

## Unlock Your Leadership Potential

with the #1 Ranked Executive MBA Program in New England  
Information Session August 16 at 9:00 a.m. [www.bu.edu/emba/session](http://www.bu.edu/emba/session)


Boston University School of Management



Friday, June 13, 2008

# Safecore finds regulatory focus a winning model

By Christopher Calnan

### Related News

[Perimeter eSecurity picks up Arizona's Edgeos](#) [June 11, 2008]

[Microdesk picks up California firm CVIS](#) [July 22, 2008]

[OutStart buys education tools maker Eedo Knowledgeware](#) [July 22, 2008]

[Visual effects software maker GenArts appoints Katherine Hays to CEO](#) [July 18, 2008]

[EMC puts \\$70k toward astronomical observation access](#) [July 18, 2008]

A little more than a year after [Safecore Inc.](#) switched from the data center business to managed services, the Burlington-based company has doubled its number of employees and introduced its second regulatory management application, this one focused on needs of the financial world.

Last month, Safecore launched a virtual data room product designed for customers to share proprietary information. The application is expected to be sold mostly to investment bankers, hedge fund operators and venture capitalists, CEO [Stephen Catanzano](#) said. "We're taking all the due diligence and virtualizing it," he said.

The new application is another step in Safecore's model of focusing on serving the regulatory needs of its clients around the world.

In 2007, the company sold its 25,000-square-foot data center in Medford to Pennsylvania-based [Expedient Communications Inc.](#) for an undisclosed amount. Safecore, which launched as a consulting service in 2000, had acquired the data center in 2002 from Colo.com, a California-based company.

The data center sale enabled Safecore to shift its business model to managed services, including its first regulatory management application, an e-mail archiving service that launched in 2004. The

shift in focus enabled the company to expand with the addition of more international customers, Catanzano said.

"It's really paid off," he said. "It's just allowed us to grow on a global scale at this stage."

About 10 percent of Safecore's customers are now based outside the United States, and the new business is fueling growth. The company doubled its staff, now employing 18 workers compared with nine a year ago.

Catanzano declined to disclose the company's annual revenue, but said Safecore, which has garnered a \$3.5 million investment from a syndicate of angel investors, is operating with a positive cash flow.

The size of the e-mail archiving market is projected to quadruple from 2007 to 2010 — from \$1.3 billion to more than \$6 billion, according to the [Radicati Group Inc.](#), a California-based research firm specializing in the messaging market. Developers of virtual data room technologies include Milford, Conn.-based [Perimeter eSecurity](#), Minnesota-based [Merrill Corp.](#) and Canada-based [Firmex Inc.](#)

Investor Paul O'Brien, former CEO of New England Telephone and founder of Boston-based telecommunications and consulting firm the O'Brien Group Inc., expects Safecore's software products to attract larger customers for the company's overall business during the next 18 months to 24 months.

### Most Popular Stories

- Vivox and NCsoft add voice to gaming
- 'Multishoring' alleviates 2nd year offshoring costs
- Cedar Point picks Excel's Murphy as new CEO
- Wood pellet market heats up as oil prices soar
- Targanta asks for EU approval of new antibiotic
- Hologic plans \$580M buyout of Third Wave Technologies
- Mass High Tech celebrates 2008 Women to Watch
- OpenAir selling to California firm NetSuite for \$26M
- Clean tech focus pulls Point Carbon into Boston office
- Stata, Chatter-backed NeoSaej launches first product, MoneyAisle.com

### Stay Informed

Check which newsletter you'd like to receive.

<input type="checkbox"/>	TechFlash (Daily)
<input type="checkbox"/>	FinanceFlash (Daily)
<input type="checkbox"/>	BioFlash (Daily)
<input type="checkbox"/>	Breaking news, MHT events, local announcements
<input type="checkbox"/>	RSS feeds

Your email:

Affiliate publications: [ACBJ.com](#), [Boston Business Journal](#), [Bizjournals.com](#), [Portfolio.com](#), [Wired.com](#)

The O'Brien Group typically invests in telecommunications but the firm has taken a 15 percent to 20 percent stake in Safecore, largely because its business model fills a need for regulatory compliance, O'Brien said.

### Comments

Please [Login/Register](#) to post comments.

////////////////////////////////////

No comments have been added or approved.

////////////////////////////////////

Use of, registration on, this site constitutes acceptance of our [User Agreement](#). Please read our [Privacy Policy](#) (updated) A publishing partner with Portfolio