

## **Georgia's Business #412**

### **Guest: Kanchana Raman President and Chief Executive Officer, Avion Systems**

**Richard Warner:**

I'm Richard Warner, Welcome this week on Georgia's Business. Six hundred and fifty employees, two offices, businesses in fourteen countries, all because of the work of one woman. Kanchana Raman is founder of Roswell based Avian Systems whose company is booming in telecom using the business model that is called reverse outsourcing. Which means what?

**Kanchana Raman:**

Well in 2001, which the telecommunication industry took a dive, which must of us know after the dot com era. Most of our contracts here in North America were canceled on us.

**Richard Warner:**

Bad day.

**Kanchana Raman:**

I say that was my 9/11.

**Richard Warner:**

Yes.

**Kanchana Raman:**

Fortunately for me, my two customers Lucid and Nortel got this huge international project in Asia in which they needed people in CDMA technology and as you may know CDMA is a US based technology.

**Richard Warner:**

CDMA is how some cell phones work?

**Kanchana Raman:**

Absolutely, owned by Qwailcom in California and so they ask and called us and they said they wanted to take us with them for this major deployment a brand new network rollout. And we took eighty engineers from the US to Asia to work on this project. And I think the greatest message is as long as you had the right kind of skills, you are succession proof. And we always think of outsourcing as cheap labor but here they paid a premium for US workforce to come and work in Asia.

**Richard Warner:**

So instead of Asians or Indians coming to the US or a company outsourcing cheap call center work this is a case where an American worker earns a premium because they are providing high demand skill sets in countries that don't have it.

**Kanchana Raman:**

Intellectually property.

**Richard Warner:**

Intellectual IP sure. You said something that really fits into any entrepreneur who lived through the 2000 recession, 9/11, and now because back to when you started you were in four years in business until that first dip. To what extent did that help you survive?

**Kanchana Raman:**

I think sometimes when we start out as entrepreneurs we run on a passion but soon you realize you need to understand the science of doing business. You should have your vision statement, mission statement; you should have your diversification strategies. Like mom says don't put all your eggs in one basket, I think that is a very important lesson. I think we got lucky and I strongly feel luck is a residue of hard work and our customers in the first four years saw that we did well for them and they chose amongst many many competition to go with them on this project. But I think after that what I realize I should have a diversified portfolio not alone in terms in what I have to offer to the customer, but also be cautious of what it's going to be in the next five years. So five year forecast is very very important.

**Richard Warner:**

And yet when you open the doors in 1996 I doubt that you knew that?

**Kanchana Raman:**

No I did not.

**Richard Warner:**

You basically wanted to be in business for your self. You felt that you had the skill and the talent to do that, you been brought up that way. Were there any hard knocks in those first years that forced you to look at how am I actually going to make this scale?

**Kanchana Raman:**

No not at all. In fact business was just snowballing if you will. You know its 1996 like most of us know, it was the dot come era so I was the only one, I registered the company and made two three trips to New Jersey to meet with Lucid to tell them that I could do things for them.

**Richard Warner:**

Just make them believe it because you believe it.

**Kanchana Raman:**

And I think it's about laying in the facts about what it is your customer wants. Aligning with their vision and what they wanted. And also having expertise in their products and telling them I could do this. And in three trips they made me one of their five global vendors.

**Richard Warner:**

Even though you were a startup, you're a global vendor.

**Kanchana Raman:**

Yeah, they believed. See that is what is great about some companies and they always ask you when did you get your first break and how did you get your first break, I think it's very important. In the first eighteen months we worked in fourteen countries, we went to places like Haiti, Dominican Republic, Chili, Brazil, Venezuela, and Argentina.

**Richard Warner:**

Did it snowball? I mean the fact that you deliver the first thing well gave them the confidence to come back for country number two.

**Kanchana Raman:**

Absolutely, I mean I had one of the Vice Presidents, she was based out of Chicago, working for the customer and she would just call me in the morning and say "hey do you have a few minutes to talk to somebody in Brazil, I going to conference him in?" And then I start to talk to this person in Brazil and he would go can you deploy so many teams for me, I here Avian can do in 36 to 48 hours because that's the nature our industry, we have to really be quick to dealers, so nobody gives us like two three weeks of rap time to get our act together.

**Richard Warner:**

So how do you say yes in 36 hours? How do you do that?

**Kanchana Raman:**

You have it planned and you kind of have your teams ready, you know the technology your customers looking for. And when you go sell to them and say you're going to do these things, I mean you have to be prepared for it.

**Richard Warner:**

And did you have these people on staff?

**Kanchana Raman:**

Yes.

**Richard Warner:**

So an entrepreneur can't get too far. There is so many visa cards you can put expenses on. How did you fund this?

**Kanchana Raman:**

I had good receivables, like 30 like 45 and I also had good bank to back me up and this bank specialized in loans for small businesses, there is not a SPA, but loan, plus some family savings, so really zero debt if you will.

**Richard Warner:**

And was that critical to scaling it, maintaining zero debt?

**Kanchana Raman:**

No not necessarily, because once the receivables start coming in your just fine. So it's just the first 30 to 45 days when you know you need the money for deployment like buying extricates.

**Richard Warner:**

You know, that is an amazing story. The fact that when you would do that that fast because so many companies go through a long ramp up period where there trying to find there market, where there trying to get there trying to get there marketing message down, you said you have to have a mission statement, did open you open the door with a mission statement?

**Kanchana Raman:**

No not in 96, I got my mission statement in 2001 after the downfall.

**Richard Warner:**

That's really what the goal is here. Looking back what were the things you did, you had to do to survive the downfall?

**Kanchana Raman:**

I had this one customer right and I was working for one customer and one technology to offer and it was kind of what is your focus here and I had one thing I was focusing on. And I think after four years in 2001, like I said I diversified my portfolio and technology, telecommunications, and also added services in network deployment and moved from wire line to wireless technologies. So really a leap from where I started and just like almost a brand new company in 2002.

**Richard Warner:**

Reinvent.

**Kanchana Raman:**

Reinvent

**Richard Warner:**

Don't be afraid.

**Kanchana Raman:**

No you can not because otherwise you'll be old news you may not even be around. Most of my competition at least were my size at that time caved in. I think they did not have the international contacts or the willingness to travel abroad and try those things out. But for me I was a global company right from I think the first year.

**Richard Warner:**

Because you're global in nature?

**Kanchana Raman:**

Correct.

**Richard Warner:**

To what extent did that help you? And I thinking now in the terms of what you hear from the Georgia Chamber of Commerce, the state of Georgia, a lot of professional organizations that if you are an entrepreneur and you're trying to sell an Atlanta or Georgia, you're missing the boat.

**Kanchana Raman:**

Absolutely.

**Richard Warner:**

No few know how to go about expanding there business, being confident enough to know to think that they can. Who do you call to land business in Europe and Asia?

**Kanchana Raman:**

See like groups we bank right that I'm part of the Women's Business Enterprise National Council or your know if your an minority company you can go to the minority council. And then of course there are different chambers of commerce from Mexico and different parts of Latin America.

**Richard Warner:**

A lot of them are here.

**Kanchana Raman:**

Also your customers see most of your customers started out global. See if your walking with a fortune 100 or fortune 50, they are global. So tap into their own resources and tell them that you have this expertise right. It's not like my wish list to work in Mexico, nobody's going to give you business. You have to tell the customer what value your going to add for them in their international business and how you have the capability and the capacity to scale along with them on their projects.

**Richard Warner:**

How did you get the confidence to get a Fortune 100 company to go with you because what I'm seeing out of Avian is that at least the public face of the company is you? Fair.

**Kanchana Raman:**

Better when we started yes but not anymore. I have a very good management team in place; I have Vice Presidents that have a lot more experience than I do in the industry. So I very soon started hiring good people because that's one thing I realized is you can only do this much, you can only fly this high after that you need help. So I got a good Operations Vice President, and a Sells Vice President, and a Business Development. It varied where I could afford or where I could afford in the areas that I saw. You know I

had a grand oral chart and someday in my life this was the oral chart I wanted to populate. But then the reality of it, as a small business you don't get to populate that oral chart in the first year right. So whatever you can you know you just fill in those important spots and keep going.

**Richard Warner:**

So the message is you got to know where your going, there's no guarantee your going to get there, let's take a moment because if you do research and Google Avian and Google you. One of the stories that come up is the story of hiring one of those key executives who could have gone anywhere and he was on the Governor's staff and became a top ranking...how did you find these people to plug into the oral chart, these right people?

**Kanchana Raman:**

It's a challenging question. You know, Erving Mitchell, our Vice President of Business Development, the gentleman that you are referring came from the Governor's office. A huge asset for me a huge asset. And when I met him the first time he was on the stage introducing to a crowd of 400 people and they said this is the gentlemen with the Georgia's business unit, he is the director over there and he's the one who solely responsible with connecting small business with the large corporations in Atlanta. And that we should get an opportunity to meet with him and as I was leaving I just handed him my card because 100 to 200 people waiting to see him.

**Richard Warner:**

Popular guy.

**Kanchana Raman:**

And I had to leave, so I left my card with his assistant standing next to him and I said I would write to him and can I get his card? I wrote to him and within 24 hours he responded saying you know we have an interview and then we have a slot for you to come meet with us. So I met with him and we started talking and that's when I knew that I was a Woman owned and Minority owned company. So this was seven years of being in business, I didn't even know I was a diversity supplier, you know I was just doing my thing.

**Richard Warner:**

You get points for that.

**Kanchana Raman:**

Yes.

**Richard Warner:**

I mean you still have to deliver, its not like its a free ticket. But it does help.

**Kanchana Raman:**

Absolutely, and so he told that you should get certified so that's how I got certified. And I think when the Governor the new Governor came I think the previous Governor's

cabinet has to leave and I remember I was in a overseas trip to Malaysia and when I heard the news I picked up the phone and called him and I said I understand there's going to be a new Governor and its November right. So he has time handle it, would you be interested in joining us. And he remembered me very well and he said there was something about me that kind of struck a chord; he was like you know he said what and where I was talking to him about, you know our company and where we wanted to go with it. And of all the companies he had met you know he remember us and he was very interested in what we were doing. So on the phone, you know we kind of agreed to have a meeting and he joined us.

**Richard Warner:**

You know one of the challenges that a entrepreneur has, this might be in a earlier stage company that where you were at that point, but its crafting a package that attract an executive or high ranking individual like that to join you. Was it difficult apart from the force of your personality and your business model; was there ways that you managed to get this guy to say yes?

**Kanchana Raman:**

No not really. I mean you know I think its the business, its the customers, in seven years you have about six top notch customers right. You know I worked with Ericosson, Nokia, Semen's Networks, Nortel, Alltel, Lucid, and Motorola. So when you have those kind of customers that your working with I guess anybody recognizes that you just don't serve world class customers like that if your not quality partner.

**Richard Warner:**

That's right. I mean that's the Who's Who in your industry of...

**Kanchana Raman:**

I know and I worked with AT&T's well. AT&T is absolutely the Who's Who.

**Richard Warner:**

You were raised in a traditional family and became as one of the trades call it a modern multi-task manta. Mom traditional, care giver at home, the home minister I believed as what it was referred to. How did you get the DNA, how did you get the point of view to go into business for yourself? Given that your Mom was traditional.

**Kanchana Raman:**

Yes, but my Mom was traditional but very ambitious if you will. And my father, you know, a 1953 Harvard Business School Graduate and a Management Professor strongly believed that you know we should not come in the world and go away without making a statement or without contributing something back in the ear or time frame that we are here. So he strongly encourage us to always reach fro the stars, you can do this and even...

**Richard Warner:**

From a very young age that was his message to you.

**Kanchana Raman:**

Absolutely. Yeah, from the time that I could remember and also the environment I was raised in, you know we lived in the University's campus all my life and a typical day would be where my Dad's students and research scholars would come home and my Dad would be talking to them about you know what they needed to be doing, what they need to be achieving and when you grow up listening to that all your life, I think at some point it sinks in. It might not be when your a teenager but sometimes later o, it does sink in.

**Richard Warner:**

Were you a difficult teenager? Or were you straight ad narrow?

**Kanchana Raman:**

Sort of.

**Richard Warner:**

Yeah o.k., well I feel a little better.

**Kanchana Raman:**

Yes I was. I wanted to be a dress designer and you know I wanted to do some kind of unconventional things. But my parents wouldn't let me do that, so they were like get me back on track and say this is what your supposed to do.

**Richard Warner:**

Your a Mom right?

**Kanchana Raman:**

Yes, absolutely. I have two kids.

**Richard Warner:**

O.k., now its come full circle and you have reached for the stars, I mean your doing significant revenue. How do you manage to balance the demands of a business that would take 20 hours a day if you let it with the quality parenting that you have an obligation to provide?

**Kanchana Raman:**

Absolutely. I think its more than an obligation. I think its a passion if you will.

**Richard Warner:**

Oh yeah. Absolutely. Sure.

**Kanchana Raman:**

Yes and I go home at 6 o'clock obviously and I do what they call a split schedule so I get back to work in about 10 at night. So, I know from 10 to 12 is when I catch up on all my emails and you know just some leisure thinking about what needs to be done and so from 6 to 10 I'm like a Soccer Mom you know just running around doing things just driving the kids around. And one of the things obviously, I travel a lot, so I made sure that whatever

help money can buy, you know I have a full-time household help and I have a nanny, cook, you know all of those things. So my kids have a good quality of life.

**Richard Warner:**

We haven't really talked a lot about the business and what you do. But I'm interested, I got my, this is not the 3G model, I haven't bought that yet, but for those who are into cellular and data networks and the direction that its going. What's coming?

**Kanchana Raman:**

Well, what is coming a lot, every I guess operator and OEM out there has a product that can do a lot of tricks. And very soon you could...you don't need a wallet, you can just have one hand-held device that can open your garage door, that would be you credit card, your MARTA Pass and it...

**Richard Warner:**

Now what if you lose it?

**Kanchana Raman:**

Well I'm sure there will be some security productions. So we will have the security people in business after that. And I'm sure that they can disarm the unit and it can be replaced. So there will be a backup for every data that is on your hand-held device.

**Richard Warner:**

I have heard this, I have not traveled internationally enough to know it but the implication is that the United States infrastructure the cell phone that you have is actually quite a bit behind what much of the rest of the world has.

**Kanchana Raman:**

The cell phone behind is not behind. There is some technologies that we have not adapted yet and you know Europe some how seems implementing more things you little ahead of us but I think there catching up.

**Richard Warner:**

Like what? What kind of stuff is over there that is...?

**Kanchana Raman:**

Like for example, SMS, I mean when I traveled in Europe and in Asia I think in 2002 2003 I mean not many were using the SMS over here. I've been to South Africa, these people live on SMS and even today the usage is of SMS and international locations is more than it is in the U.S.

**Richard Warner:**

I'm racking my brain, what is it SMS is...

**Kanchana Raman:**

Oh text messages, sorry. Text message.

**Richard Warner:**

So just texting, I mean that's it.

**Kanchana Raman:**

They were doing it early on over there. I mean like I said to 2002 you know 2001 when many people didn't text but now of course our teenagers are doing a lot of texting.

**Richard Warner:**

You if you want to talk to your daughter, I mean I don't know how old your kids are but once they get to be you know 11, 12 and beyond that's the way that you...they don't e-mail.

**Kanchana Raman:**

Yeah can you come down to dinner?

**Richard Warner:**

Yeah you get a phone call can you come down to dinner. What is it, is speed going to be the next advancement that we have?

**Kanchana Raman:**

Yes. Absolutely, I mean with the cable modems and the fiber to the curb and the fiber to the home. You absolutely, speed is what everybody is working on; you know you don't have to be staring at blank screen to see when is it going to pop up right.

**Richard Warner:**

And how about on the WiFi Network? I mean one reason that WiFi is such a challenge on phones is because of how it drains the battery life, there's a whole other business opportunity but what are we going to see on cell phones in ten years?

**Kanchana Raman:**

What are we going to see like...?

**Richard Warner:**

Yeah what kind of content, what kind of stuff are we going to see on cell phones?

**Kanchana Raman:**

Well you can watch your you know your T.V. right. What ever you record at home you can watch you while you are moving and what we have today is the WiFi, we did a project for EarthLink for municipalities for WiFi, were also working on the WiMAX with Sprint and there talking about LT coming up. Ten years from today I don't have an answer, there will be a brand new technology, I don't know if they would call it 5G or 6G.

**Richard Warner:**

You mention a couple of terms I haven't heard of, there's 3G that's consider reasonably fast now, 4G is what's coming that's considerably faster than that?

**Kanchana Raman:** We know 4G for now; from where we are sitting we can see 4G we're working on 4G.

**Richard Warner:**

Is that the municipal WiFi that we're finding in some areas, I think Augusta was going to get it?

**Kanchana Raman:**

We did the, we actually launch it in 9 other cities, starting from New Orleans, Pasadena, California, you know Chicago, New York, New Jersey many many markets. So your saying you have a problem with the WiFi?

**Richard Warner:**

Oh no, just the battery life is my problem, I'm wondering then...

**Kanchana Raman:**

I think the battery life can be because of your phone, you know so you may want to get that check out.

**Richard Warner:**

I tell you what I got that, anybody that has an iphone you going to go oh I got to call this guy and find out how to do it. The iphone or really any 3G capable phone can have battery issues because it takes so much power to surf the web or whatever that fast. So now what their coming out with is not pretty you know but its a battery extender that doubles the battery life, that may be in the short-term until the technology improves one of the answers. After 4G, you used a term I never heard before, what's after 4G, after WiMax?

**Kanchana Raman:**

LTE, Long Term Evolution, I think that is also called 4G at this point, but it is in trials right now and it can be 2012 by the time we start experiencing it and from what I hear I just read about I haven't worked on it yet right I am trying to see where I can work on LT. It is I mean the speed is something you would have never experience before.

**Richard Warner:**

Amazing, 650 people in 19 countries, you got to have a good management team, where are you going? You knew what it took, you start with the oral chart that didn't have any people on it and you know evolve to where you are know, what is your strategic plan show you for the next step?

**Kanchana Raman:**

You said I had a strong management team? Yes

**Richard Warner:**

I assume you have a strong management, you got to scale. So that's got to be an important thing but you know where are you going as a business, what is Avian going to be next, what's the next goal?

**Kanchana Raman:**

Well there are a lot places where we have not gone, I mean like you know we think about Middle East like geographically there are a lot of new territories and countries where we could be working which we have not done, so that is an area which we are focusing in terms of geographical growth, but in terms of technology we always want to work on next generation technology, we have been fortunate to work on 3G and 4G, and now that are different portions of 4G, like I said WiMax is 4G but then some people say WiMax is not 4G and then you have the LT. So I think one is geographical spread and other is to be able to work leading edge technology and bring back the expertise to you own employees where there interest working on your technologies.

**Richard Warner:**

Do you want to sell the company? What's the plan?

**Kanchana Raman:**

Right now we're thinking we should take IPO because we have these three different divisions, we have an office in South Polo Brazil and we have an office in Munby India. And we have obviously the headquarter here in Atlanta, Georgia. So I think someday we want to definitely take it IPO.

**Richard Warner:**

Having fun?

**Kanchana Raman:**

Yeah, I mean there's you know entrepreneurship I just think when I have a problem I think you have to solve it as long as you can solve and there has to be an solution to it right. So I say o.k. that's life, there are hurdles you have cross it one step at a time and you have to do it, there's no choice because you just can't run away and hide.

**Richard Warner:**

Even on you worst day that's when you have to rise above and not give up?

**Kanchana Raman:**

Absolutely.

**Richard Warner:**

Kanchana Raman is the CEO and President of Avian Systems, Roswell, Georgia, 650 people, 19 countries, maybe public, we'll see we'll keep a eye on it.

**Kanchana Raman:**

Thank you.

**Richard Warner:**

We really appreciate you being with us, thanks for carving the time out.

**Kanchana Raman:**

Appreciate it. Thanks.

**Richard Warner:**

And thank you for watching that's Georgia's Business for this week, you can download the audio of our show via pod cast on iTunes, just do a search on Georgia's business, you can listen to the broadcast on Atlanta's WCFO, that's Atlanta 11:60am and sound off to mean directly on the web at Richard Warner.com, also catch us here last week, for now I'm Richard Waner and for all of us here Georgia Public Broadcasting, thanks for watching and don't sell yourself short.