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Lûcrum sets restructuring

Revenue decline, loss of key staffers put Cincinnati IT firm in tough spot

Business Courier of Cincinnati - by [Laura Baverman](#) Staff Reporter

One of Cincinnati's largest information technology consultants is undergoing management changes as it deals with lower revenue and employment, trends that started in 2007.

According to Business Courier research, revenue at downtown-based Lûcrum Inc. peaked in 2005 at \$21 million, 91 percent growth over 2004. At the time, the firm employed 95.

But since then, revenue has declined to \$14.2 million and employment to 62 staff members.

Lûcrum was a finalist in the Courier's ranking of the region's 55 fastest-growing companies in 2005 and 2006.

"We had back-to-back successful years, but 2005 and 2006 were hard to beat," said CEO John Bostick, who also founded and runs Dbadirect Inc. in Florence. "You have to go back in the valley to climb back up."

Financially, the firm is stable, said Bostick, who founded it in 1993. It has no debt and a strong balance sheet. In December, he hired management consultant Diane Egbers of **Leadership Excelleration Inc.** to help him set a five-year strategic growth plan that includes restructuring the hierarchical company into a partner-based model and identifying long-term leaders among his current staff. Bostick will become executive chairman, leaving behind his day-to-day operational responsibilities and working at the strategic level. He'll still serve as CEO of Dbadirect.

Sources say the firm could have an uphill battle.

In the past six months, several top level employees have left the company, including president Karl Ulreich; both managing directors of business development, Matt Mountain and Randy Davis; another business unit head, Robin Smith; and the firm's marketing manager, Heidi Joos. Board member Mahendra Vora resigned due to his February purchase of Lûcrum competitor **PDR Inc.** He still retains an ownership stake in Lûcrum.

Sources also said the company has lost out on key projects with large companies in town such as the **FACS Group**, **Kroger Co.**, **Comair Inc.**, **Omnicare Inc.** and **Givaudan**.



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Lûcrum CEO John Bostick has hired a management consultant to help restructure the IT firm and set a five-year strategic plan.

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To address these reports, Bostick said some projects haven't gone as well as they were supposed to. He added that Lûcrum is actively completing projects for all of those firms except Omnicare.

"We've had projects that didn't get home runs, but others that are home runs with them," he said.

Other longtime clients include **TriHealth**, the **Cincinnati Art Museum**, **Pro Mach Inc.** and **Central Clinic**.

Despite these challenges, Bostick said he believes 2008 will be a good year for Lucrum. It has won 10 new clients over the past eight months, but Bostick did not name them. With the restructuring and strategic plan in place, the firm can grow more sustainably and at a faster rate, he said.

lbaverman@bizjournals.com | (513) 337-9431

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