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A CALL TO ORDER

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Alumni have developed innovative ways to digitize documents and simplify life.

By Samantha Drake, CGS'06

Before Wharton awarded **Prasad Thammineni, WG'07**, an MBA, it handed him an unwieldy mess. Figuring out how to deal with that problem spawned his fifth startup.

Illustrations by Catherine Meurisse

Thammineni estimates he gathered 8,000 pages of course materials while at Wharton. He quickly found it was difficult and time-consuming to dig through the piles of paper whenever he wanted to find something. The stacks also took up too much space.

So Thammineni scanned in all the documents and created a database that he could quickly and easily search. His classmates' enthusiastic response to the solution led to the launch of OfficeDrop in Cambridge, MA, which provides small businesses with searchable cloud storage of scanned files, accessible from a computer or mobile device.

Still, the big question was: Would people outside of Wharton pay for the scanning and storage service in order to get more organized? The answer looked promising when OfficeDrop launched in July 2008. But just a few months later, the economy began to crumble, and customers started disappearing, according to Thammineni. As a result, he spent much of 2009 raising money—not an easy task in the business climate of four years ago and at a time when the idea of online file storage was very new.

The concept is second nature now, and the industry surrounding digital file storage has grown competitive, says Thammineni. "It's still a rocky path," he admits.

OfficeDrop has grown to 17 employees and about 220,000 customers. The company's first hire was **Healy Jones, WG'07**, who served as vice president of marketing from 2009 to 2012. Jones helped develop OfficeDrop's product marketing strategy, which resulted in the expansion of its customer base from 7,000 users at the start of 2011 to 200,000 users by the end of 2012.

The company has continued to refine its market strategy, targeting small businesses that don't have in-house storage systems like larger firms. And in 2012, OfficeDrop began providing software to customers, allowing them the option of doing the scanning themselves.

Photos Finished

Like OfficeDrop, personal experience sparked the creation of ScanCafe Inc. And like OfficeDrop, the Burlingame, CA-based company involved a cohort, so to speak, of Whartonites. It brought together an unlikely trio of students from Wharton | San Francisco's MBA for Executives Program.

A serial entrepreneur with an engineering background who was "looking for the next idea," **Laurent Martin, WG'06**, says he found it when he volunteered to scan the family archive of old photos after traveling to Switzerland for his grandfather's funeral. Martin planned to preserve the photos to share with extended family around the world.

Back in California, the idea of digitizing analog assets for a low cost piqued the interest of his fellow study group members **Sam Allen, WG'06**, a Missouri native and former Marine with extensive operations and logistics experience, and **Naren Dubey, WG'06**, who was raised in India and had a strong background in building process and control systems. The three quickly recognized that their strengths were complementary.

"We have open and frank discussions and challenge each other. We often disagree, but disagreements allow us to move forward," Martin says.

They seized the opportunity to use their Wharton coursework to develop a business model.

For example, in the market research course taught by **David Bell**, the Xinmei Zhang and Yongge Dai Professor, the trio determined how customers chose a service to digitize their photos, recalls Dubey, now CEO . In an operations research course taught by **John Hershey**, the Anheuser-Busch Professor of Management Science at Wharton, they analyzed their business model in terms of shipping costs to India, average order size, sales price per unit and labor cost per unit. Vice Dean of Innovation **Karl T. Ulrich**, who teaches new product development as the CIBC Endowed Professor,

oversaw the genesis of ScanCafe's name and the refinement of its service and cost models. Finally, in the entrepreneurial marketing course taught by **Leonard Lodish**, vice dean of the Program for Social Impact and the Samuel R. Harrell Professor, they learned how to build an "evangelical customer base that would drive virality and growth," Dubey says.

They also presented their business plan to classmates, whose reception was less than enthusiastic. Under the ScanCafe business model, customers send photos to ScanCafe in California, which then forwards them for scanning and editing to the company's facility in Bangalore, India, where labor and bandwidth costs are cheaper.

"The India aspect made people cringe," admits Martin, ScanCafe's president and chief technology officer.

In response to their classmates' feedback, the ScanCafe team developed an operating model built around their pledge that "we will never, ever lose or damage a photo," explains Allen, ScanCafe's executive chairman. Strict guidelines and controls were put in place to safeguard photos. ScanCafe, which has 35 employees in the U.S. and about 400 in India, has scanned nearly 80 million images to date without a loss, according to Allen.

ScanCafe's emphasis on quality and safety give it an edge over the competition. "To be frank, anyone can scan photos," says Dubey. But scanning is the just the first step. Editing, enhancing, and restoring photos should be left to professionals.

The next challenge for ScanCafe is to expand its customer base. While the pool of potential customers is huge, having photos preserved is seen as "a postponable event," says Dubey.

'Order Out of Chaos' Tackling piles of paperwork and digitizing boxes of old photos are steps in the right direction, but generally people are "overwhelmed," according to **Sharon Lowenheim, WG'81, GEE'81,** sole proprietor of the Organizing Goddess Inc. in New York. We all are receiving more information from an increasing number of sources, creating more paperwork and items to keep track of and file.

Lowenheim became the "Organizing Goddess" in 2006—after 25 years in corporate America, when she was offered a severance package following a reorganization at Pfizer Inc. After brainstorming about what she wanted to do next, Lowenheim realized she had the skills to help people "create order out of chaos" and do things more efficiently. At Pfizer, Lowenheim had become the go-to person to learn how to do things more efficiently, such as how to maximize Excel or email functions.

Now, she shows clients, primarily individuals, how to take control of overflowing email inboxes, exploding closets and time-wasting bad habits. According to Lowenheim, the most common mistakes people make include hanging on to things on the off-chance they may be of use one day, keeping things from an earlier time that have no place or use now, and refusing to get rid of something that is no longer useful just because it was expensive. Her favorite tip is: "Use it, love it or lose it."

"In other words, if you don't use it frequently and you don't love it, get rid of it," she explains. After working with more than 200 clients, Lowenheim reflects on her biggest challenge: making people aware of the value of paying someone to help them get organized.

"People feel guilty for not being able to do it themselves," she notes.

Neat Solutions

Whether consumers turn to the Organizing Goddess for her help or perhaps use a Wharton-inspired product to de-clutter on their own, the benefits are apparent. As The Neat Company puts it: "Organize your information, simplify your life."

It is no surprise that opportunities in the organization tech space are growing, says **Craig Calle, W'81, C'81**, chief financial officer at The Neat Company in Philadelphia. People are increasingly ready to let go of paper in favor of a digital filing system, in both the office and at home. Neat's 1.3 million customers are a mix of individuals and small businesses.

"People are craving productivity tools," says Calle. He joined the decade-old company in October 2012, when it had more than 100 employees. Previously, Calle was CFO at Maxum Petroleum, a divisional CFO at Amazon.com, divisional CFO and corporate treasurer at Gateway, and senior vice president of finance and treasurer at Crown Cork & Seal.

Neat deploys software, hardware, a mobile application and a cloud service to scan information into digital files that can be searched and accessed from anywhere. Receipts, business cards and other documents are scanned through a Neat device or captured by smartphone. Then the company's software provides robust organization tools, enabling search functions, classifying documents by type and recognizing data to automatically populate report fields. Neat also offers cloud and mobile app solutions that enable users to upload and access data from a variety of devices. For a consultant who is frequently on the road for business, for instance, Neat's technology would allow him to scan and store receipts and keep track of paperwork such as invoices, tax reports, and personal information, such as insurance and medical documents.

Calle says that Neat must plan its next moves carefully, having grown revenue 70 percent per year over the past three years.

"Our growth and success has opened up lots of avenues we can pursue," he says. "Successful companies stay focused on what delights customers."

Perhaps as long as the company and others stay focused on helping people get better organized, business will continue to be good.

"We're about more than getting paper off your desk," Calle says. "People must deal with growing electronic clutter as well. We satisfy large, unmet needs for those who understand that a digital filing system and better organization can help them get back valuable time."

Tags: Craig Calle • David Bell • entrepreneurship • Healy Jones • John Hershey • Karl T. Ulrich • Laurent Martin • Leonard Lodish • MBA alumni • MBA for Executives Program • Naren Dubey • OfficeDrop • Prasad Thammineni • Sam Allen • Sharon Lowenheim • startup • Wharton | San Francisco