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OneStream grows sales 50 percent to \$130 million, 'building' for public offering

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- Software maker increases increased customer base by 50 percent
- CFO says IPO a likely outcome at undetermined time
- Rochester-based company plans for 2020 hiring spree



Bill Koefoed

A Southeast Michigan unicorn software maker foresees a future as a public company.

Rochester-based OneStream Software LLC, a private equity-backed workplace software firm that has achieved a **\$1 billion valuation** on Tuesday announced part of its 2019 financial results.

The company says its revenue grew 50 percent over the previous year, with sales hitting \$130 million in 2019. OneStream also said it increased its customer base by 50 percent and now has almost 500 clients around the world.

While executives declined to give profit margin figures to Crain's, executives say the company has been profitable for eight years.

Now, CFO Bill Koefoed says, the company is preparing to go on a hiring spree across all departments that could boost the company's

headcount from about 485 employees currently to around 650 by year's end.

The executives there aren't shy about the notion that an initial public offering is likely somewhere down the road, although there's no time frame at this point.

"Private equity doesn't hold companies forever," Koefoed said with a laugh. "We think there will be a favorable reception to us as a public company. ... Clearly we're building for that."

As part of preparations for a likely future as a publicly traded company, Koefoed said the task at hand is to work on bolstering the company's numbers in areas like finance, human resources and finding a controller. Approximately 30 percent of the company's workforce is in Michigan, Koefoed said.

The company could, however, have a fairly long runway before any such exit. A [2018 report](#) from Boston-based PE giant Bain & Co. notes that the "typical five-year holding period" for private equity-backed companies has been getting longer.

"Doing so gives them a longer runway to nurture growing businesses, integrate acquisitions or make transformative change happen," the report said.

A spokeswoman for KKR & Co. Inc., the New York City-based private equity firm that owns OneStream Software, declined to comment on Monday evening.

Finding talent

Finding the right talent remains top of mind for the OneStream executives.

Koefoed said the company relies heavily on referrals and Chief Marketing Officer David Kasabian added that OneStream also frequently taps its networks at both the University of Michigan and Michigan State University.

One talent recruitment strategy not in the cards for OneStream would be a move to the tech-heavy hotbeds of downtown Detroit or Ann Arbor.

Rather, Koefoed said the company feels at home at its headquarters in northern Oakland County.

"We're committed to Rochester," said Koefoed, who started with the company late last year after working on the West Coast. "The guys who founded this company were born and raised here. It is a good community."

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