

A man in a dark suit and white shirt is sitting on the side of a blue airplane fuselage. He is smiling and looking towards the camera. The airplane has 'HELIO SOLUTIONS' written on it in large blue letters. The background shows the metal structure of the airplane's interior.

SMB

*David Condensa,
CEO of Helio Solutions*

BEAT

THE COMPETITION

Despite its small size, Helio Solutions wins big.

By Luc Hatlestad

COMPETITION IN ANY I.T. SECTOR IS TOUGH, AND IT CAN be even more difficult when a company's primary rivals are much larger organizations. But don't tell that to Helio Solutions. Thanks to its philosophy of building relationships and developing cutting-edge expertise, combined with a laser-like focus on execution, this Santa Clara, Calif.-based solutions provider has played David in a field of Goliaths. And, usually, it has found a way to win.

Founded in 2001 as a value-added reseller (VAR) that combined auditing, integration and procurement practices, Helio has about 65 employees, with plans to add about 15 percent to its head count in the coming months. Despite its relatively small size, Helio primarily targets Fortune 1000 accounts, and Helio CEO David Condensa, who has been with the organization since its inception, says his company competes against everybody.

"There's been massive consolidation in the reseller space, and a lot of companies smaller than us are finding even smaller niches," Condensa says. "But we're at a cutoff point because we have more of a product focus that enables us to compete with much bigger integrators."

A QUEST FOR EXCELLENCE

Compete it does — and then some. With reported revenue of a little more than \$100 million, Helio also has garnered numerous awards from its technology partners. In 2005 alone, it received a grand prize from Cisco Systems for its sales and marketing efforts, plus three partner excellence awards from Sun Microsystems for its work in servicing and meeting customer needs.

Continuing in its quest for excellence, Helio recently cemented its relationship with AMD. "We are pleased to add AMD to our portfolio because their customer-centric culture of innovation lines up nicely with our customer values," Condensa says. "Our direct relationship with AMD provides us with additional resources and educational opportunities, which provides added value for our customers."

With practices in storage, enterprise software, systems, security and networking, Helio collaborates with vendors such as AMD, BEA,

Cisco Systems, Hewlett-Packard (HP), Hitachi, Oracle, RSA, Sun Microsystems and Symantec. When Cisco officials awarded Helio the grand prize for sales and marketing, they cited Helio's exhaustive technical skills, which created a "customized customer-relationship management system that tracks what it has sold to whom, as well as all associated information."

Cisco went on to describe how Helio creates an XML-based profile of each customer that consolidates information about its technology — servers, desktops, network operating systems, applications and so on. Helio then goes a step further to integrate information from vendors, distributors and customers, consolidating all pricing data into an Oracle Financial database and displaying everything in a customer relationship management portal.

This extensive data organization means Helio can fill orders or make changes on the fly. "They can respond faster and more effectively than most OEMs can," says Mike Turnlund, Cisco's director of engineering. "They have the logistical capabilities to be able to do quick turnarounds."

In addition to having robust, comprehensive systems in place, Helio knows its business from top to bottom, says Turnlund. "They execute very well," he says. "They have good technical capabilities, they keep the stuff they need in the pipeline, and they can do what we need them to do [quickly] without us having to explain everything to them."

Turnlund says Helio's flexibility is exemplified by its willingness to solve problems without cutting corners, but not always insisting on going through all the usual steps if time pressure dictates the need for immediate action. "When we've had some unforeseen server capacity issues, they've been willing to work with us," according to Turnlund. He adds that, because of their longstanding relationship, "when we've needed something quick and didn't have time to get the [order paperwork] through the pipe, we've had the mutual trust to know we'll figure out the payments later."

This trust factor is the second ingredient of Helio's success. Condensa and his fellow executives have gone out of their way to build personal connections with their clients. "We're old school

IF YOU BUILD IT, THEY WILL COME

about relationships," he says. "It's what we've built the business on."

Ron Pollard, the CIO of Specialized Bicycles of Morgan Hill, Calif., who has worked with Helio for 11 years, agrees. "Helio stepped up to the plate from day one," Pollard says. "They are very professional, always checking in on us, even when we are not spending money. I like the fact that they keep us informed on technology changes, and when our system needs service from Sun they follow-up with us to ensure we have been taken care of appropriately."

Pollard adds that Helio's small-business status has not been a deterrent. In fact, he says, "I'm not sure I notice their size. They are responsive and keep in close contact, and to me that's very important. We have needed engineers for sizing from Sun, and Helio is well-connected, [so] these engineers came down to our office to meet with us. That shows [Helio] has good contacts."

VALUE-MEASURED RESELLER

Helio's Condensa says he's well aware of a sea change in the marketplace, as businesses focus on his company's role as more of a value-measured reseller.

"The way companies value VARs has shifted," he explains. "The measures they use must be more tangible, such as how much revenue is the VAR bringing in or how many new engineers they have to hire.

"Now, raw numbers win the day, which puts companies like ours in a very tough position. We have great relationships with our customers but still have to keep proving results. It can be a distraction to the sales process."

Condensa says this change also poses another ongoing challenge: how to figure out the best ways to measure the utilization of Helio's own employees.

Even if clients are focusing more on tangible results from their integration partners, Cisco Systems, for one, still sees great value in the way companies like Helio do business. "The way Helio operates isn't as much about their size as about their current management," Turnlund says. "Helio's management does

Following the adage that "you have to spend money to make money" is easier said than done when you're a small business. But one of the key investments Helio Solutions made several years ago has paid off in the form of improved execution, new business and customer goodwill.

In 2004, Helio built a 25,000-square-foot integration center in San Jose, Calif., because company officials recognized the value of providing a quicker way to build, test and deploy new installations. "It was a big investment that we got pulled into by some customer requests," recalls Helio CEO David Condensa. Helio first used the facility to do service work for eBay, but "now we use it for everybody," he says.

The integration center is like a giant warehouse with work benches and ceiling-mounted power-source drops. Among other uses, Helio has utilized the center for an electronic design software client, minimizing deployment time for its Sun Microsystems servers powered by AMD Opteron™ processors.

Helio sets up the systems at the center, installs hardware and software, and tests the systems during a burn-in process. "We can scale to do burn-ins of as many as 300 systems at a time," Condensa says.

Helio also applies asset tags to the systems before delivering them to a client. By doing all these procedures in-house, Helio can shorten delivery time and ensure that everything is operable before installing the systems for a client.

"It's a question of catching any failures here before the systems go out to the customer site," Condensa says. "It provides extra reassurance so our customers are sure the systems do what they expect them to do. We also do unique services like asset tagging and bar coding, so deployment time to the end-users is counted in hours or days instead of weeks."

Customers recognize the efficiency of the integration center, especially when unforeseen needs arise. "It's basically a staging facility that's not designed for huge batches, but for quick setups and teardowns," says Mike Turnlund, director of engineering at Cisco Systems. "When we get hit with unanticipated capacity needs or new technologies, the center helps us get it from the lab to the production environment fast."

things that other VARs [might] see as too risky or too expensive to justify the risk." These include its decision to build a large integration center. (For more on Helio's integration center, read the "If You Build It, They Will Come" sidebar above.)

On the other hand, Turnlund says, a VAR's small size might have something to do with keeping its idealistic philosophies in line with its business practices. "When a company gets bigger, that could mean that its management team has turned over a couple of times," Turnlund says. "When that happens, relationships can be lost if new management comes in with a different rulebook."

But Helio's management team isn't going anywhere. Condensa says 2007 will be about continuing to build on its relationships with its existing customers and

technology partners, including newer ones with HP, Microsoft® and Red Hat.

He says the company intends to continue its product-centric focus, and is considering expanding its niche into new areas, such as disaster recovery and virtualization. Condensa adds that in the ever-consolidating VAR space, Helio will be on the lookout for mergers and acquisitions opportunities, but feels no pressure to acquire or merge with anyone.

"We have to keep growing and moving forward, and any acquisitions activity we do will be a matter of finding a like-minded company," Condensa says. "We've built enough credibility within our space that we don't have to merge, but we'll keep our eyes open, while staying true to our mission of delivering the best services we can." ■