

INNOVATION WORLD

COMPANY PROFILE

Sierra Atlantic Inc.

Sierra Atlantic is an outsourced information technology services firm with technical staff in India.

Founded: 1993

Private, funding not disclosed

Headcount: 800

34770 Campus Drive

Fremont, Calif. 94555

Ph. 510.742.4100

Fax 510.742.4101

Key location decision-maker

Marc Hebert, EVP, Marketing and Partner Relations

Ph. 510.742.4103

E-mail: marc.hebert@sierraatlantic.com

INNOVATION WORLD MAPPING

CURRENT CRITICAL NEEDS

Sierra Atlantic will invest \$10 million to \$15 million over the next several years to double its staff in India. While India is its current priority, Sierra Atlantic may open or acquire development centers in China, Eastern Europe, or Latin America, as well as sales offices in Continental Europe, in 2006 or later.

CRITICAL EXPANSION FACTORS

Development in China will have localization benefits for the greater Chinese market. Eastern European and Latin American development centers will provide round-the-clock accelerated workflow. Sales offices are important for managing the projects of customers in those regions.

COMPLEMENTARY INDUSTRIES

Enterprise software companies, financial services companies

GROWTH METRICS

In 2003 Sierra had revenues of \$20 million. It estimates it will earn \$30 million in 2004 and increase revenues by 50 percent again next year.

ADDITIONAL N.A. FACILITIES

Sales and project management offices average five staff and are located in Iselin, N.J.; Lisle, Ill.; and Toronto, Ont.

GLOBAL FACILITIES

Hyderabad, India: dev. center, 700 staff
Singapore: sales, application support, 10 staff
Sales and project management offices average five staff and are located in Middlesex, U.K.; Bangkok, Thailand; Kuala Lumpur, Malaysia; and Jakarta, Malaysia.

SOFTWARE PARTNERS

Agile, BEA Systems, Bluestar, BroadVision, Corio, Fair Isaac, IBM, InterSystems, Kana, KnowNow, Mercury Interactive, Oracle, PeopleSoft, RightNow Technologies, SAP, Selectica, Siebel, Sun, Tibco, Vitria, webMethods, WorldChain

INVESTORS

General Electric Equity, New Enterprise Associates (Ronald H. Kase, General Partner), and Walden International Investment Group (Danial Faizullahoy, General Partner)

OTHER KEY EXECUTIVES

Raju Reddy, Founder & CEO
Joga Ryali, CTO Global Development
G.K. Murthy, VP Enterprise Solutions
Bob Hersh, CFO & COO
Sanjay Jesrani, VP Finance & Operations, GDC
Sarath Sura, Global Services

PROFESSIONAL SERVICES

Accounting: Grant Thornton
Legal: Wilson Sonsini Goodrich & Rosati

CUSTOMERS

Amkor, Ciena, Proxim, Soma Networks, Stratex Networks, Tellium, The Hartford Financial Services, AMP, Citicorp, Lazard Freres & Co., Sherwin Williams, Kellogg, GlaxoWellcome, Genencor, GE Plastics, GE Capital, GE Medical, ESPN, Boeing, Kmart, B/E Aerospace, Nortel Networks, Cable & Wireless, Agile, Camstar, Nuance, Oracle, Siebel, Tibco, Vitria, and more

TRADE SHOWS/CONFERENCES

Oct. 3-6, 2004: Sieble User Week, Los Angeles, Calif.
Oct. 10-13, 2004: Agility, Orlando, Fla.

Sierra Atlantic Inc.

Sierra Atlantic has a powerful channel for its 700-person Hyderabad software development workforce. The Fremont, Calif.-based outsourcer has a long history of doing development work for U.S. enterprise software companies and is expert in their applications. Oracle, Siebel, PeopleSoft, and others often suggest that Sierra Atlantic provide their end-customers with software integration and implementation services.

“We’ve built deep relationships with software companies that are not just partners but also customers,” said Marc Hebert, executive vice president of marketing and partner relations. “There are many outsourcing companies and a problem for all of them is how to get into large interesting accounts. We let our software partners introduce us.”

The company’s nine-year relationship with Oracle is typical of synergies Sierra Atlantic seeks in its partnerships. It has performed extensive product development work for Oracle, giving the outsourcer strong credentials as an integration and implementation partner. Oracle Malaysia, for example, recently awarded Sierra Atlantic a partner-of-the-year award for working with Oracle’s customers on Oracle Process Manufacturing implementation. “We’re the only ones over there that know about this product,” said Hebert, who himself came from Oracle. “I was Sierra Atlantic’s first big customer,” he pointed out.

Another channel partner, Siebel, is currently Sierra Atlantic’s largest customer. One hundred and seventy-five of the company’s staff work full time on Siebel’s integration framework. Sierra Atlantic’s portfolio of relationships helps it act as a trusted broker between software companies. “For enterprise software rivals we act as a kind of Switzerland,” said Hebert.

FOREIGN EXPANSION

Sierra Atlantic, which hopes to increase revenues by 50 percent next year, is growing its international staff to meet increased demand. The company will spend \$10 million to \$15 million in India over the next two or three years, combining its various Hyderabad offices into a single location and more than doubling the number of Indian employees to as many as 2,000.

Sierra Atlantic would like to acquire or open software development centers in Eastern Europe and Latin America, which because of time-zone differences, would allow the

company to perform accelerated around-the-clock workflow. China, too, is a possible investment location, because it would give Sierra Atlantic advantages in localizing services for East Asia. Large-scale investment is likely to wait until after Indian expansion is complete, but Sierra Atlantic would like to hear about the viability of development locations now.

The company will probably open new customer liaison offices to show broad commitment to new regions. The earliest of these three-to-five person sales and project management offices are likely to be in Scandinavia and a central location on the European continent, possibly within one year, if sales grow as planned. Such offices are also possible in the Middle East and East Asia, depending on customer demand.

PARTNERSHIPS

Sierra Atlantic seeks additional software partners, especially start-ups and emerging companies with integration-intensive software written in Java. Partners should demonstrate consistent growth in new customers.

IT PROVIDERS

Through using its own resources, Sierra Atlantic’s IT spending is a low one percent of total revenues. Over the next nine months the company will spend less than \$100,000 implementing SAP software that it has already bought. Sierra Atlantic uses custom-developed project management software.

BANKING RELATIONSHIP

Commercial Bank: Comerica

MAKING CONTACT

Partnering: Marc Hebert

Public relations: Lindsay Singler (Fusion PR), 212.651.4220, lindsay.singler@fusionpr.com

Regions that would like to attract Sierra Atlantic’s business should provide information on their workforces. The company’s management is particularly interested in the answers to these questions: What is the availability of developers skilled in enterprise applications, Java, and other Internet technologies? What are the prevailing wage rates and trends? How is the business climate in terms of security, protection of intellectual property, and integrity and stability of the workforce? **IW**

—Sean Finney