

IBM and Pragmatix help CreditPoint Software double revenue in a year



Overview

The Challenge

CreditPoint Software wanted to expand its customer base by appealing to small and medium-sized businesses that have fewer in-house IT resources than its large customers

The Solution

Pragmatix Gold™ solution built on an IBM Express Advantage™ Offering in a Software as a Service (SaaS) model delivered through IBM Managed Services

The Benefit

CreditPoint Software revenue increased 200 percent in the first year

At first glance, CreditPoint Software appeared to have an ideal situation. The provider of credit and collections management software had been serving large customers in the energy industry since 2002.

As Kevin Murray, CreditPoint chief financial officer, explained, “One major oil company has a sophisticated in-house IT operation with a professional staff running powerful software and hardware that use our software to manage credit for more than 30,000 customers. People in credit and collections, as well as in finance, all have access to our system to help them do their work.”

But CreditPoint, which is based in the Tulsa, Oklahoma, area, wanted to broaden its client base to include small and medium-sized businesses. Murray said his company soon realized that one issue with soliciting business from smaller clients is they often have limited IT resources.

“In many cases, they have maybe one or two IT professionals on staff, or perhaps a few consultants doing the work,” Murray explained. “Consequently, they’re challenged to use our enterprise solution without incurring additional IT costs. An alternative for them is to use a less-expensive Web-based system that is hosted offsite. But then they worry their data might be compromised,” he said.

SaaS is right solution for small and medium businesses

Given those facts, Murray said CreditPoint decided to pursue a Software as a Service (SaaS) model to serve such clients. “We wanted to reduce potential clients’ fear that something bad might happen to their data if it was hosted at an offsite facility,” he said.



CreditPoint expects that 60 percent of its revenue will come from SaaS solutions by 2011, and Pragmatix likely will play a major role in those expansion efforts.

Kevin Murray,
chief financial officer,
CreditPoint Software

Several regional hosting centers made proposals to CreditPoint. But Murray said his company rejected all of them in favor of IBM hosting the Pragmatix Gold solution. Pragmatix is an IBM Advanced Business Partner headquartered in Elmsford, New York. Founded in 1992, Pragmatix has worked with IBM ever since it went into business.

“Frankly, we were eager to have the IBM name next to ours,” Murray said. “With IBM as the host, we knew we were delivering a very dependable system. I can go home at night not having to worry about my clients’ data and, so can they,” he said. “IBM has been critical to our success.”

The results have been dramatic. Revenue in 2008 has been 200 percent higher than revenue in 2007. What’s more, Murray predicted 60 percent of CreditPoint revenue will come from SaaS solutions by 2011, and he anticipates Pragmatix will play a major role in those expansion efforts.

Pragmatix enjoys long-term relationship with IBM

Bill Abram, Pragmatix chief executive officer, said his company’s solution is built on an IBM Express Advantage Offering that runs on IBM xSeries® servers. The servers that are hosting data for CreditPoint customers are in an IBM managed hosting center in Jersey City, New Jersey.

Abram termed his company partnership with IBM as “absolutely mutually beneficial.” He added, “IBM gave us the lead that CreditPoint was looking for a SaaS solution. We learned that CreditPoint needed help in going after a market they couldn’t go after before. And they wanted hosting by a reputable third party. So we set them up with IBM.”

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Kevin Murray,
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Pragmatix Gold is designed expressly for small and medium-sized growing businesses with unique IT requirements. It delivers a broad portfolio of business and technology solutions including secure managed hosting, remote managed services and support, custom applications and fully managed secure hosting solutions.

IBM delivers complete hosting services

IBM is a worldwide hosting leader chosen by thousands of companies in all sizes to host their business applications and Web sites. By using the IBM hosting infrastructure — including networking security, operating system management, storage and backup and implementation methodology — technology providers like Pragmatix deliver comprehensive solutions to meet their customers’ business requirements.

The IBM hosting facilities protect against security breaches and natural disasters. Redundancy is built into the architecture, and IBM facilities provide a safe, controlled environment for proprietary information and physical assets. IBM Business Partners and their clients realize reduced costs, have access to technical expertise and can run at full speed 24x7.

IBM delivery of Software as a Service enables companies to achieve business functionality quickly and efficiently. Applications are delivered over the Internet with no upfront costs and with no need to install the applications on customer servers. The solution is hosted at an IBM data center and companies can add services and users as needed. Software as a Service lets a company focus on its core business

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