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## SailPoint scores \$10M round

by Stacey Higginbotham Posted 06:04 EST, 19, Jan 2007

Former identity management entrepreneurs have formed their latest venture, **SailPoint Technologies Inc.**, raising \$10 million in second-round funding before its launch.

Mark McClain, Kevin Cunningham and Jackie Gilbert formed Austin, Texas-based SailPoint in December 2005. McClain and Cunningham were co-founders of Waveset Technologies Inc., which **Sun Microsystems Inc.** acquired in 2003 for \$136 million after raising \$30 million.

Many of the same investors from Waveset jumped on the opportunity to invest in the duo's next venture. Investors included **Lightspeed Venture Partners** in Menlo Park, Calif., and **Austin Ventures, Origin Partners** and **Silverton Partners**, all of Austin. These firms all participated in a \$4.5 million Series A round.

Cunningham, president of SailPoint, said the round represented more than a doubling of SailPoint's valuation, but did not elaborate.

The company is still in stealth mode, but Cunningham said its software will represent the third generation in identity management.

"Customers are looking at the next generation of problems around identity management and we're viewing it as the third generation," Cunningham said. "What we did at Tivoli Systems Inc. [which **IBM Corp.** acquired] was the first, Waveset was the second, and the third generation will be geared toward analysis and intelligence."

The company has already signed a few paying pilot customers, but will not disclose their names or what SailPoint is paid. So far, firms in the financial services industry are most interested in SailPoint's compliance software. The software will become generally available in March.

Ravi Mhatre, general partner at Lightspeed, committed to the team because their ability to sell enterprise software after the tech bubble popped was phenomenal.

"These guys were shining stars," Mhatre said. "The period where Waveset really began as a company was an extremely difficult environment in terms of the economy and inclination of large enterprises to buy anything, but it was amazing to see what the team accomplished."

"In some sense SailPoint is a continuation of the opportunity to sell into the enterprise identity management market which is a market that Waveset was somewhat of the father of when they began in 2000."

**Vinson & Elkins LLP** represented SailPoint and **Gunderson Dettmer** represented the Austin investors, while **DLA Piper** represented Lightspeed.

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