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## **Tech Tour Kicks Off In Kalamazoo: Manatron, Inc.**

The 2008 Great Lakes IT Report Spring Tech Tour kicked off with a bang Wednesday in Kalamazoo...with...a visit from Marty A. Ulanski, executive vice president of sales at Portage software developers Manatron, Inc.

Manatron is one of those old-line Michigan tech employers that's been around for decades, but is part of a unique business strategy now.

Manatron formerly marketed a suite of software that could manage a county's entire operations, from judiciary management to voter registration to finances to taxes. "The philosophy was to be everything you could be to the county, but it's just such a complex market," Ulanski said. "We had a financial application without having one CPA on our staff."

So, Manatron systematically sold off everything but its property tax software, and plowed the money into research into improving that software -- because even tax administration software is complex, stretching from property tax records in the Register of Deeds office to assessment in the County Equalization office to tax payment and distribution in the County Treasurer's office.

Manatron was also a publicly held company, conducting an IPO in 1986 when it had a mere \$10 million in sales. But at \$50 million in sales now, the compliance costs associated with being publicly traded were large and growing.

That's when Manatron got a buyout offer from Thoma Cressey Bravo, a San Francisco private equity firm. Ulanski said Manatron officials first heard "private equity" and shuddered, figuring TCB would simply buy the company and dismantle it. But Ulanski said TCB has a different strategy -- looking for businesses where the providers are small and fragmented, buying one of the biggest and best as a platform company, then buying out smaller competitors.

That's what TCB has done with Manatron, providing the capital to take the company private and make numerous acquisitions.

"We're looking at about 30 companies, actively talking to them about acquiring them," Ulanski said. "We want to take the company to \$120 million in revenue in the next three years ... The goal is to do an acquisition a quarter, starting six months after we closed with TCB, which was April 1."

So it looks like Manatron will be growing beyond its current 340 employees, of whom about 100 are in Portage.

And being privately held is saving Manatron about \$2 million a year in compliance costs.