

NuTech Uses Cutting Edge Technology To Help Fortune 500 Clients Maximize Revenue

By Patricia Staino, Special To LTW

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Editor's note: 'Charlotte Beat', which profiles a leading tech company or a tech executive in the Queen City area, is a regular feature on Wednesdays.

CHARLOTTE -It sounds like the opening chapter in an espionage thriller: a father and son team working together in a dark basement building a system for the Defense department to predict future military threats to the United States.

Only they're not in a basement, and this is no novel.

NuTech Solutions of Charlotte, founded in 1999 by then 23-year-old Matthew Michalewicz and based on the adaptive business intelligence technology developed by his father and a team of scientists, is working with the U.S. Department of Defense to develop an advanced artificial intelligence program.

If it works for national security, imagine what it can do for business.

Where business decisions were once made based on past statistics and linear models, today's corporations make plans based on adaptive technologies, artificial intelligence systems, and real-time data mining applications. Rather than focus on what *has* happened, they explore what *might* happen.

NuTech Solutions specializes in adaptive business intelligence software that optimizes logistics, risk and marketing. Since 1999, the company has grown to 150 employees in three countries, and its customer list reads like a "Who's Who" of big business: the U.S. Department of Defense, Bank of America, Ford Motor Company, Corning, Unilever, BMW, Siemens, Daimler-Chrysler and others. While the company won't disclose financial information, 54 (mostly Fortune 500) customers have signed on since the early days.

NuTech closed on \$3 million in additional financing in January and says it is now profitable.

"Our technology appeals to old economy businesses doing billions of dollars in revenue—companies looking to optimize areas of their businesses to increase revenues," says Michalewicz, the chief executive officer.

Michalewicz began his career at Ernst & Young, where he became intrigued by the scope of the multi-million dollar deals on which he worked. He knew if he combined his father's lifelong work with what was going on in the stock market, he could make big things happen.

Zbigniew "Mike" Michalewicz, father of the CEO and Chief Scientific Officer at NuTech, is a computer and software expert who has authored more than 200 research articles and 15 books, and is the former chairman of the computer sciences department at the University of North Carolina, Charlotte. Now he leads NuTech's research and development team.

The company's success is due in part to a product that helps businesses run more efficiently, better manage risk and optimize resources, all desirable functions during a downturn in the economic climate.

Pedigree workforce

Michalewicz attributes the success and growth of the company to the scientific achievements of many of its employees, which he says have collectively published thousands of research articles and hundreds of books on various aspects of business intelligence. Of 150 employees, 36 are Ph.D. scientists and more than 50 have Masters of Science degrees.

The company has offices in Warsaw, Poland, and Dortmund, Germany, because Michalewicz believes in going to where the good people are, and not waiting for them to come to him.

"Companies don't fail or succeed by themselves. The people fail or succeed," says Michalewicz. "I've been incredibly lucky to surround myself with good people." He adds that many of NuTech's employees are former colleagues of his father's previous projects and research. "He has created relationships and contacts that make this possible."

While the organizational chart may make Michalewicz his father's boss, he says he doesn't give that too much thought. An only child who emigrated from Warsaw, Poland with his parents at the age of six, he says he has always had a close relationship with his parents. "I really don't think of myself as his boss," says Michalewicz. "I enjoy our relationship."

At the age of 26, Michalewicz is well-spoken and presents himself with intelligence and assurance in conversation, sounding wise beyond his years. Unlike many dot.com upstarts who pride themselves on their different way of doing things, he says his age does not affect his management style: "There are 14 people in our management team with an average age of 42, so me being 26 doesn't affect the way the company is run."

Leading edge technology

At the heart of the company's management is a commitment to evolving the technology. While other software companies may be adding features that incorporate business intelligence into upgrades for existing software packages, NuTech says its advantage is that it is building the applications from the start.

"The underlying challenge for all software companies is staying ahead of the technology. Our underlying technology is leading edge," says Michalewicz.

The company's Web site details the genetic algorithms, neural networks, fuzzy systems and quantum computing that goes into creating the software products, but the best way to understand what has made the company successful is to look at its customer's results.

In a recent project with Ford Motor Company, NuTech's Asset Distribution System was used to optimize the distribution of off-lease vehicles, saving the company more than \$20 million per year.

For Siemens AG, NuTech created an adaptive software system that optimized the routing tables of their telecom networks and improved the efficiency of routing voice and data over their existing networks by almost 100 percent.

"Our products create measurable return on investment for clients," says Michalewicz. "This is where I think many software companies have failed. Our approach is that our products will make money for you and we'll prove it."

While Michalewicz acknowledges that NuTech "was founded on the dream of going public," he says that is still a few years down the line.

For now he says he's enjoying the energy involved in building this company, even though he never really expected to work in the high-tech field: "Nothing in life surprises me right now."

NuTech Web site:

www.nutechsolutions.com

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