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Staying close to home: Enaxis Consulting LP

Enaxis Consulting has carved a successful niche by focusing on clients in the Houston area

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When Dhiren Shethia and Jonas Georgsson decided to start their own business, little did they think that, in a few short years, it would become one of Houston's fastest-growing technology consulting companies.

The former Deloitte consultants are co-founders of Enaxis Consulting LP, a 44-person firm providing management consulting and technology advisory services to Houston companies. Since its establishment in 2002, Enaxis has landed an impressive list of clients, including Shell Oil Co., Chevron Corp., Continental Airlines Inc., CenterPoint Energy Inc. and Dynegey Inc.

Unlike many start-up businesses, Enaxis has been profitable since it opened its doors under its first moniker, XMC, in a 2,000-square-foot office in Greenway Plaza.

Shethia and Georgsson initially were XMC's sole employees, but not for long. Because of their previous consulting experience, the two already had working relationships with technology gurus at several large companies. When they explained their business idea to several of these contacts, they quickly realized there was strong demand for the type of niche consulting they wanted to provide.

Consulting jobs began to stream in almost as soon as Georgsson and Shethia hung out their shingle and, within six months of starting up, the company added three or four employees to the payroll, Shethia says.

Since then, word-of-mouth has become Enaxis' best marketing tool.

"We've never really had problems in terms of growing clients ... knock on wood," Shethia says.

After just over five years in business, Enaxis boasts revenue in six figures. In 2005, revenue reached \$3.4 million, almost doubled to \$6 million in 2007, and is on track to hit \$7.5 million in 2008, Shethia says.

"We must be doing something right because people are coming back to us again and again because they like our style of consulting and the results," Georgsson says.

Enaxis is dwarfed by behemoth firms like McKinsey & Co. and Boston Consulting Group, but Georgsson and Shethia are not trying to emulate those companies' business models.

Having experienced life inside a large consulting firm, both Georgsson and Shethia recognize that bigger isn't always better.

Decision-making at large firms can often be institutionalized and resources get diluted, Shethia says. Enaxis, on the other hand, aims for the singular goal of client success, and the company ensures that its consultants are prepared from the moment they are staffed to a job.

"One of our credos is that we don't work for glory," Shethia says.

Continental Airlines is one of Enaxis' satisfied customers. The Houston-based airline has hired Enaxis for several consulting jobs, including a major 18-month project involving a request for proposal to outsource some technology operations, says Bob Edwards, Continental's vice-president of systems operations. Enaxis managed the project until Continental awarded the project to a vendor.

For Edwards, Enaxis' size has proved to be a selling point.

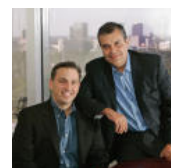
"The one thing I like about Enaxis is that, because of their size, they're able to do things very quickly and they don't have red tape that a lot of the firms have," Edwards says.

Enaxis' consultants have collaborated and integrated with Continental staff to the point that sometimes it's been almost impossible to differentiate which workers were Continental staff and which were consultants, Edwards says.

By nature of its size, Enaxis does not offer the range of services of larger consulting firms, but the company is always up front about the jobs it can handle, he says. On the jobs Enaxis has managed, such as the 18-month RFP, the consultants brought important capability and technical knowledge that Continental didn't have internally, Edwards says.

"I think we've been very happy with their delivery of services, and we'd recommend them and we'll use them in their future," he says.

Other complex projects Enaxis has handled include helping a company improve its upstream telecommunications infrastructure in West



Jonas Georgsson, left, and Dhiren Shethia of Enaxis Consulting: Undaunted by the tough economy.

Africa by investigating, and ultimately acquiring, satellite services in that part of the world, Shethia says.

Another job involved helping a Fortune 500 company examine the cost and impact of outsourcing portions of its IT services. Enaxis became the facilitator between the company and 40 potential vendors, Shethia says. Yet another job entailed a \$150 million decision as to whether a company should build or lease its data center space.

In these types of projects, where Enaxis investigates risks, timeline and scope, the company's consultants handle jobs that otherwise would tie up the client's time and resources. Enaxis handles the entire process from start to finish by researching vendors, conducting the request for proposal process, managing interaction between vendors and the contracting company, evaluating options, negotiating and, ultimately, helping the company settle on a vendor.

Shethia emphasizes that Enaxis should not be considered as an "IT implementation shop," but as a consulting firm helping companies decide whether to insource or outsource IT services and judge the overall impact on the company.

Enaxis' primary goal, Shethia says, is to help chief information officers run their organizations effectively.

Enaxis has the experienced manpower to take on these projects. The company's consultants average 13 years' experience and 60 percent of them formerly worked for large firms, Shethia says.

Many Enaxis consultants come to the company through referrals, but they are still vetted in a three-round interview process, Georgsson says.

Hiring proved to be a learning experience for Enaxis after a few minor stumbles. As the company experienced rapid growth, it quickly hired some people who weren't the right fit for the firm, Georgsson says. Enaxis later finessed its interviewing process and developed a more thorough applicant-screening process.

All in all, consultants are eager to work for Enaxis because they know that, unlike consultants at many other firms, they won't be far from home during the week.

"We focus on Houston because there is a large market here without putting people on planes all the time," Shethia says.

Shethia and Georgsson both know from experience how hard on family life commuting can be for consultants, who are usually on the road five days a week.

Shethia, for example, had a brief stint as director of operations/information technology with CBeyond Inc. Although not a consultant at the time, he lived in Atlanta during the week and flew home to Houston on the weekends to see his wife. It didn't pose too much of a problem until his wife went into labor when he was hundreds of miles away. Shethia remembers racing to the Atlanta airport, getting waved through all the checks, and catching a flight home just in time to take his wife to the hospital.

It was not long after this that Georgsson and Shethia began serious discussions about their business idea, which they had started kicking around while at Deloitte. They realized that, by focusing on the Houston market, they would not only save clients costs associated with the overhead of a global consulting firm, but that the consulting model would appeal to consultants worn out from weekly commuting.

As the economy weakens, Georgsson and Shethia will wait to see what impact the situation will have on business.

They joke that, after their early days, they're braced for anything. They set up their consulting business in 2002 to serve the Houston economy just as Enron Corp. was tanking. Then an infant company, Enaxis emerged from that period unscathed and has gone on to become one of Houston's fastest-growing technology consulting companies, earning Top 20 rankings for sales growth percentage in 2007 and 2008 in the Houston Business Journal's Fast Tech 50 list.

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