

Software developer flexed for growth

By **TOM JACKSON**

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BrandMuscle Inc., a Beachwood software developer that helps companies manage national advertising campaigns, plans to acquire another business and to add 91 jobs during the next three years after it receives a \$4.5 million loan from the state.

The Ohio Development Financing Advisory Council announced last week it had approved the six-year Innovation Ohio Loan for the company. As part of the deal, BrandMuscle will invest \$1.6 million of its own money in its effort to build its business both internally and via the acquisition route.

Because the company continues to negotiate with potential acquisition targets, BrandMuscle president and CEO Philip Alexander declined to identify the companies involved in the talks, though he indicated they are located outside Ohio.

'There's more than one acquisition candidate,' Mr. Alexander said. 'We're in the process of working through those. (The loan) will allow us to also acquire technology from those companies.'

The acquisition could help BrandMuscle expand its markets, Mr. Alexander said. BrandMuscle's tools mostly are used for print ad campaigns, but the company believes its technology also could work well if applied to direct mail, the Internet and broadcast advertising, he said.

The Beachwood Chamber of Commerce helped BrandMuscle with its loan application, said Tom Sudow, the chamber's executive director. The chamber held several meetings with state officials, including Gov. Bob Taft, and 'worked the phone lines' to make sure the Ohio Department of Development's questions were answered about how the money would be used, Mr. Sudow said.

The city does not offer tax abatements or other incentives to lure or keep companies in Beachwood.

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BrandMuscle has 51 employees, which is up from 43 at the end of last year. It is advertising to fill about six software engineering positions needed to develop products, Mr. Alexander said. Revenues have grown rapidly in 2004, which will be a profitable year, he said. He declined to reveal sales figures.

The company, which moved its offices to Beachwood from Boston in 2000, plans to move its computer servers to Cleveland from Boston next year, Mr. Alexander said. The state money won't be used for the move, but some of it will help pay for new computers that will be purchased for a new location, Mr. Alexander said. The new site for the computers will be BlueBridge Networks LLC, which provides secure co-hosting for other companies' computers in the Sterling Building in downtown Cleveland.

BrandMuscle offers Internet-based software that allows companies to conduct national advertising campaigns that are customized for local markets, Mr. Alexander said. For example, a customer such as AT&T Wireless can use BrandMuscle's software to produce hundreds of newspaper ads that are part of a national campaign but which are customized for every market where they appear.

Companies that use BrandMuscle's software can organize advertising campaigns easier and more efficiently than mailing campaign materials to franchises or dealerships in local markets. Plus, the advertising materials have consistent brand themes.

Putting together that many ads and sending them out used to take days, but BrandMuscle's software can let a client assemble the ads in about three hours. And if the ads suddenly must be changed, BrandMuscle can help clients do that job, too.

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