



Noël's product management corner – MEMBER SUCCESS STORY

CIGNEX – a New Twist on an Old Business

Raj Setty, the dynamic President and CEO of CIGNEX Technologies, Inc., is bubbling over with great ideas for remaking the software services business. And he is having a good deal of success in the process. He says that believing in a goal is essential to accomplishing it. He should know. He wrote his first novel at the age of nine and proceeded to pitch it to over two hundred publishers until it was finally published (“by a quality publisher”) four years later.

After living and working in five different countries in Europe and Asia, Raj came to Silicon Valley on a dare. Someone told him that he ought to be in the Valley “where new ideas get realized.” In 2000, he started CIGNEX with five co-founders. The company has been profitable ever since. Having managed professional services organizations for several years, Raj mined his experience for the lessons that he used to build CIGNEX, a truly different professional services firm.

First He Asks, “Why?”

CIGNEX holds strategy in high regard. Raj begins each project working with clients to discover what they’re trying to accomplish prior to any talk about applications and implementation. In this way, CIGNEX aligns with its clients - whom Raj calls “his partners” - to develop solutions that improve a company’s top and bottom-lines. This creates a win-win-win for the client, for CIGNEX, and, as often is the case with early-stage companies, for the investors. Because CIGNEX’s solutions generate cost savings and a substantial return on investment (rather than appearing as a cost), CIGNEX is able to win big projects without competing exclusively on price. CIGNEX doesn’t get compared to other outsourcing vendors. That’s not how Raj wants to be seen. He

and CIGNEX are strategic partners with their clients as far as Raj is concerned.

CIGNEX’s Thriving Ecosystem

How does CIGNEX promote and sustain this ROI-based business? CIGNEX is a company branching out in many directions, but remains focused on the Internet and web-based applications. From the very beginning, the founders created the “CIGNEX Ecosystem,” a well-crafted business model that has resulted in a potent combination of services, supporting solutions, innovation, and new businesses. The professional services arm (PSO) is CIGNEX’s primary revenue generator and its core business. The PSO includes web application strategy and devel-

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opment; outsourced, high-quality, local support; and custom product development. Supporting solutions are core technology and solutions that are packaged for reuse on projects for multiple (non-competing) clients. These supporting solutions quickly evolve based on insight CIGNEX gains on projects and feedback from clients as they test the new solutions in everyday use.

As for innovation, Raj’s latest brainchild, CIGNEX Labs, uses prior project experience as a launch pad for entirely novel products, solutions, and frameworks. These, in turn, enhance CIGNEX’s service capabilities. For example, the company created KeepShort (www.KeepShort.com), a URL-shortening technology and service now exploding on the Internet scene. It resulted from Raj’s negative user experience with too-long URLs generated by client catalogs and doc-

ument-management systems. CIGNEX Labs is modeled after a similar concept used by a famous predecessor from whom Raj learned a thing or two -- Thomas Edison’s famous Menlo Park, NJ, “factory for good ideas.”

And how do new businesses fit into the ecosystem? Well, CIGNEX looks for and buys Internet properties that allow the company to field test innovations as well as generate new client referrals using the “powered by CIGNEX” model. Thus the ecosystem – a structure that feeds on itself with all roads leading back to a stronger core services business.

Encouraging New Ideas

The ecosystem is supported by a strong corporate culture that encourages people to have new ideas and speak up. It started with the co-founders, five people all with very different ideas and all asking a lot of questions. Questions take time, but they also encourage innovation and are at the core of developing new technologies. At CIGNEX they focus on overlaying personal aspirations with CIGNEX corporate aspirations. And what is the CIGNEX corporate aspiration? “That innovation will bring great things and CIGNEX will build many companies that do cool things.”

The secret to success? You might start by following Raj’s advice – “Dream big dreams – no constraints.”

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