



Harley Lippman

EDITORS' NOTE Prior to starting Genesis10, Harley Lippman was the founder and sole owner of Triad Data Inc. Lippman serves on the board of Yale University's business school (SOM, School of Management) and Columbia University's graduate School of International Public Affairs. He is currently a trustee at NYU Langone Medical Center. He has served as President of the America Israel Friendship League and previously served as Chairman of the board of trustees of the American Jewish Congress. He serves by Presidential appointment and Senate confirmation as a member of the U.S. Commission for the Preservation of America's Heritage Abroad. He was a public director of the New York Mercantile Exchange from 1999 to 2006. He was awarded the Ernst & Young Entrepreneur of the Year award in the consulting category in 2002. Lippman has been the sole financier of an orphanage in Cambodia for almost 10 years and is putting four of those children through college. He is funding scholarships and financial aid programs for American veterans. He earned his master's degree in international affairs at Columbia University and earned his bachelor's degree from the State University of New York, Stony Brook. Lippman studied in Poland on a Fulbright Program.

COMPANY BRIEF Genesis10 (genesis10.com) delivers innovative and proven business, technology, and talent solutions to clients throughout North America. Genesis10 is a \$185-million privately held business and technology firm providing people in technology and technology services to major organizations. Genesis10 has grown organically at an annualized rate of 29 percent since establishment by Harley Lippman in 1999. Clients include Fortune 500 companies across industries like banking, financial services, insurance, health care, life sciences, consumer retail, manufacturing, technology, communications, transportation, and government.

What made you feel there was an opportunity for Genesis10?

I recognized that mainframe was dying and by 2000, it was dead in the U.S. So in starting a new company, I could start with a clean slate because my previous company was mainframe.

The Value of Onshoring

An Interview with Harley Lippman,
Founder and Chief Executive Officer, Genesis10

I also believed that I could build a better mousetrap – my strength lies in seeing something and making it better.

How does the company differentiate itself in the space, where you provide the strategic inputs and counsel but also execute efficiently?

We have a hybrid model, which is a real differentiator. It means you have the staffing firms that can only provide the people; and you have the big five that put in the team and grow it, and they impose their own methodology. We're in that middle space where we provide high-performing business and technology consultants and solutions, cost-effectively, in a flexible, scalable staffing model.

Wise companies look to unbundle large enterprise initiatives to gain transparency into deliverables and to manage costs. That is where, from a strategy perspective, we're a good fit. We're close to two-thirds cheaper than the big five and we manage the post-strategy heavy lifting in terms of execution. Clients find us much easier to work with. We're open-minded in methodology as to what works; we're all about being accountable; we're willing to put the skin in the game; we're all about transparency; we're lean; and we execute well.

Companies are increasingly looking at our model because it allows them to save money and still have a good, reliable partner that can scale up or down as needed.

What type of solutions do you provide?

We started out as an IT only staffing company. I realized then that the business was being commoditized and I wanted to be more of a strategic partner with a client. So we ended up with six different lines of business to strategically support staffing and provide whatever talent and services a company needs related to technology.

If the client simply wants to hire someone, we have a traditional program for which they pay a fee. As their needs evolve, the options become more sophisticated and the value increases. We have divisions that provide multiple types of IT solutions. In addition, we have an amazing college hire program where we train the person directly in the client's own business and technology.

We also have managed services for clients who wish to outsource their help desk and other technology functions, and a workforce development program to staff outsourced initiatives with high-potential, trained, and mentored college graduates, veterans, and diversity candidates.

We are socially progressive in that we provide free counseling and a resume service for veterans.

We also look to encourage onshoring as opposed to American workers being fired as the result of shipping work overseas for cheaper labor. Since the dot-com bust, salaries for programmers here have not gone up and the shift in wealth from the West to the East has made it so countries like India no longer offer cheaper labor. The U.S. is actually competitive now.

Are more organizations beginning to see the benefit of onshoring?

Some do, but there are obstacles. The process requires quantifying something that is difficult to get your hands around – the costs are indirect, but they're meaningful.

One example is turnover. When you have a project and someone leaves, it has a significant negative impact on both schedules and cost. Offshore companies have turnover rates from 27 to 34 percent, which is huge; our voluntary turnover is in the single digits.

With offshore workers, there are language issues and less business knowledge, compounded by the impact of doing work eight times zones away. Regulators are also increasingly concerned about the protection of personal and financial information at overseas firms, where it's not as protected as it is in the U.S.

Offshoring has now become more expensive so the model is less attractive. In addition, there are systems that are embedded there making it more difficult to make changes. You can have stakeholders that don't want change and there can be instances of political resistance. I have had problems even at the CEO level.

Clients also put their reputation at risk with offshoring – especially American companies – since the number-one issue in the U.S. is jobs. Companies would like to think of themselves as progressive in striking the right balance between profits and corporate responsibility.

The U.S. is still the world leader in technology but that leadership is being rapidly eroded. If we continue to send technology work offshore, the ripple effect is that start-ups open there and new technologies are developed overseas. Those countries now have those products, so they're able to cut into our technology leadership. If we kept it here, it would not only address unemployment and preserve our leadership in technology, but the ripple effect means that the people hired to do those jobs buy homes and groceries, and the benefits of all of that goes into the coffers of the city, state, and federal governments. ●