

2000 Press Coverage

eLaunchpad

WHERE TECHNOLOGY COMPANIES TAKE OFF



Industry News Columns

From the Atlanta Business Chronicle

Rajan approaches businesses as a game

Judith Potwora

Palaniswamy Rajan -- known as "Raj" for short -- played at being an entrepreneur as a boy, and he's still playing.

"Business is like a game -- it's like a never-ending Nintendo," said Rajan, 30. "You have different sequences, different stages and the game gets more complex. Then you go to the next level and you pick up the skills that let you play at that level."

Rajan caught the entrepreneur bug as a boy when he tagged along on sales calls and business meetings with his father, who owned a manufacturing and trading business.

So far, the son has started four businesses of his own. He's so good at it that it's the basis behind his latest business -- eLaunchPad Inc. -- a launching service for Internet companies that he co-founded with Jay Chaudhry in May.

Rajan founded his first business -- Emerald Systems, a consulting firm developing software for clients in the financial industry -- when he was 26 years old.

He later started Resourcis Information Services Inc., an IT personnel recruitment site; and VerticalOne Corp., a virtual repository for consumer financial documents that he sold in November 1999 to S1 Corp. in an all-stock transaction valued at \$166 million.

When he came to this country in 1989 to study computer engineering at the age of 19, Rajan knew he wanted to be an entrepreneur. But he didn't start with the plan to live in the United States.





"I thought, 'I'll figure it out as I go along,'" said Rajan, who still keeps close ties to India and plans to open a division of Emerald Systems there. "Now I have two homes instead of one."

While he was studying at the Florida Institute of Technology -- where he earned a bachelor's degree and master's degree in just four years -- things began to change in India. "A lot of the technology began to catch up," he said. "I missed the boat there."

Comfortable in the U.S.

So right after college he moved to Atlanta, mainly because of its climate, in both economic and weather terms. While his home in Bangalore has slightly more temperate weather than Atlanta, both regions have the same red clay soil and similar terrain.

Story Options

-  [Printable version](#)
-  [Email story to a friend](#) 
-  [Related stories](#)

Week of July 24, 2000

- [Daily Edition](#)
- [Leading Stories](#)
- [Industry News Columns](#)
- [Small Business Strategies](#)

Focus: [Tech Biz](#)

[Commentary](#)

[Other Features](#)

Focus: Tech Biz

- [High-tech start-ups hatch at legal accelerators](#)
- [LiveOak founder helps new firms grow](#)
- [Bahl seeks out new mountains to climb](#)
- [Chaudhry gives start-ups secrets of success](#)
- [No more laughs: Datta's ideas working](#)
- [Honesty, humility are Malik's trademarks](#)
- [Youth no obstacle to Cereus founder](#)
- [CheckFree's Ganesan plans to focus on future](#)
- [Warmth, opportunity lure Hsupply founder](#)
- [Rajan approaches businesses as a game](#)
- [GTA head says he is ready for IT revolution](#)
- [Telecom: Telecom firms find venture capital nationally](#)
- [Tag Talk: Michael's mail: Lost on the information superhighway](#)

[Evolution Networks will wire small markets](#)

[Market Meter: Investors favor large capitalization stocks](#)

[Dot-coms rethink their business models](#)

[Charity is contagious](#)

[Veteran executive jumps from big ship to small](#)



Since he came to the United States at a young age, Rajan doesn't recall feeling much culture clash. "All metropolitan culture is very similar regardless of what part of the world you're in," he said. "I just didn't see that much of a difference."

Comfortable with his environment, Rajan struck out on the entrepreneurial path.

Rajan's first company, Emerald Systems, was a classic bootstrap scenario with no investors. Now, through eLaunchPad, he offers entrepreneurs know-how and funding -- things he struggled to provide for himself.

Looking for balance

Right now, Rajan is immersed in his game of business, which is ironic because what he looks for in his employees is balance -- he said some of the most creative programmers he's known were amateur musicians.

"I work seven days a week, I don't have a family," said Rajan. "But what I find is people who have a balance, their thinking is more productive, they're more creative. They're actually the best performers.

"Unfortunately, I didn't follow all their leads. I'm trying to get a balance," said Rajan, who hopes that soon he will have more time for his interests in tennis, racquetball and hiking. "I haven't done much of that in the last few years."

Rajan's focus is one of his attributes, said Chaudhry, who founded eLaunchPad with Rajan. "The biggest thing that comes across is the passion," Chaudhry said.

As a friend and professional associate who has founded several Internet companies of his own, including Air2Web Inc. and CoreHarbor Inc., Chaudhry can't remember the exact circumstances of their meeting. But he knows their friendship developed in 1998 when Rajan started Resourcis and VerticalOne Corp.

"What I watched him do was pursue these business ventures aggressively and with passion. He understands the marketplace and competition and gets there in Internet time," said Chaudhry, whose successes include SecureIT Inc., a company he began in 1997 and sold to VeriSign Inc. for VeriSign stock, whose value has climbed to \$1 billion from \$70 million.

The intellectual stimulation of new challenges is what Rajan said he enjoys most about being an entrepreneur. "I get bored very easily, so I have to keep learning new things," he said. His advice to young entrepreneurs is to settle on one interest.

"You must pick up a skill set to have a reasonable chance at winning the game," he said. "You must be reasonably good or your competition, your opponent, must be reasonably bad. There's always competition. The game is just fun."

Judith Potwora is a contributing writer for Atlanta Business Chronicle. Reach her at atlantatechbiz@bizjournals.com.

- home
- wanna buy an ad?
- about us
- party with us
- get a subscription
- forum
- got a reaction?
- back issues
- survey
- send your story ideas to editor
- kenna simmons

IN THE MIX

in the mix

[[back home](#)]

People Person

By [Collette McKenna](#)

The first thing you'll notice about Palaniswamy Rajan (aka "Raj") is his decidedly enviable people skills.

While those skills are ingrained in his personality, he's certainly given them a run for their money, moving from India to the [Florida Institute of Technology](#) at age 18, and to Atlanta after school in 1993, neither time knowing a soul (well, almost).



Seven years later Raj still lives in the same Sandy Springs apartment (he's moving soon), but in business years he's a lot older than your average 30-year-old, and he's already talking about what to do in the next phase of his life.

Raj is young for a serial entrepreneur; he founded his first company after working as a freelance technical consultant for three years. "When I graduated in 1992 with a B.S. in computer engineering it was the middle of the last recession, when there were no jobs," he remembers. "The mood was miserable - engineers with 20 to 30 years of experience were let go. In my class 50 percent of the graduates had gone back to school within six months," including Raj, who earned his Master's before heading to Atlanta.

By 1996 he knew he wanted to expand his consulting practice into a full-fledged company, based on his reputation and expertise. He founded [Emerald Systems](#), and by the end of the following year had 20 consultants working for him. Business was good, but he was having a hard time finding more employees. Ads were an expensive option, especially because he had no venture capital. "I was bootstrapping my business. It's different when you don't have venture capital. Before you spend a dollar, you ask if you really need to. It was MPM," he says. "My personal money."

His solution? Start another company, a staffing firm called [Resourcis](#), that caters to high-tech start-ups.

Though his companies were successful - both celebrating continuing profits after only two months - Raj decided it was time to market himself within the high-tech community. Naturally, that led to the creation of yet another company, with Gregg Freishtat, whom he met on the networking circuit. The two started [VerticalOne](#), an Internet content personalization service that provides one-stop access to personal accounts.

"It was the restaurant, the napkin, the whole thing," says Raj, who had never raised venture capital before. They sold VerticalOne in 1999 for \$166 million, and Raj returned to networking. (Emerald, which had begun to stagnate without Raj's involvement, was merged with Resourcis, which continues to flourish.)

survey

Is reading this magazine benefiting your business?

- Yes
- No

[View Results](#)

pmg



BUSINESS
TO
BUSINESS
MAGAZINE



In January 1999 he co-founded (with other local Indian entrepreneurs) the Atlanta chapter of **TiE** (The IndUs Entrepreneurs), which has evolved to become a prominent high-tech networking event. Then, in November 1999 Raj founded the CEO High Tech Council, another prominent local networking group for top level management in Atlanta's technology community.

As for the next phase, "I've been fortunate," Raj says. "Before I turned 30, I've started as an engineer, leveraged a business background from my family, and was able to achieve a level of expertise in my chosen discipline. My 10-year plan is to establish myself [further] as an entrepreneur." He's doing that with his newest new venture, **eLaunchpad**, a technology company incubator.

"We will focus on the hard-core technology companies, the b-to-b's, wireless, infrastructure. And every business must be profitable in a minimum of two years," he says. Raj wants to steer entrepreneurs away from the distracting task of raising venture capital and help them concentrate on their core task: building technology, hiring staff and marketing the concept.

"I'd like to launch six to eight companies per year, no more than two per quarter," he says. "It's not an assembly-line approach. We want the best talent to work with us, and to build high-end companies, the Lamborghinis and Bentleys."

Jay Chaudry, currently CEO of **CoreHarbor**, will be a co-founder.

"We want to produce more start-ups in Atlanta that are successful," Raj says. "Atlanta is doing well, and should have more success stories than Boston. There are so many good ideas and so little talent available. Incubators are the way to do it when we don't have the critical mass of talent. Business launching is here to stay, at least for the next five to 10 years."

At which point Raj may have chosen yet another path for his fourth decade.