



IT's Monday

Monday, August 30, 2005

HOW IONA GOT ITS GROOVE BACK

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By Che Golden

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Chairman, Kevin Melia, has felt the company's public image has received some rough handling of late, none of which has been justified. 'In the last two years we have done a lot of work commercializing and winning the kinds of customers we have won,' he said. 'If Artix was a stand alone company it would have been hailed as a rousing success but we missed our target in the second quarter due to missing a couple of US orders, which were carried over to Q3 anyway, and yet we were hammered by analysts and the media. People are missing the bigger picture. Iona is not troubled - on the contrary, with Artix we have proved we are still an innovative company and we now have a very strong management team. To be successful, companies have to be excellent marketing and customer-focused organisations as well as great innovators and we now have all the pieces.'

One of the biggest changes in the companies business strategy has been its embracing of partners. According to Zotto partnerships are key in 2005. CORBA did not lend itself to the partner model but Artix does, and Iona is moving quickly to capitalise on this.

'Less than 10 per cent of Artix business is going through the channel at the moment, but we are targeting around 40 to 50 per cent in the next three years,' said Zotto. 'We are targeting partners who are platform and systems integrators from Tier one type companies such as BearingPoint, Sun, CSC, Oracle, IBM and NEC, right down to Tier 2 and Tier 3's who have to differentiate themselves by being quicker and cheaper. These guys are important because they take Iona into customers.'

However, Iona is positioning Artix as a SOA-type product and itself as an emerging leader in the SOA marketplace. Many of the companies Iona partners with already have SOA offerings of their own and it is important Iona does not tread on any toes.

'We work hard to add value to our partners,' said Zotto. 'When we partnered with Sun we had to avoid clashing with its own SOA strategies so we used our telco experience to help Sun go after the telco market, where it has very little presence, and worked closely with Sun's services organisation. With IBM, our proposition is that we add value to the IBM stack.'

The message from Iona is clear - its customer renewal rates for CORBA are 94 per cent, higher than the industry average, Artix revenues are beginning to take off and its business strategy is taking shape. Analysts are praising the company for getting its innovation back and if you believe Zotto, Iona cannot go wrong. 'We have the right product, in the right market, at the right time.'