

# NM Tech spinoff carves out network security niche

BY KEVIN ROBINSON-AVILA / NMBW STAFF

The New Mexico Institute of Mining and Technology might have a winning model for its technology transfer program.

Computational Analysis & Network Enterprise Solutions LLC, which the university launched in September 2006, expects \$750,000 in revenue this year – an 11-fold jump over the \$68,000 it generated in 2007.

The firm, known as CAaNES, offers network security and digital forensic services to public and private firms. The university retains a 50 percent stake in the company, with two individual partners – Mark J. Fidel and Srinivas Mukkamala – holding the rest.

Given the firm's 25 to 30 percent annual profit margin, the partners could share about \$200,000 in profits this year, said Fidel, company president.

"We have very little overhead, so we enjoy a lot of net income, although it's mostly gone back into the company," Fidel said. "We've had about 60 percent growth in number of contracts each year."

The university actually earns more than its 50 percent stake in profits, thanks to a unique relationship between CAaNES and NM Tech's Institute for Complex Additive Systems Analysis (ICASA).

The systems institute conducts information security research and designs practical applications for computer networks. CAaNES subcontracts to ICASA for most of its work, Fidel said.

"They get a revenue stream from the contracts on top of their 50 percent cut of profits," Fidel said. "It's good for NM Tech."

It's also good for CAaNES, because ICASA sets up teams of highly-trained



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**CAaNES President Mark Fidel holds a computer hard drive, from which most data is retrieved or recovered.**

doctoral students to do the work.

"Apart from getting access to well-trained individuals, the partnership lowers our overhead and gives us a competitive advantage in the market," Fidel said.

CAaNES Chief Technology Officer Srinivas Mukkamala is also a full-time senior research scientist at ICASA, which allows him to choose the best doctoral students and directly supervise them.

"It's win-win," Mukkamala said. "CAaNES gets the best brains and the students get real-world experience."

Jerry Armijo, a New Mexico Tech regent and board president of the University Research Park Corp., said CAaNES is a major tech-transfer success.

"It's worked out wonderfully," Armijo said. "This can be a template for collaboration with more companies in the future."

CAaNES has benefited from the growing demand for network security services.

The company conducts system assessments for clients to determine weaknesses and recommend solutions to protect against hackers. It also collects electronic data for

evidence in legal suits – a process known as digital forensics.

Mukkamala said CAaNES' proprietary technology, developed at ICASA, allows it to perform high-quality assessments at a discount.

"I think we have something unique," Mukkamala said. "We can look at an enormous amount of data and pinpoint problems in a very short time."

Andrew Griego, a cyber-security administrator for the state, said CAaNES' high-quality, low-cost contracts have earned it loyalty in government circles.

"They've done assessments for more than 20 state entities in the judicial, legislative and executive branches," Griego said.

Stephen Prisoc, the judiciary's chief information officer, said his office has hired CAaNES for three projects.

"They have state-of-the-art expertise," Prisoc said. "They were extremely helpful in pinpointing ways we could improve things."

CAaNES has a patent pending on its digital forensics technology, which creates a complete index of hard drives to rapidly hone in on key electronic evidence. Once the patent is granted, CAaNES will license and sell it, Fidel said.

Mukkamala and Fidel will buy out the university's stake in three to five years, once CAaNES hits \$5 million in revenue.

"This is not a life-long relationship," Fidel said. "Eventually we'll become an independent entity."

CAaNES is housed at a 1,400-square-foot office at 10200 Comanche Rd. NE in Albuquerque that it shares with Applied Records Management – a legal consulting firm also owned by Fidel.

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