SCOTT PAULUS

Harvey Shovers…"We expect our growth at a minimum to be 50 percent (annually) and hopefully we exceed that."

Quite a year for software firm

Mequon-based company doubles annual revenue, lands several big clients

BY JEFF ENGEL
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It has been quite a year for Harvey Shovers and his software company, MSI Data LLC.

The Mequon-based company, which provides mobile and enterprise software primarily for companies that inspect or service products in the field, will more than double its revenue in 2012 and is expected to reach annual revenue of $10 million in the next few years, said Shovers, MSI Data president. In the past 12 months it has landed several major customers, including Time Warner Cable, the city of Milwaukee, the company that distributes and services Kohler Co. generators, and a New York-based Fortune 500 company that Shovers couldn't disclose for contractual reasons.

"We've won some deals where a large company searches the globe for software and ends up talking to a 20-person company in Mequon, versus buying from competitors that might have raised $50 million to $100 million," Shovers said. "That's pretty rewarding for the people that work in our company."

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>
> **Chris Stiles**
> Total Energy Systems LLC

Shovers and the Gary Comer Inc. investment group bought what was then MSI Data Inc. in October 2010, as well as a field service software solution, Service Pro, and its customers from a New Jersey-based company.

MSI Data focused on building new technologies in the first year of the new venture, then went on a rapid growth spree in customers and new employees, Shovers said. The company hired about 10 people in the past nine months, mostly high-paid software developers who graduated from universities in Wisconsin.

MSI Data now has nearly 20 employees at its Mequon headquarters and several more at a small development and support office in New Jersey, Shovers said.

"We've got pretty aggressive growth plans," Shovers said. "We expect our growth at a minimum to be 50 percent (annually), and hopefully we exceed that."

The company's growth strategies involve focusing on partnerships and vertical markets, from manufacturers to health care companies, and investing in technology, Shovers said.

Shovers and the leadership team built the new company on three basic ideas — having software that is easy to acquire, easy to implement and easy to show its return on investment, he said.

The company charges a monthly fee per user, so it's easy for companies to calculate their costs, Shovers said. MSI Data also designed its software to be easily adaptable to different industries and accessible through the cloud, so companies don't necessarily have to host it in-house and can be up and running in days.

"We didn't want to have the old world of a huge upfront cost for software," Shovers said.

Mobile solutions comprise about two-thirds of MSI Data's overall revenue, Shovers said. The company has invested in its mobile technology studio that develops versatile applications that can be installed natively to any device, whether it runs on Android, Apple or Windows.

"We kind of follow this theory of bring your own device," Shovers said. "We don't force our customers to have any single type."

That also allows MSI Data to enter new vertical markets without writing new software code from scratch, Shovers said.

WINNING BIG DEALS

Shovers has 30 years of experience in the technology industry, including stints at Hewlett-Packard and Metrix Inc. When he took on the MSI Data venture, he knew what worked and what didn't.

"(Company leaders said), 'Let's invest and build the right products and technologies, and that will serve us well going forward,'" Shovers said.

Shovers said MSI Data has been able to compete with more established and heavier-financed mobile software firms and "win some very big deals."

"We've been a very easy company to work with," Shovers said.

Chris Stiles, president and managing member of Total Energy Systems LLC, agrees.

His Green Bay-based company distributes and maintains products for a variety of engine manufacturers and generator makers, including Kohler. Total Energy Systems uses Service Pro to help electronically manage everything from inventory to field service calls, and since MSI Data acquired the software and its customers, it has worked closely and diligently with Total Energy Systems to improve its experience, he said.

MSI Data employees listen to feedback and provide solutions and genuinely care about their customers, Stiles said.

"They truly act from top to bottom as a partner. They want you to succeed," Stiles said. "There's absolutely no question with our staff at this point that we'd ever look to another solution."

LESSONS LEARNED

BY HARVEY SHOVERS

WHAT IS YOUR BUSINESS PHILOSOPHY? "Pretty much the same as it has been since I was 12 years old with a paper route in Wausau: 'Keep it simple and do what's right.' I've learned to add to that by surrounding myself with people that know a lot more than I do."

WHAT IS THE BIGGEST RISK YOU'VE TAKEN SO FAR? "Leaving Hewlett-Packard in 1990 to go to a startup company. We had two young kids, a big new mortgage and my wife was pregnant."

WHAT'S BEEN YOUR BEST BUSINESS DECISION? "Not backing off of acquiring these companies despite the roadblocks — finding an investor being the most difficult."

WHAT WAS YOUR WORST BUSINESS DECISION? "I've had a few that felt bad at the time, but later came to realize that I always took away something positive."

WHAT IS THE BEST WAY TO KEEP A COMPETITIVE EDGE? "That's easy. It's in my DNA: I really don't like losing."