

## Mendelsohn **makes it fun** to **maintain** productivity

Market Technologies LLC  
stays small but grows big

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STAFF INTERN

**WESLEY CHAPEL** — Louis Mendelsohn grows his company in a steady, controlled manner. He's consciously made decisions that would limit his company's growth, rather than accelerate it.

Maybe that's because it doesn't need to move any faster than it already is. Market Technologies LLC, a software company that sells a program used to forecast market trends, has seen revenues grow an average of 55 percent stronger every year since 2000.

### COMPANY INFO

**BUSINESS:** Market Technologies LLC

**HEADQUARTERS:** Wesley Chapel

**NATURE OF BUSINESS:** Develops software to forecast market trends

**TELEPHONE:** 813.973.3875



KATHLEEN CABBLE

"In the markets, a day is a long time," says Louis B. Mendelsohn, president and CEO of Market Technologies.

"We could do more," said Mendelsohn, president and CEO. "We could do a lot more, except that I like to control the growth of the company and not have ... (it) outstrip our ability to develop the infrastructure necessary to support the growth."

Central to the company's success is its main product, a program called VantagePoint. The program compares leading indicators in multiple markets worldwide, and depending on the market chosen for forecasting, VantagePoint can be 70 percent to 81 percent accurate, Mendelsohn said.

Market Technologies' clients, more often individual investors than mutual funds or larger companies, select a version of the software based upon how many and which markets they want to forecast. The majority of the

52 markets the program offers are specific commodities such as soybeans, cocoa or gold, but it also forecasts certain currencies and stock indices such as the S&P 500.

VantagePoint only forecasts short-term changes one to four days in advance.

"In the markets, a day is a long time," Mendelsohn said. "If you can look ahead even just one day in time and have a greater insight into what is likely to happen in a given market over the next 24 hours or 36 hours, that's very powerful."

To make forecasts, VantagePoint uses neural networks, a method of software programming especially suited for finding patterns and relationships in what may seem to be disparate sets of data. Neural networks mimic the structure of the human brain and can be

### REVENUE

Year	Revenue
2004	\$8.2M
2003	\$6.4M
2002	\$4.4M

SOURCE: Market Technologies LLC

ABDIEL RIOS

“trained” to forecast trends more effectively by examining how far on- or off-target they were the last time they predicted a similar trend.

#### **MORE THAN JUST THE PRODUCT**

Mendelsohn founded Market Technologies in 1979, programming algorithms into some of the first microcomputers available. His first product, called ProfitTaker, came out in 1983.

Today Mendelsohn attributes much of his company's success to the reputation his software has gained over the years, spread largely by word of mouth. But beyond that, running his business with a small but dedicated staff and striving for high staff retention has kept his company “a very lean machine,” he said.

The \$13 million firm employs only about 30 in less than 4,000 square feet, without so much as a sign on the door. But inside the of-

fices, rooms are brightly lit and decorated with party streamers.

“You spend the majority of your life working, so work should be fun,” Mendelsohn said. “When it is fun, and people really enjoy working with each other, they really are more productive and really rally around the goals that we have set.”

Other companies also offer market-forecasting software. Maryland-based Ward Systems Group Inc., a company that offers a number of neural networking software programs to solve problems ranging from finding optimum drug mixtures to marketing strategies, also offers a market forecasting program called NeuroShell Trader. NeuroShell sells for \$800 to \$2,300, depending on the version.

Market Technologies' VantagePoint costs \$3,000 to \$11,000, depending on how many markets are tracked.

One reason for the price difference may be

that VantagePoint works out-of-the-box, with no adjustments required. NeuroShell still does not require any programming, but users must build their own market models by training the software themselves, said Marge Sherald, Ward Systems COO.

#### **A SUNNY FORECAST**

But no expensive software is needed to predict Market Technologies' growth. The company broke ground in mid-August on a 10,000-square-foot building, which is expected to be completed by February.

The company was recently selected to participate in Emory University's Goizueta Business School Eagles program, a conference for fast-growing privately held companies in the Southeast with more than \$3 million in revenue in the past year. The Eagles program will let participants discuss problems unique to high-growth businesses.