

← Back to Original Article

## For public officials, financial disclosure gets easier

*Two Los Angeles entrepreneurs, competing against much larger firms, win a State Department contract to provide electronic forms that can be used worldwide.*

February 23, 2009 | Ronald D. White

Unpaid taxes have shipwrecked the careers of a few politicians lately. Two Los Angeles entrepreneurs have won a State Department contract that could stop others from running into the same reef.

Competing against much larger business software developers, Phillip Yadianian and Behdad Payami have landed a deal to make federal financial disclosure forms used by public officials easier and quicker to use.

They say the software also helps catch mistakes that can come back to haunt politicians.

"It is very big for us," said Payami, co-founder and vice president of operations of Cerenade, an Inglewood company that designs forms filled out on computers. "It's a new opening into the civilian side of the federal government that is very large and very intensive in terms of electronic forms."

The contract is a coup for a company with only eight employees and about \$2 million in annual revenue. Yadianian and Payami said they weren't supposed to disclose details of the contract but noted that work of similar scope usually ran a few million dollars.

Almost 16 years ago, the two friends were in a much different position. The Tehran natives, who are now U.S. citizens, had just been laid off from their first post-college jobs at Locus Computing Corp.

"What we were doing? Nothing much. Probably why we got laid off," Payami, 46, can joke now. He had earned degrees in computer science and electrical engineering from the University of Colorado.

Yadianian, 50, president and co-founder of Cerenade, graduated from UCLA with degrees in math and computer science.

Getting fired was a catalyst for change. Soon after, Yadianian's three-hour wait in line for a U.S. citizenship application gave them the idea for their first big breakthrough.

"Three hours in line to get a paper form that I still had to take home and fill out," Yadianian said with disgust, as if reliving the lost afternoon.

"Wouldn't it be great if there was an electronic form? We could put together several different kinds of programs for forms," Payami said, reliving the first pitch.

"Not just for people applying for citizenship, but also a case management system for lawyers, immigration attorneys," Yadianian said.

After making the rounds trying to sell their idea, the two got a call from someone at legal publisher Matthew Bender. Yadianian remembers thinking that it was just a friend's prank. Fortunately, he didn't hang up; out of that call came Yadianian and Payami's first major product: EILA, or Electronic Immigration Lawyer's Assistant, which now comprises 240 immigration forms.

Cerenade's clients for other kinds of electronic forms have included 3M, the Energy Department, Pennzoil, Manitoba Hydro and Amerada Hess. In a case study of the global energy company's switch to Cerenade from another system, Amerada Hess was lavish with praise.

"What really closed the deal was Cerenade's ability to pull off a complete prototype in one week," the report said. "No one else came close to that."

"We constantly receive praise and witness client astonishment at the simplicity with which our electronic forms get to our users all over the world. It's instant everywhere, every minute," said Eloise Castillo, EProjects coordinator and Web developer for Hess Corp.

The most recent success faced some very tight parameters. The State Department needed a new electronic financial disclosure form that it could deploy worldwide. In a time of a deep global recession, and with a new administration looking to set a frugal tone, it had to work with the department's limited bandwidth. It also had to work on the State Department's existing electronic systems.

In the end, the choice was relatively easy, said Thelma J. Furlong, director of the State Department's Office of Directives Management.

"We went through the process the right way. We had them all come in and present their solutions, tested them all, and Cerenade was the only one we could get to run on our system. Plus, their forms take much less space," Furlong said. "None of the other companies we looked at could do it."

Jim Blasingame, host of a national radio show called the Small Business Advocate, said it wasn't unusual for a small firm to get part of a government contract. "Is it rare for one to go toe to toe against big companies and win? Heck yes, it's rare. I'd like to meet those guys."

Al Osbourne, senior associate dean at the UCLA Anderson School of Management, called it an example of how "boutique firms" are "often more willing and able to quickly adapt to a customer's needs, when a large firm might be less willing and more inflexible."

Pretty remarkable, said Lloyd Chapman, president of the American Small Business League, at a time when small firms too often lose out on federal contracts that are supposed to go to small businesses but are going to large companies that are supposed to be barred from that work.

"Hundreds of the biggest companies in the world are in the Small Business Administration database, and no, they aren't supposed to be there," Chapman said.

Yadidian and Payami are taking the success in stride.

"I always had this goal of running our own software business. I always knew we could do it," Yadidian said.

Payami said he was never so confident.

"I'm the pessimist," he said. "I look at this latest job as an adventure, and I do like adventures."

--

ron.white@latimes.com