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## Goldman Sachs Leads \$30M Round in Sonatype

By Deborah Gage

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Goldman Sachs has led a \$30 million investment in software developer Sonatype Inc. to help protect the quality of its open-source software.

The funding, made through Goldman's Principal Strategic Investments Group, is a recognition of how even long-established companies are using open-source software to cut costs and raise efficiency, even though the software is freely available on the Web and is sometimes developed by volunteers. It is also part of a continuing effort by Goldman to use technology to better serve its customers while controlling risk, according to Don Duet, Goldman's co-head of technology.

Goldman started working with Sonatype about four years ago when the startup was still in stealth and Goldman was getting more involved with open-source software, "and we could see how increasingly important it was to meet our own compliance requirements," Mr. Duet said. "Do we know when we're calculating someone's balance, do those calculations work? Do we know the origination, where the code comes from?"

For Goldman, Sonatype runs a repository of open-source components or building blocks that developers can download and integrate into new software. They can also test and monitor the components to keep track of where they are going, make sure they are secure and make sure the source code is reproducible.

Users of Sonatype can help each other. That helps companies feel more confident that they can use open-source code without opening themselves to liability, Mr. Duet said, and it helps Goldman, which has been active in developing the open-source operating system Linux.

If you have Linux and "14 other pieces of open source and my own code, and if you knew that 100 other people used the same pattern, you start getting confidence that can help you understand better integration testing," he said.

Since 2010, when Chief Executive Wayne Jackson and several other senior managers were brought in, Sonatype has raised about \$60 million. All current investors, including New Enterprise Associates, Accel Partners, Bay Partners, Hummer Winblad Venture Partners and Morgenthaler Ventures, participated in the funding round, a Series D, and maintained their pro rata, Mr. Jackson said.

Goldman, meanwhile, continues to seek tech companies that "help us live up to our own mission," Mr. Duet said. Other recent investments include Bracket Computing Inc., a cloud software vendor that envelops a customer's applications, data and associated security, networking and data management into a single construct that can run more securely and with fewer performance problems in public clouds.

<http://www.sonatype.com>

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