COMPANIES UK

Transitive makes its mark in Silicon Valley

William Hall reports on a Manchester University spin-off company that has solved the biggest problems faced by computer manufacturers – letting binary and code run on any platform

Transitive, a small computer software spin-out from Manchester University, has begun to attract the smart money in California's Silicon Valley after developing a solution to one of the computer world's thorniest problems – the inability to run the same software applications on more than one type of computer.

Last week Transitive emerged as a key behind-the-scenes contributor in Apple's high-profile decision to switch from using IBM to Intel computer chips.

The move, announced at Apple's worldwide developer conference in San Francisco, led to speculation that it is the first step in a long-term plan to develop computer systems that can run software developed for both Apple's operating systems and Microsoft's.

Steve Jobs, Apple's co-founder and chief executive, let slip that its Rosetta software, which will allow existing computer programmes to run on its new Intel-based computers, was based partly on technology developed by Transitive's Manchester-based software engineers.

Transitive, whose latest accounts show 2003 revenues of $5.2m (£2.84m) and pre-tax losses of $1.8m, already works with six out of the world's top eight computer manufacturers. But strict confidentiality obligations prevent it from discussing these relationships

"Steve was nice enough to acknowledge his company's relationship with us, and that is fantastic", says Bob Wiederhold, Transitive's chief executive. "But unfortunately we cannot say anything else about our relationship, other than that it is long-standing".

Transitive, founded in 2000 by Alasdair Rawsthorne, 52, a lecturer in computer science at Manchester University, has delivered what could be one of the biggest computer breakthroughs in years. Not since Manchester University scientists built the first stored programme computer in 1948, has there been such a buzz among the city's computer boffins.

Transitive has developed a software solution, known as QuickTransit, which allows software applications compiled for one computer platform to run on any other without the need for time-consuming source code, or binary changes.

One of the biggest problems that has dogged the computer industry for years is the fact that software is tied to a particular computer processor.

This has discouraged companies, and individuals, from upgrading their computer systems because the software programmes only run effectively on the old systems.

Transitive has won industry awards for its technology, and been ranked as one of the UK's fastest-growing high-technology companies. But until now has only publicly announced one big customer.

> 'This company would not be where it is today if it had not had an international focus from day one'

Last month Silicon Graphics Inc (SGI), a leader in computer visualisation techniques, began shipping Transitive's QuickTransit as a standard component on its new Prism platform. Any computer application running on SGI's old Irix operating system and Mips processor, can now run on SGI's new Prism system without any loss of performance or speed.

Although Mr Rawsthorne and 55 staff (mostly software engineers) remain based in a nondescript office block next to Manchester's Deansgate, Transitive has put down strong roots in Silicon Valley, where it has a 10-strong headquarters at Los Gatos, south of San José.

Mr Wiederhold is based there, as are Nick White, finance director, and Steven Mih, marketing chief.

Mr Wiederhold has been involved in a number of high-technology start-ups and is a former Entrepreneur in Residence at Benchmark Capital, a leading venture capital firm in Silicon Valley. Peter van Cuylenburg, a former chief executive of Mercury Communications and chief operating officer of NeXT Computer, is Transitive's chairman.

Transitive has raised $24.5m through three rounds of financing, mostly from US venture capitalists such as Pond Venture Partners and Crescendo Ventures.

Mr Wiederhold is particularly proud that Transitive's last financing round was led by Accel Partners, one of Silicon Valley's leading venture capital firms, which manages $3bn of funds and counts companies such as Macromedia among its success stories.

However, Richard Young of Manchester Technology Fund (MTF), one of Transitive's founder investors, dismisses suggestions that Transitive is just another example of a world-beating UK university research idea whose commercial benefits are now being exploited by US investors.

"This company would not be where it is today if it had not had an international focus from day one," says Mr Young.

Moving its headquarters to Silicon Valley, recruiting a chief executive with a strong US high-technology industry background, and bringing in leading US venture capital firms, have been critical to Transitive's success.

"It was very clear from the start that Transitive had to have a presence next to its customers and a chief executive who was based there", says Mr Young.

"It is a very exciting company whose technology breaks the hardware/software dependency," he added.

Transitive's ambition is to allow any software to run on any hardware without sacrificing speed and performance. "To do that our software would need to be in virtually every computer in the world, and ultimately that is our goal," says Mr Wiederhold.

If Transitive lives up to its promoters' big ambitions then it could generate a "very significant windfall" for Manchester University, which failed to benefit from its scientists' invention of the first modern computer more than 50 years ago.

But what Manchester University is really excited about, says Mr Young, is that its computer research is "being talked about across the world as being really clever".

For Mr Young that is worth far more in terms of boosting the university's international research credibility, and aiding student and staff recruitment.