



# The Tale of the Smart Bear

*Like many companies, Smart Bear started on a whim. Actually, it was a \$5 bet...*

In 2000, Smart Bear Software™ founder Jason Cohen was left adrift when the Internet bubble burst. And like many of us geeks, Jason had a group of smart friends who got together to reflect on what they should all do next. The friends considered a plan – could each of them build a series of small businesses that would take only a little time each but collectively support themselves? To find out, they made a bet – whoever got the most money out of their micro-business won \$5.

While helping another struggling startup, Jason developed Smart Bear's first product, Code Historian™, while visiting his in-laws. Code Historian displays a file's version history and differences between versions ("diffs"), so it's easy to see what changes were made. He sold it as a \$20 download from his website and others.

Jason soon received requests from customers for the ability to show diffs to other people. It wasn't long before requests came in to let users scribble notes on the code and hand it back. One day it hit him – people were using Code Historian for code review. As he incorporated these requests into the product, Jason realized the software was producing enough revenue to live on. He won the bet, and thus Smart Bear Software was born.

Code review turned out to be a huge un-served market. Once Jason discovered this desperate need and targeted a product to fill the hole, Smart Bear sales exploded – to the point where the company grew on its profits alone, without loans or venture capital funding. The company started hiring more programmers, reaching out to customers, gathering feedback, and building their specialized expertise in code review. And they wrote Code Reviewer™, a product designed specifically to meet customers' needs for peer code review.

Over the next few years, Smart Bear branched beyond code review tools into other areas of programming productivity and increased the sophistication of their version control data-mining tools. Their Code Metrics™ and Code Reports™ products were driven by customer interest in the historical analysis angle that they uniquely provided. Other customers needed the new CodePickle™ product to implement efficient user sandboxes, using "micro-branches" that put no load or administration on the version control server.

At the same time, the Smart Bear team was becoming experts at code review and leaders in the field. They worked with hundreds of customers... and the vision of the perfect lightweight peer code review tool finally came into focus. Code Reviewer was great software, but they needed to re-architect it; their new Code Collaborator™ tool would be designed based on years of their research and customers feedback – and on scientific evidence.

But there weren't many studies that addressed code review, and there weren't any that focused on lightweight processes. So Smart Bear enlisted Cisco's help to conduct the world's largest study of peer code review, covering 2500 code reviews, 50 programmers, and 3.2 million lines of code. It took a whole book to share their many findings with the world: *Best Kept Secrets of Peer Code Review* (available FREE at [www.codereviewbook.com](http://www.codereviewbook.com)). Written so development teams can quickly implement best practices for code reviews, the book conveys not only the study details, but results from Smart Bear's five years of code review study and input from thousands of programmers.

The programming community has embraced both Code Collaborator and the book. Smart Bear has been steadily growing to keep up with the demand for features and capabilities. The company continues to invest in market education, writing articles and columns, speaking at conferences, and evangelizing the benefits of code review at every opportunity. Today, the Smart Bear folks are the industry experts at lightweight code review, with thousands of customers large and small all over the world.

And they lived happily every after.

All because of a \$5 bet. Who says gambling doesn't pay?

*Smart Bear Software is based in Austin, Texas and is privately held. Smart Bear has been profitable and cash-flow positive since Q4 '03.*