

Job Creation and Investments in Technologically Advanced Industries in Pennsylvania

Testimony of
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I would like to first thank the House Republican Policy committee members for the opportunity to testify today. My name is Ravi Ganesan and my company Core Solutions provides Electronic Health Records software to the Health and Human Services industries. My testimony today will focus on the impact Ben Franklin Technology partners has had on my company and how it has helped us grow our business. While we are still a young company and working our way to achieving our goals, in the 4 years we have been in the Ben Franklin portfolio, we have doubled the number of jobs we have created and our average employee salary has increased by over 30%. More importantly, we have set ourselves up for significant growth in the next five years. In many ways, Ben Franklin planted the seeds for our growth.

I came to the United States of America 23 years ago to attend college. After few years of working for other companies, I wanted to live the classic american dream of an immigrant starting and growing a successful business. I decided to meet the market need for electronic health records in the behavioral healthcare industry. The initial success came quick. We were able to build a product, get new customers and make a decent living. However as our customers started getting bigger and more complex, we reached a plateau. While I got excellent education from Saint Joseph's University, schooling did not provide me with all the skills need to manage and grow the business. That's when we went to Ben Franklin for help. I still remember the first time we meet with Ben Franklin, I told them we needed their "intellectual capital" more than their "financial capital". As it turned out, the "intellectual capital" we received from Ben Franklin resulted in us seeking financial capital to grow the business faster.

It is estimated that over 50% of startup companies fail in the first three years. One of the common reasons for the failure is the entrepreneur has not studied the market well.

What is the market size for the product they are creating

Who is their customer

What is their financial model

Just going through the Ben Franklin application process forces companies to more critically analyze their market and business model. It certainly helped us. After a stringent selection process, we were fortunate to be selected to be in the Ben Franklin portfolio.

Being in the Ben Franklin portfolio allowed us to dream bigger and take on bigger challenges. We were no longer thinking of selling our software regionally, but thinking how to become a national leader in our field. Ben Franklin's "intellectual capital" came in the form of individual consulting services through a portfolio manager, networking opportunities with other CEOs , advisors and investors. We were encouraged to ask the question "how could you grow your business if you had access to more capital?". Having the support system from Ben Franklin allowed us to grow from the entrepreneurial stage to a professional organization.

Part of the Ben Franklin model is help their portfolio companies graduate to professional venture capital firms. This was particularly challenging for us since we were considered too late for angel investors, but early for the larger venture capital firms. There are very few early stage venture capital firms in our region who can invest \$1 to \$3 million dollars. We were again fortunate to receive an investment from Emerald Stage 2 (ES2). Ben Franklin is a limited partner in ES2. In addition, ES2 is a recipient of funds from the Pennsylvania Department of Community and Economic Development. Under guidance and support from ES2, we have further grown our business. We have been able to invest in new products and markets, we have a strong board of industry experts and we have positioned ourselves for significant growth over the next five years. Our immediate outlook is also very encouraging. We are expecting to raise additional capital in the next 6 months to accelerate our growth. We are also expecting to hire 6-10 new employees in the next twelve months. All of this would not be possible if not for the Ben Franklin program. They planted the seeds for our growth. In many ways, this was followed by the nurturing and support from ES2.

It is very critical that we not only support the Ben Franklin program, but help early stage venture capital firms like Emerald Stage 2 raise capital. I believe both these programs are critical in supporting the committee's efforts for job creation in the technology industry.

On a final note, I would like to say that America is still the best place in the world to start and grow a business. But we face intense global competition and with today's technologies it is possible to start a business anywhere in the world. To protect our global competitiveness, we need to help more technology business open shop in the United States, especially in Pennsylvania. We need programs like Ben Franklin which can help these companies nurture and grow.

I want to thank the committee members for their time today and look forward to answering any questions you may have.