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Take a ride on the Revenue Rocket!



Michael Harvath
CEO and President

Revenue Rocket Consulting Group
www.revenuerocket.com

Contact:
612-298-7737
mharvath@revenuerocket.com

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

"Near as we can tell, based on our area of specialty, we are the fastest-growing firm that does what we do in the country." Michael Harvath

CEOCFO: *Mr. Harvath, what is Revenue Rocket Consulting Group?*

Mr. Harvath: Revenue Rocket Consulting Group is an almost 20-year-old firm based in Minneapolis, that works with IT services and consulting companies. What we do for these companies is two things: The first half of our business is focused on helping our clients optimize their growth strategies, to be top quartile performers both for revenue growth and profit realization. We do that through a proprietary program we developed called SVP.

The other half of our business is focused on mergers and acquisition advisory services. We advise both buyers and sellers that are IT services companies with either growing their business through acquisition or selling their business. We facilitate several transactions per month, with over 200 transactions since our inception.

CEOCFO: *Do most people in the industry recognize they should have help regarding growth strategy and/or mergers and acquisitions?*

Mr. Harvath: Many companies recognize they need help with optimizing their strategy. Certainly, the smart companies recognize they need advisory help with M&A transactions because it has been called the most unnatural act in business for a good reason. Most business owners are woefully prepared to deal with all of the complexities of an M&A transaction, and certainly need a good team of advisors around them in order to facilitate a deal, whether they are looking to acquire a company or they are looking to sell.

I think that team of advisors includes a great financial advisor; certainly someone who can advise them on structuring and tax ramifications. Likewise, a good legal advisor, as well as a good M&A advisor all make

up that team. Smart and the most successful business owners will assemble that team.

CEOCFO: *What are some of the challenges specific to the tech industry and what do you understand on a very fundamental level about how to address the problems?*

Mr. Harvath: Many technology consultancies in particular have been started by technical people. These are people who are smart technically, but may not be able to drive growth or struggle with an optimized growth strategy to expand the firm to become world-class and to operate in the top quartile of their peers. Therefore, we have found that there is a big demand for optimizing the business, to scale it and grow it in a way that is meaningful and creates real value for the stake holders of that business.

Beyond that there is the nuance in M&A transactions we see of combining people-based businesses. In our world we focus exclusively on that IT services space, and combining those businesses means that they really need to line-up exceptionally well strategically, culturally and financially. Because they are predominantly people based, the cultural component becomes super important.

CEOCFO: *What do you look at when you are talking with a company, either before you take them on as a client or when you are working with them through the process? What do you need to know to understand beyond what is on paper about the company, its culture and day-to-day operations to help guide them in the right direction?*

Mr. Harvath: Whether a client is a strategy client or an M&A client, we do an extensive amount of due diligence on our clients before we engage. We want to do an interview and talk with their leadership. We want to ideally see their financials. We want to understand their competitive advantage and what is unique about their go to market story to make sure that we can help that client.

We have some qualifying metrics that we use when we look at potentially working with a client. We have learned over the years that if a client some specific attributes, we will be able to help, whether it is with strategy or M&A. However, if we cannot add value we certainly do not want to engage.

CEOCFO: *What is different for you under COVID, if anything?*

Mr. Harvath: We have our headquarters operation in Bloomington, Minnesota, and since the lockdown we have only had a small number of our employees going into our office. However, we have actually been a work from anywhere business for over fifteen years. We have staff in many states throughout the US and that has not changed, as we have cultivated a work from anywhere culture almost since our inception. Considering we have worked with hundreds of clients in 30 countries, we have needed to adapt over the years to be able to work remote. At any given time, we are typically working on projects in 6 to 10 countries, so we find it has been much more efficient for us to be a remote worker. Therefore, we have not seen much change during COVID from a work process perspective.

We certainly did see an impact in Q2 on revenue and profits. I think most of our clients saw that as well and because we are a bellwether for the IT Services industry, we mirrored our performance with the industry in Q2. We did see a very rapid return to more a normal run rate or accelerated business performance in Q3 and a return to a buoyed optimism for our clients that has translated into a record quarter for us coming in Q4.

CEOCFO: *What has changed in your approach over time? What have you learned over the years?*

Mr. Harvath: We learn a great deal from every client. We have certainly learned a great deal about what works and what does not work. Our models have become more fortified over time because of things we learn every day. I like to think we are a learning organization, and as a learning organization we adapt and change. In fact, quarterly we review all of the processes in our organization that may be impacted by our key learnings from that quarter.

Many people in technology talk about people, process and technology, but we are advocates for it really being about process first, people second and then technology enablement. We live that mantra, as we look at those processes very regularly to make sure we are appropriately staffed and as we continue to grow, make substantial investments in technology, which we have done over time, to make sure that we are continuing to deliver quality services to our clients.

CEOCFO: *How do you reach out to potential clients and is it the same for strategy as well as M&A?*

Mr. Harvath: We have a great marketing team here at Revenue Rocket and I think they do a super job in helping our outreach. We have a regular podcast that many people subscribe to and I think they get a lot of benefit from them. We have a very active Youtube channel. We do web-based marketing pretty well. We do try to give back a portion of our profits every year to charity and I think that many of those charities have been related to our industry in some way. That has been recognized by our clients and our peers as something that is laudable and that has also led to new opportunities.

From our perspective we believe doing outreach to our specific clients directly through web-based marketing is crucial to our success, and that has been amplified in a post COVID world. I think most companies that run a business successfully need to get their customers attention and that is certainly a way that we have operated for many years.

CEOCFO: *We came across Revenue Rocket because you were recognized this year in the Inc 5000. How do you continue the trajectory?*

Mr. Harvath: We are certainly fortunate enough to have made the Inc 5000 list for 2020, the fastest growing privately held companies in the country according to Inc. Near as we can tell, based on our area of specialty, we are the fastest-growing firm that does what we do in the country. I think that has happened because we coalesce not only on the market demand for our services, but we have executed pretty well in serving our clients. We continue to attract new clients at a record pace and continue to hire new people who are of like mind in our firm, people

who are experienced in the IT services market that bring substantial value to our clients every day. Our goal is to continue to expand as a global firm, continue to invest in our team and our technology and processes as I mentioned before that is critical to our success and to hopefully staying on the Inc. 5000 list for many years to come.

CEOCFO: *What is the competitive landscape?*

Mr. Harvath: It is an interesting question because we certainly see competitors. Every company has competitors but many of ours are either M&A advisors or strategy shops, and we see our position a little differently because we take a long-term customer for life view of our relationships with our clients such that we can help them optimize strategy, profitably grow, and facilitate M&A transactions which is critically important.

We think that many small businesses do not have a full appreciation for how profitable they can be or should be and we spend a lot of time there. Oftentimes those clients as they fortify their balance sheets will come back to us to help them acquire other companies and ultimately achieve an exit and that is a core to our customer life cycle strategy. We are always building those relationships with those clients over a period of years and in some cases decades. That served us exceptionally well as we continued to add new clients that we can help over a period of years grow and build their enterprises.

CEOCFO: *Why choose Revenue Rocket?*

Mr. Harvath: I think our deep expertise in growing, acquiring and selling IT services companies. Certainly, we have focused from day one on the IT Services market. The business was born out of my own experience having started growing and selling three IT services companies prior to starting Revenue Rocket. It was my vision to pay it forward and take some of the experiences I learned along the way and share them. We have been blessed to have helped as many clients as we have over the years.

Why choose us? It is about experience and it is about efficiency and our ability to get things done. I think we are exceptionally skilled at helping companies craft a winning growth strategy, helping them build value into their balance sheets and their businesses and helping them facilitate transactions. We are successful 94% of the time when we are hired by a company to help facilitate an M&A transaction. I challenge just about everyone in our industry to have statistics to top that.

CEOCFO: *What might someone miss when they first look at Revenue Rocket?*

Mr. Harvath: What they might miss is oftentimes companies either see us as a strategy shop or an M&A shop. It has much to do with what they are specifically looking for. I think oftentimes they miss that we do both of those things exceptionally well and the combination of those things is very powerful. The ability to walk a mile in the shoes of the company leadership team as they are facilitating transactions, whether they be buying a company or considering a sale, is flavored by our strategy experience. I think many M&A advisors do not have that; they are more generalists, and they tend to not have deep industry expertise,

particularly expertise that will qualify them to be a strategy advisor. I think oftentimes a company that is looking at working with either an M&A advisor or a strategy advisor may miss that we actually have very deep expertise in both disciplines and that they are complimentary to one another and improve the work that we do in each area of the business.