

BDS merger with Utica firm spurs revenue growth

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DeWITT — Benefit Design Services (BDS) Corp. generated nearly 15 percent more revenue in 2015 than in the previous year following a merger that it finalized in January of last year.

BDS merged with L.A. Stewart Associates, a retirement-plan administration firm in Utica, following talks that started in 2014, says Kishan Perera, a partner in the DeWitt-based firm.

BDS, which marked 25 years in business in February, specializes in the design and administration of employee-benefit plans, including group-insurance plans and retirement plans.

The firm services 130 retirement-plan accounts and about 400 group-insurance plans, according to Perera.

BDS has two subsidiaries, including BDS Corp. of CNY and BDS Retirement Services, LLC. Besides Perera, John Tuttle is also a partner in BDS Corp. and the BDS Corp. of CNY subsidiary. Perera and Tuttle are also majority owners in BDS Retirement Services.

Dan Jones brought 30 of L.A. Stewart's retirement-plan clients with him for servicing through BDS Retirement Services. Under the merger agreement,

Jones became a minority owner in BDS Retirement Services with the client contribution.

"His ownership was based on the clients he brought in with him," says Perera.

Dermody, Burke & Brown, CPAs, LLC served as the accountant in the merger discussion, while attorney Gerald Stack of Barclay Damon LLP provided legal counsel.

Jones wanted to transition away from operating a business on his own because one of his key employees was retiring.

"We also have some capacity available to bring on more retirement-plan clients, so it made sense from ... both ends to solve his issue of [a] key employee retiring and for us to continue our growth," says Perera.

Perera contends the additional clients were a factor in

the additional revenue generated during 2015.

In the decade prior to 2015, BDS had generated annual revenue growth of between 5 percent and 10 percent, says Perera.

The firm generates 60 percent of its revenue from group benefits, he adds.

About BDS

BDS operates in a 3,200-square-foot

space at 5015 Campuswood Drive in the Pioneer Business Park in DeWitt, off New Venture Gear Drive.

The company leases the space from Nocha Group 2, LLC. The firm has nine employees, including eight full-time workers.

BDS would like to hire an employee-benefits representative in the next few months and would also like to add one employee to handle administrative-support duties for retirement plans sometime in 2016.

The firm has operated in Central New York for more than a quarter century, a time period that included the passage of the Affordable Care Act in 2010, the federal health-care reform law.

Perera contends that BDS' strength is helping clients design their employee-benefit plan to control costs and remain compliant with the legislation.

"Every year, there's something new ... We have to make sure our clients are aware of those changes, adapt to those changes," he says.

When asked how a small firm such as BDS is able to compete in the employee-benefits marketplace, Perera contends experience plays a role.

"We have experience in the technical expertise of a larger agency, but also I think we can provide the personal touch and the responsive service because we are local," he adds. ■

