

Management and Implementation Consulting for CPM and Business Analytics



Bogdan Baliuc - CEO

About Obero Inc.

Obero Inc. is a privately held global company with offices in Canada, the US and Romania. We offer management and implementation consulting services in the area of Corporate Performance Management (CPM) and Business Analytics. The company was founded by industry veterans with the focus of delivering platform agnostic and trusted advisory services that focus on solving our customers' business issues as opposed to implementing specific technologies. Our staff brings years of experience in both management and implementation consulting in the areas of Budgeting, Forecasting, Planning, Reporting, Consolidations, Workforce and Capital Management, External Financial Reporting and XBRL.

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

CEOCFO: Mr. Baliuc, what is the concept behind Obero?

Mr. Baliuc: We have two lines of business. Our first line of business, which is how the company got started, is that we do implementation of Corporate Performance Management solutions. This is budgeting systems, financial forecasting and so on, for our clients, using software from our various partners. We implement IBM software and software from other vendors. The second line of business is that we have our own software product, Obero SPM, which is Sales Profitability Management. We build our own software solution that allows companies to calculate viable compensation for their sales reps. We bring in costs from the accounting systems and so on and we allocate down those costs so companies can see profitability at the sales rep level or at the product level or division level and so on.

CEOCFO: Are there many companies that have a similar product? What is the competitive landscape?

Mr. Baliuc: There are quite a few companies that do the incentive compensation management part that do calculate the incentive compensation and so on. There is only one other company that I am aware of that does the profitability, but they do not cover the incentive compensation.

CEOCFO: Have people been looking for a system that would do the profitability as well or is it more that they are happy to find it when they learn of your existence?

Mr. Baliuc: Some have been looking for it and some are looking for it without realizing it. Pretty much everyone that we talk to is excited about the idea of being able to calculate and see their own profitability.

CEOCFO: What were some of the challenges in putting that together? What do you understand that allows you to have such product?

Mr. Baliuc: Apart from the challenges of developing a new piece of software, it is the ownership inside the customer. The people who would benefit most from this solution are not necessarily the people who make the purchasing decision.

CEOCFO: How are you approaching prospective customers? How do you reach out and in what way?

Mr. Baliuc: There are a few lines of attack. First off, we are approaching our existing CPM customers. We have some 120 customers on the CPM side of things, and most of those customers have come to trust us because we do budgeting and forecasting for them. We ask them to introduce us to the other side of the equation, the sales or HR department or whoever has the responsibility for or are actually taking care of viable compensation and the profitability. Then we try to bring everybody together to the same table and to discuss whether they need this type of solution, what the timeline is and so on.

CEOCFO: When you are speaking with a prospective customer, is there an aha moment when they get it and understand the benefit, need and value?

Mr. Baliuc: Yes, the way we do it is that we typically start with the biggest pain point, which for many companies is the incentive compensation management. There are some market studies, which for instance show that sales reps tend to

spend between five and 10 percent of their time doing shadow accounting. Many companies do not even realize that this is a problem. They think it is the price of doing business, so when they realize that it does not have to be, then yes there is usually an aha moment.

CEOCFO: *How do the two divisions or the two lines of business break down percentage –wise and would you like to see a change?*

Mr. Baliuc: Right now, I would say 95 percent, if not more of our revenue is derived from our consulting business, and it is mostly CPM. We just launched our product and we started marketing it in April of this year. We want to start selling more of our product and implementing more of our product, so eventually I would like to see a 50/50 or maybe even more on our product side than on the regular consulting business.

CEOCFO: *What have you learned over time with the company? Has your philosophy and approach changed?*

Mr. Baliuc: Not that much. Our idea was always to form a partnership with our customers, because unhappy customers do not pay bills regardless of who is right or wrong. If the customer is not happy, they do not pay bills, they will not recommend you and they do not help you gain more customers. That has not changed. Our main goal is to have happy customers, solve their business problems and have them become more profitable and organized. There are obviously logistic challenges. As the company grows, there is always a need for better scheduling of resources, better communication with all the people in the team and so on.

“[Obero Inc. offers] a solution that can grow with the customers as their business needs grow.” - Bogdan Baliuc

CEOCFO: *With your newest product, what has changed as people have started to use it and look at it? What have you learned even in the short time it has been available that may be causing tweaks or at least thinking about making changes?*

Mr. Baliuc: Initially when we started building this product, we tried to make it as flexible as possible so we can solve as wide a range of problems as possible. What we discovered is that people actually like to be led. Most people like more set-in-stone processes that look very easy to use even if it does not necessarily fit their existing business process. They want a more structured approach and they want to understand what the best practices are in the industry and be advised on how they should do thing. It is basically that they want an additional layer of management consulting on top of the regular business consulting that we are doing.

CEOCFO: *What do you look for in your people over and above the technical skills, particularly with the philosophy that you need to make the customer happy?*

Mr. Baliuc: We are looking for people who like interacting with other people. Most of our front-end employees are consultants who deploy our solution on the client side, so they have a great deal of customer interaction. They have to enjoy working with other people. That is one. The second is that we are looking for people who are flexible and eager to learn because technology changes so quickly. They have to be adaptable, and they should thrive on learning new technologies.

CEOCFO: *What is your geographic range?*

Mr. Baliuc: It is pretty much everything in North America. We do have a couple customers in Europe, but Europe is not really our focus at the moment.

CEOCFO: *Do you have particular industries of focus or types of companies that would be more likely to use your services?*

Mr. Baliuc: No, we are pretty much horizontal across all industries. We have clients ranging from Prudential Financial, which is a big financial institution to the University of West Virginia, from Teach for America, which is a non-profit foundation to retail chains and so on.

CEOCFO: *Are there preferences for the types of projects you would like to work on given a choice?*

Mr. Baliuc: Profitable projects, but other than that, no.

CEOCFO: *I know Obero been recognized in the Branham300, so clearly business is good. How do you continue the trajectory?*

Mr. Baliuc: We are seeing some growth this year. We anticipated about 15 to 20 percent, and I am fairly confident we are going to hit that based on the numbers I have seen so far. We are going to keep trying to grow both the consulting and the software business.

CEOCFO: *What might be different a year or two down the road for Obero?*

Mr. Baliuc: There are many unknowns. We do not know how well the product is going to catch in the market, and we do not know how much growth we are going to see based on this. If the software really takes off, we are going to have to

reprioritize many of our consulting efforts, change our hiring strategy a bit and look for a bigger office space. If it does not work, we will have to look into how to grow the other side of business or maybe develop another piece of software. There are many unknowns right now.

CEOCFO: *Why pay attention to Obero? Why does the company stand apart?*

Mr. Baliuc: There are a number of things. First off, we are still a relatively small company. Everybody who works here enjoys working here. There is as little bureaucracy as we can afford, although as we grow, this is going to grow as well. Most of our clients are happy. I would say over 99 percent of our customers are referenceable, so any time somebody needs a reference, I can call any of the clients on the list and ask if they are willing to help us provide the reference, and they will say yes. On the budgeting side of things, the way we distinguish ourselves from competitors is that we are not tied to a particular vendor. Our approach to market is that we are not trying to fit your business into the software that we are selling, but we are trying to listen to your pain points, we are trying to find a solution for you, and then we will make recommendations based on this. We are not that particular about what type of software the client is on. We are more interested in the fact that can have a good solution for the client. On the SPM side of the business, we do believe that we are the only solution provider that can take the customer from the initial pain point, which is the incentive compensation management all the way to actually calculating profitability for the sales team. There are other solutions in the space, but none that I am aware of that does all these things. It is basically a solution that can grow with the customers as their business needs grow.

BIO: Prior to founding Obero, Bogdan Baliuc was the VP of Worldwide Operations at Clarity Systems Ltd. (acquired by IBM in Oct 2010). In his role at Clarity/IBM, Bogdan led seven departments and a team of over 40 employees, including Solutions Architecture, QA/Documentation, Resource management, Education and PMO.

Bogdan has an M.Sc. in Computer Science from the "Politechnica" University in Bucharest.

Obero Inc.

**7560 Airport Rd., Unit 12
Mississauga, ON, L4T 4H4
CANADA**

888-815-2996

www.oberosolutions.com