



Xiaoyan Zhang has grown KIT Solutions into one of Pittsburgh's most successful technology companies.

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Over the last few years, local technology company KIT Solutions has been a model for entrepreneurial success that many can admire but only a few can replicate. The company, an expert in delivering data-driven decision support services to state and federal agencies in the Health and Human Services sector, has grown an average of 70-80 percent/year since 2003 and is now projecting year-end 2009 revenues in the \$7 million ballpark.

KIT's recent growth surge is directly linked to two five-year contracts with the federal government to build Internet-based data infrastructure to help substance abuse prevention and youth services agencies. The software measures the impact and performance outcomes, improves decision making based on increased knowledge, implements best practices and science-based programs, tracks funding and satisfies grant reporting, and enables policy makers, government agencies, private foundations, researchers and field practitioners alike to communicate and share knowledge using the same business processes.

While the company has enjoyed year-after-year growth in the last five to six years, things weren't always so rosy. During the dot.com crash in the early part of this decade, massive debt almost bankrupted the company. Co-founder and CEO Xiaoyan Zhang took drastic measures to keep the company alive, cashing out personal stock and using home equity loans to pay back creditors. Looking back upon those hard times, Zhang highlighted the fact that he and co-founder, Lun Wang, stayed true to their mission and believed whole-heartedly that the company's SaaS business model would propel KIT toward long term success.

"All of our recent success is very relative to me and others who have been with the company for a while," Zhang explained. "We went through an incredible amount of hardship as a company until we really started gaining traction with our SaaS service model. To keep the company alive, I was forced to make some soul searching hard decisions. In the end, I feel very gratified and thankful that

BRIDGING THE GAP

KIT SOLUTIONS LOOKS TO BUILD UPON RECENT GROWTH WITH EXPANSION INTO WIDER BEHAVIORAL HEALTH MARKET

those decisions enabled us to achieve what we have today."

"Like our name, KIT Solutions, suggests, we want to provide added value to our customers and partners with 'Knowledge-based Information Technology,'" Zhang continued. "Information fragmentation and information overload is a fundamental problem of our information-age knowledge society. We have all of this data and can't actually understand it to use it for a purpose. This is exactly why our mission at KIT Solutions is to turn this data into knowledge or actionable intelligence."

In terms of the health and human services sector where Zhang's company has built its reputation, he pointed to the ever-present information gap that exists between government agencies, researchers and field practitioners due to data incongruity and lack of unified process. KIT's flexible, Web-based platform enables all parties involved to communicate, share information and ultimately, build knowledge capable of making a difference.

"Our flexible, customizable platform provides valuable common ground between all parties involved in the process of tracking funding and reporting," Zhang said. "By creating a Web-based data collection management system that makes the same data set available to everybody, we are effectively bridging the gap that is inherent in our data-overloaded world."

Amidst the company's rapid growth in the last few years, things got even better for Zhang and KIT Solutions in March 2009, when President Obama unfurled the American Recovery and Reinvestment Act calling for an additional \$19.2 billion to be allocated toward Health Information Technology. Accordingly, as more and more state and local agencies receive stimulus dollars and are required to track and report upon the results of the funding, KIT's software becomes all the more valuable. In addition to the added benefit the stimulus package provides, look for KIT Solutions to continue its growth as the company expands its focus to provide its software to the entire behavioral health market.

"Up until recently, our strategic goal was to become the dominant player in the substance abuse prevention niche of the wider behavioral health market sector," Zhang explained. "We now feel that we have achieved that goal, with near market saturation in that niche. Energized by the recent

federal contract wins, moving forward we plan to expand our focus to the entire behavioral health sector, of which our current niche represents only 0.4 percent of the total discretionary spending. This future growth plan is a natural fit for KIT Solutions and our scalable service delivery model." ■

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