



Strategic Thinking

New Business Models for Tech Success

OpenAir Delivers SaaS Solutions to Respond to Changing World of Project Management

Company's Solutions Help Professional Services Firms and Vendor Service Organizations Better Manage and Optimize the Performance of Their Projects and Teams

Opening Thoughts

Globalization and eCommerce are changing the competitive landscape for businesses of all kinds, but especially labor-intensive, service organizations including independent professional services firms and 'captive' consulting and services organizations within larger product vendors.

The proliferation of mobile technologies and broadband networks is also creating a more dispersed workforce, forcing service organizations to restructure the way they manage their remote employees. Yet, rising global competitive pressures are also forcing service organizations to more carefully control their day-to-day costs.

These trends are driving service businesses to fundamentally reevaluate their overall cost structures, financial reporting systems, and collaboration processes. And, most importantly, these trends are driving demand for a new method of giving service professionals and executives access to essential information and workflow processes to better manage their activities.

THINKstrategies' survey research, in conjunction with Cutter Consortium, has found a growing proportion of businesses are recognizing that traditional, on-premise software applications cannot respond to these market trends and satisfy companies' rapidly changing needs. As a result, approximately a third of the respondents to our most recent survey, conducted in November 2007, are already using a Software-as-a-Service (SaaS) solution and another third intend to adopt a SaaS solution before the end of 2008.

This profile will examine OpenAir's (www.openair.com) strategy for delivering enterprise-class Project Portfolio Management (PPM) and Professional Services Automation (PSA) solutions via a SaaS model to respond to these important market trends and changing customer requirements.

OpenAir's approach has resulted in over 50% growth per year and over 90% customer retention for the past five years. An even more impressive measure of OpenAir's success is that the company has achieved six years of quarter over quarter growth, and has been profitable every quarter since 2003. As a result, it was named a member of the Deloitte "Fast 50" in 2007 as well as one of New England's fastest growing private companies in 2006 and 2007.

OpenAir's SaaS PSA and PPM Solutions

Founded in 1999, Boston-based OpenAir has built a customer base of over 300 organizations with over 42,000 end-users worldwide that leverage the company's SaaS PSA and PPM solutions to improve the efficiency and profitability of their service operations.

OpenAir's PSA solutions include Business Development, Resource Management, Project Management, Knowledge Management, Project Accounting and Reporting Tools. The PSA solution enables users to track and manage their timesheets, expenses, projects, resources, workspaces and invoices of billable and non-billable service workers.

OpenAir's solutions also include role-based process management capabilities to support the responsibilities of specific players within a service organization, including team members, project managers, resource managers, finance, and executives. OpenAir's solutions include extensive

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analytic capabilities, and can also interoperate with the leading business intelligence platforms, including Business Objects' Crystal Reports.

Organizations can utilize OpenAir's solutions as their primary service management system, or deploy OpenAir's solutions as an adjunct or enhancement to an existing enterprise resource planning (ERP) or other financial management system.

OpenAir's solutions can replace or augment legacy project accounting, billing, project management, and enterprise resource management (ERP) systems. In many cases, OpenAir's solutions will sit between a customer relationship management (CRM) and financial management system. In response, OpenAir solutions have been built on an open architecture which enables them to integrate easily with traditional, on-premise solutions, such as Oracle or SAP, or other SaaS solutions, such as NetSuite or Salesforce.com.

OpenAir has developed a series of integration strategies to satisfy its customers' varying data migration and software interoperability needs. It permits batch file transfers with all the leading legacy applications and databases. It has developed application program interfaces (APIs) and web services to Salesforce.com, NetSuite and Intacct to permit easy integration with these leading SaaS solutions. It has also established alliances with Bluewolf, TopStep Consulting and Astadia.

While OpenAir's software functionality represents the company's primary business benefits to service organizations, its SaaS delivery and pricing model gives it a tremendous advantage over traditional, on-premise software applications. Rather than requiring significant upfront capital investment and considerable upfront implementation skills, OpenAir's solutions can be acquired on a pay-as-you-go, subscription fee basis, and deployed rapidly without additional hardware, software or extensive consulting skills to get it up and running.

The SaaS subscription pricing model is especially appealing to prospective customers in today's increasingly bearish economy. This pricing model enables them to convert capital expenditures into operating expenses. Even more importantly, OpenAir's modular packaging allows customers to adopt its solutions in an incremental fashion to mitigate their risks and ensure that they are achieving an optimal return on investment (ROI) from OpenAir's solutions.

However, OpenAir has recognized that many of its customers need additional help fully implementing PPM and PSA solutions in order to achieve their business objectives. As a consequence, OpenAir has invested heavily in building a strong consulting and customer support organization which can assist customers in addressing data integration, change management and training needs. The company believes that their customer success focus is a major differentiator that sets it apart from other PPM and PSA providers.

Strategic Thoughts

OpenAir's commitment to quality software solutions and strong professional and technical support services has enabled OpenAir to win and expand its solutions within a growing number of large-scale, world-class organizations such as 3M, Akamai, AstraZeneca, BEA, Fidelity Investments, and Software AG.

OpenAir has built its impressive customer base by offering robust, yet cost-effective software solutions, along with strong support services which meet the escalating needs of its customers. But, most importantly, OpenAir has been able to achieve its success in a profitable manner, building a robust and sustainable model for the long-term success of its customers.

About THINKstrategies, Inc.

THINKstrategies is a strategic consulting services firm that helps enterprise IT and business decision-makers with their sourcing strategies, IT solutions providers with their marketing strategies, and venture capital firms with their investment strategies. It also hosts the SaaS Showplace ([www.saas-showplace](http://www.saas-showplace.com)), an online directory and resource center. For more information, visit www.thinkstrategies.com, or contact Jeffrey Kaplan, Managing Director, at 781-431-2690 or jkaplan@thinkstrategies.com.