

Haresh Bhungalia

Life Success

For Haresh Bhungalia, success comes in two forms. Some people go through life focused on building business success—that brand of achievement that is assembled in office spaces and at networking events. Some people, however, strive to go beyond that to build life success—the holistically fulfilling kind of triumph that, for Haresh, was built on his kitchen table.

Today, as the CEO of @Legal Discovery LLC, Haresh sits at this kitchen table with his wife and three children for breakfast every morning and for dinner each evening. He's developed an extensive network and strong market credibility, and much of the business he conducts is outside of the home. But twelve years ago, when he and his cousin, Paresh Ghelani, were cofounding their first company together, things were much different.

Haresh and Paresh had grown up like brothers, developing a strong mutual respect and a genuine appreciation for the time they spent together. In 2000, they used this unshakable foundation to launch 2020 Company, LLC, a government services business, and they would spend long hours sitting at the kitchen table along with Haresh's wife, Alpa. "At that table, the three of us really saw the company begin to come together," he remembers. "When you start something and you put your heart and soul and blood and sweat into it, to the point that your life becomes that thing, and when you're reaching for success not just for yourself, but for the benefit of everyone around you, you're reaching for life success."

At that kitchen table, the three ambitious family members built 2020 through countless hours of conversation about life, philosophy, work, and business. Others who happened to be around at various times lent their voices and ideas to the betterment of the dialogue. "That table bonded not only the idea, but us," Haresh reflects. "It's

where a lot of the company culture was built. It's a symbol of the support system, faith, and hope that underpins any success in life. It's a symbol of life success itself." The collaborative approach developed at that table extended throughout the journey of 2020, where each employee's contribution was valued in building an organization where the fostering of personal and professional success, rather than bureaucracy and hierarchy, was rewarded.

Haresh's understanding of life success was informed even in the earliest days of his childhood, but perhaps most meaningfully when his family immigrated to the United States shortly after his third birthday. India in the late 70s and early 80s was quite different from what it is today, as the economic opportunities for the undereducated were severely limited. The Bhungalias came from a farming community and did not like the way the future looked for their children. Haresh's uncle was



in the states working as an engineer for the Air Force at the time, and he, along with his sister's family, helped Haresh's parents cross the Atlantic and get their footing in the land of opportunity.

The Bhungalias sacrificed the enjoyment of life's little luxuries, like going out to dinner, to make sure Haresh and his two younger sisters could attend the best schools and graduate without debt to pay off. When the family moved from India to Detroit, Haresh's father worked for a chemical factory owned by a friend. He then relocated the family to Chicago to work in electronic manufacturing, but moved them back to Detroit when he was offered a partnership at a manufacturing facility.

Despite an avid commitment to playing basketball with his friends each day after school, Haresh was always driven to earn a living, however small, and picked up a newspaper route

when he was 12. At 15, he became a busboy, and at 16, he started working at retail stores.

Around that time, he began to take note of the fact that, whenever his relatives from Chicago came to visit, they would purchase mattresses directly from the manufacturers. Haresh decided to go to the factory himself, negotiating a deeper discount, renting a U-Haul, and taking a truckload down to Chicago. "I sold them all and made sure to price everything properly to cover the transportation costs and Taco Bell expenses," he laughs. He made five trips total, earning around \$2,000 per trip. "I didn't know the word for gross margin, but I knew how to run that business," he recalls. "I kept things simple, streamlined, and efficient, and these basic, fundamental building blocks are what we still apply in business today."

Haresh's entrepreneurial flare was engendered through watching his parents and his father's business partners who, each with their own personalities and skill sets, put the pieces of success together, brick by brick. He also spent a summer working at his father's manufacturing facility alongside the other employees, which called for grueling twelve-hour days and 7-day workweeks. "Aside from a strong work ethic, I learned that, if I didn't want to be doing that for the rest of my life, I needed to really focus on my education," Haresh remembers. "You can punch the clock 9 to 5, but that only gets you so far. If you really want to make a difference, you've got to grind a little harder than that, move up the value chain, and have a vision."

Thanks to these influences, Haresh had dreams of starting a business from the time he was 15. Analytical thinking and math came easily to him, and he attended the University of Michigan, where he read the *Wall Street Journal* everyday without fail. He worked each summer in the brokerage business at Smith Barney, served as President of the Economics Society, and spent hours in the career center trying to find the opportunity that was right for him.

After graduating with his degree in economics, Haresh got a job at Hewitt Associates, an HR management consulting firm. Under the impression he would be an HR consultant, he was much dismayed when he arrived for his first day of work and was assigned to a systems administration job. He spent the next ten months looking for a new opportunity and eventually spoke to a friend from college, who noted that

technology was the way of the future. That friend was working on the technology side of business at Arthur Andersen, and Haresh landed a job there as well, where he was trained on a number of software packages and learned a multitude of other useful skill, including accounting.

During his first assignment, Haresh found out that one member of his team, John, was making \$200 an hour. When he asked John how he had accomplished such a thing, John replied, "Because they think I'm smart." The two became fast friends, and Haresh watched in awe as John quit the company, started a professional services and technology business of his own, and went from zero to \$5 million in revenue within nine months.

Paresh had recently invested in a professional services company, and with the help of John's mentorship, 24-year-old Haresh convinced that business's president to bring him on to build out their technology practice for a six figure salary. Several months later, however, the company was acquired, so he convinced Arthur Andersen to take him back at an hourly rate of \$175.

By his twenty-fifth birthday, Haresh had mastered business success, but he found himself beginning to want something more—life success. He wanted to build something. That's when he consulted with Paresh, and the two decided to launch 2020. Haresh continued working at Arthur Andersen during the day, while his nights were dedicated to the startup. The partners utilized their contacts and networks to begin picking up work here and there, but six months into the experience, Haresh realized he would need to go all in if they were going to make 2020 a success.

With that, Haresh resigned from his day job to focus exclusively on the company, yet for the following four years, he didn't make a dime. When he burned through all his savings, he got personal loans from friends and family—anyone who believed in him. He found himself in \$150,000 debt and paying 12 percent interest, not to mention the company's debt. "If 2020 really fell on its face, my plan was to move to Dallas, where my parents had moved, and live with them," he explains. "If I didn't succeed, I was prepared to own up to that and work through the debt. If you dig yourself into a hole, you have to dig yourself out of it. Thankfully, however, it didn't get to a point where we had to give up our dreams."

When 2020 began acquiring clients in the federal government space, he and his wife moved from Chicago to DC in 2004 and began drawing a nominal salary. Once the company began to win government contracts, which generally run five years in length, its future truly began to materialize. At first, it drew revenues of \$400,000. That figure grew to \$1 million, fell back to \$700,000, swelled back up to \$1.8 million, and then began a steady ascent that culminated in an annual run rate of \$80 million. Haresh and his team developed direct relationships with paying customers instead of relying on middle companies, allowing them to personally manage those customer relationships. They also focused on expanding their footprints, earning themselves recognition as a trusted partner among the agencies they served.

This rapid success stemmed in large part from Haresh and Paresh's ability to build a strong leadership team—among the best in the business. They focused on this crucial detail at the very outset, and many of the people they hired in the beginning grew into leadership positions as the company grew. They then began bringing in outside talent in 2006, including senior executives from the Computer Sciences Corporation, Accenture, SAIC, and the FDA. "We put all these people in a room together, and they really jelled," Haresh remembers. "The management team at 2020 was second to none in the government service marketplace, capturing the heart and soul of 2020 as an employee-centric, customer-focused organization. It is this passion and drive that made 2020 a unique place."

Indeed, what made the journey of 2020 the most rewarding were its employees—not just the management team, but the individuals servicing the internal and external customers. These individuals fully embraced the culture of 2020, where everyone worked as a team to achieve mutual success. The phrase, "That's not my job," was not part of the vocabulary, and everyone stepped in to accomplish whatever task was at hand. "Paresh and I spent a lot of time focusing on building a work environment that was personally and professionally rewarding," Haresh explains. "We never wanted the cloud of anxiety, caused by unnecessary bureaucracy, to hang over our team as they went through their day. Of course, everyone was supposed to work hard, as work isn't supposed to be easy, but we didn't want any

distractions."

2020 also flourished, rather than failed, thanks to the foresight and independent thinking of its founders. "In the wake of the terrorist attacks of September 11, 2001, the government contracting community began focusing their energy on supporting national programs," Haresh recalls. "That left a whole host of things the government still needed that were being neglected. We decided not to join the herd and to instead focus on that list. We then strategically positioned ourselves to focus on health IT initiatives, which became hot five years after we had already established ourselves in that space."

Built as a process-driven, metrics-based organization complete with a strong management team, line operational VPs, business development, back office, and client facing personnel, 2020 became a humming 650-person organization. "Our top line revenue was growing in the right direction, and our gross margin was clipping along at the right pace," says Haresh. "Our net numbers were looking good, and our business pipeline was strong. We found ourselves running like a private equity, and for the final nine to twelve months of our tenure there, we focused on the exit."

2020 was perhaps the greatest learning experience Haresh and his team could have asked for. They learned the importance of monitoring their compliance, and they learned how to hold the reigns of their management team with enough slack to avoid micromanagement but enough grip to preserve oversight. Learning from the school of hard knocks together, Haresh and Paresh's bond grew stronger than ever, and though it is often said that it's lonely at the top, the cousins and partners had each other.

"There are dreams and aspirations, and then there's reality," Haresh reminds us, reflecting on the sale of his company. "Did we dream that we would exit? Absolutely. That's what we were marching toward from the beginning. It was always about building enterprise value, not a lifestyle business." The team knew they had built something the market wanted when they started receiving a lot of inbound calls. They then had an investment bank come in and do a valuation toward the end of 2010. At that point, they were \$50 million in revenue and had 400 employees. Haresh and Paresh then focused on bringing the business to a new state of perfection, getting it valued several more times and ultimately selling in

March of 2012 to the best suitor that committed to maintaining the culture of 2020, including continued employment for the team.

Amidst the exit process, Haresh tried not to get ahead of himself. "It's an emotional process to let go of a business you grew from nothing," he remarks. "One day you're excited, and the next you're dealing with due diligence." As the deal was coming together toward the end, however, he began to feel the entrepreneurial itch that had started the whole experience, and he found himself wanting to do it again. "The day-to-day grind of building a business from the bottom up, coming up with a name and a logo, is not all that exciting to me anymore," he says. "Now, it's about building companies. It's about taking something that's got good market potential, applying everything we learned through the journey of 2020, and enabling execution of a growth strategy."

Now the CEO of @Legal Discovery, which is forecasted to do around \$3 million in business this year, Haresh continues to pursue his ambitions. He had been an angel investor for the startup, watching it grow from infancy to the burgeoning company it is today. He also sits on the boards of five other companies, strengthening his market credibility in preparation for a private equity situation in the future.

As Haresh's professional journey continues to unfold, his life success is cinched by the strong bonds of family and friendship that will certainly be his greatest legacy. Most immediately, those bonds surround his wife, children, and parents, who all live happily together under one roof. Those bonds then extend to a sprawling network of family and friends that numbers in the hundreds, and beyond to the thousands of employees that have joined their lives with his through 2020 and @Legal Discovery. "Being a part of the life journey of our employees is extremely rewarding," Haresh affirms. "To watch them get married, have children, buy their first home, and send their children off to college, and know that we've participated and contributed, is a way of compounding life success exponentially."

In advising young people entering the working world today, Haresh emphasizes the

importance of remembering where you came from. "You're going to soar to new heights, so make sure you stay rooted to who you are and what made you," he says. True to his word, he takes his own children back to India routinely to visit the farming community where his father grew up. He's also helped build schools and a hospital in his father's village, complete with ambulances and x-ray machines.

Beyond this, Haresh encourages a pursuit of success that doesn't make life about business, but instead makes business about life. "Success was about achieving financial freedom not just for me, but for everyone around me," he describes. "It's about being responsible, accountable citizens of society who contribute in a positive way. My brother and I feel we have a moral responsibility to be a supporting mechanism that helps our family and community achieve their potential, just as they helped us achieve ours."

"Think about the chain," he continues. "If my aunt and uncle had not supported us when we came here from India, none of this would have been possible. It's a whole philosophical conversation that extends back in time as far as you can imagine, connecting us all and lending a moral element to business that makes the pursuit not only monetary, but even more so, meaningful." That's life success.

© December 2012 Gordon J. Bernhardt. All rights reserved. Reprinted by permission.

– By Gordon J. Bernhardt, CPA, PFS, CFP®, AIF®

About Gordon J. Bernhardt

President and founder of Bernhardt Wealth Management and author of Profiles in Success: Inspiration from Executive Leaders in the Washington D.C. Area, Gordon provides financial planning and wealth management services to affluent individuals, families and business-owners throughout the Washington, DC area. Since establishing his firm in 1994, he and his team have been focused on providing high-quality service and independent financial advice to help clients make informed decisions about their money. For more information, visit www.BernhardtWealth.com and [Gordon's Blog](#).