

Another Australian company sold on Austin

Software company moving here to take advantage of worker experience, lower real estate prices

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Austin has lured another Aussie software maker.

Sydney-based Interspire, which sells e-commerce, e-mail marketing and content management software, is putting its North American headquarters here and is hiring sales, marketing and technical support workers.

"At first, San Francisco seemed like the obvious choice, but once we started hearing about Austin and what it had to offer as far as talent and real estate, it was clear this is where we should be," said Interspire CEO Eddie Machaalani, who will be here until July getting operations off the ground.

In March, Red Oxygen, based in Brisbane, Australia, also picked Austin over San Francisco as the site of its North American hub. CEO Thom Sheahan said he chose Austin in the end because of its information technology base, its entrepreneurial environment and its lower cost of living.

Eight-year-old Red Oxygen, which sells text-messaging software to large companies including Microsoft Corp. and Panasonic Corp., is hiring sales and customer support here.

Austin business leaders say they're seeing an increase in interest from companies interested in moving to or expanding in Austin.

Michelle Johnson, economic development manager for the Greater Austin Chamber of Commerce, said the majority of prospects are based in California and are seeking a lower-cost business environment.

"We're a lot cheaper than California, and that is a big draw right now," Johnson said.

Last week, for example, motherboard maker Corvalent Corp. officially opened its new Cedar Park headquarters and manufacturing center. The company had been based in Silicon Valley for 16 years, but CEO Ed Trevis said Central Texas has pluses such as a strong talent base and lower housing costs.

The company has about 20 employees now and plans to add about 30 more within the next two years.

This year, the chamber has had 65 prospect visits from the West Coast and elsewhere, including 24 in March and 14 in April.

Interspire was founded in 2003, after Machaalani began looking for content-management software for a Web design company he was starting and couldn't find anything that suited his needs. He built his own solution and then met Mitchell Harper, who also had created a Web content software. Together they launched Interspire.

The company, which has raised no outside funding, expects to have revenue of \$8 million in 2009, up from \$4 million in 2008, and is profitable, Machaalani said.

Its software is used by 35,000 companies, most of them small and midsized. Among them is SatPhoneCity, a Canadian company that sells satellite communications equipment and used Interspire to build and manage its e-commerce Web site.

"I'm a nontechie, so I needed something that was easy to use, as well as affordable," said SatPhoneCity founder Chris Hallam. "I paid under \$500 for the software and was able to get the whole thing up and running on my own."

Interspire, which has 35 employees worldwide, has four employees at its new offices on North MoPac Boulevard (Loop 1) and is hiring 20 more, Machaalani said.

The recruiting experience has been far different in Austin than in Sydney, he said.

"In Sydney, it's very hard to find people in the high-tech space, and here I have found excellent talent just by getting on LinkedIn," he said. "We're getting résumés from really experienced people from places like Dell and Postini. I'm interviewing executives who were at Dell for 10 years.

"That's amazing for us" he said. "And it's a really great way to build our company."

Courtesy of JB Goodwin