

Tech firm buys local services for Web

OTC purchase of iDigiSys, Adia adds customer base

TECHNOLOGY

BY SCOTT ANDERSON
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Internet provider Online Technologies Corp. has purchased a pair of small Ann Arbor firms, bulking up its portfolio and continuing a trend of consolidation in the local tech arena.

Online Technologies, or OTC, bought Web designer iDigiSys and Web-based software maker Adia Information Management Corp. Financial terms of the separate deals were not released.

OTC is one of the few remaining home-grown Internet providers in Ann Arbor. The business supplies services for companies looking to outsource their Internet infrastructure.

In July, a group of four investors, including new CEO Yan Ness, purchased 10-year-old OTC with plans to expand the company. Since August, the firm has doubled revenues and reached a profit as it focuses on a wide menu of services for small and medium-sized companies, Ness said.

"A lot of these companies don't use the Internet to the extent they could," Ness said. "And that's partly because there is no single place to go."

The purchases give OTC the customer base and technology for both companies, but resulted in just three new employees switching to the company. By

Consolidation

■ Ann Arbor-based Online Technologies Corp. has purchased Web designer iDigiSys and Web-based software maker Adia Information Management Corp.

■ Since August, OTC has doubled revenues reached profitability under new owners.

■ OTC plans to employ 16 people by the end of February. The firm now occupies the former offices of Adia, located in the City Center building at 220 E. Huron St. in downtown Ann Arbor.

■ Web site: onlinetech.net

the end of next month, OTC plans to have 16 people on staff.

OTC Vice President Ty Myers said the company is close to acquiring two other Michigan companies, but declined to provide more specifics.

The core business of iDigiSys focused on Web design and customized projects, including creating Internet and internal Internet products for companies. Founded six years ago by Steven Heintz, Adia is an application service provider, or ASP, selling computer software via the Internet, often through monthly subscriptions.

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ONLINE FROM C1

Adia sold off health care division last year

OTC now occupies the offices of Adia, located in the City Center building at 220 E. Huron St. in downtown Ann Arbor.

In June, Adia sold its health care unit to publicly traded Netsmart Technologies Inc. of New York for about \$2 million. Called CareNet, the service is used by all state-affiliated mental health and substance abuse agencies in Michigan for billing, referrals, treatments and other processes. Five of the 10 local Adia employees associated with CareNet joined Netsmart.

After the CareNet sale, Adia founder Steven Heintz spoke with Ness.

"I talked with Yan a month ago and their desire to expand downtown," Heintz said. "Things moved pretty quickly."

There were no layoffs from the sale to OTC, Heintz said. Two Adia employees will transition to OTC as part of the merger. A handful of employees who remained after the sale of CareNet have left for other jobs, according to Heintz.

Heintz said he still has a res-

idence in Ann Arbor but spends much of his time in Chicago. He doesn't know what his next business venture will be or whether it will take place locally.

This is the latest consolidation in the local online service industry. Last year, local Internet provider IC Net purchased Catalyst Broadband, a local start-up supplying Internet via radio waves.

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