

San Jose Mercury News

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business

+ technology mercurynews.com/business

market report

+0.8%	→ Nasdaq	= 2,329.72	+10.13
+1.6%	→ Dow Jones	= 13,682.69	+186.13
+1.7%	→ S&P 500	= 1,284.26	+21.06
+0.2%	→ Mercury News 150	= \$1.251 billion	
—	→ Bonds*	= -0.05%	+0.00
—	→ Euro vs. dollar	= \$1.3574	-0.0012

*Three-Month

FINANCIAL SECTOR REBOUND BOOSTS STOCKS
Data and analysis: SC and ©MercuryNews.com/business

Tech Ticker » Yahoo offers coupons for music that stops working » Synovate profit nearly doubles » Microsoft files complaint against Prinxar » 2C

Road Warriors get a hand

SOFTWARE TOOL FOR BUSINESS TRAVELERS COORDINATES WIDE RANGE OF CONCIERGE SERVICES

By Scott Dale/Herb

Mercury News

To understand how Reader Commerce has quietly become one of Silicon Valley's fastest-growing tech companies, it helps to get a sense of Hank Rowden, perhaps the greatest industrialist who never lived.

He's the inventor of a metal alloy far superior to steel, a capitalist hero in Agnieszka's novel "Atlas Shrugged." In 30 years he changed the world," explained Patrick Grady, founder and chief executive of Reader Commerce.

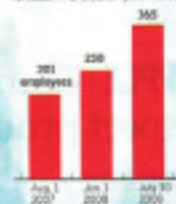
Grady envisioned his company as an homage. Reader Commerce's purpose is to deliver productivity through a service that might be described as a sophisticated software alloy: a virtual "personal assistant" for business travelers that is designed to coordinate schedules, control costs and minimize hassles — and smart enough to warn of trouble ahead.

It does this through a Web site that integrates a broad spectrum of online services commonly used by business travelers — e-mail, calendars, maps, airline and hotel bookings, restaurant reservations, event tickets, parcel shipping and WebSite retooling. Crafted with the help of an accomplished board of technical advisors, Rowden's technology "learns" more about its

See READER, Page 3C

Growth in travel services

Reader Commerce's rapid growth is reflected in its expanding workforce.



Source: Reader Commerce, JSCGP/MS

Technology



What's next for Apple?

LET THE BUZZ BEGIN

By Steve Delaney

When Apple introduced last week's iPhone, it introduced a new paradigm in mobile computing, one that is shaking up the mobile device market.

But a barrage of other mobile devices are being introduced, and the market is expected to be even more competitive.

Apple Chief Executive Steve Jobs' keynote address at the annual conference in San Francisco, an Apple event that has become a key event in the mobile device market, was a key event in the mobile device market.

Jobs' keynote address was a key event in the mobile device market, and it was a key event in the mobile device market.

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See APPLE, Page 3C

WI



Former high school dropout

IN STUDENTS'

By Sharon Hayes

Carla Noveck studied a way High School student in class. Margarita Cruz is California high school dropout before there's a big leave school. Even in our classrooms, the trigger to be surprised up in our view to Gordon, Polaris, Adia.

Though schools offer grants to study troubled to not rate is higher than is expected. Data revealed 1 point that 14 percent of the high school, nearly double rate of 21 percent.

In Santa Clara County, 1 data who drop-out over a road in 2007 persons, less a wide range, but still "glant to Don Moore, associate of the East Side Union High

See SCHOOLS, Page 3C

Three or four years ago, these guys were struggling. They had a great idea that couldn't get any traction.

Photo: Hank Rowden

Road Warriors Get a Hand From Software Concierge

By Scott Duke Harris

San Jose Mercury News

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To understand how Rearden Commerce has quietly become one of Silicon Valley's fastest-growing tech companies, it helps to get a sense of Hank Rearden, perhaps the greatest industrialist who never lived. He's the inventor of a metal alloy far superior to steel, a capitalist hero in Ayn Rand's novel "Atlas Shrugged." "In 10 years he changed the world," explained Patrick Grady, founder and chief executive of Rearden Commerce.

Grady christened his company as an homage. Rearden Commerce's purpose is to deliver productivity through a service that might be described as a sophisticated software alloy: a virtual "personal assistant" for business travelers that is designed to coordinate schedules, control costs and minimize hassles - and smart enough to warn of trouble ahead.

It does this through a Web site that integrates a broad spectrum of online services commonly used by business travelers - e-mail, calendars, maps, airline and hotel bookings, restaurant reservations, event ticketing, parcel shipping and WebEx conferencing. Crafted with the help of an accomplished board of technical advisers, Rearden's technology "learns" more about its customer with each use. And it crawls the Web like a search engine, pinging laptops and BlackBerrys about overlooked details - do you need a rental car? - or unforeseen troubles like flight delays or inclement weather.

Rearden, based in Foster City, added to its tricks earlier this week by acquiring Cleveland-based ExpenseWire, which enables users to have their workaday transactions on company credit cards simultaneously logged in their expense reports, preempting the tedious process of toting up receipts later. Another recent deal, with Voyport, is designed to slash expenses on roaming calls during international travel.

Until May 20, when it was activated for Research In Motion's BlackBerry devices, the Rearden service had been accessible via desktop and laptop computers. BlackBerrys are the most prevalent "smart-phone" in corporate America, and now Rearden is working on plans to deliver the service to other devices, including Apple's iPhone, in 2009. In its quest, Rearden is the upstart bucking competition from such giants like Microsoft, Nokia and others.

Grady, a former venture capitalist with an intense style, was 32 when he launched the company in quarters in San Francisco's Tenderloin district shortly before the dot-com boom went bust. He was inspired, he said, by "Holy Grail" visions of ultra-smart technology articulated at Apple in the 1990s - ideas that proved to be ahead of their time.

Grady's start-up limped through the crash and worked out deals with a small number of major corporate customers like GlaxoSmithKline to develop the product, gradually improving the system and adding customers. But growth was slow. "Three or four years ago, these guys were struggling," said analyst Bruce Richardson of AMR Research. "They had a great idea that couldn't get any traction." A turning point came in 2006, when Rearden received a hefty investment from strategic partner American Express, the leader in the business travel management industry.

Over the past 18 months, Rearden says, the company has added more than 2,000 corporate customers and 1.5 million contracted users. The amount of spending managed on its platform has increased by more than 1,600 percent.

Rearden is also ramping up its workforce. The company had about 85 employees when it struck the American Express deal in mid-2006, Grady said. Two years later, the company has 365 employees. "We'll probably reach 500 employees by the end of the year," he added.

Rearden is now tapping a fresh \$100 million from a round of funding in May that included a new strategic partnership with investor J.P. Morgan Chase. Rearden's early financiers include Oak Investment Partners, Foundation Capital, Empire Capital Partners and Palo Alto Investors. Its angel investors include prominent valley VCs Vinod Khosla and Burt McMurtry.

Rearden's cutting-edge technology also has been a lure for engineers. Its technical advisers include John Seely Brown, former chief scientist of Xerox; Sun Microsystem's Jon Bosak, dubbed "father of XML" programming language; Google engineering vice president Adam Bosworth and IAC's Chuck Geiger, former engineering honcho at eBay and PayPal.

Enlisting such minds reflects Rearden's ambition. But Grady, known for his salesmanship, is careful to emphasize the simplicity born of complex engineering. "We keep telling people we're not visionaries," Grady said. "We're very pragmatic."

Pragmatic enough that Rearden has created multiple revenue streams for the product, AMR's Richardson said, including fees, subscriptions and a small cut on certain transactions. Rearden, which declined to divulge revenues, may never be a familiar brand. That's preferable, Grady says, because the service functions behind such major brands as American Express and Chase. Under an exclusive one-year agreement, Chase is expected to deliver the Rearden service to mainstream consumers who hold Chase cards, Grady said. Busy soccer moms could use it to coordinate schedules and shop for gardeners and plumbers.

But corporate America is the first order of business. Advisory Board, an organization that researches and educates member hospitals and health care institutions about best practices, recently adopted Rearden.

"It's a one-stop shop for frequently used services that watches out for you," said Steve Mandelbaum, Advisory Board's director of information services. Hundreds of the organization's "road warriors" use it, he said. "It's a fantastic productivity tool."

Hank Rearden would be pleased.