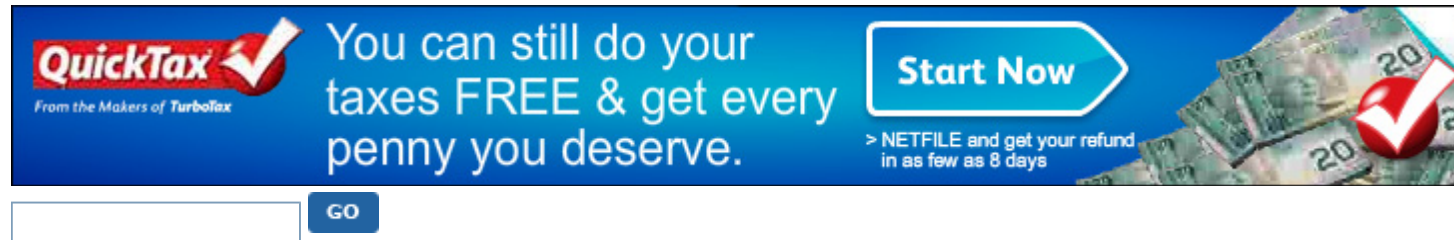



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## IT and the economy – Klocwork

by Steve Ragan - Jun 8 2009, 17:20

Like it or not, economics will pull the strings in any business and, like other department, IT is affected. The next session of The Tech Herald's look at IT and the economy involves Mike Laginski, CEO of Klocwork. Laginski took on all of the original questions, taking advantage of the extended deadline to the Q&A topic, and gave us some honest thoughts on what he sees.

Klocwork is a company that deals mainly with software development teams who, like it or not, have been told to do more with less. As Laginski explains, Klocwork is stepping up to the plate to help with that. In short, Klocwork assists software development businesses in writing stronger code.

The company offers a host of tools that analyze code looking for vulnerabilities, quality issues, and even architectural issues. Klocwork does this in one of two ways via Klocwork Insight and Klocwork Solo. Insight can analyze C, C++, C#, and Java, while Solo focuses on Java. However, Solo is missing various options as it deals with Java analysis alone, so the rounded offering comes from Insight based on product specs.

A sample of the types of problems detected by Klocwork's services can be found [here](#). Information on Insight and Solo can be viewed by clicking [here](#).

Moving forward, here is what Laginski had to say about IT and the economy.

**The Tech Herald (TTH):** Has the economy and fear concerning the economy impacted your business at all?

**Mike Laginski (ML):** Obviously, everyone has been affected by the economy in some way. Fortunately we have been impacted much less than others, having just closed a record Q1 09. Overall the business looks very healthy. I am not saying it is a cake walk by any stretch.

Times are very tough but our business is growing at a very healthy rate. If you look for the silver lining, downturns make everyone rethink all aspects of their business operations and strategy. We have made adjustments in our go to market strategies and the markets we are focusing on during this recession.

Our investors, top customers, and employees have been instrumental in helping us navigate the business through these challenging times. Key customers want to see you survive and prosper so they are very forthcoming on where they see your strengths and exposures and often are very open about sharing similar experiences from their earlier days and how they got through those challenges.

**TTH:** If it has, what are five initiatives you implemented to help manage the impact?

**ML:** Listen to your customers during the good times and really, *really* listen to your customers during the tough times – Ask questions, discuss their challenges, and find out their unique needs and ask how you can help address them. In many ways they know more about your solution than you do and that insight really highlights the true ROI of your products. Often in ways and areas you would not have thought.

*Educate your markets* – Help them understand how the productivity gains from source code analysis (SCA) can have a measurable, positive impact on their bottom line. People are legitimately worried but standing still is not an option. These days, fewer people is a given in virtually every development organization. SCA solutions can significantly close the productivity gap and risk management gaps in development organizations. Good SCA tools will provide incredible analysis and metrics on massively complex code bases that will save millions of dollars... and time. One of our larger customers said to us the other day, your application could be a “killer app” for us. That is huge for both us and our customers.

*Strive for success* – Motive your team; it is still important to remember that your team is what is helping the company meet its goals, even during tough times. People are watching their management teams closely to see if they are worried or if they are embracing the new reality with confidence

*Embrace the fact the world has changed* – Figure out how you are relevant to the new world order -this economy has introduced new pain and pressure points on everyone. Customer needs and priorities are often very fluid for what seems like long periods of time; make sure your products and your messages are relevant and relate to their specific needs. Communicate your value tirelessly and in plain speak.

*Listen, adapt, execute, evaluate, repeat* – Get creative. Don’t be afraid to adjust business or pricing models, or introduce new industry specific offerings. Business and innovation must continue even in a downturn.

**TTH:** If it has not, why? What are you doing to take advantage of this sudden fortune as others feel the heat?

**ML:** As mentioned, our business metrics and performance are still quite strong despite the downturn. Still, I wouldn’t call it fortune since many of our customers are going through tough times and it is still a difficult environment for everybody. Given that, we are taking advantage of this opportunity to make targeted, aggressive investments in R&D and other parts of our operations to ensure that we come out of the downturn stronger than before.

That means giving our own development team the resources they need to support our customers and research new technologies for our future. It also means targeted investments in our field, in particularly internationally where our customer and revenue base continues to grow at a very healthy rate. These sorts of investments ensure that when the economy does turn around we’ve got the right people, technology, structure, partnerships and customer relationships in place to grow even faster.



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IT and the economy – Klocwork CEO, Mike Laginski chimes in. (IMG: J.Anderson)

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**TTH:** Has the economy impacted your [vertical markets](#)?

**ML:** The economy has hit some of our verticals like a tsunami and others verticals as just a bad tropical storm. Traditional embedded markets and the military/aerospace sector are our strongest markets. The reality is good economy or bad economy, consumer devices need to work, military equipment needs to perform, chips need to function properly. The economy slowed down but the business risks and threats to these critical markets are still going strong and new threats arise continuously. We all take software and embedded systems for granted.

People expect them to work – all the time, every time. The average consumer does not realize the staggering cost of software failure in dollars and brand image to an embedded software company, until the news hits the wire and the press is on it 24/7. These devices just need to work, regardless of the economic conditions or perhaps, in particular in a down economy. Obviously, in safety critical software markets, the need to product reliable software is always there, regardless of macroeconomic conditions.

**TTH:** How are your customers looking at security or IT purchasing, and what are you doing to help them keep costs low while still offering what they are looking for?

**ML:** Our customers are the software development teams that are building the products that are core to a company's business. We deal directly with senior software engineering management who have all have been asked to do more with less this year – which unfortunately, often means fewer members of their development team

Practically speaking given the tough environment, we see two types of managers emerge in this situation – the first camp are the ones that put their head down and grind it out until the economy turns around, and the second group are those that decide to be bold and innovative. The natural inclination is to say the latter approach is too risky but in reality it is actually less risky, just more visible and more likely to be positively received by the company.

So what we tell this latter group of managers is that the development organizations best positioned to come out of this economic downturn stronger, are the ones with leaders that are focused on how to do things differently. Like every bubble, every downturn eventually ends, and as a development manager their focus needs to be on what you want the want their team to look like coming out of the downturn - heads down, battered and bruised but glad to be alive - or lean and mean supported by a finely automated development infrastructure that's ready to capitalize on new opportunities.

By focusing on new approaches and automation, they are helping their team feel they can get in front of the workload they have been presented with during these very challenging economic times. Frankly, I've been surprised at how well received this message has been – not everybody buys in since it depends on their company's culture, but the ones who do are customers we've been working with very closely.



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