

SAN FERNANDO VALLEY BUSINESS JOURNAL

50 [Fastest Growing Private Companies 2019]

ServiceTitan Plans Payroll of 1,000 by Year's End

Software firm's annual conferences help achieve 342 percent growth.

3 **SERVICETITAN**
HEADQUARTERS: Glendale
CEO: Ara Mahdessian
BUSINESS: software for home service businesses
2018 REVENUE: \$59.4 Million
NUMBER OF LOCATIONS: 3
EMPLOYEES: 800 to 900
NOTABLE: Expansion necessitated leasing 125,000 square feet of office space in Glendale.

By **MARK R. MADLER** Staff Reporter

To gauge just how fast ServiceTitan is growing, take a look at its employee numbers.

By the end of the year, the company is expected to have about 1,000 employees. Four years ago, it had a little more than 50.

Keith Tyndall, a company spokesman, said a key driver of growth at the Glendale company is its commitment to the home service professionals that use its software.

"Our founders' story of building software for home services contractors has stayed at the heart of the markets we serve and the kind of products that we build," Tyndall said.

ServiceTitan was No. 3 on the Business Journal's Fastest Growing Private Companies list with a 342 percent growth in revenue between 2016 and 2018.

The company helps plumbers, contractors and home-repair companies manage operations in real time. The software organizes the scheduling, dispatching, invoicing and payment processing for jobs, and includes payroll and supply inventory management functions as well as customer satisfaction surveys and a marketing function.

Co-founders **Ara Mahdessian**, chief executive, and President **Vahe Kuzoyan** were not available to talk.

But in an interview earlier this year, Mahdessian told the Business Journal that what makes the company work is creating a great work environment.

Mahdessian and Kuzoyan create that environment in several ways. It starts with building a culture, so people are excited to come to work with others who are masters of the craft. Second is giving the employees the autonomy to exercise their craft and build results for the company.

Lastly, there is the compelling mission that ServiceTitan presents of changing the lives of entrepreneurs in the home services industry.

"That mission is attractive for a lot of people who want to do something that is rewarding and gratifying and has great impact," Mahdessian said in the interview.

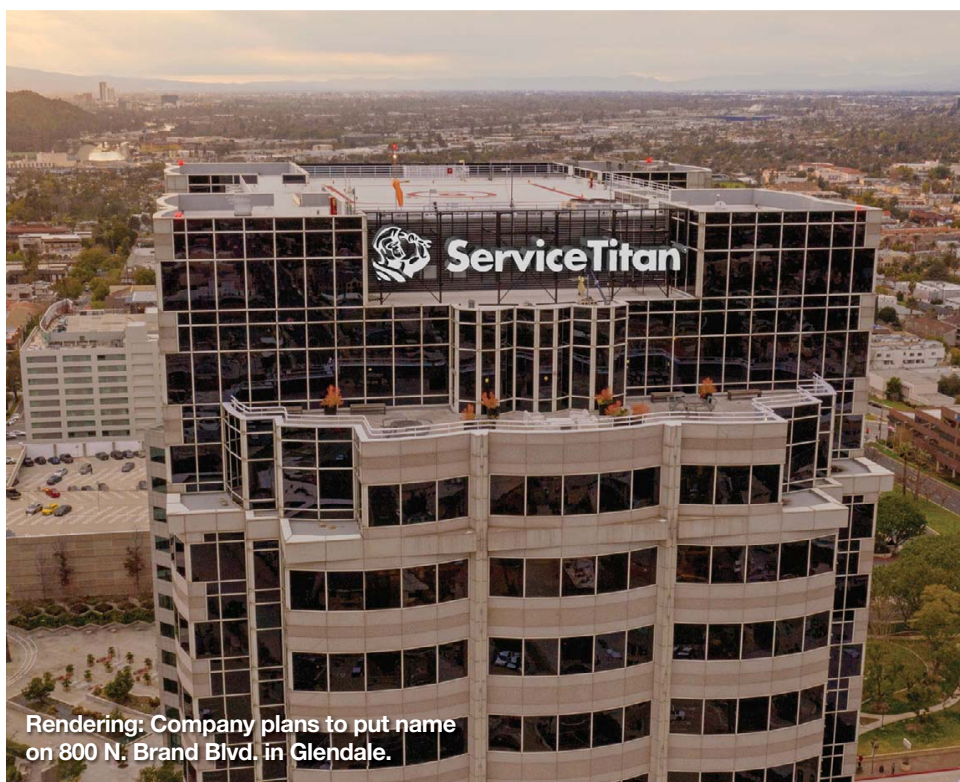
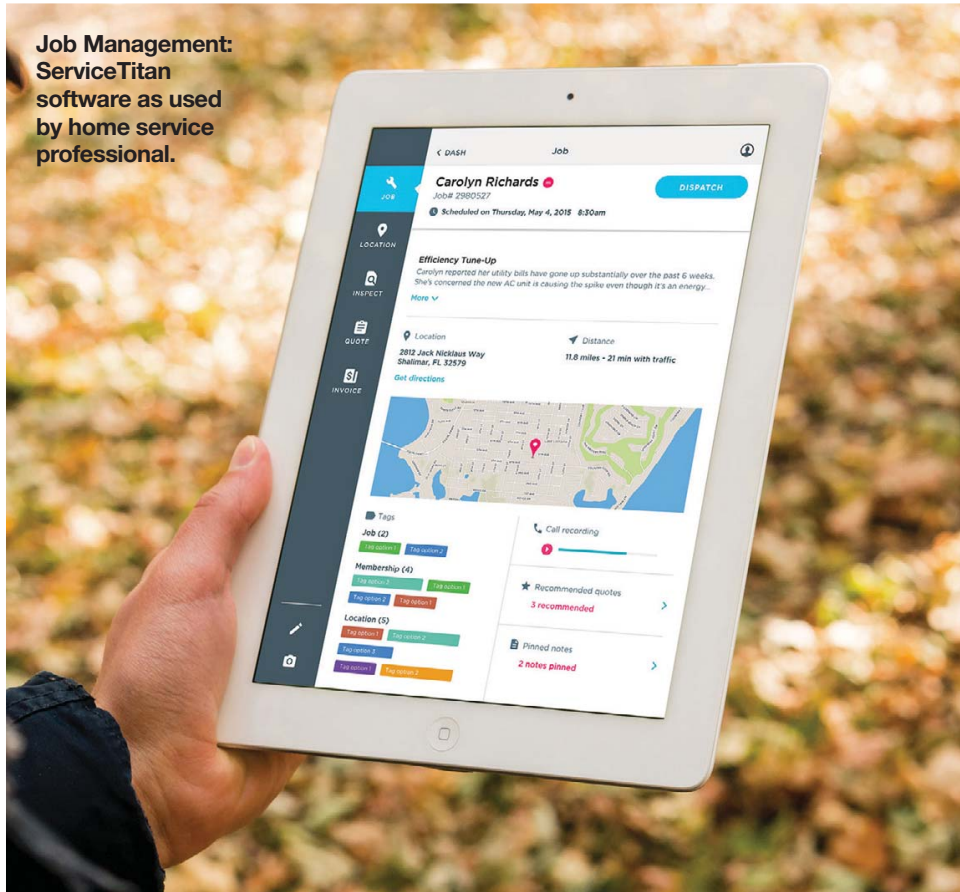
Mahdessian and Kuzoyan founded the company as a way to help their respective fathers, both of whom are in the trades.

"When they needed software, we couldn't find anything that was very good," Mahdessian said in a 2015 interview with the Business Journal. "So, we decided to build it ourselves."

Both co-founders remain very involved with the business and they work and collaborate with everyone along the employee spectrum, Tyndall said.

The pair is also very hands-on when it comes to customers, which shows their com-

Job Management: ServiceTitan software as used by home service professional.



Rendering: Company plans to put name on 800 N. Brand Blvd. in Glendale.

mitment to make the company a success, he added.

"That is the great thing we see about our customer satisfaction across the board is Ara and Vahe's involvement is very apparent to our customers and they do see that commitment to the trades," Tyndall said.

Industry conference

Jennifer Hiramoto, a deputy director of community development for Glendale, said that both co-founders are passionate about the city. Staff looks to them as a real inspiration to what they think epitomizes the spirit of innovation in the city, she added.

"It is no surprise that they are continuing to grow on the trajectory they are," Hiramoto said.

In the past year, one of the big wins that ServiceTitan had was at Pantheon, its user conference that took place in July in Pasadena, Tyndall said.

The two-day event at the Pasadena Convention Center featured one-on-one time with the

ServiceTitan team, a tradeshow and educational sessions featuring ServiceTitan employees, including managing multi-day jobs, managing technician availability, maximizing dispatch efficiency and optimizing the sales process.

"All the contractors and customers that came felt like this was not just a software conference but truly was an industry conference that provided them with thought leadership for growing their businesses and maximizing and embedding the ServiceTitan technology into the way they operate every single day," Tyndall said.

Among those attending the conferences in the past was **Joe Wachtel**, of **Monkey Wrench Plumbing**, in Los Angeles.

Wachtel said attending the conferences was a wonderful experience that was extremely educational.

"They are educational from a systems standpoint, but they are also educational from an industry standpoint and the ability to network with industry professionals," Wachtel said.

Monkey Wrench began using ServiceTitan's software in summer 2016. The company grew its revenue by 74 percent the first full quarter after going live with the software as compared to the same period a year earlier.

Along with increasing sales, using the software has streamlined the business and made it look even more professional than it already was, Wachtel said, adding that his customers like that Monkey Wrench staff is able to email them all their forms, invoices, estimates and payment information in real time.

"Customers love it for the technology aspect of things and recognize us as a company that is in the 21st century," he added.

Glendale roots

Hiramoto, with Glendale, said the city's economy has long been anchored by corporate headquarters, such as **Dine Brands Global Inc.**, **Avery Dennison Corp.** and **Dream-Works Animation LLC**, when it was an independent studio prior to being acquired by NBCUniversal.

Recently, however, the city has emerged as a tech and startup hub in its own right and ServiceTitan has been a big part of that, she said.

When the city first met with Mahdessian and Kuzoyan four years ago, it was starting an effort to build up its tech and innovation ecosystem. The pair was passionate about not only their product and team but about being in Glendale, where both grew up, Hiramoto noted.

"They encourage their new hires to move into the city," she said. "They continue to invest in Glendale as demonstrated by their announcement to lease 125,000 square feet for their second headquarters location in the former Nestlé building."

In March, ServiceTitan said it would take five floors of space at 800 N. Brand Blvd. that had been left empty after **Nestlé USA** moved out.

Tenant improvements to the new space, across the street from the current ServiceTitan offices at 801 N. Brand Blvd., are ongoing and employees will start to move over next year, Tyndall said.

The company also plans to put its name on the building. It is expected that the company will soon submit plans for the signage, Hiramoto said.

"We are very excited to see the ServiceTitan name on top of the iconic building as a reminder of the part of the early energy of our own tech revolution here in the city, but also a symbol of progress in Glendale," she added.

Progress for ServiceTitan will focus on becoming more involved with the commercial services sector, as a lot of the company's customers do both residential and commercial work, Tyndall said.

There is also the possibility that ServiceTitan will add new employees and customers through acquisitions.

While the potential for buying other businesses was a forward-looking statement, Tyndall said "we are always assessing the market for potential acquisitions and partnerships."

In August, ServiceTitan acquired CUC Software Inc., a business software developer in Billings, Mont. The move will add more than 100 new customers in the Canadian market.

About eight months earlier, ServiceTitan made its first acquisition with the purchase of JaRay Software Inc., a Kansas-based business software system for home services. At about the same time, it had secured \$165 million in venture funding.

Connor Theilmann, ServiceTitan's vice president of business operations, said at the time of the CUC deal that other acquisitions were in the pipeline.

"Certainly, the reason we raised the money is to be acquisitive. I'd expect more over the next 12 months," Theilmann said in a story published in the Los Angeles Business Journal.