

## **StillSecure experiencing steady growth in \$13 billion network security industry**

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Originally published in The Boulder County Business Report, November 26, 2004

In 2000 Rajat Bhargava launched his fifth high-tech startup, Latis Networks Inc., with the idea of getting into the burgeoning network security industry.

### **The Boulder County BUSINESS REPORT**

It was a good choice, said Bhargava, who serves as chairman, president and chief executive, because the company has quadrupled each year for three years, including 2004.

The Yankee Group agrees. The New York-based analyst firm expects the global security market to generate \$12.9 billion in revenue in 2004. StillSecure executives Chief Technology Officer Mitchell Ashley, left, and founder, Chairman, President and Chief Executive Rajat Bhargava moved the company to its Louisville headquarters about a year ago after experiencing tremendous growth. The network security company has quadrupled every year for the past three, Bhargava said.

About a year ago the company grew out of its space at Superior-based Mobius Venture Capital - its primary investor - and moved to larger accommodations in Louisville.

It's now doing business as StillSecure, which is the brand of its flagship product a suite of three security products. It dropped the name Latis because StillSecure "is much more security focused," Bhargava said.

"Overall, it's been a pretty exciting time," Bhargava said. "The security market has done very well, and we've gotten our unfair share of the market."

Bhargava wouldn't state the size of the new office, the number of employees or the company's revenue, saying competition is too fierce to let those numbers out lightly.

StillSecure is up against some formidable players, including the San Jose, Calif.-based network monolith Cisco Systems Inc. (Nasdaq: CSCO) and antivirus leaders Symantec Corp. (Nasdaq: SYMC) of Cupertino, Calif, and Clara, Calif.-based McAfee Inc. (NYSE: MFE).

A single investment round of \$21.4 million in 2000 from Mobius, 3i and Meritage Private Equity Funds jump-started the company, and Bhargava said he hasn't needed any outside funding since then.

The StillSecure suite includes Border Guard, VAM and Safe Access. The products, although designed to work together, can be purchased and used separately.

Border Guard is a network intrusion detection/prevention system that protects networks from security breaches by identifying and terminating viruses, worms, Trojans, port scans and other malicious traffic before they enter the network and cause real damage.

It works alongside the corporate firewall as a device located between the internal and all external networks - alerting information technology personnel to potential problems.

In June, SC Magazine rated the product a "best buy." It costs about \$7,500 with \$1,500 per year maintenance fee, or a license fee of \$5,000 per year. In August, Info World rated the product "excellent."

VAM is a vulnerability management tool that identifies, manages and repairs network security vulnerabilities. Vulnerabilities can range from unauthorized devices plugged into the network to outdated software. VAM generates customizable reports to a wide range of audiences from board members to auditors.

Pricing for VAM was not available.

StillSecure's latest product, Safe Access, makes sure all network devices, including remote computers like laptops and PDAs, are compliant with internal security standards. If telecommuters, sales people or partners trying to connect remotely to a corporate network via virtual private networks or wireless connections aren't running the latest virus updates, for example, Safe Access will deny the remote computer access to the network until it has those updates.

In August, Safe Access, which costs about \$100 per user, received Information security Magazine's "hotpick" award.

Over the past three years StillSecure has garnered numerous local, national and international customers, including federal bureaus and agencies and the Department of Defense, Bhargava said.

Its primary market is the half-billion dollar and above large enterprise customer, Bhargava said, "but there's no minimum."

Boulder-based startup Rally Software Development Corp. has been using Border Guard since early spring to protect the application server that its customers use, said Tarun Reddy, a software engineer at Rally.

Rally chose StillSecure largely because it was a local company that's "very easy to work with," Reddy said. "They came down and showed us the system. It was based on open source technology that I was familiar with."

Reddy said he had looked at other vendors like Symantec but was comfortable dealing with StillSecure and the price was "very competitive."

University of Colorado Hospital on the Fitzsimons campus in Aurora uses Border Guard and VAM, said Joe Bajek, director of information technology.

Bajek said he chose Border Guard after considering Snort, the open source software that Border Guard is based on. Although "significant budget constraints" worked in Snort's favor-it's free-"Snort wasn't good enough," Bajek said, because of its steep learning curve.

Border Guard's ease of use led Bajek to choose VAM to manage the hospital's 3,500 desktop computers. He also says since it runs on a server, not on every desktop, it makes implementing VAM easier than some other vulnerability assessment products. About 200 to 300 computers on the network are owned by vendors and other users not affiliated with the hospital.

"We don't have a level of control over them," Bajek said. VAM is "all remote so we can get you on the network, mitigate risk and stay out of muddying the support model."

Along with heading StillSecure, Bhargava is chairman and co-founder of Quova, a provider of Internet infrastructure intelligence services. Prior to Quova, he co-founded Interliant, which has since been bought by NaviSite Inc. (Nasdaq: NAVI). He was also a co-founder of Service Metrics, now owned by Exodus Communications, and NetGenesis (Nasdaq: SPSS).

Right now he has no plans for acquisition or going public. His goal is overall company growth, he said.

Part of that growth is introducing a new product every year, said Chief Technology Officer Mitchell Ashley. Product development is driven by customer needs, he said. "We're fanatical about our customers. At every touch point we pay attention to what that the experience is like - the Web site, installing the product, paying an invoice, calling in for support. We want to ensure a positive experience."