

PRIVATE EQUITY IN ACTION - CASE STUDY

Open-Xchange



Country	Germany
Region	Bayern
Investor	BayBG, eCAPITAL, Hermann-Josef Lamberti, United Internet and others

Open-Xchange started out in 2005 with an idea to create a real alternative to Microsoft Exchange, the US giant's web-based email software application. Thanks to venture capital backing from BayBG, eCAPITAL, Hermann-Josef Lamberti, United Internet and others, Open-Xchange developed a web-based package that goes beyond email to incorporate documents, diary and social media that can be used on smart phones or tablets. Fully utilising the scope of its board mandates, eCAPITAL has regularly acted as a thought leader and moderator in discussions to design product and sales strategy as well as exit road maps. The result is that today Nuremberg-based Open-Xchange reaches 200 million users and has offices across Europe, and in Japan, Australia and the US.

200
million users worldwide

>250
staff, up from 50

What did the business need?

- Support to expand into Asian markets
- Investment in software development
- Accelerated international sales growth

How did venture capital backing create lasting value?

- Helped management design a market-ready product strategy and guided implementation
- Assisted with acquisitions of other technology companies to fast-track development
- Expanded management board with highly skilled personnel
- Improved software quality and reduced customer complaints
- Gave board-level support in M&A initiatives and negotiations with strategic investor



The entrepreneurial approach of eCAPITAL has been evident in our close interaction. The term 'Smart Money' is often used but really applies in this case.

RAFAEL LAGUNA
CEO
Open-Xchange

What outcomes did venture capital investment achieve?

- Established a market leader in email services
- Strengthened revenues from existing customers
- Increased revenues by 45% a year
- Reduced customer complaints by 40%
- Reached 200 million users worldwide
- Acknowledged as fastest-growing IT company in Germany with “Technology Fast 50 Award”



More information

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