

iGate chief at chamber breakfast



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Sunil Wadhvani started what is now iGate fresh out of Carnegie Mellon University in the late 1980s. He and two partners had no customers, no infrastructure and no employees, and was confined to an eight-by-eight foot office.

Now, iGate is a billion-dollar firm with 8,000 employees in eight countries, and the largest minority owned firm in Allegheny County. But as he told members of the African American Chamber of Commerce during its Oct. 22 PowerBreakfast, it was anything but a smooth ride.

During his presentation, Wadhvani offered his company history as a guide on growth, loss and redirection in a tough economy.

Initially, his company differentiated itself from the 3,000 other IT companies at the time by setting up services for companies moving away from reliance on huge mainframe computers, and he grew from \$1 million in sales in 1988 to \$13 million by 1991, where business plateaued. But this slowdown wasn't due to competition, it was internal.

"When companies get to about 150-200 employees, they flatten out usually because for the owners—who are control freaks, like me—that is the limit of their management reach," he said. "You have to delegate to avoid the management bottleneck."

Wadhvani's firm continued to grow to \$471 million by 1999, when its market share was threatened by the rise of the Internet and new players in the field. So they redefined the company as an Internet consulting firm, invested \$100 million in systems like wireless technology, data mining and voice recognition. They spun off divisions and the company's value soared to \$3 billion. Then the bubble burst.

"So, it turns out we did all these great things at the exact wrong time. Our debt ballooned to \$88 million, but the banks didn't come after us because we really didn't own anything. So it gave us time," he said.

"We sold and closed properties, and reduced our expenses from \$180 million to \$60 million. Unfortunately that meant laying off about 2,500 employees, but we also terminated customers and projects. We had to differentiate ourselves again, and we did."

iGate reincarnated itself as an integrated technology and operations services firm, taking advantage of businesses consolidating their computer networking to eliminate redundancies and incompatibility issues, and to reduce management expenses.

"We developed a global model with outcome-based pricing and targeted big clients and large projects, especially in financial services," he said. "We are now up to 8,000 employees, but we've slowed hiring during this downturn so we haven't laid anyone off."



FROM THE PENTHOUSE TO THE DOG HOUSE AND BACK—Doris Carson Williams is shown with iGate founder and board Chairman Sunil Wadhvani, who gave advice on growth and avoiding pitfalls to African American Chamber members at PowerBreakfast meeting. (Photo by Ashley G. Woodson.)

All businesses, he said, nonprofit, for profit large or small will go through ups and downs. If they concentrate on the things they do well, and do better and cheaper than others, they will succeed—and don't be afraid to delegate responsibility, as he did last year when he turned over the CEO position. He remains iGate's chairman.

Chamber president and CEO Doris Carson Williams said it was a pleasure having Wadhvani speak, as she has watched his company grow over the last 20 years. She noted that the chamber is reevaluating its expenses in light of the effect the downturn has had on attendance.

She also reminded members of upcoming mixers, a members-only tour of the Vatican Exhibit, a new two-year diabetes project it is starting and a February meeting focusing on procurement opportunities related to Marcellus Shale development.

(Send comments to cmorrow@newpittsburghcourier.com.)