

Optinuity gets \$6.5-million Series A for automated IT management

Why buy another fire alarm when what you really need is a sprinkler system?

The news

Optinuity, based in Bethesda, Maryland, looks to launch sales of its IT-maintenance software with \$6.5 million in new funding. New Enterprise Associates and Venrock Associates led the Series A with additional money from Mid-Atlantic Venture Funds.

Optinuity makes software that CEO Scott Stouffer claims will automatically do the work of IT experts. If he's right, then companies with Optinuity software will no longer have to page their IT staff when something goes wrong with computers. Instead, Optinuity will bring the systems back up and running and run the necessary maintenance procedures without the need for human intervention.

Why it matters

IT staff members spend between 50 and 80 percent of their time "performing maintenance and repetitive, predictable tasks," according to Richard Ptak of analyst firm Ptak, Noel & Associates in Amherst, New Hampshire. Automating what would otherwise require human interaction with a faulty system could result in fewer human errors and machine-speed execution, which is an attractive proposition for companies such as banks that lose millions of dollars per minute of computer downtime.

Just as the assembly line reduced the demand for manufacturing jobs, Optinuity's software, if it works, promises to reduce the enterprise need for IT staff. When a network goes down, one staff member can press a button and an automated series of protocols will execute to bring the system back online. Enterprises will no longer have to rely on experts to cobble together specialized mini-programs to help them retrieve functionality quickly or pay them above-market prices for their proprietary, onsite training. Perhaps most importantly, "This will make enterprises less dependent on waking up that guy with the pager," says New Enterprise Associates venture partner Rob McGovern, an Optinuity investor.

The team

Before he was Optinuity CEO, Scott Stouffer founded Visual Networks, which he grew to a \$100-million IT-management software vendor. The technology founders are Rachid Sijelmassi and Anil Parthasarathy, both computer scientists. The company

employees five, but Mr. Stouffer says he hopes to hire 15 new employees by year's end.

The competition

This nascent market may quickly attract the attention of the large systems integrators who have an easy entrée into the system through their event alarm products. "Right now, there are lots of companies that make the fire alarms," says Mr. McGovern. "We believe Optinuity is the first to make the sprinklers." Software vendor BMC in Houston, for example, may decide to extend its Remedy software suite beyond alert correlation and into problem remediation.

Skepticism

Optinuity's greatest asset may prove to be its management. Mr. Stouffer has a track record for selling network tools that help IT experts make decisions about rerouting congestion and solving information traffic problems. "It's an interesting challenge to get people to understand what this thing does," says Mr. Stouffer.

In a room full of 3Com switches, Cisco servers, IBM databases, and Dell terminals, it's easy to overlook a software startup. "They'll have to be very clear with how they can help," says Mr. Ptak. **RH**

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Optinuity CEO Scott Stouffer hopes \$6.5 million will get his IT-maintenance software into enterprise networks.