

Growing with technology



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GROWING FAST: DRS senior engineer Dave Wilkeson, left, and president Mike Meloy stand in a row of servers at the company's office at 1343 Belmont Ave., near St. Elizabeth Health Center. DRS, whose services include consulting, product sales and data center operations, placed No. 38 on an industry publication's Fast Growth 100 list.

A city business is one of the nation's fastest-growing tech companies.

By DON SHILLING
VINDICATOR BUSINESS EDITOR

YOUNGSTOWN — A local business is growing quickly by helping companies use technology to reach their customers and manage operations.

"We call it Web 2.0," said Mike Meloy, president of DRS of Youngstown. "Just having a home page isn't good enough anymore."

Most of DRS' sales come from consulting — helping businesses design computer networks, phone systems and wireless hookups. It also handles product sales and operates two data centers.

Its services are in such demand that it has been named one of the fastest-growing technology solution providers in the nation for the second straight year.

CRN, an industry publication, last month placed DRS at No. 38 on its Fast Growth 100. In the past two years, the company's sales have had an average annual growth rate of 153 percent.

DRS had sales of \$8.5 million last year and expects sales of \$12 million this year.

Sales growth has meant more jobs. DRS employs 38 at its office and two data storage centers in Youngstown, which is up from 26 a year ago. Most of the new hires are engineers.

Meloy said he expects to have about 55 employees in the next 18 to 24 months.

"We're looking for three people right now," he said.

Larger location

Company officials are so confident in their future that they recently moved from North Lima to a larger location at 1343 Belmont Ave., near St. Elizabeth Health Center.

DRS is working on the final purchase agreement but is buying the building for between \$1.5 million and \$1.8 million, Meloy said.

The building became available because Catholic Health Partners, the parent organization of St. Elizabeth's, moved its data center from there to Kentucky.

Despite the move, management of information technology at St. Elizabeth's remains in Youngstown, said Tina Creighton, a hospital spokeswoman.

It will have workers and computer servers in the Belmont Avenue building and at a site on East Federal Street.

In recent years, DRS has expanded by opening offices in Pittsburgh and Akron. Those offices employ a total of eight.

Meloy said the company has been successful in providing computer and telecommunication services to small and medium-sized businesses.

"You have to be dedicated to that market space because it takes a lot of resources," he said.

Because these companies have small technology budgets, providers often focus their attention on large companies with a lot of money to spend, he said.

Services offered

About 40 percent of DRS' revenues come from consulting work. The rest is evenly split between product sales, such as computer hardware and phone systems, and data center ac-

COMPANY HISTORY

DRS

Highlights in the growth of DRS:

2000: Mike Meloy and a few others leave the former Entre Computer in Canfield to create NSI Group, a computer networking company.

2001: NSI begins buying other small computer networking companies.

2004: NSI changes its name to DRS, which stands for data recovery services.

2004: DRS buys a data center on Southern Boulevard in Youngstown.

2007: DRS buys a data center on Belmont Avenue in Youngstown and moves its offices to that site from North Lima to Youngstown.

Source: DRS

counts.

The use of data centers to store computer information is growing in many industries, Meloy said. Data centers house computer operations for companies.

Companies have used DRS' center to house a real estate video listing center and an online training program.

Some companies use the center to back up critical information, while others house all of their computer intelligence in the center, with their employees using terminals instead of personal computers.

Meloy said the use of data centers is growing because companies are more concerned about security and don't want servers spread out in different locations.

He said a Cleveland-based auto body company that has multiple locations recently told him that an in-

urance company was insisting that it centralize its computer information into one secure area.

Costs

Dave Wilkeson, chief operation officer for DRS, said a company could spend \$500,000 to turn a conference room into a data center, plus they would have operating costs.

DRS would charge about \$1,000 a month for housing the information, he said.

Meloy said, however, that customers pay a wide range of fees. To simply back up information, companies can pay as little as \$50 a month.

Other companies use DRS as their information technology department and can pay as much as \$15,000 or \$20,000 a month.

Meloy said a data center is costly to operate because of its security. It has two power lines from the street, a generator to provide power during outages and a battery system that can temporarily provide power until the generator turns on.

Data centers also must meet strict fire code regulations and have multiple fiber-optic connections.

In 2004, DRS bought a data center on Southern Boulevard in Youngstown that was created by the former Williams Communications of Oklahoma.

Some economists are wondering if the nation is headed into a recession, but Meloy said his company's growth isn't threatened.

"No matter what the stock market does or what the economy does, you're going to need technology," he said.

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