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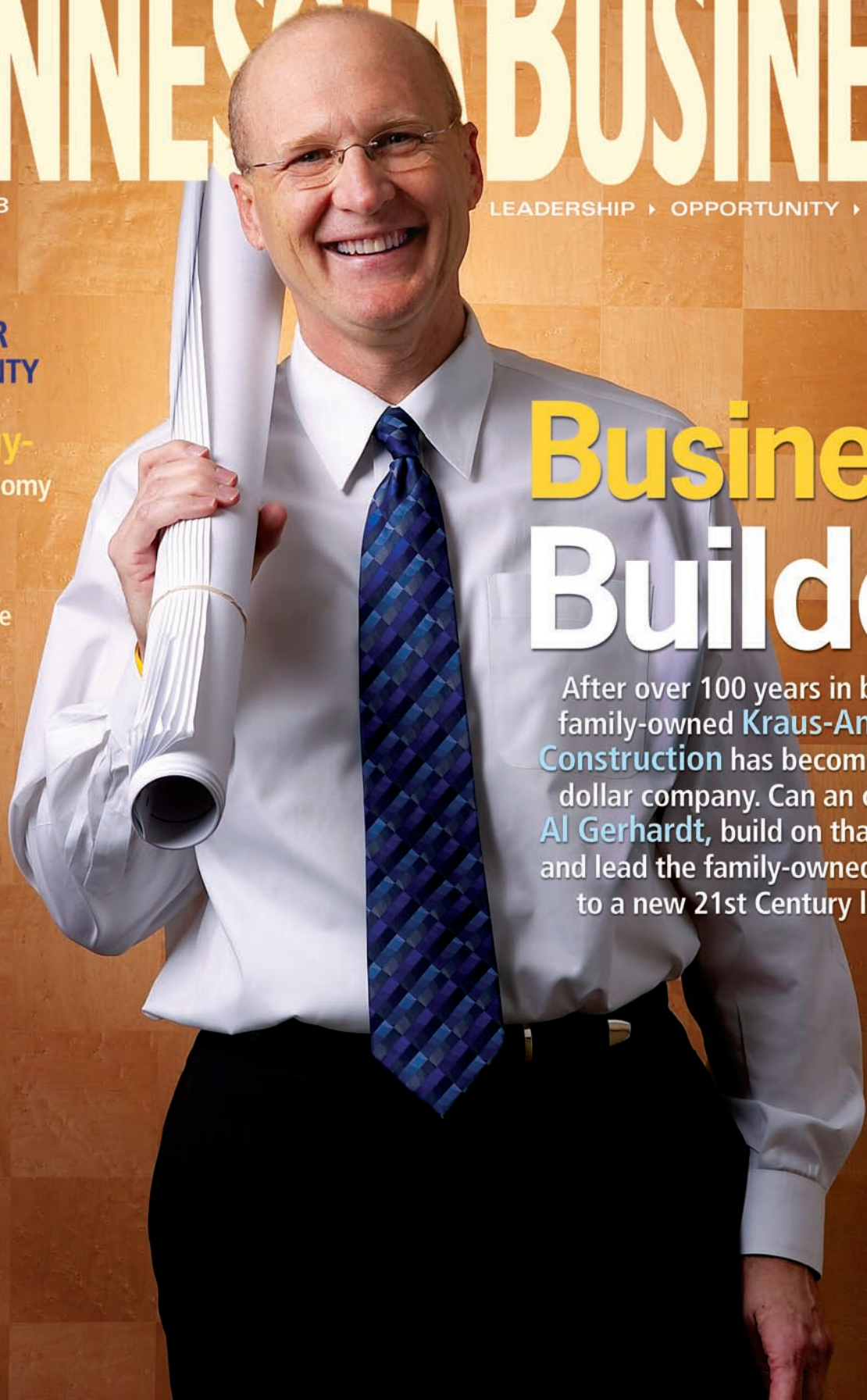


Horizontal Integration ▶
Consulting Clout

**GOVERNOR
TIM PAWLENTY**
Minnesota's
**technology-
based** economy

**NO ONE'S
IMMUNE**
How health care
is impacting
your business

**crowd
PLEASER**
What proper
planning can
do to ensure
success at
your next
meeting or
event



Business Builder

After over 100 years in business family-owned Kraus-Anderson Construction has become a billion dollar company. Can an outsider, Al Gerhardt, build on that tradition and lead the family-owned business to a new 21st Century legacy?

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Celebrating Diversity

Horizontal Integration creates a diverse yet fused trio of services to help clients make the most of the IT and business blend.

BY Elizabeth Millard PHOTOS BY Silas Crews

Investors know that to achieve long-term growth, stability, and success, they should diversify their portfolios. For Edina-based Horizontal Integration, they believe the same principle applies to their service offerings and operations.

Combining interactive marketing with enterprise business application development and staffing services, the firm is a consulting shop with increasing clout. Not only can clients understand how technology is affecting their business, they can also benefit from software application development, and a pool of IT-savvy and business-sharp candidates that can continue honing strategies after Horizontal Integration's engagement.

The fusion is a crucial one in the current corporate environment, where mission-critical applications don't just hold data in a static form, but also act as dynamic drivers of customer retention, marketing strategy, sales



BIZ BRIEFING

Horizontal Integration

Headquarters: Edina

Inception: 2003

Employees: 31

Revenue: \$4.75 million in 2008
(projected)

Description: Consulting firm that combines interactive marketing, enterprise business applications development and staff augmentation.

Leadership & Governance

Sabin Ephrem, President & CEO

Chris Staley, Executive Vice President
of Interactive Marketing Practice

Jeremy Langevin,
Executive Vice President
of Sales and Marketing



“We’re able to look with multiple perspectives, and that adds a lot of value.”

—Chris Staley, EVP

efforts, and business goal creation. Executives may still be the drivers of overall operation, but applications that can bring data together and supply a holistic view of an entire strategy are the vehicles for growth.

Horizontal’s founder, Sabin Ephrem, has deep experience in just how to build that form of transport, and equally important, has assembled a team that clicks together for the three-prong approach.

“We’re in a different business environment now than in the past,” he says. “You have CIOs coming up through the business ranks, not necessarily IT, and at the same time, you need everyone to understand what can be done within an IT framework.”

The main goal, he continues, is to add business value for a company, but a smaller, challenging goal is to bridge the oft-discussed gap between business and IT. Ephrem notes, “That struggle is constantly there, it’s a common disconnect. That’s where we excel in helping clients, to work across the business.” The firm’s name is actually its mission statement: to integrate multiple parts of a company, across its different departments and divisions, rather than in a single silo-like marketing or IT group.

New Approach

On his way toward establishing a distinctive consulting firm, the native of India came up through Oracle Consulting, before landing at Ernst & Young’s management and consulting practice. Even in the corporate realm, though, his entrepreneurial drive was in high gear, especially as he saw the challenges that clients were facing in enabling technology effectively to achieve their true business objectives.

“More companies were starting to go toward the Web,” he says. “They were going to agencies for great creative, and then another agency for technical execution, and those two agencies sometimes didn’t connect well together.”

Companies would utilize IT services firms to implement projects, but those consultancies lacked the creative and user experience design clout for a front-end system, he notes. Creative agencies were able to build beautiful interfaces for sites, but couldn’t develop the back-end systems necessary for navigation and data collection.

“Each had their own siloed understanding of the client’s business objectives and online needs, and the client ultimately

had to bridge the gap themselves,” he notes. “I just thought there had to be a better way.”

After going to school to get an MBA to supplement his Master’s in Computer Science, Ephrem started Horizontal Integration in 2003, encouraged by a colleague who did staffing in the industry, Jeremy Langevin.

The next year, the company brought on Chris Staley to helm the interactive marketing component, and in 2006, Langevin also joined, bringing his expertise about staffing into the mix.

Each of the executives has their own approach, and it shows even in their office whiteboards. Ephrem keeps his distinctly tidy, full of client names and bulleted lists of relevant facts and technology trends, while creative-minded Staley has the kind of wild squiggles and circles that are the hallmark of a brainstorming session. Langevin lands somewhere in-between, in an office decked out in Minnesota Wild souvenirs.

Their personalities might be very distinct from each other, but they work side-by-side, both in the literal sense with how their offices are laid out, and figuratively, as they develop ways that clients can use all three services to the best advantage.

Sometimes, Staley notes, the integrated offering lets the firm dig below what a client asks to discover their real needs. “A client might say they need to develop a certain kind of system, but when we talk to them, we can see how a better approach might be to boost user experience, or find more skilled staff members,” he says. “We’re able to look with multiple perspectives, and that adds a lot of value.”

Capitalizing on Fusion

Although the firm has the kind of solid foundation that comes with nearly five years of successful consulting business, including a client list that grows longer by the year, Ephrem notes there are some challenges.

Most notably, the company is much smaller than some of the IT consultancies it faces as competition. This keeps it nimble, but it also means trying to change perceptions among potential clients that believe more clout is found in the larger, more established firms.

“When you’re pitching to a company, and you’re going up against competitors like Accenture or IBM, it does feel like a hurdle sometimes to win them over,” admits Ephrem.



“We will always have to face bigger competitors. All we can do is just become increasingly better at it.”

—Sabin Ephrem, president & CEO

Fortunately, as the business grows, so does its reputation, and Horizontal is getting more referrals than ever before. Those recommendations are coming from a high-profile client list, as well, which includes Deluxe Corporation among many others.

“We will always have to face bigger competitors,” he says. “All we can do is just become increasingly better at it.”

Another challenge is one that’s familiar to any quickly-growing company: a lack of space. The firm moved from downtown Minneapolis to Edina recently, but is already at capacity, and needing to add more people. With five-year leases, it’s a sticky conundrum that has left the company hoping for vacancies within

the same building.

It’s not local space that they’re looking to fill, though. Ephrem believes that the fusion-oriented business model is strong enough for a global play. Ephrem would choose India for a first offshore office, since he’s familiar with its business climate, technological maturity, and economic challenges. The first step, though, is to expand nationally and perhaps one day match up with Accenture in terms of size.

“I think that what we do would be a huge help in other parts of the country, and the world,” he says. “An integrated agency promotes the cross-fertilization of ideas, and bridges the gaps that internally divide many businesses.” **MB**



Enabling Intelligent Business

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