

CAPE COD COULD GET ITS OWN PUBLIC COMPANY AGAIN WITH HARWICH TECH FIRM'S IPO

By Jon Chesto
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With Goldman Sachs' latest investment in **BackOffice Associates, LLC**, Cape Cod could be well on its way to getting its own publicly-traded company again.

The public community banks have been gobbled up. Infinium Software of Hyannis was acquired back in 2002, and Benthos Inc. of Falmouth was sold a few years later. If average investors wanted to invest in a Cape Cod company, they would have a hard time lately. It's as if the investment bankers don't ever cross the Cape Cod Canal — unless it's the weekend.

Well, that will change if Goldman Sachs' vision for BackOffice Associates comes to fruition. The New York investment bank's private equity arm invested \$30 million in the Harwich tech company in 2008 to pick up a 15 percent stake. Now, all Goldman Sachs and BackOffice are willing to say is that Goldman is making a sizable new investment in the company.

At Goldman Sachs' direction, the company is preparing itself for an IPO in a number of ways. BackOffice CEO **Trish Kennedy** tells me her company, which specializes in helping companies extract data out of legacy computer systems, has made an effort to diversify beyond its early focus as a supporter of SAP systems. This year, she anticipates her firm will collect more than \$150 million in revenue (compared with about \$120 million last year). About 60 percent of the firm's business is still with SAP projects, but other systems such as Oracle are also being served, she says.

Another big step involves the search for a new CEO. As the company's founders, Kennedy and her husband Tom still

play key management roles (her husband is the chief technology officer). Kennedy says she'll need to step down before the company can go public, although she still plans to be involved in the company.

It's not clear when an IPO would take place, although Kennedy says Goldman Sachs' stated timeframe is within the next five years. An infusion of capital from the public markets would help fuel BackOffice's growth, and solidify its presence as one of Cape Cod's largest year-round, private sector employers. Of BackOffice's roughly 500 employees, Kennedy says more than 110 work at the company's two offices on Route 28 in Harwich. She says she expects the bulk of future employees will be hired off-Cape, but there will be a need for more headquarters workers as well to keep pace with the growth. And there's more than enough room to accommodate those new workers in the former Thompson's Farm Market building in Harwich that BackOffice acquired in 2008 and currently uses as its second Cape office.

The company has come a long way in a short time. Kennedy recalls the firm's humble origins in 1997, when it was just a two-person operation, above a barber shop in Brewster.

But Kennedy says Goldman Sachs has no plans to relocate the headquarters from Cape Cod, and that executives at BackOffice's biggest backer have said they don't feel they could run BackOffice more efficiently anywhere else.

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