

IT Services and Business Technology Consulting



Steve Walker
CEO
Cobaltix, LLC

CEOCFO: *Mr. Walker, would you tell us what types of services Cobaltix provides and to whom?*

Mr. Walker: We provide general IT services for our clients—kind of everything from soup to nuts around technology, including security services. Many of our clients are financial firms (SEC regulated), although we do have a wide variety of clients, about half of whom are financial. We've been doing a great deal of work with SEC regulated clients lately, given the new regulations that have been coming down from them lately.

CEOCFO: *Was working with financial companies a deliberate strategy or did it develop more opportunistically?*

Mr. Walker: It is a combination. We have been in business for thirteen years. When we first started out, we thought that law firms would be the clients to have. It turned out that while we still have many law firms as clients there was a greater need with financial clients. It expanded a lot more rapidly than expected. We figured it would be half law firms and half everything else. Financial clients, it turned out, were a much bigger group.

CEOCFO: *How do you stay on top of new technology and regulatory issues?*

Mr. Walker: Keeping up with new technology is actually a lot easier than it sounds. When you have 25 engineers that are just absolutely passionate about what they do, you do not have to go far to find out what is happening—they will tell you. Every time we sit down and get together, whether it is a one-on-one meeting with one of the managers or in bigger groups, they cannot wait to talk about the latest thing that is happening. It is interesting because we have talked about what our clients should be doing. The other side is that many of our engineers are careful of making sure that their clients are getting value and not just technology for technology sake. We are careful not to just put out technology because it just came out yesterday.

CEOCFO: *Would you tell us about the corporate culture at Cobaltix?*

Mr. Walker: It is all about our people. I wish that I had the ultimate answer on how to get incredible people—it is our biggest challenge. Most of our business comes in through word-of-mouth, and we actually have to turn down business. We are in an enviable position in that way. Our big challenge is getting in great people. It has been that way from the beginning back in 2003. Many times the best people are not the ones that are looking for a job or even know that they are sought after. We interview somewhere between fifty and one hundred and fifty candidates before we get to a candidate that we are going to hire. My role in the company has everything to do with finding talent and I wish I had an incredible avenue to find those great people. As far as the interview process, we get many applicants. I think our name and our brand are starting to stand out a little bit.

CEOCFO: *What is a typical engagement?*

Mr. Walker: Every client is different. We have 25 engineers and each have four to six different specialties. We look at what the client needs. It may be a three person shop and they do all their documents using Google docs. The other side would be companies that are highly regulated by the SEC (or FINRA or another regulatory body). Every client is very different. Sometimes they have projects and they need upgrading. Every client it is different which is one of the reason the people I have love what they do, and another reason why they stay for a long time. We are so lucky and we seem to be doing something right.

CEOCFO: *What is your geographic reach?*

Mr. Walker: We are mostly northern California, although we are growing. We have a small software development shop in Copenhagen. It had an interesting start. We had three people doing dev here in San Francisco. One of them was very

young (and brilliant, he started with us at 14 and graduated high school at 16)—eventually he was off to school and started college. The second was friend I'd known for 30 years. He was now in his sixties and at the end of last year he retired. The third person was very young, but also brilliant. I met her in Denmark, and brought her here on a J1 (internship) visa, which unfortunately only lasts a year. While she was over here, she said she wanted to start a company, so when she went back, we did just that in Denmark. Now we have a company in Denmark that does all of our dev. Sounds kind of funny to be outsourcing to Scandinavia, but surprisingly, it is quite good financially. As far as clients go, we have a couple of clients in New York and a few others around the world, but all have offices in San Francisco.

CEOCFO: *When a company is looking for help what would they search for that would lead to Cobaltix?*

Mr. Walker: The interesting thing is our clients tend to be smart people and smart people do not usually look to advertising or on the internet for technology advice and service—it requires a high degree of trust. The caliber of client that we have will ask the people in their circle—it is all word-of-mouth. That means having a stellar reputation—No Unhappy Clients. All of our clients are references for us. We also have a warranty—if you don't value what we did, we don't want you to pay for it. Like I said--all about reputation.

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CEOCFO: *Why choose Cobaltix?*

Mr. Walker: We are incredible with technology. We are incredible with communication. We are going to do an incredible job for a great value and not just for us but we are going to make sure that all of your IT is done at a great value. We do not charge any more than anybody else. We pay attention to your business needs first.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

For more information visit: www.cobaltix.com

Contact: Steve Walker 510.289.3226 swalker@cobaltix.com

