



Apply to the Startup Battlefield at Disrupt SF and Disrupt Europe

Atlassian Earned \$150M In Revenues Last Year But Competition Intensifies With Collaboration Providers

Posted Oct 13, 2013 by [Alex Williams \(@alexwilliams\)](#)

13

Like

58

Tweet

286

Share

34



Next Story



Atlassian makes tools for software teams to collaborate that it sells pretty much entirely over the Internet. It's a low-overhead business and the model works. For its 2013 fiscal year, Atlasssian had \$150 million in revenues, having posted \$110 million in fiscal 2012.

The company's model focuses primarily on providing developer-oriented tools that also serve marketing, legal and the other departments in the organization that are collaborating on software projects.

Founded ten years ago, Atlassian's success, according to analyst [Mark Fidelman](#), stems from its transparent business model, focus on keeping things simple and a customer-centric culture.

But Atlassian is not infallible. The company has enough muscle to continue its growth but not without facing competitors like project management service [Wrike](#), which recently raised \$10 million and developer collaboration platform [GitHub](#), which has \$100 million in funding.

Atlassian has [Bitbucket](#), also like [GitHub](#), a Git repository. Atlassian also positions Jira against

GitHub as a bug tracker, specifically targeting GitHub on its web site.

Developer **Chris Dawson** says the difference between Bitbucket and GitHub is evident in his own work. Dawson is the creator of **TeddyHyde**, a service for building Jekyll blogs, hosted on GitHub and available as an Android app. **Jekyll was created by GitHub Co-Founder Tom Preston-Werner** who did not want to use a service like WordPress. Instead, he wanted “to write great posts, not style a zillion template pages, moderate comments all day long, and constantly lag behind the latest software release.”

With Dawson’s help I am building a personal blog on TeddyHyde, using GitHub for the first time as a repository for the blog and my posts. The GitHub service is accessible though it really is designed for developers. But the methods for making updates are very efficient, showing me at least the power it has as a platform and how it can serve as a way for collaborating on blogs, applications and a variety of other types of projects.

While working on the blog last week, I asked Dawson about some of the differences between Bitbucket and GitHub. He noted that GitHub has a limit on the number of repositories someone can create for free but it does not limit the number of users. Atlassian allows customers to create an unlimited number of repositories.

By not limiting users, GitHub has become a favorite for open-source efforts and as a place for building apps and services like TeddyHyde. Dawson said Bitbucket does not automatically build Jekyll repositories and host as a website. “You can host the files there but it is nothing more than managing a git repo. So, you cannot push files into it, using Teddy Hyde as a mobile blog client. Second, their API does not allow write access to repositories. So, Teddy Hyde cannot edit files or make new blog posts.” He said it is issues like these that makes Teddy Hyde unworkable on Bitbucket. As a note, Dawson is co-authoring a book for O’Reilly Media about the GitHub platform.

Still, Atlassian is positioned to succeed across the overall enterprise, while GitHub's role is more solely focused on software development. Wrike is worth watching with its focus on becoming a platform provider but it as well still has a ways to go before it can rival Atlassian in the enterprise market.

Update: Here's my takeaway after reading the first comment. Why Atlassian succeeds stems from its culture and its simple business model. But it's biggest challenge is more about decay than anything else. Any company, no matter how innovative, has technology that starts to decay over time. Atlassian is one of the elder leaders of the enterprise startup movement with year-over-year 35 percent revenue growth. Its power comes from the innovation of its engineering focus and strong leadership.

But the company now faces a new breed of competitors like GitHub that provide a different form of collaboration. GitHub is more open, designed for developers who use the platform as a new kind of social network. The growth around this model is considerable and poses one of the greatest threats to Atlassian's dominance.

On other fronts, the challenge is especially evident with companies like Wrike, which appeals to the hard-core project manager and the any number of people inside companies that have projects that they need to complete. Wrike, like other services, also has a simple user interface that increases its appeal, suiting it to a larger platform play. It's as a platform that its presence will be more largely felt. That is, if it can make that transition as effectively as Atlassian has proven it can do in the years since the company was started.

In all, Atlassian is a winner and will continue to succeed. The question is how fast can it accelerate its growth with competition as strong as that from GitHub and Wrike.