



25/07/2008

Optimal Solutions Integration on prowl for SAP service providers; keeps overseas consolidators at bay, CEO says

By Monique Lewis

Optimal Solutions Integration could acquire this year a company that helps customers leverage their SAP solutions, according to chief executive officer Gurvendra Suri.

The privately owned Irving, Texas-based company is evaluating a pipeline of about 50 companies with revenue of less than USD 50m, he said. Targets could be in North America, the Asia-Pacific region and Europe.

Optimal builds information systems for businesses using enterprise solutions from vendor SAP. It is backed by private equity firm Tailwind Capital Partners, which recently made an equity investment in Optimal and will be the lead investor for providing and arranging up to \$100m to grow the company. It posted 2007 revenue of USD 56.4m.

The consulting and staffing firm is targeting companies for their intellectual property in such sectors as metals and mining, oil and gas, chemicals, pharmaceuticals, professional services and apparel. An attractive target would be a company that has extensive experience, deep expertise and a proven track record helping midsize firms leverage SAP solutions to compete more effectively in a high-growth vertical market, Suri said.

Optimal recently began re-selling the SAP Business All-in-One solution to middle market companies with revenue of up to USD 1.5bn.

Meanwhile, European and Asia-Pacific SAP consulting companies have approached Optimal about twice a month in the last three years, Suri said, but the company has to keep consolidators at bay if it wants to be the dominant player in the middle market, he explained.

"There is a tremendous need among midsize companies for SAP solutions," Suri said. "No single SAP vendor is currently addressing this need. Our plan is to secure first-mover status for Optimal in this rapidly emerging market."

Optimal plans to grow fourfold in three years. In the past five years, the company has grown about 27%, Suri said. It has about 400 employees and has plans to increase its 400-person worldwide work force about three to five times in the next four years. The company has consulted more than 500 customers.

Optimal's legal advisor is Greenberg Traurig. Suri said the buys would be financed with a combination of debt and equity.