

## **SIIA Software Division News**

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## **U.S. Software Industry is Emerging From the Recession Stronger Than Ever, According to New SIIA/OPEXEngine Study**

*'2010 Software Benchmarking Industry Report' Shows Dramatically Improved Revenue & Profitability*

Washington, D.C. (September 1, 2010) The Software & Information Industry Association (SIIA), the principal trade association for the software and digital content industries, today released the 2010 Software Benchmarking Industry Report, which was developed in partnership with OPEXEngine, the leading aggregator of financial and operating benchmarks for small and mid-sized software companies. The comprehensive report surveyed firms with up to \$300 million in revenues and found that this segment of the software industry has effectively weathered the recession and stands poised for substantial growth in the year ahead.

"The SIIA report clearly demonstrates that small and midsized software companies have dramatically improved revenue, profitability and productivity since 2008. This is new and convincing evidence that the industry has both weathered the recession and positioned itself for continued growth," said Ken Wasch, president of SIIA. "In addition to being an appraisal of the industry, this report is a valuable resource for helping SIIA members, and the entire software industry, measure their performance and strengthen their operations."

### **Key findings from the 2010 Software Benchmarking Industry Report include:**

- Operating income averaged 8 percent in 2009 – up from negative 25 percent in 2008.
- On average, revenues grew by about 15 percent from 2008 to 2009.
- SaaS firms less than \$25M improved revenues by an average of 21 percent from 2008 to 2009.
- Almost 75 percent of software companies expect even stronger revenues in 2010.

"Since the recession, small and mid-sized software firms have focused on extensive expense and cash management, and now that revenue is improving, those decisions are really paying off," said Lauren Kelley, CEO of OPEXEngine. "High growth, early stage software companies still tend to be the least profitable, and spend the most on sales and marketing. However, we see renewed strength and improvement in each segment surveyed."

The 2010 Software Benchmarking Industry Report provides extensive financial and operating metrics for companies ranging from start-ups, to those with revenues of up to \$300 million. Benchmarks cover key financials, including detailed expense ratios, revenue and profit metrics, geographic break-outs, employee statistics, as well as customer and sales model comparisons. The report also looks specifically at Software as a Service (SaaS) vendors and breaks out all the benchmarks for smaller, private SaaS companies as well as for larger, typically public, SaaS companies. The 2010 report is the fourth annual benchmarking of the software industry conducted by OPEXEngine, and contains both historical data and trend analysis based on previous reports.

The 2010 Software Benchmarking Industry Report is available for purchase through the [SIIA website](#).

**About SIIA**

The Software & Information Industry Association (SIIA) is the principal trade association for the software and digital content industry. SIIA provides global services in government relations, business development, corporate education and intellectual property protection to more than 500 leading software and information companies. For further information, visit [www.sii.net](http://www.sii.net).

**About OPEXEngine**

OPEXEngine develops comprehensive operating benchmarks for technology companies that enable them to manage and plan their businesses more efficiently. By conducting confidential surveys of operating data as well as analysis of public data, we document trends in detailed financial, and business model metrics, and deliver detailed assessments of a company's performance against peers in its industry. To learn more, visit [www.opexengine.com](http://www.opexengine.com).

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