

THEOREM INC UK MARKET ENTRY CASE STUDY



Theorem Inc UK Business Start-up

Calx Europe was challenged to help Theorem Inc of Chatham, NJ, USA and Bangalore, India to set up a UK subsidiary of their Outsourced Online Media Operations Business in the UK as a springboard for European expansion.



THE CLIENT

Theorem Inc is 6 years old, founded by the CEO, Jay Kulkarni, based in Chatham, New Jersey, USA. Theorem has 4 main sites, an HQ in New Jersey, USA and 3 sites in India (2 in Bangalore and a 5 acre campus in Mysore). Theorem Inc grew out of experience of understanding the pain points involved in digital online marketing and offers developed a suite of outsourced services to digital marketers to increase efficiency and drive down costs. The suite of services are highly specialised and backed by 1) in depth knowledge and expertise in the digital online market, 2) a deep understanding of the technological issues and best practices in driving campaigns and 3) by having a full suite of offerings to cover all aspects of the digital online marketing mix. The worldwide market for digital online marketing is worth \$50billion of which 50% of the market is outside of the USA.

Theorem Inc describes itself as **'The online media operations company'** and offers 4 main services:

Ad Operations/Trafficking

The No 1 revenue driver on the internet is based on monetisation through online advertising – even established forces such as the BBC recognises this and historical subscription based media like the FT and Wall Street Journal now understand the market dynamic has changed.

The Company has the ability to take create online advert campaigns and deliver them with media instructions to Ad Servers to ensure the right advert is served to the right user and when. The service then optimises the traffic flow, carries out quality assurance and delivers detailed reporting to the client, so saving cost and stress by outsourcing key tasks. By delivering unique expertise, offering scalability at sensible cost and using well-established best practices in Ad Operations, The Company has attracted major clients such as Publicis, Starcom, DoubleClick and Real Media.

Search Operations/Online Media Planning

By encapsulating the many steps of a media campaign, The Company offers a comprehensive service to optimise keyword purchasing, bid monitoring and bid reporting plus a copywriting service to ensure that online media campaigns are driven to the right markets, are customised and constantly reviewed and optimised for best results. With technical expertise in all the major search engines, The Company has attracted such clients as Performics, Did-it and Quigo, a Division of AOL.

Email Marketing

In a market that has consolidated considerably, The Company has taken direct marketing activities to the web. The Company offers services to 1) acquire lists with profiles and buying habits etc which are updated and maintained, 2) deploy emails ensuring the mails are customised for users, offers and browser types and 3) offering click through landing pages for response maximisation. The Company has been successful in attracting such clients as Epsilon and Return Path.

Data Services

The Company offers services to pull varieties of data sources such as display, search and email and optimise the solutions with full timely reporting, essential for monitoring the success of campaigns.

Theorem Inc has many client testimonials such as from Digitas, Tribal Fusion and Starcom and offers 24 x 7 operations around the globe, supporting multiple languages. The services model makes it easy to up-sell and cross-sell clients once on board. With clients already in Dublin, London, Dusseldorf and Paris, the aim was to drive the UK business as a platform to grow the business across Europe.

THE CHALLENGE

Calx Europe had established contact with Theorem Inc before Christmas 2007 and had given some free advice on starting up a business in Europe, specifically the UK. The initial advice was centred around start-up costs for offices, people and legal advice as well as getting a feel for market opportunity. The intent was to offer Calx Europe's standard service which is to act as a **Virtual Sales Arm** for Theorem Inc in the UK to build up key customers, partners and sales in order to create a sustainable revenue stream for Theorem to make more informed investment decisions and to move into Europe strategically rather than tactically.

However, in May 2008, after listening to advice, Jay Kulkarni, the CEO of Theorem, decided to waive the possibility of a Virtual Sales Engagement and employ his own Business Development Manager for the UK, set up a local subsidiary and office to build his UK business. Theorem Inc originally placed an advert for the role in NMA and on Linked In and got very poor response - in fact were overwhelmed by the responses of UK recruitment agencies soliciting for business. Theorem Inc interviewed several of them and they all offered a continuous stream of CVs and claimed to be experts in the field but no one knew Theorem Inc's competition or business.

IF AT FIRST YOU DON'T SUCCEED

In frustration, Theorem turned to Calx Europe. At Calx Europe, business acceleration services come in all shapes and one is expanding business by finding exceptional people - recruitment in another language but using completely different techniques. At Calx Europe, recruitment is about knowing your client's business thoroughly, understanding the market and knowing how to find and motivate good people to work for another company. The first principle is to assume that anyone looking for a job is not going to be a high-performing individual - the art is to find those people who are happy in their roles, over-achieving and therefore do not have their CVs on databases, do not read adverts, generally are earning substantially above the average in their industry and don't take headhunter calls..

STEP 1 – PROFILE YOUR IDEAL CANDIDATE

Theorem and Calx Europe worked on coming up with an Ideal Candidate brief - if all things were perfect what would this person be like, the role they currently occupied, what was expected of them, how they should work, what they hold as principles and ethics, and how they had achieved before - it has little to do with a Job description and a lot to do with how that person would have to fit in with Theorem as a business and what was expected of them. Then Calx Europe profiled Theorem's competition and looked at where these sorts of people may well be working today, screening out direct competitors and existing clients. Market compensation rates were looked at, the profiles were agreed and the project initiated. A target date for final interviews was set – the June Bank Holiday Weekend 2008; the deadline to finish the project.

STEP 2 – HAVE SKIN IN THE GAME

Unlike recruitment agencies, Calx Europe is focused on delivering success and growth to its clients. If success is not achieved, fees are not paid. So while there was a basic project acceptance fee, a success fee for finding
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and employing the individual, 50% of the fees would be paid in quarterly instalments over the next year against the performance of the individual recruited. It is skin in the game - Calx Europe's fees are directly linked to the performance of Theorem's U K business, the basic principle of business acceleration.

STEP 3 – CAST THE NET

The next step in the project was to cast the net to find potential candidates. This comes from a combination of reading industry material to find names, looking at Linked In profiles and ignoring those tagged as looking for career opportunities, matching business roles and then attending events such as Internetworld at Olympia. The process yielded a peak of 145 names of people who may have been of interest. Several were called and eliminated easily. The technique is to have a simple business requirement that their firm may be interested in fulfilling - then ask them to sell me their services with no mention of headhunting. Over half the potential candidates were eliminated by phone within a few days – if they can't sell their own services, they would be of no use to the client. The rest were met in person at the Internetworld and other events. Most were distinctly unimpressive - their body language, business dress/demeanour was poor, their ability to listen very poor and most were more interested in talking to other colleagues or drink coffee on the Stands. 15 people impressed enough to warrant a call back and they were given a chance to present their company and services - those who took the brief seriously, followed up well and sold professionally got on the list. Eventually, 11 potential candidates were called and told the brief was not entirely accurate and that the client was interested in employing someone.

STEP 4 – WHITTLING DOWN THE LIST

Not all were entirely impressed with Calx Europe's 'wasting their time'. In fact one wrote an indignant email saying Calx Europe wasted his time and it was an unprofessional approach. The answer was that Calx Europe not out to massage egos by saying it was a headhunter - the client wanted exceptional people who seized the initiative and differentiated themselves. That person made the cut of the final 4, which included a lady and an experienced start-up expert. Calx Europe now had a final Recommended List from which one candidate was dropped after phone interviews with Jay Kulkarni, Theorem CEO – the first time he had been involved in the process since the start. The idea is to maximise his time.

STEP 5 – THE FINAL INTERVIEWS

Jay Kulkarni arrived in the UK late June and interviewed the 3 candidates together with Calx Europe Principal, Nigel Dunn - testing their knowledge and preparation, then their ability to impress a CEO. We probed their values, their ethics, their successes, their failures, their motivations, leadership qualities, their trustworthiness, their ability to respond to tough questions. Of the 3, the 'indignant' individual rose above all by some distance and won the job.

CONCLUSION

From start to finish, the project took 6 weeks to define the Ideal Candidate and have a signed Contract of Employment from the individual chosen. Theorem have a local subsidiary, an office and a new UK Business Development Manager, **Marcus Harding**, of the highest quality and as of 4 August 2008, they will be every much open for business in the UK.

Calx Europe is the vital Partnership establishing Theorem in Europe. We work together to specific objectives and milestones and review progress constantly . all our goals have been more than achieved. It is a partnership built on trust and getting results.+



Jay Kulkarni, CEO . Theorem Inc

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