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DELTEK ACQUIRES WIND2 AS APPLICATION INDUSTRY CONSOLIDATION CONTINUES

By Laurie Sullivan

Move expands Deltek's customer base with small engineering and architecture firms.

Resource-management software maker Deltek Systems Inc. has acquired its closest competitor, Wind2 Software Inc., for an undisclosed price. Both companies provide applications to architecture and engineering companies, IT services firms, government contractors, and consultants.

The acquisition adds 3,000 customers—including Custom Research, Apex Environmental, and MCW Consultants—to Deltek's existing client base of 8,000, and about \$10 million in annual revenue, says Kevin Parker, Deltek's president and CEO. "Seven of the 10 largest architectural firms worldwide are Deltek customers," he says.

Deltek has traditionally targeted companies with 100 or more employees. The Wind2 acquisition is Deltek's opportunity to expand its sales to smaller companies with about 50 or fewer employees, a much larger market base worldwide, and build on its approximate 60% share of the architectural-engineering market in the United States, Parker says. Deltek will honor support commitments already in place for the Wind2 product

line, many of which are for between five and seven years.

Deltek plans to retain the 85 Wind2 employees from five locations: Fort Collins, Colo., and four branch offices throughout the United States and Canada. The acquisition will bring the total number of Deltek staffers to more than 800 at 12 locations throughout the world. In addition, Wind2 will also bring eight new business partners to the Deltek channel network.

It's not the first acquisition for Deltek, which was founded in 1983. But it is the first since Parker, former PeopleSoft co-president and CFO, took the helm as Deltek CEO in June after Oracle's \$10.3 billion takeover of PeopleSoft in January.

Deltek has human-resource management, time-collection, bill-of-materials, procurement, project-management, materials-management, and other standard enterprise-resource-planning applications designed for project-oriented businesses.