



## Acquisition helps drive Pharos Systems International

**Matthew Daneman • Staff writer • February 26, 2010**

Keith Nickoloff — 15 years an executive with Eastman Kodak Co., then president for nearly 13 of his own company — now works out of what used to be a windowless storage closet.

Which is the price of success, as Nickoloff's current employer, Pharos Systems International, needs more elbow room.

The Perinton-based company offers a variety of software, equipment and services aimed at the reduction of needless printing. Its primary markets are higher education and offices, often of Fortune 500 companies.

Pharos has grown every year since its founding in 2001, including 40 percent revenue growth in 2009, said CEO Kevin Pickhardt. Part of last year's growth was driven by the September acquisition of PathForward from Standard Register in Ohio.

"Even in a down market there's opportunity," Pickhardt said.

Added Nickoloff, president of worldwide customer operations for Pharos and former head of PathForward: "It's safe to say more companies are finding our message resonating with them."

The financial services industry historically "has been paper-intensive, given the nature of what we do," said Robert Kee, senior vice president of document management at Bank of America Corp., which is a customer of Pharos. Replacing paper-intensive work flows with digital solutions has had all sorts of benefits, he said, including reduced privacy risks, lower paper costs and improved ability to handle information.

In a pilot group at Bank of America using Pharos offerings, desktop printing was cut by 30 percent, Kee said.

While Pharos expects the economy to remain slow this year, the company also expects to see further revenue growth because of the PathForward acquisition.

The company wouldn't say how profitable it was in 2009, but Pickhardt said Pharos expects to exceed those profits this year.

Pharos in 2009 went from employing 70 people to 105, with about 20 of those coming from the PathForward acquisition and the rest from organic growth, Pickhardt said.

About half of the work force is at Pharos' offices at Willow Brook Office Park and the rest are scattered across the globe, including at its research and development location in New Zealand. The company is looking to roughly double its 12,000 square feet at Willow Brook to accommodate an expanded local work force of 80 to 90.

Pharos traditionally offered software and hardware used in office copiers and multifunction devices. The PathForward acquisition brought with it a variety of consulting services, meaning Pharos now plans on trying to sell a broader portfolio of offerings to its current customer base as well as adding new customers, Nickoloff said.

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