



SJF Ventures – Investment Case Study

Headquartered in Kennesaw, GA, Ryla provides call center services and other customer care solutions for large- and medium-sized corporate customers. Service is delivered by a highly motivated workforce, which is trained to focus on courtesy and empathy when interacting with customers. The agents' friendly attitude is ideal for clients that strive to differentiate themselves through superior customer interactions.

Mark Wilson and his wife Shelly founded Ryla in October 2001. Initially the company focused on the financial services area, maintaining and updating databases for financial service firms such as D&B, for which Mark Wilson formerly worked as a vice president managing call centers. From the beginning, the firm worked to create a superior business culture, which also translated into one of the firm's mottos, "excellent interactions every time."

The Investment Partnership

In 2002, SJF Ventures provided the first institutional investment in Ryla and followed on with additional equity infusions in subsequent years. When looking at the investment opportunity, SJF was struck by a large market, respectable customer traction, innovative workforce policies, and management's strong sales and marketing skills.

Prior to meeting SJF Ventures' team, Ryla's founder and CEO Mark Wilson was reluctant to accept venture capital money, but he changed his mind after seeing that SJF's positive impact focus aligned with his own values. "I didn't want to take venture capital," said Wilson. "I thought the VC industry was predatory. I didn't like what it stood for, and I didn't think venture capitalists would share my vision. But the Elpis Group told me about a new type of VC. They introduced us to SJF."



Employee engagement sets Ryla apart from other customer call centers

Rapid Growth

SJF's initial investment and subsequent financings by SJF, CDVCA and Frontier Capital helped propel rapid growth at Ryla. Revenues climbed steadily from less than \$1.1 million in 2002 to over \$100 million in 2009. The number of employees increased from 20 at the time of SJF's investment to more than 3,500 today. This rapid expansion led to national recognition for the company. Ryla has been named one of the 5,000 fastest growing private companies in America by *Inc. Magazine*, the fastest growing private company in Atlanta by the *Atlanta Business Chronicle*, a Top Small Workplace in the U.S. by *The Wall Street Journal*, and one of the top 500 African American Owned Businesses in the U.S. by *DiversityBusiness.com*.

Workforce Innovation

While Ryla's success is aided by a strong operations platform and cutting edge technologies, the employee-focused culture stands out as the distinctive competitive advantage of the organization. Workforce innovation strategies include comprehensive recruiting, extensive training, promoting from within, team-based operations, subsidized meals, a broad-based stock option plan, and attractive health benefits. Perhaps most importantly, Ryla's work environment buzzes with a palpable friendliness and vibrancy, a tone first established by CEO Mark Wilson. Creating an atmosphere where our people feel it's "the best job they have ever had" is an essential element of Ryla's business model according to Wilson, and employees say that the tone of mutual respect is key to attracting and retaining a loyal and committed team.

Ryla's workforce innovation has created employee retention rates that are twice as high as the industry average and show-up-rates that are well above industry norms, which is an important differentiator for an industry that may see 25% of its agents not show up to work on a particular day. Ryla's attractive workplace culture also helps the company scale faster than its competitors when new projects arise. The company's own employees often recruit friends to work at Ryla when the company is ramping for a new project, and new employees are often willing to work for a one-time project with the hope of becoming a permanent employee at this special company.



Subsidized meals in a friendly environment help to create a unique culture for employees.

SJF Involvement

While serving on the board of Ryla, SJF acted as a sounding board and trusted advisor, which proved to be especially helpful in the company's early days. SJF helped to refine workforce strategies, especially by helping to implement a broad-based stock option plan that generated strong financial results for some long-time employees in 2010. SJF assisted in management and board recruitment and helped to orchestrate additional growth capital from Frontier Capital and CDVCA. SJF also assisted in arranging lines of credit and public relations connections.

Exit

In April 2010, Ryla received a large investment from California-based Alorica, Inc. The extra capital will help Ryla continue to grow and serve its customers with industry-leading customer interactions. Ryla will remain a stand-alone entity and continue to be managed by Mark Wilson. Ryla and Alorica together represent over 10,000 customer care employees located throughout the United States. Both companies are certified minority business enterprises. As part of the transaction, SJF Ventures and all other investors realized exits on their investments.

"Management has developed a unique, employee-focused culture that is supported by a comprehensive set of benefits and employee programs. This culture has created a positive, professional work environment and drives Ryla's industry-leading retention rates." -- Investment banking firm Harris Williams & Co.

Positive Impacts

Led by Mark Wilson, a talented African American CEO who serves as an inspiration to many, Ryla has improved the lives of thousands of individuals. Ryla's commitment to provide employees with the best job they have ever had translates into a work environment that is uplifting and inspirational. Furthermore, Ryla has provided numerous concrete improvements for many entry-level workers. They receive significant training and benefit from promote-from-within policies. Employees are eligible for health coverage after their first 90 days of work, and some long-time employees who started at entry level received stock options that created meaningful value during the recent transaction. The following is a brief list of some of Ryla's positive impact accomplishments:

- Since SJF's first investment in 2002, Ryla has generated over 3,000 new jobs, the majority of which are entry level positions
- As of December 31, 2009, 84% of employees were minorities and 71% were women
- 100% employer-paid health insurance for individuals and 80% employee-paid for families
- Extensive on-the-job training, including both soft skills and customer service/sales skills
- Subsidized breakfast and lunch at the Ryla Café
- Quiet room for when employees need a short break
- Community engagement with local charities
- Broad-based stock options and monthly performance bonus
- Internal "green" initiatives including recycled flooring and energy efficiency

SJF Ventures congratulates the Ryla team for an exceptional growth story. Ryla has spoken loudly to the fact that employee engagement can be an integral part of a company's tremendous success.