CASE STUDY: OPMANTEK

Winner: Information and Communication Technology Award (2014)

For outstanding international success in the field of information and communication products, technology or services that are connected with the storage, retrieval, manipulation, transmission or receipt of digital data including software and games.

Background

Based on the Gold Coast, Opmantek provides open source network management and IT audit software that helps IT teams detect faults, review current and historical network performance, and predict where future failures are likely to occur.

The company offers its core product – the Network Management Information System (NMIS) – for free, and provides the source code under licence so that users can modify NMIS to their specifications. These users are typically consulting firms or highly skilled IT professionals that have the knowledge to adapt the software for their clients.

Under the licensing agreement, users submit their modifications to Opmantek for incorporation into future NMIS releases. In this way, the company ensures its product is continuously updated with features that end customers such as telecommunications companies require.

Approach to business

Giving away something for nothing may seem like an odd way to run a business, but it has proved a huge success for Opmantek.

The company's innovative business model has seen its software deployed in more than 60,000 organisations in 130 countries, including the world's fastest mobile data network (in Europe) and the telecommunications infrastructure of two-thirds of the Latin American population.

"We make our money by selling add on modules and support services. This can see customers spend anywhere from $500 to more than $1 million with us," says Chairman and CEO, Danny Maher. "Our aim is to provide software that is lower cost, higher scale and with the best features."

SNAPSHOT

- Established in Queensland in 2010

- Creators of the world's most installed network management software

- Products used by 60,000 organisations in 130 countries

- More than 40 staff in Australia and overseas

- Export accounts for almost 100 per cent of the company's revenue

›52nd Australian
Export Awards
2014 NATIONAL WINNER
INFORMATION AND COMMUNICATION TECHNOLOGY

OPMANTEK

IT managers around the globe are obviously happy with this model, helping to make Opmantek's NMIS software the world's most installed network management software. Not bad in a space that IT research firm Gartner describes as "the second most failing industry" in the world.

Maher estimates that every six minutes an organisation implements one of its products.

"That's a lot of users," he says. "Our aim is to convert just one to two percent of those into paying customers. So far this year we are achieving just under one per cent, but we are getting a lot of traction at the big end of town."

Maher says it's the 'community' aspect of open source that makes the concept work so well.

"People in the open source community actually help each other, and us, by making improvements to the software as they use it, and sharing their ideas with others," he says. "Because of this, there are no known bugs in NMIS and it continues to improve."

Maher says one user was so taken with the software he wrote the user manual for it. "We simply review it and update it when necessary," he says.

NMIS is believed to be the world's first open source network management software when it was created by developer Keith Sinclair in the 1990s, just when the open source revolution was beginning.

Today open source software is mandated as a preference by governments in many countries, including South America and parts of Britain.

Maher says understanding your market is vital if you want to succeed in IT. Even coming up with the company's name required considerable thought.

"Opmantek actually means nothing," says Maher. "When thinking it through, it was very important to us to come up with a name that had no search results on Google. That was difficult. This meant when we did register the name it would be the first one to appear on a search."

Maher says the biggest challenge for the company at the moment is managing the rate of it customer acquisitions.

International engagement

To say Opmantek has cornered the international network management software market is an understatement.

Apart from a user base now exceeding 60,000, the company has more than 2,000 partners and an 8,000-strong open source community that shares knowledge about its products.

Maher, an experienced commercialiser of software, says the success of the company internationally has even surprised him.

"I expected our customers to spend say $5,000 or $10,000 to purchase the paid modules of our software, but certainly not hundreds of thousands of dollars and even millions in some cases," he says.

Export sales have now reached almost 100 per cent of Opmantek's revenue, with Latin America and the US key markets. The company has also opened an office in the UK. Its clients include governments and major telecommunications firms.

"There aren't too many options for us in Australia unfortunately. It's a very small market," says Maher. "We need scale and volume to be sustainable and you can only get that by doing business globally."

Looking ahead, Maher says there are plans to secure more of what he calls the 'credit card' market — smaller companies prepared to buy some of their cheaper product offerings online.

Opmantek has doubled its revenue each year for the past two years and expects to do so again this financial year.

Winning an Australian Export Award

Maher says Opmantek was not only surprised to win an Australian Export Award, but also surprised at the reaction it received from customers.

"I didn't realise how important the Awards were to our customers, one told me wins like this are very important because they helped him prove to his board that he had engaged a great company."

Danny Maher, Chairman and CEO, Opmantek

Maher says because Opmantek competes with major multi-nationals such as IBM and HP, it needs something special like this to help them 'stand out'.

"Some customers feel like they are really sticking their neck out by engaging us. A win like this reinforces that they have made the right choice," he says.

"I would definitely encourage companies to enter the awards. Just going to the awards night and seeing what others are doing is really interesting. Participating also encourages you to look at yourself in different way, and that's really valuable."

For more information about Opmantek visit www.opmantek.com