

CIGNEX Datamatics' Open Business Model is Designed to Succeed

There is a school of thought that questions the sustainability of a successful open source business model. But FOSS has proved to be the cash-spewing machine for CIGNEX Datamatics, a global leader in open source enterprise solutions, as almost 100 per cent of its revenue comes from developing and supporting open source solutions in portals, content and Big Data analytics.



The open source team at CIGNEX Datamatics

The spirit of open source is indeed heady as hundreds of enterprises are not only expanding their businesses but also augmenting their massive revenue bases with the help of FOSS. Abiding by its punch line 'Making Open Source Work', CIGNEX Datamatics (a subsidiary of Datamatics Global Services Ltd) continues to be bullish about its business prospects in the open source domain. For the last few years, the company has been growing steadily at a compound annual growth rate (CAGR) of over 50 per cent due to the increasing adoption of open source solutions and services among enterprises.

Since its inception in 2000, the company has developed solutions for enterprises using industry-standard open source technology products. Being a systems integrator for leading open source products has helped the company to build the right solutions for its clients' systems in order to enhance profitability. Based in Santa Clara, USA, CIGNEX Datamatics boasts of 22 offices in nine countries, including India, with Ahmedabad as its India headquarters.

Munwar Shariff, co-founder and chief technology officer at CIGNEX Datamatics, helps us understand the company's 'open' journey to success. Not many know that

he has co-authored five technical books—Plone Live, Implementing Alfresco, Alfresco 3 WCM, Alfresco 3 ECM and Alfresco 4 ECM Implementation.

“With over 13 years of experience and 400+ open source solutions, we have gained a vast experience in enabling enterprise clients to address their technology challenges and business needs through our tailor-made open source solutions (OSS). Our solutions enable them to make smart architecture-related decisions through a feasibility study, accelerate time-to-market through proven open source based product frameworks; and enable coexistence with proprietary solutions by the integration of applications and more. We also reduce the enterprise’s risk in dealing with open source software through our open source adoption model (OSAM), best practices, project governance, and knowledge transfer,” explains Shariff.

The profitability mantra

It’s not often that companies figure out how to use open source to reinforce their businesses but CIGNEX Datamatics was quick to realise its potential.

The benchmark for a successful open source enterprise solutions player lies in how efficiently it is able to leverage its partnerships with leading open source technology platforms, believes Shariff. “We have forged strategic partnerships with commercial open source technology leaders for portals (Liferay Platinum partner), content management (Global Alfresco Platinum Partner), Big Data (MongoDB Advanced Partner, Cloudera Hadoop Partner) and e-commerce (Magento Silver Partner). In Liferay, we have implemented over 200 enterprise solutions across all verticals, are a certified Liferay training partner, authored seven books and contributed over 4000 posts in various blogs, forums, wikis, etc. Likewise, we have authored five books on Alfresco and delivered over 80 implementations across various industries, worldwide,” says Shariff.

The courage to go open

Unless you firmly believe in the potential of FOSS, you will think twice about adopting open source as a viable business model. So what motivated CIGNEX Datamatics to go open? “Demand for open source has gained considerable momentum among enterprises in recent years, not only due to its cost benefits but also the greater freedom of choice it offers, complete visibility into all aspects of an application, and consistent improvements in the user experience. Our motivation for taking up open source as a business model stems from the business reality that there are more than 200,000 open source software options for an organisation to choose from, but only the



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The business case for open source

The company’s clients include leading names among Fortune 500 enterprises as well as government agencies.

So are most of CIGNEX Datamatics’ customers adopting open source solutions along with proprietary applications or are they replacing them completely? And how does it work—does CIGNEX approach a firm and convince it to try open source solutions or is it the other way round? “It’s really a mixed bag. We have adequate cases where we really had to evangelise the benefits of open source solutions. But many times, clients were already aware of its benefits and approached us directly as we have a sizeable number of implementations and reference case studies in developing customised solutions using Liferay, Alfresco, Drupal, Magento, and more. In most cases, we see a co-existence between proprietary solutions and our open source solutions because of the immense interoperability between the two,” explains Shariff.

“As an organisation, we are highly sensitive to the needs of the open source community and go out of our way to give back to it. For instance, CIGNEX Datamatics has been actively contributing to the Liferay community with over 4000 posts in various forums, blogs and wikis, and members of our team have been invited to numerous Liferay events as keynote speakers.”

According to Shariff, the company’s robust partnerships with leading open source technology platforms play a key role in bringing new business. The company has documented cases where CIOs approached it after consulting analyst reports such as ‘Gartner Magic Quadrant for Horizontal Portals, 2013’, in which Liferay is rated as a ‘Leader’; or ‘Forrester Wave for Enterprise Content Management, 2013’, in which Alfresco is reported as a ‘strong performer’. “We are able to get repeat business from our clients as our solutions and services overcome specific business challenges. For example, CIGNEX Datamatics helped a leading Mexico-based hotel group, Grupo Posadas, achieve its business and technology goals with an innovative, integrated hospitality portal solution (Liferay + Alfresco) reducing the TCO by 40 per cent. In another key example, we developed a Big Data solution to improve productivity for a leading European manufacturing company by enabling a 10 times better search performance, at a cost that was 20 times lower compared to proprietary solutions.”

The company had helped a mobile carrier to manage the life cycle of serving videos on mobile devices at a rapid speed (5 million/hour) with huge data volumes. This was not possible earlier due to high costs and low scalability. Now it is possible with big data

Community involvement

Shariff firmly believes that any business built around the open source framework has to eventually fall back on the global open source community for support. “As an organisation, we are highly sensitive to the needs of the open source community and go out of our way to give back to it. For instance, CIGNEX Datamatics has been actively contributing to the Liferay community with

over 4000 posts in various forums, blogs and wikis, and members of our team have been invited to numerous Liferay events as keynote speakers. Like I mentioned earlier, our team members have authored seven books on Liferay expertise, and regularly conduct training sessions and workshops in various countries, including India, as we are a certified training partner for Liferay. We have been awarded the ‘Liferay Community Excellence Award’ in 2011, 2012 and 2013 as a result of our contribution to the Liferay community,” says Shariff.


The company has also developed frameworks such as the Open Contract Manager—a contract lifecycle management system that is available for free download.

The vision

The company’s immediate plan is to maximise its market presence in the portals and Big Data solutions business. “We want to continue with our innovation through new solutions built on open source frameworks, including mobile portals built on Liferay, RAPIDO (a content management publishing framework), Open Contract Manager, a mobile media site using Drupal and MongoDB, etc. Our vision is to be amongst the largest open source companies and to become a US\$ 100 million company by 2015, with the stated aim to improve enterprise productivity through the adoption of open source solutions,” quips Shariff.

According to Shariff, open source solutions have come of age in the enterprise space and have been experiencing robust growth in the past few years. Gartner predicts that by 2016, almost 99 per cent of the Global 2000 firms will be using some form of open source software.

And what is Shariff’s advice to nascent entrepreneurs who are hesitant to adopt the open source business model? “We advise budding entrepreneurs to believe in the open source movement, as this is the only future worth talking about. CIGNEX Datamatics embodies this hallowed principle not only in our corporate vision, ‘Making Open Source Work’ for enterprises but also, intrinsically, within our own organisation. A lot of our internal applications such as the Intranet, Extranet, document repositories, helpdesk ticketing generation for admin, HR, IT and support teams are based on open source,” says Shariff, as he signs off.

CIGNEX Datamatics intends to stay at the top by widening its customer base and selling more open source solutions. So will other companies follow suit? 

By Priyanka Sarkar

The author is a member of the editorial team. She loves to weave in and out the little nuances of life and scribble her thoughts and experiences in her personal blog.