



**T**rident Capital is a leading venture capital firm with over \$1.5 billion of capital under management, including \$400 million raised in our most recent fund, Fund VI. Our core investment focus has remained consistent since inception in 1993. We focus on investments in the business services, information services and software sectors across a variety of industries. Within our sector focus, we invest across multiple stages, including traditional venture capital investing as well as investments in micro-cap public companies, buyouts and consolidation platforms. The firm has made over 100 investments since inception. We have investment offices in Palo Alto, CA and Westport, CT. ❖

## TRIDENT HRO FOCUS

**A**s part of Trident's emphasis on the BPO (business process outsourcing) segment, we have targeted the HRO segment (Human Resource Outsourcing) as a particularly attractive investment opportunity. Human resources is the fastest-growing segment of the business process outsourcing sector, according to sourcing advisory firm Technology Partners International. By outsourcing this function, executives are free to focus on more important business issues. The domestic market for HR outsourcing will reach \$42 billion by 2008, according to the Yankee Group.

Outsourcing enables clients to cost-effectively outsource the management of human resources, employee benefits, payroll and workers' compensation. As outsourcing gains momentum, many businesses are leading the trend by working with professional employer organizations (PEOs). PEOs' comprehensive package of HR services enables these businesses to focus on their core competitive strengths, saves them money and offers them the service of a valuable

group of employment experts.

The average PEO has grown more than 20 percent per year for each of the last six years, according to a survey of members of the National Association of Professional Employer

clients' compliance with employment regulation and the timely payment of payroll taxes.

One of Trident's investments is Advantec, founded in 1999, a PEO focused on human resource outsourc-

### The domestic market for HR outsourcing will reach \$42 billion by 2008, according to the Yankee Group.

Organizations (NAPEO). About 700 PEOs that offer a wide array of employment services and benefits are operating today in 50 states. The PEO industry generates approximately \$43 billion in gross revenues annually. PEOs are benefiting from several trends. For example, the average small business is spending about \$2,000 per employee in order to comply with tax and workplace related federal regulations, according to a study by the U.S. Small Business Administration (SBA), and with business owners spending about one-quarter of their time on employment related paperwork, PEOs help improve their

ing solutions nationally. The company has approximately 750 clients and over 22,000 worksite employees with a gross leased payroll nearing \$1 billion. Advantec serves clients ranging between 10 to 3,000 employees. Advantec's services include payroll processing, tax filing and administration solutions and systems, hiring support, strategic HR planning, and a comprehensive set of benefits. Supported benefits include healthcare, life and dental insurance, short- and long-term disability, vision care, workers' compensation, IRAs and 401(k)s, employee assistance programs  
*continued on page 3*

### 2006 HRO SUPERSTARS

In December 2005, Venetia Kontogouris, Managing Director of Trident Capital, and Pat Goepel, CEO of

Advantec, a Trident portfolio company, were each recognized as an HRO Superstar by HRO Today magazine.



## TRIDENT INVESTMENT ACTIVITY



In October 2005, Trident Capital announced a joint venture with **CommerceNet** to invest in select CommerceNet portfolio companies. CommerceNet is a non-profit organization dedicated to fulfilling the promise of the Internet through entre-

preneurial research, open source initiatives and venture start-ups.

“CommerceNet has a ten-year track-record in identifying and facilitating e-commerce innovation through its close collaboration with early stage Silicon Valley startups and top researchers at Stanford, MIT, Johns Hopkins and Carnegie Mellon,” said Don Dixon, co-founder and managing director at Trident. By

working with the CommerceNet team and investing in CommerceNet portfolio companies, we will be able to see new opportunities on the horizon and fund critical research for the future of technology. CommerceNet invests in very early stage companies with talented people and bold ideas. We are pleased to be able to help develop ventures that are poised to be leaders in e-business.” [www.commerce.net](http://www.commerce.net) ❖



In November 2005, Trident invested \$6M in **Aethon, Inc.**, a provider of low-cost robotic solutions for automatically hauling materials indoors. Aethon’s product, the Tug, is completely autonomous and uses patented wireless and sensor technology to navigate, avoid obstacles, and continuously track and correct its positioning.

Autonomous, intelligent robots have the potential to improve productivity and save vast amounts of time

and money. Hospitals and other vertical industries are embracing material transport automation as a means to increase throughput, reduce cycle times, decrease costs and increase reliability.

The Tug is a sophisticated, small and powerful transport system that automates the delivery of a wide range of goods directly to the point of use, using existing infrastructure, freeing valuable staff and resources from running errands and pushing supply carts. The Tug self navigates, opening doors, calling and riding elevators without any human interaction. Aethon has sold Tugs to more than 25 hospitals including the University of

Maryland Medical Center, The Cleveland Clinic, the University of Pittsburgh Medical Center and Geisinger Health Systems.

Aethon is based in Pittsburgh. The company is led by CEO Aldo Zini, who was instrumental in the success of two venture backed healthcare automation companies, Automated Healthcare and TechRX. Sean McDonald and Ronald Taylor, founders of Automated Healthcare and Pyxis Corp., respectively, are independent directors of Aethon. Other investment partners include Draper Triangle Ventures, Salix Ventures, Ascension Health Ventures and Pacific Venture Group. [www.aethon.com](http://www.aethon.com) ❖

### Don Dixon retires after ten years on the Epicor Board

Don Dixon, managing director of Trident Capital, Inc. recently resigned from the board of directors of Epicor Software Corporation (NASDAQ: EPIC). Don resigned pursuant to Trident Capital practice after the Trident funds recently converted and distributed their remaining holdings of the Company’s Preferred Stock. Dixon first became a member of Epicor’s board of directors on September 30, 1995 after the initial investment in Epicor by Trident’s



Fund I funds. Trident’s Fund V funds made a subsequent, also successful, investment in Epicor in 2003.

Commenting on Dixon’s resignation, George Klaus, chairman and chief executive officer of Epicor, stated, “We are deeply indebted to Don for his ten years of excellent service to Epicor. His counsel and support have played a critical role in the growth and success that Epicor has achieved.” ❖



# TRIDENT PORTFOLIO COMPANY NEWS



**C**ontinuent, the leading provider of commercial open source middleware solutions for database high availability, praised industry analyst firm Gartner's predictions that virtualization and grid computing will be two major areas to watch for growth in 2006. Continuent's

database virtualization technology redefines high availability and scalability for enterprises of all sizes. Continuent's database virtualization works with all major databases, delivering high availability in any enterprise environment, whether homogenous or heterogeneous, ensuring peace of mind that mission critical data is accessible at all times.

"Gartner's predictions reflect the

evolving trend we have observed and shaped our business around," said Continuent CEO, Eero Teerikorpi. "As enterprises increasingly demand high availability to maximize efficiency and customer satisfaction, it is critical to have reliable solutions like the ones Continuent provides. These key drivers have helped to shape our product vision for 2006."

[www.continuent.com](http://www.continuent.com) ❖



**C**ymfony has been selected as the overall "Best of Show" winner for the 2005 Massachusetts Innovation Technology Exchange (MITX) Awards. The "Best of Show" is awarded to the entry with the best overall combination of creative concept, user experience, and use of technology. Watertown-based Cymfony also took the prize for "Best Use of Technology," in addition to winning in its specific category, "Applied Technology." The annual MITX Awards is the largest awards competition in the country

that recognizes achievements in the development and implementation of interactive technologies. Winners were announced in 26 categories, including four "Best of" awards at an awards ceremony held on November 2 at the Boston Copley Place Marriott.

Cymfony was honored for the excellence of its Digital Consumer Insight (DCI) product, which was first released in January 2005 and recently integrated into Cymfony's Orchestra platform. DCI helps marketing, branding, research, marketing communications and competitive intelligence professionals analyze consumer discussions, trends and sentiment expressed in blogs, mes-

sage boards, customer feedback sites, usenet groups and other consumer-generated media to gain immediate market intelligence. Cymfony's Orchestra is the first application that automatically monitors, benchmarks and analyzes mainstream media and consumer-generated media under one converged Web-based platform.

In selecting Cymfony as a multiple prize winner, the judges as a group commented: "This technology is not only innovative, but also addresses the emerging importance of social networking to a company's brand and relationship to its customers and prospects."

[www.cymfony.com](http://www.cymfony.com) ❖

*Trident HRO continued from page 1* (EAP), and legal assistance.

Trident also has an investment in People Business Network. PBN's Workforce Information Platform (WIP™) is an integrated suite of on-demand product solutions that help large enterprises proactively monitor workforce transitions, model organizational structures based on business drivers, automate workforce deployment/staffing processes, and effect unified/disciplined workforce deci-

sions that comply with internal and external regulatory workforce policies. Typical end-users of the platform include HR, legal, finance and other senior executives who are responsible for workforce strategy and planning, who need real time access to workforce and compliance information performance metrics and who are actively making decisions on workforce deployments.

PBN Workforce Information Platform (WIP™) solutions are

offered via an on demand software delivery model. PBN hosts the application on its IT infrastructure and PBN's technical staff manages operations, software upgrades, hardware upgrades, security and capacity planning. With a Web browser and Internet access, companies can deploy PBN WIP from anywhere, at any time. For additional information about Advantec and PBN, please visit

[www.advantec-hr.com](http://www.advantec-hr.com) and [www.peoplebusinessnetwork.com](http://www.peoplebusinessnetwork.com) ❖



## TRIDENT PORTFOLIO COMPANY NEWS



### Outsource Partners International

In November 2005, **Outsource Partners International, Inc. (OPI)**, the leading business process outsourcing firm specializing in finance and accounting services, announced the opening of its new state-of-the-art business process outsourcing (BPO) service center in Kochi, India. More than 200 guests attended the opening ceremonies, which were highlighted by a speech from the Honorable Chief Minister of Kerala, where Kochi is located.

The 137,000 square foot facility, located in the Leela Infopark in Kochi, can accommodate more than 2,000 associates and is designed to achieve the

highest levels of security and privacy. This is the Company's second center in India. OPI will also continue to operate from its original facility in Bangalore, India, which has a capacity of 600+ associates.

"The new center in Kochi substantially expands our operating capacity, enabling us to support the rapid growth we are currently experiencing in our services," said Clarence T. Schmitz, OPI's Chairman and CEO. "Our current order backlog will likely consume about half of this new capacity. We are aggressively recruiting to meet the demands of our clients."

"Kochi was selected following a search that included several Indian locations," said Kishore Mirchandani, President and the Chief Executive



Officer of OPI's Indian subsidiary, Business Process Outsourcing Pvt. Limited. "We selected Kochi because of the depth of relevant skillsets, costs of operation and the favorable business climate. Bright talented people will now have the opportunity to find rewarding careers without having to leave their hometown."

[www.opiglobal.com](http://www.opiglobal.com) ❖

## TERANODE

In December 2005, **Teranode Corporation**, the leading innovator of experiment design automation (XDA) software for the Life Sciences industry, announced it will collaborate with Science Commons, a project of the non-profit corporation Creative Commons, to build and implement the industry's first neurology repository for the Semantic Web. The project, dubbed NeuroCommons.org ([www.neurocommons.org](http://www.neurocommons.org)), will be a freely accessible neurology commons of data,

tools and pathway knowledge, to be used by public and private researchers. Science Commons will use Teranode's award-winning platform, TERANODE XDA, as the infrastructure for NeuroCommons.org. All content will be available in Resource Description Framework (RDF), allowing participating foundations to search and access a shared repository of data and research, which is currently limited by different formats and copyright restrictions.

Life sciences represent an ideal test case for the Semantic Web. Data

flows into life sciences from an astonishing diversity of sources: brain images, robot-arrayed "gene chips," machines sorting materials cell-by-cell, gene sequencers, and massively high throughput chemical screens.

NeuroCommons.org will help harness that diversity for private and public neurological researchers. Science Commons' contributions will be to develop a community of users, to provide access to leaders in Healthcare and Life Sciences, and to provide partnerships in the area of natural language processing and content. [www.teranode.com](http://www.teranode.com) ❖

## iRobot™

In November 2005, **iRobot Corp.** (NASDAQ: IRBT) announced the iRobot® Scooba™ Floor Washing Robot has been honored with the International Consumer Electronic Showcase (CES) "Best of Innovations Design and Engineering" Award in the Home

Appliance category. Scooba is the first floor washing robot available for home use. The robot was selected as a winner from a pool of more than 1,000 entries from 164 companies. Also in November, TIME Magazine named the iRobot Scooba™ Floor Washing Robot among its Most Amazing Inventions of 2005. Scooba's innovative cleaning process

allows the robot to simultaneously prep, wash, scrub and dry hard floors, all at the touch of a button.

iRobot, which effected its IPO on November 9, 2005 (see page 5), also makes the Roomba Vacuuming Robot, an intelligent and effective robot vacuum that offers a better way to cleaner floors.

[www.irobot.com](http://www.irobot.com) ❖



## TRIDENT LIQUIDITY EVENTS

### **iRobot™**

In November 2005, **iRobot Corp.** (NASDAQ: IRBT) offered an initial public offering of 4,300,000 shares of common stock, 3,260,870 of which were by iRobot and 1,039,130 of which were sold by selling stockholders, at \$24 per share. The shares are listed on the NASDAQ National Market under the symbol "IRBT." iRobot designs robots that perform dull, dirty or dangerous missions



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in a better way. The company's proprietary technology, iRobot AWARE™ Robot Intelligence Systems, incorpo-

rates advanced concepts in navigation, mobility, manipulation and artificial intelligence. This proprietary system enables iRobot to build behavior-based robots, including its family of consumer and military robots. iRobot's products include the Roomba robotic vacuum for the home, the Scooba robotic floor cleaner for the home, and the Packbot and the Packbot military robot currently used extensively in the Iraq war. [www.irobot.com](http://www.irobot.com) ❖

## Thor Technologies Acquired by Oracle Corporation

### **THOR** TECHNOLOGIES

On November 16, 2005, Oracle announced the acquisition of Trident Portfolio Company **Thor Technologies**. Thor is a leading provider of cross-platform provisioning solutions. With its acquisition of Thor

as well as its concurrently announced acquisition of OctetString, a leading provider of virtual directory software, Oracle has significantly strengthened its portfolio of industry-leading identity and access management products.

"Oracle is investing heavily in rapidly growing our heterogeneous, identity management product portfo-

lio due to its criticality to our customers," said Thomas Kurian, senior vice president, Oracle Fusion Middleware. "With the acquisition of Thor Technologies and OctetString, Oracle is poised to deliver the industry's strongest and most robust suite of standards-based identity management technologies." [www.thortech.com](http://www.thortech.com) ❖

## The Revere Group Announces Majority Share Acquisition by NTT Data Corporation



On November 14, 2005, **The Revere Group, Ltd.** ("Revere") announced the acquisition of Revere by NTT Data Corporation ("NTT Data") of Japan, through a majority share acquisition of Revere by NTT Data International, L.L.C. ("NDI"), a wholly owned US subsidiary of NTT Data. Through this strategic acquisition, The Revere Group will have improved growth opportunities in the business and technology consulting areas in North America and NTT Data will expand its capabilities to serve Japanese clients in North America. In connection with this transaction, Revere repurchased all of the equity interests in Revere owned

by Trident Capital. This was a successful exit for Trident, which had been an investor in Revere since leading a financing in 1998.

The Revere Group, founded in 1991 and headquartered in Chicago, is a business consulting and IT solutions consulting firm. Service offerings include IT Management Consulting, Enterprise Applications and Process Redesign, Project Management & IT Strategy, Business Intelligence and Data Warehousing, Custom Applications and Integration, Supply Chain Management, and Outsourcing. The Revere Group has over 330 employees with offices in Chicago, Milwaukee, Boston, Charlotte, Orlando, Raleigh, Tampa, Bangalore and Singapore. As a trusted advisor,

The Revere Group helps clients improve business and IT alignment. The Revere Group is one of the few technology firms that have been profitable every year since their inception.

NTT Data is a public company currently traded on the Tokyo Stock Exchange (9613 JP) and is a subsidiary of NTT Group of Japan. NTT is an abbreviation for Nippon Telegraph and Telephone Corporation of Japan. As an \$8 billion system integrator with over 20,000 employees globally, NTT Data has regional offices/subsidiaries in Japan, Asia (Beijing, Shanghai, South Korea, and Kuala Lumpur), Europe (London) and North America (New York, New Jersey, Pennsylvania, Washington D.C. and California). [www.reveregroup.com](http://www.reveregroup.com) ❖

# TRIDENT CAPITAL

**T**rident Capital was founded in 1993 to invest in information and business outsourcing companies. By consistently helping entrepreneurs build industry leading technology and services businesses, Trident has become one of the most successful venture capital firms in the country. The firm leverages a partnership that has invested in more than 100 companies and has held senior operating, consulting and investment banking roles at organizations such as AT&T, IBM, Dun & Bradstreet, Morgan Stanley and Bain. To date, Trident has raised six funds and manages \$1.5 billion in committed capital. The firm operates out of investment offices in Palo Alto, CA and Westport, CT.

Trident invests principally in the following sectors:

- IT Security
- Payments and Transaction Processing
- IT Services and Outsourcing
- Communications/Wireless
- Internet and Marketing Services
- Enterprise Software
- Healthcare and Insurance Services
- Innovation

Investment Sizes: Up to \$30M

Transaction Types:

- Early Stage Growth Capital
- Expansion Stage Financings
- Management Buyouts
- Spinouts

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