



Wondering If A Solution Will Fly? iValue Offers More Than A Wing And A Prayer

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Chris Gardner and Ray Trotta are pilots of a sort. They run IT-solution simulations.

In April, Gardner and Trotta launched iValue, a Chicago-based consultancy that helps enterprises, technology vendors and solution providers estimate the return on investment from potential IT deployments.

"What we build is a flight simulator for business to make sure a particular technology is going to fly," said Gardner, co-founder of iValue. "In the engineering world, they used to build prototypes of planes, but now those planes get flown on computers before they ever get built. This is the same principle. We test an IT system and its business impact before it ever gets deployed."



iValue's Chris Gardner (l.) and ray Trotta help predict return on investment.

Trotta refers to himself and Gardner as "hybrids", people well-versed in both technology and finance. That combination, he said, allows the duo to give customers a balanced perspective on IT and its effect on a company's bottom line. "In the past, people were so enamored with technology and what it could do," said Trotta. "We're cutting through the hype and defining the value of solutions from a business standpoint."

Most of iValue's customers, including McGraw-Hill and AT&T, are Fortune 500 firms that spend \$1 billion or more on IT every year, said Gardner.

"For one thing, IT is becoming more mission-critical," he said.

"For another, there's a trend nowadays toward management teams being more accountable to shareholders for what they spend and where. There's a great deal of sensitivity to the value of IT in terms of share-price impact."

Any information-intensive company is a suitable target for iValue's services, said Gardner. The most promising verticals right now include financial services, insurance, telecom, high-tech, media and biotechnology, he said. "For solution providers, we develop compelling business cases for the value of the technology they're selling," said Trotta. "Let's say a VAR has a CRM implementation they've developed for financial services companies. We can run a simulation and quantify the benefits of that solution to the customer."

Some of those benefits, such as cost savings and increased productivity, will be concrete and easily quantifiable, Gardner said. Others, such as customer retention and enhanced brand identity, are harder to measure, but iValue can assess their potential impact on a company's expenses and tie them back to profitability and share price, he said.

"We're having a lot of fun doing this, and we're off to a really fast start," said Gardner, who expects iValue to turn a profit of up to \$1.5 million by year's end. "We're only a month or so into this and we're already profitable," he said. "Most start-ups aren't profitable for years, never mind a month."

iValue is ultimately trying create a new business model for professional services, said Trotta and Gardner.

"If you look at the way decisions are made in companies, it's often intuitively and based on personalities," Gardner said. "We're not saying intuition should be replaced. We're saying intuition should be supplemented with quantitative, fact-based analysis."



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