

## VENDOR PROFILE

### Jetro Platforms Private Vendor Watchlist Profile: Citrix XenApp Alternative Expanding to Pursue SaaS Opportunities

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#### IDC OPINION

The need to reduce IT and desktop management costs continues to drive the growth of virtual user session (VUS) software. While Citrix continues to dominate the market, smaller companies are offering enhanced capabilities on top of Microsoft Terminal Services to make it an enterprise-level platform. One of these vendors is Jetro, which was founded to offer a cost-effective alternative to Citrix. The company has since extended its offering to provide secure Web browsing solutions, and it is now focused on developing comprehensive application delivery, management, and monitoring solutions for SaaS environments. We believe Jetro, which was acquired by the RDT Group in 2008, is a company to watch because:

- Jetro's new SaaS offering can help tackle the administrative burden of deploying and managing complex SaaS environments. Hence, it may appeal to various software vendors, large integrators, and service providers that are looking to become SaaS providers.
- The company provides a dedicated, secure Web browsing solution that enables users to perform all browsing activities without the risk of exposing the organization to malware, compromising sensitive data, or violating regulatory requirements.

#### IN THIS VENDOR PROFILE

This IDC Vendor Profile analyzes Jetro, a company playing in the virtual user session market, and reviews key success factors: market potential, technology/solution, corporate strategy, force multipliers, and customers. Leveraging IDC's expert understanding of the competitive landscape and future outlook, this document highlights company and market information tailored to the investment professional's needs.

#### SITUATION OVERVIEW

##### Company Overview

Jetro, based in Tel Aviv, Israel, plays in the virtual user session (VUS) software market. Company details are provided in Table 1.

Figure 1 shows the Watch Factor scores for Jetro versus the Watch Factor average scores for all companies ranked by the Private Vendor Watch Service in the applicable market at the time of publication. The sections that follow detail the reasons for those scores.

**TABLE 1**

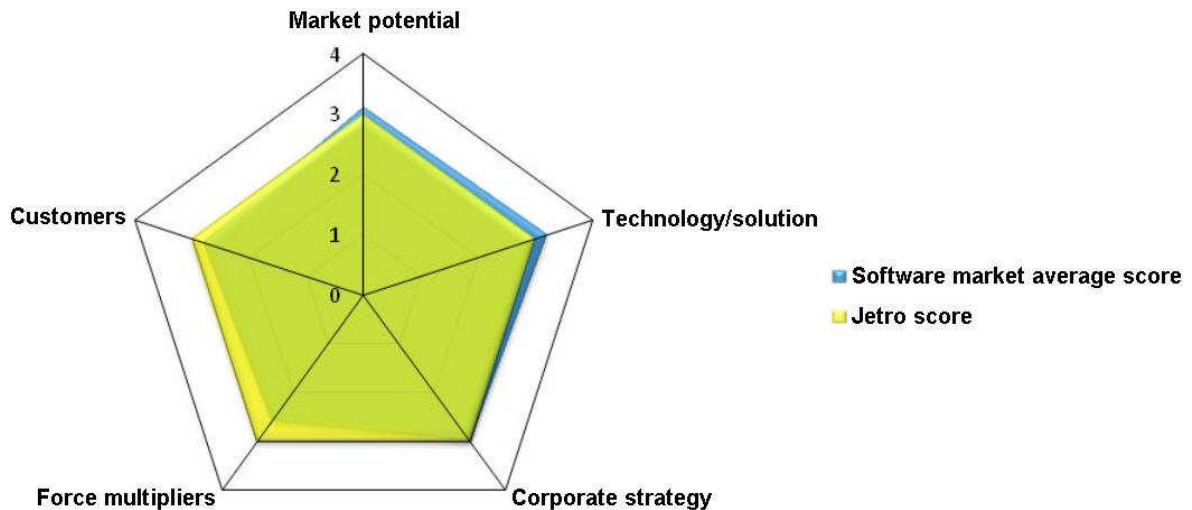
Jetro Company Snapshot

Category	Details
Functional and secondary markets	Virtual user session software
Founding year	2001
Number of employees	100
Number of customers	Over 600
Company location	Tel Aviv, Israel
Web site	<b><a href="http://www.jetroplatforms.com">www.jetroplatforms.com</a></b>
Funding initiatives	Not currently seeking
Investors	United States–based VCs, Israel Chief Scientist, and the RDT Group
Sales channels	Both indirect and direct
Revenue estimate	\$10 million to \$25 million

Source: IDC, 2010

**FIGURE 1**

Jetro Watch Factor Score Versus Watch Factor Average Score



Notes:

The Watch Factor average score reflects the average score for all private companies scored by the Private Vendor Watch Service at the time of publication.

Scores are based on a scale of 1–4, where 1 = weak and 4 = strong.

Source: IDC, 2010

**IDC Watch Factor Scores**

IDC Watch Factor scores measure private companies based on a set of five defined success factors. Each of the five key success factors is made up of detailed subquestions, which are assigned a value from 1 (weak) to 4 (strong). The average of the subcategories is then applied as the overall score for each category:

- ☒ **Market potential:** Market growth potential, strength of competition, and current stage of market (early adopters versus late majority)
- ☒ **Technology/solution:** Level of differentiation, disruptive capability, and scalability
- ☒ **Corporate strategy:** Go-to-market strategy, management pedigree, financial status (running on venture capital with insignificant revenue versus self-sustaining and not seeking additional rounds of funding)
- ☒ **Force multipliers:** Current partnerships/certifications, additional partnerships likely within the next two years, and channel/sales strategy
- ☒ **Customers:** Number of existing customers, quality of existing customer base, geographic reach, and size of addressable market in the next years given the vendor's current capabilities

## **Market Potential**

### **Market**

Jetro plays in the VUS software market. IDC defines this market as including software that runs on servers and creates multiple user sessions within an individual operating system, which can be interacted with by individual users simultaneously. Interaction with these virtual user sessions is performed through the use of a remote interaction protocol such as RDP or ICA. The VUS software market is estimated at \$1.8 billion in 2009 and is expected to reach \$2.5 billion in 2012.

### **Market Disruption**

Jetro now offers a new set of vertical-specific and dedicated product versions for secure Web browsing and SaaS deployments, which it plans to push into the market using its established partner base, as well as virtualization platform vendors (Microsoft, VMware, and potentially Citrix).

### **Competitive Landscape**

Jetro was originally founded to provide enhancement solutions to Microsoft Windows Terminal Services, providing a lightweight and less expensive alternative to Citrix XenApp. Other companies providing enhanced capabilities on top of VUS platforms include:

- Ericom
- 2x
- Provision Networks
- Propalms
- Thisworx

Many vendors offer different solutions for managing personalized user desktop environments on top of the different underlying connectivity technologies (including VUS and VDI/centralized virtual desktop). This category includes:

- Atlantis Computing
- RTO Software
- RES Software
- Transition
- Sepago
- triCerat
- visionapp

SlickAccess

AppSense

Script Start

Scense

Jetro's secure Web browsing solution can be considered to compete with other solutions based on allowing Web browsers or other untrusted applications to run in a virtual environment and thus prevent damage to the host device. This includes solutions from Citrix and various specialized players, such as:

Trustware

GreenBorder (acquired by Google)

Sandboxie

Artificial Dynamics

Fortres Grand Corporation

SoftSphere Technologies

Jetro's recent entry into the SaaS/cloud access management field may put it in potential competition with additional players in this space. This includes federated single sign-on players, which are aimed at reducing the complexity of managing user access to cloud/SaaS applications that reside outside the firewall, such as:

Symplified

Ping Identity

TriCipher

Conformity

OutProtect

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## **Technology / Solution**

### ***Jetro CloudMAX***

Jetro CloudMAX is aimed at addressing the challenges of building, managing, deploying, and maintaining multitenant SaaS/cloud environments. The product provides SaaS/cloud players with various tools, including server and application load balancing, delegated administration capabilities, account management, access management, monitoring and billing, and reporting capabilities, enabling a unified view of their environments.

### ***Jetro COCKPIT***

Jetro COCKPIT is a software solution for managing server-based computing (SBC) environments. Deployed as an add-on for Windows Terminal Services, COCKPIT provides an enterprise with complementary capabilities such as load-balancing centralized application delivery and secure remote application access. In addition, it enables users to print from centralized applications to local printers, thus saving network bandwidth and improving network performance. Jetro also recently added support for VDI to provide a delivery platform for heterogeneous virtualization environments. COCKPIT includes a client component that serves for authenticating users, initiating session requests, enabling data encryption, and other activities. Jetro also offers the option of using a USB key featuring the COCKPIT client to enable mobile users to securely log onto their desktop environment from any PC.

### ***Jetro COCKPIT2i***

Jetro's COCKPIT2i is a server-based virtual browser that browses the Web from the DMZ outside the corporate network. The product operates by enabling users to view a video virtualization of their requested Web content, thus preventing undetected and harmful code from traveling into and throughout the enterprise. This way, it allows corporate users to get full Internet access and perform all browsing activities without the risk of exposing the organization to viruses and other types of malware, compromising sensitive and private data, or violating regulatory requirements.

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## **Corporate Strategy**

### ***Leadership***

Giora Shaked is the CEO of Jetro. He joined Jetro in 2004. Prior to that, he founded and served as the president of WorkplaceIQ, which was acquired by Sittera in 2005. He also founded AppliCAD, and served as cofounder and chairman of GeoCAD (acquired by Omnitech), and Applink. Before that, he was VP of IT at Yissum Communications.

### ***Management Turnover***

Following its acquisition by the RDT Group, Jetro has appointed Israel Adir, RDT Group founder and chairman, as chairman of the board, and Tali Adir, RDT Group president and CEO, as a board member.

### ***Exit Strategy***

Over the past years, there has been a move by VUS vendors to expand into desktop virtualization, while virtualization players have been looking to obtain application delivery capabilities. This bidirectional move has been followed by M&A activity, with notable examples including Citrix's acquisition of XenSource and VMware's acquisition of Thinstall. In the future, specialized players such as Jetro may become acquisition targets for virtualization players that look to obtain complementary VUS capabilities. In addition, Jetro may have exit opportunities in the SaaS/cloud and Web security areas.

### **Key Acquisitions**

Jetro has made no acquisitions.

### **Current Investors**

Jetro raised less than \$10 million from United States-based VCs, Israel Chief Scientist, and the RDT Group for product development and global marketing and sales.

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## **Force Multipliers**

### **Partners**

- Microsoft
- IBM
- Dell
- Unisys
- HP
- Aladdin
- Sun
- Chip PC

### **Partnership Opportunities**

Jetro's SaaS offering may appeal to various software vendors that are looking to become SaaS providers, enabling them to create white label platforms. In addition, Jetro looks to offer its Web security solution as a white label platform to network security players.

### **Channel/Sales Strategy**

Jetro is primarily pursuing an indirect sales strategy through partnerships with distributors, VARs, and system integrators. In some cases, mainly in new regions or with new products, the company also uses direct sales.

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## **Customers**

### **Key Customers**

Jetro's key customers are Bayer, Coca-Cola, Motorola, Belgacom, UPS, Sixt, Deloitte (Europe), SKOK Financials (Poland), GKN (Germany), Visa, The Daily Express (the United Kingdom), Re-Car (China), Generali Insurance Group, Barrington Fund Management, G4s Security Europe, Ayalon Insurance, Israel Electric Company, TOTVS SAAS (Brazil), DALIM Construction (Korea), DTS (the Netherlands), Project

ASP (Italy), Bank of Israel, Wandsworth City Council (the United Kingdom), and others.

### ***Key Audiences***

Jetro typically sells to medium-sized and large organizations, with at least few hundreds of workstations (PCs or laptops) and with several or more physical locations across various vertical industries. While Jetro's customers are not industry specific, COCKPIT2i has been gaining traction, mainly in the financial services industry.

### ***Target Audiences***

With its SaaS offering, Jetro is now also targeting SaaS providers, hosting service providers and integrators in this space, as well as private clouds of large organizations.

### ***Geographic Reach***

Until recently, Jetro was mostly active in EMEA and certain countries in APAC and Latin America. Since last year, the company has been expanding into other geographies including North America, Russia, China, and Eastern Europe.

## **FUTURE OUTLOOK**

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### **Challenges and Opportunities**

#### ***Challenges***

Beyond Citrix, and to a lesser extent Microsoft, the VUS is highly fragmented. While this situation provides growth opportunities for relatively small players like Jetro, it would be difficult for anyone to take substantial market share from Citrix. Furthermore, Microsoft's latest Terminal Server 2008 version offers significantly improved capabilities compared with older versions. Although this version is still supporting single-server environments only, it may be a "good enough" solution for many customers (especially small businesses) and thus may impact the need for add-ons such as Jetro COCKPIT. In addition, VUS vendors are expected to face competitive pressure from emerging centralized virtual desktop solutions offering an alternative to VUS based on leveraging virtual servers to host individual desktop environments.

#### ***Opportunities***

Overall, the need to centralize applications in order to simplify the management and improve the security of client applications continues to be a strong driver for VUS solutions. Jetro's recent move to extend its product to include new capabilities such as secure browsing and SaaS support can help it bolster its positioning as a provider of comprehensive, cost-effective VUS solutions that can serve as an alternative to Citrix. By supporting new VDI technologies, and adding Microsoft Terminal Server 2008 and the upcoming RDP 7.0 to the COCKPIT engine, Jetro is in an improved position to compete with Citrix in the high-end market.

## ESSENTIAL GUIDANCE

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### Reason to Watch

Jetro's new SaaS offering can help tackle the administrative burden of deploying and managing complex SaaS environments. Hence, it may appeal to various software vendors and service providers that are looking to become SaaS providers.

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### Differentiators

While many companies provide similar capabilities to those provided by Jetro, the company's strength is in combining these functionalities in a single, integrated offering. The move into the SaaS management/enablement space can further differentiate Jetro from its traditional competition in the VUS market. In addition, Jetro's COCKPIT2i offers an alternative approach to Web security that is based on converting Web content to secure vide-like format instead of filtering for malicious or inappropriate content.

## LEARN MORE

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### Related Research

- ☒ *Worldwide Virtual User Session Software 2008–2012 Forecast* (IDC #215931, December 2008)
- ☒ *Worldwide Virtual User Session Software 2007 Vendor Shares* (IDC #215935, December 2008)

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