Bob LaRose waters third venture with up to $40M

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Serial entrepreneur Bob LaRose plans to invest up to $40 million in Agilex Technologies now that he is free from a noncompete agreement signed after selling Integic to Northrop Grumman for $319 million in 2005.

Agilex will focus on software that companies use to analyze data more deeply than traditional database products.

The company will sell emerging technologies created by Silicon Valley startups and package them with professional services from niche area consultancies. Agilex will target federal and state governments as customers, as well as businesses.

LaRose is following the systems integrator model that dominates the regional economy’s biggest government contractors. Small companies need the contacts, personnel and marketing dollars of large integrators to win and manage large federal contracts.

LaRose is already well-versed in the government information technology sector. He founded Chantilly-based Integic in 1989 and sold the government contracting company in March 2005. He had started government contractor Advanced Technology Inc. (ATI) in 1976 and sold it to

manufacturing firm Emhart -- which eventually was swallowed by Black & Decker -- for $140 million in 1988.

Key managers and employees of ATI and Integic owned about 40 percent of each company. Hundreds of the stakeholders profited from the sales, LaRose says, including about 50 at each organization that took home "seven figures or better."

Agilex is his "third child," LaRose jokes, and he's not about to change the DNA at the core of his business model. Nonexecutive employees of Agilex will own about 40 percent of the company. LaRose wants to increase the company's 20-person staff to 50 by July and 100 by the end of the year.

Equity creates an entrepreneurial environment among employees, he says, and helps find and keep in-demand professionals.

"There is a very big opening now for employee-owned, equity-sharing companies," LaRose says. "It has opened up a tremendous opportunity to attract some great people we otherwise would not be able to."

LaRose is onto a bigger trend nationally, says Martin Staubus, director of consulting for the Beyster Institute. SAIC founder Robert Beyster founded the nonprofit institute in 1986 to support the employee ownership he saw as critical to the company's success.
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"It really does provide a competitive advantage as long as a few companies are doing it," he says. "We see it kind of snowballing."

LaRose and co-founder and Chief Operating Officer Jay Nussbaum plan to invest $30 million to $40 million in Agilex.

Nussbaum held executive posts at Citigroup, BearingPoint, Oracle and Xerox. He created or ran divisions for each company.

Agilex has already put some of its money to work. LaRose is buying a 76,000-square-foot building in Chantilly at 5155 Parkstone Drive from owners Realty Capital Partners of McLean and Massachusetts-based New Boston Group for an undisclosed amount.

He expects to close the deal by July when Agilex moves into the four-story structure that will serve as corporate headquarters.

Agilex will open small offices in San Mateo, Calif., in June, Chicago in July and probably New York City within a year.
LaRose wants to acquire proprietary technology and top talent through about five acquisitions this year.

He says Agilex is not a short-term project. LaRose and Nussbaum decided against seeking venture capital or private-equity backing because they want to build the company over a long period.

"It would have forced me to go away from the model I've been very successful with," LaRose says. "We were not looking for 'get in, stay for four or five years, buy a few companies and bundle it up.'"