

## number one

### VCOM Solutions Inc.

2005 revenue: \$12, 781, 634

Three-year growth rate: 649 percent

### Danek S. Kaus

*Special to the Business Times*

VCOM Solutions Inc. in San Ramon is among the fastest-growing companies in the nation because President and CEO Gary Storm found a need and filled it.

When he was the president and CEO of Network World Communications, a San Francisco telecommunications hardware company, Storm witnessed the problems that many small and mid-size companies encounter when managing their telecom services. Many buy services from a half-dozen or so providers. If they have multiple locations, they have several local phone service carriers, in addition to other providers for Internet, teleconferencing and more. Managing all these services and

determining actual costs is daunting.

"People had to have all these different carriers, and they weren't getting personal service," Storm said. "This is one of those industries in which everybody thought there was a problem, but nobody had a solution"

Until VCOM opened its doors.

VCOM offers a single-carrier solution and provides an initial audit service to determine just how much money it can save each customer.

"We offer a one-stop-shop methodology," Storm said.

He began his one-man operation a week before Sept. 11, 2001.

A struggling economy that was further weakened by the terrorist attacks proved to be a blessing in disguise for the startup.

"Everybody was looking to save a dime. I knew there was a niche for our organization. I knew what problems small businesses were having. I think we were allowed to go in the door because of our story: Let's do an analysis to see if we save you money," Storm said. VCOM saves customers money because of its aggregate buying power.

"Our customers can get, in essence, the Fortune 100 pricing," Storm said.

The fact that many companies have laid off telecom staff has made VCOM's offer even more enticing.

Because of these factors, and the personal service that VCOM offers, the company has grown quickly.

COO Sameer Hilal joined Storm two months after he started VCOM and Vice President of Sales Joe Condy joined him three months later. Both came from Network World.

In 2002, revenue was \$338,000. By 2004 it jumped to \$9.8 million and last year to \$12.7 million, with 32 employees. VCOM has over 500 customers, all of them small and medium-sized businesses.

In 2004 they acquired Novato-based Quantumshift.

Last year, VCOM was recognized by this publication as the fastest-growing company in the East Bay and by the San Francisco Business Times as the fastest-growing business in the seven-county Bay Area. And in June, Entrepreneur magazine ranked it the 51st-fastest-growing company in the nation, according to Storm.

Such rapid growth created challenges. "We did not have all the infrastructure in place to support that kind of growth," Storm said.

So the company has spent the last 12 months improving the infrastructure. "We're a little less worried about top-line revenue growth in order to focus on the profitability of what we have. We have been working on our systems so we can double our growth again," Storm said.

Another challenge is to continue to give customers great personal service, which meant bringing on more people. Sometimes poor hiring choices were made.

"Finding talented employees is always a challenge," Storm said. "We need people who buy our model and are willing to go the extra mile for the customer. We have fantastic ones here, but the challenge has been finding them. Sometimes we tried to find a body instead of someone to fit into our culture." To solve this problem, the company bought software that measured people's behavior. "So instead of hiring off a resume, we have them take a test and it shows us what type of person they are, what they like to do and not do — things you could never see on a resume," Storm said.

In addition, managers have been trained in interpreting the results of the exam. Customer service is so important that VCOM gives employees cash awards for receiving good customer feedback.

"We have a small sales staff. The majority of



STEPHANIE SECREST / EAST BAY BUSINESS TIMES

**Joe Condy, Gary Storm and Sameer Hilal have helped catapult VCOM to the No. 1 spot on both this and last year's Fast 50 lists.**

our employees are here for customer support. I'd rather keep the customers I have than have to go and find new ones," Storm said.

Because of the challenges, they have learned some key lessons, one of them being how to manage a fast-growing company. "We've learned to plan a little further out. Hiring was a huge lesson," Storm said. Still, with hard work and good service comes rewards.

One of Storm's greatest rewards, in addition to the financial ones, has been customer feedback.

"That's the reward for me at the end of the day," Storm said.

He believes that they are well-positioned for rapid growth next year.

"We have slowed top-line revenue growth to build the infrastructure. We will continue to deliver on our promises and we are looking forward to more organic growth as well as acquisitions," Storm said.

# fast 50

*Fastest growing private companies*