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From the Columbus Business First:

<https://www.bizjournals.com/columbus/news/2017/03/17/how-government-work-helped-it-firm-grow-sales-11.html>

IT firm's willingness to work for free helped it grow sales 11-fold in two years

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Mar 17, 2017, 6:00am EDT

A sole focus on governmental IT work has paid off richly for Ventech Solutions Inc. Revenue has grown 11-fold in two years for the Columbus company, passing \$100 million for the first time in 2016.

But it hasn't made those gains by playing it safe, founder and President Ravi Kunduru said.

"We don't want to be a typical government contractor," he said. "Our customers see us as a true partner."

As of early 2016 Ventech had booked a combined \$1 billion of revenue over 10 years with federal and state agencies, nearly half of it a huge modernization project for the federal Centers for Medicare and Medicaid Services, and it was bidding on more. With some agencies, instead of a fixed contract Ventech is one of a few preferred vendors that compete on projects.

But the company also pours half its profits into research and development so that it can pitch software or analytics to solve problems for one of its clients before there's a contract or purchase order.

"We don't shy from taking the responsibility and do it as a non-billable project," Kunduru said. Quite often the effort leads to a purchase order.

Ventech grew to 600 workers from 500 last year at its three offices, with about 85 employees in Columbus. One-third of the work force are contractors.

The Columbus office has pledged to expand to 140 by the end of 2018 under a state jobs creation incentive. Other offices are close to clients, including in Maryland and Virginia.

The company is launching an employee stock incentive plan this year. The goal is to make Ventech 19 percent employee-owned.



JEFFRY KONCZAL

Ravi Kunduru: President and founder, Ventech Solutions Inc., Columbus

The company has added a new executive layer – six senior vice presidents and six other upper-management jobs – and launched a research initiative. Both are key to reaching a goal to increase Ventech's valuation fivefold by 2020 and grow to 3,000 workers, Kunduru said.

"The team is built," he said.

Ventech allocates 70 percent of its R&D budget for client work and 20 percent for problems in their industries. The final tenth is "pure ideation," Kunduru said, including an after-school program where middle- and high-school students form a think tank to come up with a business idea the company could invest in. It can be for an industry or consumer product, he said, so long as Ventech thinks it's worth pursuing a "moon shot."

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