

## Pohlad Cos. buying up tech consultancies

**BY KATHARINE GRAYSON**  
STAFF WRITER

The Pohlad family, which has a record of investing in everything from banking to baseball, is placing its next bet on information technology.



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**Dave Johnson, chief technology officer at Pohlad Cos., is in charge of the acquisitions.**

The prominent family is planning to build a portfolio of up to seven IT consulting firms over the next five years, a move it hopes will provide it with an additional \$100 million in revenue. That effort took a step forward two weeks ago with the acquisition of Arcadia Solutions Inc., a Burlington, Mass.-based IT firm with 45 employees. Terms of the deal were not disclosed.

Minneapolis-based Pohlad Cos. is also negotiating to buy what would be its third company in the industry, said company Chief Technology Officer Dave Johnson, who did not provide more details on the possible deal.

Arcadia's business is complementary to the Pohlads' only other holding in IT services, Bloomington-based Inetium, Johnson said. Arcadia targets the financial, high-tech and health care industries, helping companies deploy software to manage workflow and make operations more efficient. Inetium, meanwhile, is a Microsoft partner that focuses on customer-relations management and other services for medium-sized businesses.



**Thibodeau**

Both companies help fill out the first two niches Pohlad Cos. is targeting, Johnson said. Next up will be an entry into the outsourcing market for IT services. The family also is looking at the possibility of building its own startup.

Johnson, who has been charged with heading up Pohlad Cos.' strategy for growth into the IT business, said the company isn't planning to consolidate the firms it acquires.

"Part of our strategy is to retain a small-company culture in these various organizations," said Johnson, who formerly oversaw banking technology for Marquette Financial, a banking company in which the Pohlads own a stake.

The Pohlad Cos. started looking at investing in IT services companies in 2004, after an investment bank approached the family about acquiring a troubled tech company. The company passed up on the offer, but began taking a closer look at the industry, Johnson said.

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Chief technology officer,  
Pohlad Cos.

IT consulting firms have been growing rapidly in recent years, driven largely by businesses making bigger investments in their technology infrastructure — something many of them put on hold following the dot-com bust.

The Pohlad family bought Inetium in 2006. At the time, Inetium was performing IT work for United Properties, a Bloomington-based commercial real estate firm owned by the Pohlads. Inetium has grown rapidly since the acquisition. It expects revenue to climb to \$12 million this year, up from \$7 million in 2006.

### On the Pohlad team

The Pohlad Cos.' first two IT acquisitions:

Company: **Inetium**

City: **Bloomington**

President: **Keith Rachey**

Employees: **86**

2006 Revenue: **\$7 million**

Web site: **www.inetium.com**

Company: **Arcadia Solutions Inc.**

City: **Burlington, Mass.**

CEO: **Seth Henry**

Business: **Deployment, benchmarking and optimization of emerging-business technologies in the health care, financial-service and high-technology industries**

Employees: **45**

Web site: **arcadiasolutions.com**

Inetium has almost doubled its staff from 45 to about 86 over the past year and expanded its presence in other states.

About a third of Inetium's business comes from other firms owned by the Pohlad Cos. Inetium officials said this week that the firm's relationship with the Pohlad Cos. has allowed it to grow faster than it would have organically.

Arcadia Solutions also is growing rapidly, with its revenue climbing by about 50 percent since its founding in 2002.

The Pohlads' new strategy might have been surprising a few years ago, said Dee Thibodeau, CEO of Charter Solutions Inc., a Plymouth-based IT consulting firm. However, the rapid growth in the industry has made IT firms ripe targets for acquisition. Charter Solutions is growing by more than 30 percent per year.

"Companies have started to grow, and because there's a lot of money out there, there's a lot of possibilities," she said. "We're starting to see different types of companies expand into the IT area."

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