130	$8,092	Herb Gottlieb	1991	50	Private	Asset Management
6	Accura Software, Inc.	Richardson, TX www.accurasoft.com	589.3	$140	$965	Leon Frenkel	1994	10	Private	Business Intelligence
7	Lysias, Inc.	Bristol, PA www.lysias.com	558.6	$372	$2,450	Stuart Siegel	1995	25	Private	Productivity
8	Mantiss Information Corporation	Chicago, IL www.mantiss.com	547.8	$667	$4,321	Vikram Reddy, CO-CEO	1996	55	Private	Telecom, E-Commerce
9	Interactive. Intelligence, Inc	Indianapolis, IN www.inter-intelli.com	466.7	$1,590	$9,011	Dr. Donald Brown	1994	140	Private	Communications
10	Aelita Software Group	Columbus, OH www.aelita.net	417.0	$241	$1,246	Ratmir Timashev	1998	55	Private	Networking
11	ProLaw Software	Albuquerque, NM www.prolaw.com	346.6	$1,516	$6,771	Bill Bice	1990	60	Private	Business Intelligence
12	Platinum Software Corporation	Irvine, CA www.platsoft.com	309.8	$61,000	$250,000 †	George Klaus	1984 PSQL	1700	Public	Business Intelligence
13	Pivotal Software, USA	Bellevue, WA www.pivotal.com	300.0	$3,500	$14,000 †	Norm Francis	1994	240	Private	Customer Management
14	EPIC Solutions	San Diego, CA www.epicsolutions.com	298.3	$1,266	$5,042	Daniel A. Crawford	1992	85	Private	Business Operations
15	Citadel Technology, Inc.	Dallas, TX www.citadel.com	280.8	$1,639	$6,242 †	Steven B. Solomon	1992	50	Public CITN	Utilities
16	Tetranet Software Inc.	Kanata, ON www.tetranetsoftware.com	265.1	$70 *	$1,35 *†	Mike Weider	1995	20	Private	Website Testing
17	DataChannel, Inc.	Bellevue, WA www.datachannel.com	264.3	$1,136	$4,138	David Pool	1996	55	Private	Development Tools
18	Millbrook Corporation	Carrollton, TX www.millbrook.com	260.6	$639	$2,304 †	Michael K. Nissenbaum	1994	32	Private	Physician Practice
19	Borealis Communications, LLC	Lakewood, CO www.borealisweb.com	255.9	$161	$573	Michael Nickley	1979	7	Private	Business Operations
20	Indus Software, Inc.	Iselin, NJ www.indussoft.com	244.4	$266	$916	Rajendra Penna	1996	10	Private	Commerce
21	MicroMain Corporation	Austin, TX www.micromain.com	235.0	$260	$871	Pat Conroy	1991	11	Private	Maintenance Management
22	Fine Point Technologies, Inc.	New York, NY www.finepoint.com	228.4	$148	$486 †	Brett Silberman	1994	13	Private Software	Internet Connectivity

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Rank	Company	City, State URL	% Annual Growth	1997 FY Revenue (in thousands)	1998 FY Revenue (in thousands)	CEO	Year Founded	# Employees	Public/Private	Primary Type of Application
23	Quicknet Technologies, Inc.	San Francisco, CA www.quicknet.net	224.8	$363	$1,179	Stacey Reineccius	1995	13	Private	Internet Telephony
24	Unisyn Software, LLC.	Los Angeles, CA www.unisyn.com	214.7	$143	$450	Dustin Snell	1995	9	Private	Automation
25	StarBase	Santa Ana, CA www.starbase.com	210.0	$2,139	$6,631 †	William Stow, Chairman & CEO	1991	85	Public SBAS	Development Tools
26	SAFLINK Corporation	Tampa, FL www.saflink.com	197.4	$1,621	$4,821	Jeffrey P. Anthony	1991	26	Public NRID	Authentication
27	Computing Edge	Bellevue, WA www.computingedge.com	186.7	$1,521	$4,360	Dwain Kinghorn	1994	24	Private	Utilities
28	Mission Critical Software, Inc.	Houston, TX www.missioncritical.com	186.6	$4,822	$13,822 †	Michael S. Bennett	1995	115	Private	Networking
29	DeVries Data Systems, Inc.	Campbell, CA www.dvdata.com	177.5	$1,927	$5,347	Greg de Vries	1994	49	Private	Development Tools
30	Blue Shoe Technologies, Inc.	Durham, NC www.blueshoe.com	176.2	$509	$1,406	Fred Jacome	1995	20	Private	Web training
31	Info Directions, Inc.	Victor, NY www.infodir.com	175.9	$1,009	$2,784	Donald J. Culeton	1996	31	Private	Telecom
32	Trafficware	Berkeley, CA www.trafficware.com	172.3	$195	$531	David Husch	1997	2	Private	Transportation Utilities
33	Interface Software	Oak Brook, Il www.interfacesoftware.com	170.0	$1,491	$4,026 †	Nathan Fineberg	1991	38	Private	Customer Management
34	Corex Technologies Corp.	Cambridge, MA www.cardscan.com	153.5	$6,232	$15,800	Jonathan Stern	1993	40	Private	Productivity
34	GFI FAX & VOICE	Webster, NY www.gfifax.com	153.5	$1,900 **	$4,817 **	Nicholas Galea	1994	50	Private	Communications, Workflow
35	IA Systems, Inc.	Albany, NY www.iasystems.com	150.9	$479	$1,202	Eric H. Burnett	1991	21	Private	Business Intelligence
36	PRODUCT4	St. Louis, MO www.product4.com	149.5	$4,408	$11,000	Daniel Moskowitz	1992	16	Private	Call Center
37	ASNA Windows	San Antonio, TX www.asna.com	137.9	$1,023	$2,434	Anne Ferguson	1982	45	Private	Database
38	Radix Controls Inc.	Oldcastle, ON www.radixcontrols.com	137.6	$218 *	$518 *†	Ross Rawlings	1994	16	Private	Development Tools
39	E-Z Data Inc.	Pasadena, CA www.ez-data.com	133.8	$4,514	$10,555 †	Dilip Sontakey	1988	100	Private	Practice Management Solutions
40	GeoTel Communications Corporation	Lowell, MA www.geotel.com	125.7	$18,611	$42,013	John C. Thibault	1993	255	Public GEOC	Computer Telephony
41	Media4 Productions Inc.	West Des Moines, IA www.medai4.com	121.6	$394	$873	Brian Landwehr	1994	9	Private	Utilities
42	Fusive.com, Corp.	Deerfield Beach, FL www.fusive.com	116.8	$1,061	$2,300	David Finkelstein	1996	40	Private	Business Intelligence
43	Stockell Healthcare Systems	Chesterfield, MO www.stockell.com	115.4	$892	$1,921	Richard B. Stockell	1997	25	Private	Patient Management

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44	Martin Sales International	Eugene, OR www.tflex.com	111.8	$322	$682 †	Richard Price	1992	5	Private	CAD
45	Concur Technologies	Redmond, WA www.concur.com	107.5	$8,270	$17,159 †	Steve Singh	1993	250	Public CNQR	Business Process Automation
46	Intuitive Manufacturing Systems, Inc.	Kirkland, WA www.mrp9000.com	102.7	$3,599	$7,295	Sara Gillam	1994	65	Private	Business Intelligence
47	Brio Technology, Inc.	Palo Alto, CA www.brio.com	100.0	$13,386	$26,772 †	Yorgen Edholm	1989	244	Public BRYO	Business Operations
48	CSM-USA, Inc.	Layton, UT www.csm-usa.com	98.9	$1,220	$2,427 †	Mark Smith	1997	14	Private	Networking
49	Elsinore Technologies	Raleigh, NC www.elsitech.com	89.8	$1,300	$2,467	August Turak	1993	30	Private	Development Tools
50	Janna Systems Inc.	Toronto, ON www.janna.com	86.0	$3,637 *	$6,766 *	William Tatham	1990	100	Public JANA	Sales Automation
51	Retek Information Systems	Minneapolis, MN www.retek.com	83.9	$31,000	$57,000	John Buchanan	1987	240	Public HNCS	Merchandising
52	Samson Information Technologies, LLC	New York, NY www.samsoninfotech.com	79.6	$167	$300	Michael Goldstein	1995	17	Private	Productivity
53	InSystems Technologies, Inc.	Markham, ON www.insystems.com	79.3	$8,405 *	$15,066 *†	Michael J. Egan	1989	200	Private	Workflow
54	GoldMine Software Corp.	Pacific Palisades, CA www.goldminesw.com	78.3	$15,036	$26,816	Elan Susser	1989	130	Private	Customer Management
55	Tara Software, Inc.	Madison, WI www.tarasoftware.com	75.5	$1,646	$2,888 †	Roger Mills	1994	44	Private	Business Intelligence
56	SolArc	Tulsa, OK www.solarc.com	74.9	$6,688	$11,700	Brad Anderson	1991	62	Private	Business Intelligence
57	Silanis Technology	St. Laurent, QC www.silanis.com	71.5	$362 *	$621 *	Tommy Petrogiannis	1996	21	Private	Business Operations
58	DWSoft Corporation	Eden Prairie, MN www.dwsoft.com	69.1	$470	$795 †	Saeed K. Rahimi	1996	3	Private	Database
59	Adkins Resource, Inc.	Adkins, TX www.adkins-resource.com	67.8	$572	$960 †	Kevin Stanush	1997	4	Private	Networking
60	DC Systems, Inc.	Dallas, TX www.dc-systems.com	67.6	$1,253	$2,100	Richard Couron	1988	18	Private	Commerce
61	Visio Corporation	Seattle, WA www.visio.com	67.5	$90,093	$150,863 †	Jeremy Jaech	1990 VSIO	575	Public	CAD, Graphics
62	SS&C Technologies, Inc.	Windsor, CT www.ssctech.com	65.3	$42,192	$69,752	William Stone	1986	490	Public SSNC	Financial Services Solutions
63	NTP Software	Manchester, NH www.ntpsoftware.com	61.4	$3,098	$5,000	Bruce R. Backa, President	1994	41	Private	Utilities
64	OTG Software	Bethesda, MD www.otg.com	60.6	$11,902	$19,115	Richard Kay	1992	140	Private	Storage Management
65	Clarus Corporation	Suwanee, GA www.claruscorp.com	60.2	$25,988	$41,640	Steve Jeffries	1991	350	Public CLRS	Business Resource

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Rank	Company	City, State URL	Rounded % Confirmed Growth	Rounded 1997 FY Revenue (in thousands)	Rounded 1998 FY Revenue (in thousands)	CEO	Year Founded	# Employees	Public/Private	Primary Type of Application
66	SSNet, Inc.	Denver, CO www.softwaresolutions.net	59.1	$154	$245	T.J. Walker	1996	3	Private	Internet Tools
67	Logility	Atlanta, GA www.logility.com	58.8	$21,824	$34,662 †	Mike Edenfield	1997	250	Public LGTY	Decision Support
68	Nettech Systems Inc.	Princeton, NJ www.nettechrf.com	57.8	$3,034	$4,788	Boris Fridman	1988	45	Private	Development Tools
69	CIM Vision	Long Beach, CA www.cimvision.com	56.8	$8,357	$13,106	Carl Hunt	1992	80	Private	Manufacturing & Distribution
70	Pragma Systems, Inc.	Austin, TX www.pragmasys.com	54.2	$587	$905	Quamrul Islam	1990	8	Private	Networking
71	McDonald Systems Group	St. Catharines, ON www.mcdsys.com	52.5	$746 *	$1,138 *	Keith McDonald	1985	20	Private	Business Intelligence
72	Data Junction Corporation	Austin, TX www.datajunction.com	50.7	$4,905	$7,393 †	Mike Hoskins	1985	50	Private	Utilities
73	Csoft International	Wake Forest, NC www.csoftnet.com	43.5	$2,578	$3,700	Pablo Reiter	1995	40	Private	Commerce
74	OSI Software, Inc.	San Leandro, CA www.osisoft.com	38.6	$28,474	$39,465	Pat Kennedy	1980	105	Private	Productivity
75	Blue Sky Software Corporation	La Jolla, CA www.blue-sky.com	30.7	$12,672	$16,566	Jorgen Lien	1990	80	Private	Development Tools

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Source: Reality Research Inc.

FIVE TO WATCH

Here are five innovative ISV up-and-comers to keep an eye on in the coming year. Each of these ISVs has experienced tremendous growth and are poised to challenge even the fastest growing amongst this year's ISV 75.

Agile Software Corp.
www.agilesoft.com

Product change collaboration for e-supply chains

Instinctive Technology Inc.
www.instinctive.com

IT project collaboration and conferencing software

FastLane Technologies Inc.
www.fastlanetech.com

Domain and systems management for NT networks

HighGround Systems Inc.
www.highground.com

Storage management solutions for Windows NT

Top Tier Software Inc.
www.toptiersw.com

Browser-based distributed business intelligence system

that put NetIQ ahead of the pack. But they're not alone. Coming in at #2 on the ISV 75 are the folks at Dialog Software Inc., in New York, who credit forward-thinking with pumping up their sales base 850%, from $158,000 in 1997, their first year in business, to a cool $1.5 million in fiscal '98.

"We saw a lot of companies getting on the E-commerce band-wagon and, while many were doing a good job putting their sales and inventory systems on the Web, nearly all were relying on manual systems. That often meant just one person to manage customer inquiries over E-mail," said Dialog President Peter Tobeason. "We knew the larger companies would soon be

Hot Startups or Wise Veterans?

- 9 Years — 25%
- 6-8 Years — 24%
- 3-5 Years — 42%
- 2 Years — 9%

Source: Reality Research Inc.

buried under thousands of daily customer E-mails."

Seizing the opportunity, Dialog automated the process of managing inbound customer inquiries through E-mail. Their Web-based Diacom package—based on Windows DNA and developed with Microsoft Visual Basic®—was built in eight months and uses artificial intelligence to provide e-businesses with virtual customer service agents that electronically interact with customers.

It's found a ready audience at some of the largest electronic marketing organizations, including AT&T WorldNet and First Chicago Bank One. "Some of our customers are getting 12,000 inquiries in a single day," Tobeason said.

"Because our product can easily handle that kind of volume, our clients can remain very customer focused in the E-commerce efforts, without requiring mas-sive customer service staffs."

A HOST OF BENEFITS

Next on Dialog's IT agenda: Hosted solutions. "Hosted solu-tions are the next big trend," Tobeason argues, adding that hosted solutions offer multiple benefits for IT organizations. For one, businesses can sample the company's intelligent customer service products for a minimal monthly fee, and see if they deliver the business benefits they're after—without having to invest in costly traditional pilots.

But unlike other hosted solu-tions popping up on the IT land-scape, Dialog's package won't be an either/or decision for IT buyers. The platform will work equally well in-house or out-sourced, Tobeason said, thanks to key decisions the company made early on in the design of its internal architecture.

Dialog chose Microsoft Internet Explorer and DHTML for the presentation tier, SQL Server 7 on the database tier, Windows NT Server's Microsoft Transaction Server (MTS) and Message Queue Server (MSMQ) services on the application tier, and is serving up Active Server Pages under Windows NT Server's Internet Information Server (IIS) technologies. OLE DB, ADO,

COM and DCOM components built entirely in Visual Basic tie the whole thing together.

"It boils down to the word 'leverage,'" Tobeason said. "Leveraging Windows platform technologies lets us deliver a flexible solution quickly, without maintaining two giant infrastruc-tures. Our customers can decide what works best for them, whether that's in-house or hosted or some combination of the two."

CUSTOMIZATION IN THE HOUSE

Allowing a business to choose multiple deployment strategies isn't the only enterprise person-alization option being delivered by the top Windows ISVs. The ability to easily customize, extend, and integrate packaged apps using high-level compo-nent-based technologies such as COM and Visual Basic for Applications (VBA) is another trend these ISV leaders see.
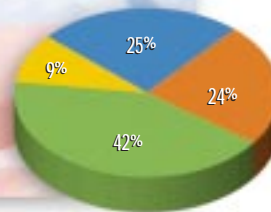
Many among the ISV 75 are engineering their products around object-oriented compo-nentized architectures and tightly integrated programming tools. These ISVs are putting component theory into practice, delivering componentized architectures that IT shops can leverage to extend, integrate, and customize packaged products in ways that simply aren't possible in tradi-tional application architectures.

"Customization isn't new," said George Klaus, CEO of Platinum Software. Now a lead-ing provider of mid-market ERP products, Platinum is expected to grow 310% in fiscal 1998, and checks in at #12 among the ISV 75. Said Klaus: "What's new is that now customization gets easy. Really easy."

MANY WORLDS, ONE CODE BASE

Instead of having to maintain custom code bases for every tweak clients demand, Platinum is pushing its core application services as re-usable mid-tier business components. These business objects can interact with other systems at the presentation, application, and database server levels.

Customers, end-users, VARs, and IT shops alike can extend the functionality of these components using Platinum's integrated support for Visual Basic for Applications. Higher-octane languages such as C++, Visual Basic, Delphi, and Java can also be used with Platinum's internal COM interfaces.

Klaus said the forthcoming component model in Windows 2000—COM+, with its higher-level programmability and integrated transactional and message queuing awareness— will help further drive an enterprise shift towards extensible, programmable business services.

"When you have dynamic components that work within an n-tier architecture, you can deliver products that are inherently extensible, and can be customized by anyone who can write a (VBA) script or run a macro recorder," Klaus said.

SPEAKING THE SAME LANGUAGE

Nearly all of the ISV 75 are pushing integration. Their ticket: XML, the eXtensible Markup Language, which many of these ISVs see becoming the standard enterprise language of interoperability. Just as HTML provides browsers with a standard language for document presentation, XML provides a standard language for data interchange.

Almost unanimously, these ISVs maintain that Microsoft's leadership in the XML space is what's enabling them to take advantage of XML in their development strategies. They point to the great extent that Microsoft is implementing XML, including the recently released Microsoft® BizTalk—which uses XML to move data between systems— as well as Internet Explorer 5 browser software and the forthcoming Office 2000 suite, which both include native XML support.

"XML allows IT to push information from anywhere, to anywhere," said Michael Weider, CEO of Tetranet Software Inc., in Kanata, Ontario, a provider of Web site management, testing, and metadata agents, and #16 on the ISV 75. "As long as vendors integrate an XML parser

[engine] into their products, it becomes almost seamless to exchange data between dissimilar ERP systems, dissimilar databases, and legacy systems. XML cuts across the boundaries."
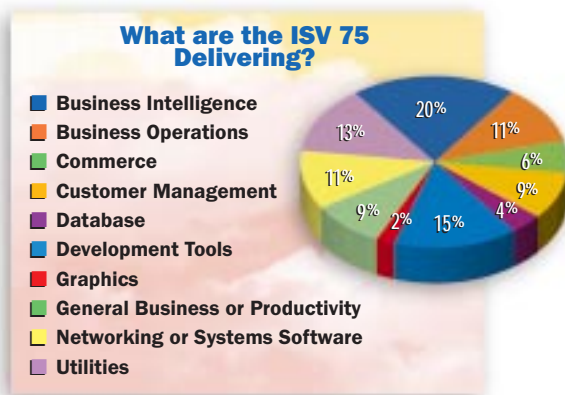
INTEGRATION TO THE CORE

But for some, integration means more than interoperability. It means tightly coupling their products with some of Microsoft's core offerings. Officials of Pivotal Software invested heavily in integrating their latest Customer Relationship Management (CRM) suite with Microsoft's new SQL Server 7 enterprise database.

"SQL Server 7 raised the bar on database performance and usability," said Norm Francis, CEO of Pivotal, ranked #13 on the ISV 75 (Pivotal's 1998 growth spurt: 300%). "We're committed to using the database—and the integrated services, such as OLE DB—for universal data access, and Decision Support Services for OLAP. This lets us focus on our core business logic, and drive solutions to market faster."

Under license from Microsoft, Pivotal is taking SQL Server 7's performance and usability to the next level, Francis said. The company now preintegrates SQL Server 7 with it's multi-tier CRM software solution, which now auto-installs and auto-tunes the database simply by running the Windows Setup program straight out of the box.

SOMEONE TO LEAN ON

If there is a universal theme that can be mined from discussions with these top ISVs, it's that nearly every one credits MSDN™ (the Microsoft Developer Network), Microsoft's

What are the ISV 75 Delivering?

- Business Intelligence
- Business Operations
- Commerce
- Customer Management
- Database
- Development Tools
- Graphics
- General Business or Productivity
- Networking or Systems Software
- Utilities

20% 11% 13% 6% 11% 9% 9% 2% 15% 4%

(Note: These are percentages of the ISVs who answered this question.)
Source: Reality Research Inc.

developer support program, with helping them stay ahead of the enterprise technology curve.

One of the industry's most ambitious developer support efforts, MSDN aims to provide developers with up-to-the-minute programming information; early access to betas; regular OS, apps, and tools updates; access to online support, newsgroups, technical events; training resources; and online communities.

A recent example of MSDN's appeal: Microsoft's Windows 2000 "Readiness Program," designed to help ISVs ensure existing applications are compatible with Windows 2000. The recently updated MSDN 3.0 (which now sports a "portal" style home page among other improvements) is consistently lauded by these ISVs as one of

their best weapons for insuring customer satisfaction.

Just ask the U.S. Joint Chiefs of Staff, which recently experienced a show stopping incompatibility with a critical security system provided by Silanis Technology Inc., in Montreal, Quebec, Canada. Coming in at #57 on the ISV 75, Silanis is the developer of ApproveIt, a paperless secure digital signature and workflow automation system.

SHOW STOPPING SUPPORT

The Joint Chiefs organization ran into trouble when it rolled out Microsoft Office 97, and the ApproveIt system stopped working. "We couldn't get the product to operate properly with our Word macros," a Joint Staff official said. "We called (Silanis)

and they turned around a solution in 2 hours."

What Joint Chiefs officials didn't know: When word of the glitch arrived, Silanis developers turned to the MSDN Online Web site, and quickly located an article that detailed the problem. That allowed them to code, test, and ship a patch to their influential customer in under 120 minutes.

"MSDN is an enterprise standard that is critical for us as a company, in terms of being able to succeed," said Silanis President Tommy Petrogiannis. "Microsoft's ability to deliver the tools, and the betas, and the support we need keeps us at the leading edge and that helps us keep our customers in the fold."

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