

## News Journal

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### **Bug-hunters at ground zero**

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Basement-based software testing firm is quickly gaining a global outreach

By SETH AGULNICK Staff reporter

Their offices look more like World War II bunkers than the workspace for a high-tech software company.

Despite their surroundings in the cramped basement of a Trolley Square apartment building, executives say they have found a comfortable niche in the growing world of software testing.

Class Integrated Quality Inc., which turned a profit for the first time last year with sales of \$700,000, makes tools that let programmers test new software as it's being developed, rather than after it's completed.

For major companies trying to develop complex, large-scale computer programs, finding bugs early can save time, money and even jobs, said Class I.Q. President Joe Burns.

"When projects fail, people get fired," Burns said. "That's what we're trying to do - find defects and reduce risk."

As more companies move to the Internet to promote themselves or sell their products, the market for quick, reliable testing tools is expanding.

The global market for automated software quality tools reached \$931 million in 1999, a 23.6 percent increase over 1998, according to International Data Corp. The market is expected to grow to more than \$2.6 billion by 2004, IDC said.

With such money at stake, numerous companies are vying for a chunk of the profits. The most successful to date has been Mercury Interactive of Sunnyvale, Calif.

With 1999 sales of \$188 million, Mercury is considered a leader in testing programs for Internet application.

But Mercury's focus has been on system-level testing - probing for software bugs at or near the final stages of a program's development.

That's like waiting to check the foundation of a skyscraper until after the top floor is built, Class I.Q. executives said.

Burns believes his company has no direct competition in component testing for large-scale programs.

And he isn't the only one who thinks Class I.Q. has potential.

The company was showcased last month at a venture capital fair in Wilmington called Early Stage East. Only 25 of 250 companies that wanted to make presentations to would-be investors were selected to do so.

"Venture fairs want to put the best of the breed out there, so selection is very hard," said David J. Freschman, chief executive of the Delaware Innovation Fund, a Wilmington investment firm. "The odds of getting funding are dramatically increased [by presenting at such a fair]."

Class I.Q. started with \$500,000 in financing from "friends and family," according to Burns. But through contacts the company made at Early Stage East, Burns is confident Class I.Q. is on the verge of getting the \$1.5 million in venture capital it is seeking.

If the seven-person company gets the money, one of its first moves will be out of the basement of The Plaza, a Delaware Avenue apartment complex it has called home since early last year.

"When investors come to see us, they appreciate we're trying to save money," Burns said of Class I.Q.'s modest set-up in Wilmington.

Burns, who grew up in Delaware and graduated from the University of Delaware, started the company with a former co-worker in 1996.

Class I.Q. turned a profit for the first time last year, and Burns expects it to post sales of about \$1.4 million in 2000.

Among the company's initial clients was the United Kingdom's Ministry of Defence. Officials there are using Class I.Q.'s technology to test new systems - everything from payroll to postage - as they replace programs that are 20 to 30 years old, Burns said.

"They said 'no' to me 19 times before I finally got the contract," he said.

Another major client is the Dutch banking and insurance company SNS Reall Group, which has been using Class I.Q.'s testing tools since 1998.

Class I.Q. has billed SNS Reall for about \$230,000 to date.

"[The tools] enable us to track down errors or possible problems before the application is actually running," said Corne Dekker, an application programmer for SNS Reall. "The alternative is to write testing code yourself. That would cost too much effort and time."

Observers of the software industry say testing tools like those offered by Class I.Q. are gaining in value.

"Fortune 500 companies are putting more of their dollars into the Internet and software-based [ventures]," said Michael Davis, systems manager for the Electrical Engineering and Computer Sciences Lab at the University of Delaware.

"Before, programmers thought testing was important, but management may not have."

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Photo Captions: 2

The News Journal/WILLIAM BRETZGER

Joe Burns, president of Class Integrated Quality Inc. , looks over the charts detailing project progress at the Wilmington-based company. Class I.Q. helps other companies test their software applications. "When projects fail, people get fired," Burns said. "That's what we're trying to do - find defects and reduce risk."

Class I.Q. employee Dustin Williams works in the spartan offices of the firm, whose clients include Fortune 500 companies.

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