

## First-year Manzama thriving Legal software firm exceeds expectation

By Tim Doran / *The Bulletin*

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If conventional business models say high-tech companies will spend their first year struggling to define their products and attract customers, then Bend-based Manzama is bucking convention.

Since its official launch in January, Manzama's founders say they have signed up 25 law firms for the company's Web-based social media search service called the Listening Platform. The service gleans information for the legal community from Facebook, Twitter, blogs, RSS feeds, press releases and other sites to track trends and issues to bring in new clients and help support existing clients. About half of those clients show up on the National Law Journal's list of the nation's 250 largest law firms.

Manzama's founders, Peter Ozolin and Mark Hinkle, said they plan to enhance the software to reach additional lawyers, especially those at smaller law firms. They also said they raised 80 percent of their capital investment goal for the improvements to their product by mid-May, but declined to give specifics on the size of that capital amount. And earlier this month, they added two new board members, who are prominent in the legal software and venture capital sectors, respectively.

"They're in the stratosphere," Roger Lee, executive director of Economic Development of Central Oregon, said of the company that was started just a year ago. "All these things are certainly strong markers for investors."

Anyone who has ever used a Google alert or RSS reader to monitor a topic, person or company will appreciate Manzama's Listening Platform.

Google alerts, RSS readers and other methods of research, while useful, can consume time like a black hole and generate volumes of information, much of it useless. For example, a Google alert created for Bend, Ore., may also return information about South Bend, Ind.

Manzama's software, however, finds the information, gathers it, analyzes and filters it based on user profiles. Then it ranks the information, which can be gathered for individual lawyers, groups of lawyers or the entire firm.

The company, which picked up a \$200,000 investment at the Bend Venture Conference in October, has earned rave reviews from some of the early users of the platform.

Kristen Leis, business development manager at Stoel Rives in Portland, said the software has been well-received at the law firm, which is based in Oregon and has 11 offices in seven states.

"Their product just keeps getting better and better," she said.

Stoel Rives has been serving as beta client to test the software. During the last couple months, Leis said, she has seen major

improvements that allow users to get only the most relevant information. For example, she said recently the Listening Platform turned up an item that could bring new business to the firm's land-use attorneys.

"It has completely replaced Google alerts," Leis said.

Leis said the company's pricing model, which provides a license for a whole law firm, not individual seat licenses, has led to more employees trying and using the software platform.

She also praised the customer service. Help is always available, Leis said. The company offered to attend an attorney retreat to discuss the software and also send someone to Stoel Rives' Portland office to help.

What caught the attention of Larry Bodine, who writes the LawMarketingblog, was the way Manzama displays its results in a chart showing emerging trends and spikes of online activity about companies or the chosen search terms. "(It) lets you see at a glance which of your topics suddenly became hot online," he wrote Jan. 30, after Manzama's launch. "You can click on the top of the spike to see exactly what discussions, tweets or news items were the source of the activity."

After seeing a demo May 13 of the software, which Ozolin and Hinkle call a Listening Platform, the founder of a New York City executive-search firm tweeted, "Law firms shld use 2 gain competitive edge!"

The positive feedback from clients and reviewers has prompted the founders to move faster, grab market share and "separate ourselves from the pack," Ozolin said.

He and Hinkle both said the product took off faster than expected. Five months ago, Ozolin said, they didn't know if they had a product that the legal community would embrace.

He got an indication, however, several months ago while moderating a panel discussion at a legal trade show. When an audience member asked how to keep track of so much information, a panelist said she had to give a shout out to Manzama, whose software helped her prepare for the event.

Ozolin thought to himself, "OK, that's really good."

The two founders said they initially focused the software on large law firms because they have departments dedicated to business development or marketing that could use the service to bring in new clients or support existing clients.

But even with that limited target audience, the response from the legal community overwhelmed them.

For awhile, they could only respond to incoming calls, said Hinkle, who serves as the chief operating officer. They didn't have time to make sales calls to prospective clients, but now they have hired a sales person to help make sales calls, and are in the process of hiring a second.

The company has exceeded its business plan goals every month, including the decision to create a sister site for small law firms and sole practitioners to sign on to the Listening Platform and pay with a credit card. "That segment is three times the size of large law firms," Ozolin said.

Statistics from the American Bar Association bear that out. They show 76 percent of law firms in the U.S. had five or fewer lawyers in 2000, the latest figures available. And firms with 10 or fewer represented 89 percent.

Lawyers are not limited to law firms, either, Ozolin said. Investment banks, accounting firms and other large companies have in-house lawyers.

“From a small-firm perspective,” Hinkle said, “it’s kind of an equalizer.”

The company’s growth is notable for a company that’s only a year old. Originally located on the second floor of a duplex-turned-office building on Northwest Bond Street, Manzama moved recently to larger offices on Southwest Century Drive across from Safeway. It’s grown from its founders to about a dozen employees.

Now the company also is attracting board members of note. On May 5, the company added two new board members, Nate Fineberg, former CEO of a software company that was sold to Lexis Nexis in 2004 for more than \$25 million, according to Manzama’s website, and Dino Vendetti, managing director at San Francisco venture capital firm Formative Ventures. He’s also been a partner at two other venture capital firms, including Vulcan Ventures, led by Paul Allen.

Manzama’s founders also bring their own years of experience to the company.

Ozolin spent nearly 15 years helping law firms use technology.

In 1995, he founded Legal Anywhere, a company that created extranets, essentially private secure websites, for law firms and their clients to share documents. He sold the company in 2000.

Ozolin, who has a joint law-MBA degree from Willamette University, headed up technology and knowledge management for a law firm that today has 18 offices worldwide. He also served as vice president at Thomson Reuters.

Hinkle most recently worked for Autoweb, managing advertising and sales campaigns for Toyota, Honda, Nissan and others. He also held sales and operations positions at Oracle Software Corp.

Their experience shows, said EDCO’s executive director.

“What Peter (Ozolin) and his team have done is identify a need in the marketplace,” Lee said. “I think he’s really hit a nerve in the legal community.”

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