

# AnyPresence and Citrix make a promising duo in enterprise mobile applications

**Analyst:** Chris Marsh

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In October 2014, Citrix announced a strategic investment in AnyPresence, a mobile-application platform vendor. This came amidst a flurry of other activity around enabling enterprise mobile apps. In September, Kinvey raised \$10.8m in series B funding, just after Red Hat announced it would acquire FeedHenry. In October, Capriza raised \$27m in a series C, salesforce.com announced its Lightning architecture for mobile apps, Oracle issued a slew of mobile apps around its E-Business Suite, Google purchased Firebase, and Progress Software purchased Telerik.

None of these events in and of themselves were groundbreaking. But together they point to how strategic the marketplace of enterprise mobile-app enablement solutions is becoming. The M&A activity in particular is noteworthy – 2014 was a bumper year with \$35bn worth of mobile M&A activity, a 170% increase over the previous year.

In this context, Citrix's investment in AnyPresence flew a little below the radar. The two companies could, however, make compelling partners or, potentially, AnyPresence a compelling acquisition for Citrix. A partnership would bring together critical pieces to help firms become more mobile-mature, and strengthen Citrix's armory as its large enterprise-software peers tool up to win over the mobilizing enterprise.

## The 451 Take

AnyPresence has made steady progress among the pack of enterprise-focused, back-end-as-a-service (BaaS) vendors that has emerged over the past five years. BaaS is one of those technologies that has gained more mindshare than its market traction merits, and this shows in the relatively modest absolute growth of most BaaS vendors. But it still has

obvious appeal and advantage over many traditional approaches to providing back-end infrastructure and integration for mobile applications. Adoption has been limited by enterprises focusing too strongly on security rather than apps enablement when they look at mobility. BaaS vendors have also had difficulty providing the right range of onboarding ramps for companies at different stages of their mobile journey. Vendors need to appeal to lower-hanging fruit more than they typically have to create a broader base of adoption, and plan for growing consolidation. Larger service providers are showing an acquisitive appetite, and preparing to pitch entire mobile portfolios to the enterprise market. AnyPresence has a difficult juggling act, but its eye is on the ball with these market dynamics – with strong product synergies between AnyPresence and its recent investor partner Citrix, it is positioning to address this.

## **Context**

AnyPresence was founded in 2011, and is headquartered in Reston, Virginia. It has about 50 employees. It is one of a number of BaaS vendors that emerged over the past five years to help companies develop new apps or simply connect existing ones to legacy enterprise systems and a range of application infrastructure services.

It has raised approximately \$13.5m in total funding, with a recent B series round of \$6m led by CNF Investments, including a strategic investment from Citrix, which is also an AnyPresence customer. Other funders include Kinetic Ventures and Grotech Ventures. As a private company, it does not publicly report its revenue, but we estimate it to be between \$5m and \$10m annually.

## **Products**

In its multitenant Designer service, AnyPresence provides template UI starter kits and SDKs for developers to object model their app design and business logic. Customers can also integrate with Xamarin and Adobe PhoneGap for the front-end work. They can integrate their apps with enterprise systems from the likes of Oracle, SAP, Amazon and salesforce.com through a series of direct connectors, through existing standard SOAP, REST and OData connections, or by custom-creating a new one. A range of mobile services such as push notifications, SMS messaging and interactive voice response (both leveraging Twilio's services) and storage can also be integrated. Once an app is created, the source is generated and the app published to a dedicated back-end server in a private or public cloud, or on-premises.

Although these core services are similar to many of the other business-focused BaaS vendors, AnyPresence's architecture is a little different in that it decouples its design and runtime services. This means that the full runtime application-stack source code can be stored in a repository and ported elsewhere if the customer decides to move off the platform. AnyPresence also leveraged this split architecture to OEM its Designer as an API service to customers wanting to use it as the infrastructure within their own internal developer portals, for example.

In its breadth of functionality and architecture, AnyPresence is competitive with other leading BaaS vendors. One of the challenges almost all vendors face is how to encourage businesses to adopt in an immature market. Even with the more easily consumable services and flexible architectures of BaaS, there is still too much complexity for some businesses to allow enough activity by existing human resources to pay back on the initial investment.

BaaS certainly represents a more developer- and deployment-friendly technical model than the previous-generation mobile enterprise application platforms, and has some advantages over what can be heavy, full-blown API management infrastructures. But BaaS is still only somewhat more lifecycle friendly – it's a nut that everyone is struggling to crack.

Mobile is fundamentally altering the way project owners, designers, developers, testers, IT and business-analyst stakeholders need to collaborate across the pre- and post-production lifecycle. Companies need to ensure that an app can be deployed quickly enough and be iterated easily enough to grow users' engagement. Much of this comes down to how you enable these parties to collaborate with one another. This is where several of the BaaS leading pack have focused their efforts in the past 18 months, to try and make their platforms more seamless and embedded across these workflows. Kinvey's Digital Lifecycle Management, FeedHenry's model for team and role-based development, KidoZen's Mobile Operations Management services, and Kony's Visualization Cloud are recent examples.

But for many companies, even large ones, that are still immature in their thinking and organization around mobility, an even lower onboarding ramp is needed. BaaS vendors need to figure out how to go broader across the total addressable market to gain wider adoption for more upsell opportunity. Because most BaaS vendors are relatively small (the majority of company revenues are significantly less than \$20m), they have two options – one, create new products or product versions to address lower-hanging fruit or existing use cases at a cheaper price, and two, pursue partnerships that open up a larger customer footprint for the cross-sell and upsell opportunity later on.

## **Business model**

AnyPresence currently goes to market in three ways. First, it has an inside sales team prospecting, following up on leads and conducting outbound calling to build the funnel for their direct sales reps.

Second, it partners with large systems integrators like Cognizant and GlobalLogic, and with smaller more industry-focused boutique agencies like Acentia. In January 2015, it launched AnyPresence University – a training and certification program to train these kinds of consultant partners to sell and implement the platform. The larger of these partnerships are nonexclusive, with SIs like Cognizant, and typically having an agnostic policy of working with other vendors, partnering with some of AnyPresence's competition.

Third, AnyPresence has technology partners like Citrix. The partnership with Citrix will focus on moving enterprise IT beyond device management to become an enabler of mobile-app development and deployment via AnyPresence's MBaaS platform and Citrix XenMobile. AnyPresence's current pricing model is an annual subscription for Designer, providing unlimited prototyping and app building, and including development but not production hosting.

The typical subscription value is between \$100,000 and \$250,000. The traditional model for BaaS was based on usage – a combination of API calls and data storage. But this, while favorable in terms of transparency, fell out of favor because companies did not want to have to forecast and anticipate how much their apps would be used, and therefore cost.

For AnyPresence, the partnership with Citrix could be a boon. It has been a Citrix Worx partner since 2013, but the strategic investment and closer cooperation opens it up to Citrix's considerable enterprise footprint. By supporting Citrix XenMobile for mobility management, and Xamarin and Phonegap for greater choices on the front end, it also further reduces the friction for customers and prospects as they think through their mobile deployments.

For Citrix, the partnership may offer some real opportunities. It has done a good job of mapping out the mobility journey for enterprises, from supporting BYOD to enable quick productivity through XenMobile and its Worx apps. It also has its desktop and application-virtualization capabilities, although neither allows it to address the promising market of custom mobile-application development.

With AnyPresence, it can deliver on this next stage, allowing companies to securely connect their business systems in custom mobile applications leveraging AnyPresence's build and connect

capabilities. In concert, the two could potentially leverage mutual SI partnerships, and build out new technology to on-ramp a wider swathe of companies, depending on where they are in their specific mobile journey.

## **Customers**

The vendor has fewer than 50 customers running a reported average of three mobile apps per customer. Although it has a relatively small customer base, AnyPresence can point to some large enterprise customers, including MasterCard, which uses it for its internal development community, and Schneider Electric, which uses AnyPresence as the website and native-app infrastructure behind its global-distributor product catalog.

Other customers include Jabil, Miami Children's Hospital, Petco, Acentia, and USA Today/Gannett. Approximately half of the apps deployed using AnyPresence are for B2C scenarios, a third B2E, and the remainder B2B. About three-quarters of deployments have been on phones, just less than one-fifth for tablets, and about 10% for the Web.

## **Competition**

AnyPresence was one of several BaaS vendors to have emerged over the past five years. These included Stackmob (acquired, then unceremoniously dumped, by PayPal), Parse (now part of Facebook), KidoZen, Kinvey, FeedHenry, Firebase (now Google) and Built.io. In addition, API infrastructures from vendors like DreamFactory Software and StrongLoop have emerged over the past few years as mobile-focused and lighter-weight counterpoints to full-blown API management platforms from vendors like Layer 7 Technologies (CA Technologies), Apigee and Apiphany (Microsoft), which are also competition, albeit offering a different approach.

The wider competitive landscape for AnyPresence includes independent mobile-application platforms like Kony and Verivo Software, which have their own variations on a BaaS capability, and platforms like Mendix and OutSystems, which started out offering Web-application development tools and have since built on mobile capabilities. There has also been an explosion of other 'code free' platforms from the likes of appsFreedom, CAIL Mobile Solutions, Catavolt, Mobile Labs, MobileSmith and Modo Labs, alongside literally hundreds of others. Some BPM vendors like Appian, Pegasystems and Progress Software also have their own mobile capabilities.

The larger enterprise-software vendors are all jostling to carve out their space in the market for mobile-application platforms. IBM with its Worklight and Bluemix PaaS, SAP and its Mobility Platform 3.0, salesforce.com with its Salesforce1 platform underpinned by the new componentized Lightning

architecture, Amazon Web Services with its Mobile Services, Oracle's Mobile Application Framework, Cisco's Enterprise Mobility Services Platform, and renewed focus from Microsoft will put pressure on any smaller vendors without sufficient partner and channel capabilities.

While more marginal in competition, mobile virtualization vendors like Capriza, PowWow, Reddo Mobility and StarMobile, responsive platforms like Moovweb and Trilibis, and enterprise virtual assistants like Openstream are also catering to the business appetite to mobilize current assets, processes and workflows. Although both partners of AnyPresence, Xamarin and Adobe will likely start to provide competition. They're still really development toolsets, but each has shown over the past 12 months the intent to move up-stack and develop greater integrated platform capabilities.

## **SWOT Analysis**

### **Strengths**

AnyPresence has a strong BaaS platform with differentiated architecture, some large flagship enterprise customers and an important partner in Citrix.

### **Opportunities**

It can explore technology integrations, and go-to-market and joint product innovation, with Citrix to prove the partnership's benefits and pave the way for a possible acquisition.

### **Weaknesses**

It's still too expensive for many companies struggling to find their footing and define their mobile strategy.

### **Threats**

It will face growing competition from all manner of angles, especially from large vendors consolidating their mobile platform offerings that have the money and customer depth to provide a range of onboarding options.

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