

MANTA TOOLS

Czech Republic, www.getmanta.com

A Czech SME, which is itself a spin-off from a joint research project, collaborated with IT solution developers to provide a missing element in their offering to the end customer. They also developed a good working relationship with a local university and expanded their operations to the US after winning a national award

Executive Summary

Manta Tools is a Czech company with great ambitions to grow globally. The origin of the company is in an R&D project carried out by a group of Czech IT service providers, which was then spun out. The initial offering was a (limited) data processing solution. The product was developed in cooperation with the Czech Technical University in Prague and tested with several lead customers. Manta Tools was established as a result. While visiting the US they became convinced that there is a global market for their product. Manta Tools is not a solution provider, but they offer a missing piece of technology to solution providers and consultants. These partners have put them on a fast growth track.



CASE N° : EE16

SECTOR: INFORMATION TECHNOLOGY

TECH INTENSITY: HIGH-TECH

LIFE CYCLE STAGE: SCALE-UP

INNOVATION VECTORS: PRODUCT

01 PARTNERS: PSR, LARGE CORPORATION, OTHER SME, LEAD USERS/CUSTOMERS, GOVERNMENT AGENCY

KEYWORDS: Spin-off, JCT, data governance/ metadata

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BACKGROUND

Manta Tools is a spin-off company from Profinit (a TOP 10 ICT service provider in the CEE region). It was established by the management and owners of Profinit –Tomas Kratky, Tomas Pavlik and others. Tomas Kratky is CEO of Manta Tools. He is a graduate of the Czech Technical University in Prague, Faculty of Electrical Engineering, where he studied computer science. He started in engineering positions at Profinit and rose to the position of Profinit's R&D Director.

Manta started to change the world of corporate Business Intelligence (BI) in 2013, when they introduced Manta Flow and Manta Checker in Czech Republic and quickly expanded to the rest of Europe. In 2015, they introduced their products in the US and established a presence over there. Since then, Manta Tools has signed up dozens of customers, including one of the Big Four in US banking, PayPal, Comcast and many others.

The company's top priority is to continue expansion on the American market. Next in line comes Western Europe – Germany, France, the United Kingdom and the Benelux countries. They are starting to look at Asia. On the product side, Manta is preparing a full range of surprises, but wants to keep their plans confidential.

INNOVATION CHALLENGE & MARKET OPPORTUNITIES

In the B2B sector, what the players value most is the product's added value as well as trust. It is simply not enough to have a great product. It is very important to be a buying option for large and very often also highly regulated companies. To select a smaller company like Manta Tools can sometimes be a challenging decision for managers. Every big name on the customer list makes them a more reliable and safe choice.

Manta Tools found a gap in the metadata and data governance area and they filled it in a way which is superior to any other solution on the market. In addition, the data governance/metadata market has become a hot topic in the past two years with new regulations and the Big Data wave, especially in the United States and partially also in Europe.

OPEN INNOVATION TRAJECTORY

Concept development

With data being used to make decisions every single day, with regulators like FINRA, Fed, SEC, FCC, and ECB requesting reports, with initiatives like the new European Data Protection Directive, proper governance and a detailed understanding of the data environment is a must for every company. This task can be overwhelming. Automation is an answer, and solutions are provided by many big vendors.

The solutions analyze all data sources and systems, every single piece of logic, extract metadata from them (so-called metadata harvesting), link them up (so-called metadata stitching), store them and make them accessible to analysts, architects and other users through best-in-class user interfaces. And all of this through automation.

But unfortunately (at least for all metadata vendors) programming code is very complex to analyze and extract the necessary metadata from. But without it, there is no end-to-end (E2E) data lineage. The largest vendors in this situation (or big system integrators implementing their solutions) usually finish the rest of the work manually. This is very time-consuming and expensive. Solutions have limitations and at least some of the solution providers have finally realized that it is much better to provide open API and to allow third parties like Manta to integrate and fill the existing gaps.

There are two basic offerings provided by Manta Tools: Manta Checker automates code reviews, helps to quickly find and fix errors and enforce company policies and best practices. Basically, it is about quality assurance; detailed visualization of the Business Intelligence (BI) environment including multiple technologies and messy custom code (data flows lineage). It allows companies to complete regulatory output, improve data governance, eliminate manual labour, increase efficiency and unlock the potential of existing data governance solutions.

The development process, IPR and competition strategy

Manta started as a Profinit R&D project for Societe Generale in the Czech Republic. The client wanted to update and correct all procedures and technical database scripts from one form to another.

Originally, they planned it to do it manually, but Profinit suggested to explore the possibility of doing it in an automated way. This is how the Manta solution was born for their first lead customer. In the following years, they repeated it for other clients, leading Profinit to decide to make it a separate product. Later, in March 2015, in order to go international with the product, an independent company, with its own business model, was formed.

Development work was facilitated by a joint project between Profinit and the Czech Technical University, co-funded by the Technology Agency of the Czech Republic. The University's researchers helped to identify theoretical problems and worked in joint teams merging the Manta Tools team's business experience with the researchers' deep theoretical insights. Universities and companies have very different internal structures. They nevertheless managed to assemble combined teams led jointly by Manta's employees and head researchers or professors. The key was joint leadership – every team had one research leader (from CTU) and one production leader (from the Manta Tools team). Every week, leaders from all the teams sat down together to review current research and production processes, ensuring progress in both areas.

Manta needed the best students to join their teams. The first step was to attract them. They had a special "golden partnership" agreement with CTU, which has allowed them to be present at special university events, to promote the company and to offer courses hosted by their employees. In this way, Manta was able to spread the word among the students. During the development phase their tool was fully developed, was then validated by the customers and even won awards. Now the company is preparing for the next stage of life –strategic partners and investors.

No licenses were involved in this open innovation collaboration.

Manta specializes in data processing and its visualization. However, it is not a metadata manager or information catalogue. There are other better equipped vendors like IBM, Informatica, Collibra, Alation, Adaptive, etc. This means that, with some exceptions, Manta alone does not meet all the metadata-related requirements of an end customer. But other metadata solutions, when selected, purchased, and deployed by a customer, also fail to meet several critical needs related to metadata accuracy and completeness, especially regarding data processing logic hidden inside programming code. This leads to an inevitable conclusion, i.e. Manta is usually used together with (an)other tool(s). Manta offers skills which are not

covered by other players, capabilities which are very much needed in any data-intensive environment.

The target customers are system integrators and solution providers. With their tools, Manta helps them with data analysis. It can even process handwritten or poorly documented code, making it very different from the competition. Their tools are compatible with different systems. There are many prospects out there, since almost everyone will need them sooner or later, but to fully demonstrate the value, they need smooth integration with existing data governance/ metadata solutions.

Commercialization and follow-up

Manta Tools won first place in the Czech ICT Incubator contest at the end of 2014 and left the Czech Republic for several months to start their business in the United States. The Czech ICT Incubator arranged premises in the prestigious San Francisco Runway Incubator. However, the greatest added value of the Czech ICT Incubator was simply the network of great people who know still more people, etc. Thanks to this network the SME has learned a lot and significantly improved their marketing and sales skills. While in the US, they also built strong partnerships with several large vendors and found a person to be their VP for Sales in North America.

The team is still small with the most significant changes being the creation of a sales organization and the opening of offices in the USA and Germany.

The target group are system integrators and solution providers. These partners –consultancies or Business Intelligence companies –generate sales and support Manta Tools' products. Initially they looked for big players, such as Deloitte, Accenture, etc. Often they started discussions in a generic way, had many contacts, but in many cases, these discussions did not lead anywhere. If potential partners feel no pressure or pain, there is no reason to push them to partnership and fight for their attention.

This was a painful learning exercise, spending too much time on companies which did not bring any value. Instead, today they are focusing on their offering which can provide a critical missing piece to their partners in order to provide a complete solution to their clients. These tend to be medium or large companies, but not the largest players. In this case, it is a win-win situation and a clear co-operation plan is easily established.

One example of such a co-operation is the

partnership with Data to Value, the information management consultancy. Partnering with Data to Value will help to improve their portfolio and increase business potential. So far, Manta had information management projects only in continental Europe. Now Manta can continue its expansion to the UK side by side with a highly respected partner.

James Phare, Managing Director of Data to Value Ltd., a British company: "We are really excited about the partnership with Manta. It allows us to further deepen our capabilities in the Data Warehousing, lineage, governance and architecture space. We often perform end to end Data Warehouse reviews and we look forward to significantly reducing the time to market for dependency/impact analysis and lineage tasks. In particular for financial services clients it further strengthens our offerings in the regulatory space for initiatives such as BCBS 239 and trade reporting requirements such as EMIR and Dodd-Frank."

With regard to IPR, Manta decided not to file any IP in the US or Europe. They think they are too small. But it is something Tomas, the CEO, considers every month.

Their products are regularly updated with new versions appearing. The company has spotted future opportunities related to Big Data and Cloud technologies.

BUSINESS IMPACT

The company acquired a lot of technical know-how which is re-used and further developed in their projects. They learned new skills on the business side, polished their marketing material and improved their sales approach to clients (especially in the US). Their PSR partner keeps them updated on the state-of-the-art and beyond. Ideas about Big Data and Cloud related products have been inspired by clients and partners.

Manta Tools generated about \$1 million revenue in 2016 and is set to achieve \$15 million within three years.

LESSONS LEARNED

This case demonstrates how a company is created around the offering. The process started with the one lead user and its problem. Then they noticed that others have similar problems. Instead of a

solution being offered to the end customer, a product for solution (service) providers was developed. Then it appeared that the market, business model, sales channels, etc. may no longer be compatible with the parent company and the initiative is spun out. Another significant feature is that they learned a lot about marketing. It is rather common that a young company would like to see multinational companies among their clients. But they need not to be the first clients. It is worthwhile to focus on those who are aware, have pain and recognize the value of your solution.

Manta Tools is one of the rare cases that a company was completely satisfied with its collaboration with the university. And there are some insights why it happened: access to top professionals and students and the organization of human resources. The proof of their satisfaction is that they continue their collaboration.

Main lessons learned:

1. Initially Manta was looking for big players such as Deloitte, Accenture, etc. Often, they started discussions in a generic way, had many contacts, but in many cases, these discussions did not lead anywhere. If they have no pressure or pain, there is no reason to push them to a partnership and fight for their attention. This was a painful learning process spending too much time on companies which did not produce any value.
2. Tomas thinks they should have gone to the US earlier. If you start a global company, it is important to have a presence there. They are very advanced and there is huge competition. Every day you are pushed to be better than others. You learn from your mistakes and successes and you can build a business there. It was something you never experience in Europe, not in this way. The US is a big, advanced and rich market, it is important to be there.
3. In 828, partnerships can generate sales if your solution complements your partner's and kills his pain. To win, an offering has to stand out from the crowd at least with some features.
4. The best partner is not always the biggest.