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BUSINESS CHAMPIONS

11-75 Employees Winner
InSource

Company Breaks Out Of Its Shell With Strong Financial Growth



**Business
CHAMPIONS**
Hartford Region's Fastest Growing Private Companies
COMPANY PROFILE

By Keith Griffin

Special to the Hartford Business Journal

Unless you're in the insurance and investment management industries, odds are you've never heard of InSource of Canton before reading this article. The consulting firm shied away from publicity in the past, but then it was named a business champion for its 103 percent revenue growth in 2006: the largest for businesses with 11-75 employees.

The firm offers specialized consulting dedicated to the insurance and investment management industries. It has a broad range of capabilities and in-depth expertise in the areas of business, operations and systems for these industries. In insurance it specializes in life insurance and annuity products.

In 2005 InSource had revenues of approximately \$4.4 million. That number swelled to about \$8.9 million in 2006. "We're targeting \$14 million this year for '07 and we're on track to hit it," Shalaby predicted. The future seems bright for the firm. "We've yet to even scratch the surface of the areas we're in," he said.

The consulting firm has mostly maintained

its focus on the Northeast corridor from Philadelphia to Boston but also has clients in Richmond, Atlanta and Seattle.

Capital Ideas

InSource's revenue growth was driven by its ability to capitalize on changes in the financial market. David Shalaby, who founded InSource in 1997 and is its president, said growth also came from an increase in hedge funds and private equity funds.

Not specializing has also helped the firm grow, Shalaby said. In the past five years, a lot of consulting firms have specialized in either business or technology. "We decided to stay focused in both areas, which isn't easy to do, but it's paid off," he said. "We're able to react quickly to the marketplace."

The secret to the firm's exponential growth appears to be hard work, according to Shalaby. "We're expanding our presence by mere force of what we do," he said, adding that InSource has more work than people right now. "In order to expand the growth, we're really going to need senior management," Shalaby added.

While it relies heavily on top-level professionals, the consulting firm sees the need for

InSource

Revenue Increase: **103%**

Owner: **David Shalaby**

Location: **Canton**

Business: **Insurance Consulting**

Local Employees: **57**

less-seasoned employees and training them in the business.

"What's hindering us right now is getting the right people on board," Shalaby said. "We're looking for strong, talented individuals in this market." There is a high demand for consultants in financial services. His labor pool comes from the Big Four consulting firms and the insurance and financial services industries. InSource, Shalaby said, annually

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reviews its benefits plan to be more competitive in the consulting industry.

On His Own

Prior to forming InSource, Shalaby was a member of Accenture's Financial Services consulting practice. He earned his MBA from Loyola University, Chicago and a B.S. degree from Purdue University's Aeronautical Technology program. He relocated here from Chicago two years before opening InSource.

InSource started its life primarily as a technology firm in the midst of the Internet boom. "It was a good place to be," Shalaby said. Then a fortuitous contract from The Hartford changed the firm's future. In 2001 it was hired to lead the integration of Fortis Financial Group's annuity portfolio with Hartford Life. "We took a business problem and brought in a technical solution," said Shalaby, who owns the privately held InSource. "That's how we sprung into that whole business and technology

practice."

Shalaby said The Hartford's CEO Ramani Ayer praised it as one of the "most flawlessly executed projects" in the company's history. At that time InSource had two major clients in the insurance industry; it now counts 10 in that

► InSource started its life primarily as a technology firm in the midst of the Internet boom.

arena. "We've been successful because we don't fail in our projects," Shalaby said.

Relationship Marketing

Regardless of its growth, Shalaby said InSource is still focused on customer service as an important element of its continued success. He said consulting would always come down to one-on-one relationships. He said the company faces the challenge of delivering customer

service consistently while still growing.

In addition to its office in the Collinsville section of Canton, InSource also has a technology division based in East Hartford. The two will be consolidated in Windsor by July 1. Shalaby said the new location was chosen for its proximity to Bradley International Airport and its space for up to 60 consultants. The firm currently has 68 employees (and uses additional contractors when needed).

The consulting firm hired 22 of its employees last year. "It was a major transition for us to get to the next level," said Shalaby. He expects the firm to grow to 100 employees by the end of 2007.

In recognition of that growth, the firm has implemented changes in the employee structure so it no longer has a small-company mindset. "In a small company you do a little bit of everything," Shalaby said. InSource has formalized employee roles and put people in the right seats. It has also developed a formal sales force that can focus more on that need. ■