

Monday
October 18

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THE JOURNAL OF NEW ENGLAND TECHNOLOGY

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Rodney Brown Photo

CodeLab CEO David Ritchie, left, and company President John Francis say they've made strides in post-merger and acquisition systems integration market.

CodeLab finds niche in M&A world

09/27/2004 07:50 AM

 By [Christina Torode](#)

CodeLab Technology Group is carving out a niche as a consulting and service firm for companies in the process of a merger or acquisition.

Particularly in the financial services community, where consolidation continues to run rampant, CodeLab is working with the likes of CitiGroup and Thomson Financial.

During the merger/acquisition process, CodeLab integrates all the disparate IT systems and migrates the data into a single system that is either homegrown, or off-the-shelf such as an SAP or Oracle system.

Not an easy task when much of the work is gathering knowledge about systems, data and architectures during a time when people are either being laid off or choosing to leave as a result of a merger.

"Systems and applications are modified along the way, and we try to glean as much information as we can before people leave, but in a lot of cases we have to start from scratch," said David Ritchie, who is founder and chief executive officer of Wakefield-based CodeLab, his first company.

Ritchie bootstrapped CodeLab in 1998 beginning with \$50,000 out of his pocket, one computer and what he calls a shingle to hang over his head. Now CodeLab has 35 customers, many of which are repeat customers such as Thomson Financial, which has worked with CodeLab during four separate acquisitions.

CodeLab is also profitable, has revenues of about \$4.4 million and is hiring about one employee a month.

About three-fourths of its customers come from the financial services community, with the remaining customers mainly in the manufacturing and technology industries.

For Thomson Financial, a division of Thomson Corp., CodeLab integrated the billing systems of Thomson Financial and its parent company's latest acquisition of CCBN, a web-based solution provider for the investment community.

"Acquisitions are strategic to our growth strategy, and we do them for competitive reasons to increase shareholder value and offer new product sets to our customers," said Rob Janecek, vice president of billing and information systems for Thomson Financial. "There is always pressure on the time frame for knowledge transfer."

That was a key reason for bringing in CodeLab, which helped Thomson Financial build a billing system from scratch, assisted in employee knowledge transfer and migrated the data within three months.

"It's hard to get it done in three months, but that seems to be the magic number because companies want it done by the end of a quarter," Ritchie said. "If they miss the deadline they either have to keep running the old billing system or delay billing, and each scenario is bad."

CodeLab has also found a sweet spot helping Venture Capitalist firms decide whether a technology product is real or half-baked. CodeLab comes in and tests the product's architecture, analyzes how the product can be leveraged in an organization and tests its scalability.

"I've actually sat in on meetings where VCs were considering investing in a company that only had a prototype because they liked the concept," said John Francis, president of CodeLab. "They were overlooking the risks of not seeing and testing a final product."

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