

Extraordinary managers discuss extraordinary management

The Savvy CEO Speaks

Jonathan Husni is President of Acendex.

Since 1988, Acendex has been assisting Northeast Ohio organizations in planning, engineering, installing and maintaining their networked information systems. Along the way, Acendex has developed expertise in identifying issues and resolving the information management challenges that stymie businesses and other “systems” providers. Today, the Acendex process Vital IT systematically assesses and aligns information and communications systems to serve client goals and objectives, then continues to measure progress along the way.

Jonathan, who is Acendex?

We help our clients select, implement and leverage trouble-free technology to grow their businesses. We become part of their businesses as an outsourced IT department or CIO. We do significant upfront work to make sure we provide the right technology for our clients. And we are unusual in our world, in that we charge for the upfront analysis. We ask our clients to pay us to learn about their businesses – and they do because they see the value in having an IT partner that understands their business objectives and works tirelessly to help achieve them.

Interestingly, we have almost no contracts. Across our entire customer base, we have only three to four, and those were by customer request. We strive to earn our clients’ repeat business every day, and one way we do that is by enabling our clients to pay us only when they need us.

What particular steps has Acendex taken to manage the business through these troubling times?

We are focused on becoming the number one company on planet Earth for customer service and highly reliable, always available information systems. We’ve found that even in down times, people want that.

Technology companies come and go. Many don’t last 18 months, much less 18 years. During the last few years, much of the technology world was reeling, and our 2003 results were disappointing. But in 2004, our whole team pulled together, and we had our best year in the past five by doing what we do best: providing our clients with a real, measurable competitive advantage.

“I hire creative types who happen to be network engineers.”

Jonathan Husni

We kept on doing what we have always done. We never took our eyes off the goal. Even though we felt burned by the difficult economy, each one of our employees received raises. We want our clients and our employees to feel good about our company. We believe it is our dedication to outstanding customer service and truly understanding our clients’ goals that has helped Acendex survive the tough times and continue to grow.

What are some of the unique challenges in this business? What are some of the impacts you can make?

My greatest challenge is managing engineers. All of them are brilliant, highly skilled experts who like to put their own touches on systems. They are artists with an innate competitiveness. And sometimes that makes for a challenging work environment. For example, they don’t always make meetings, but once we get them together, it’s a beautiful thing with great team spirit and an intense creative synergy that makes it worth the wait!

My primary challenge is building a going concern that will provide income for generations of employees and their



Jonathan Husni

families, and that’s the impact I’m personally striving for. It might be smarter to sell the company, but that’s not who I am. Among other things, my life-time goals include building a legacy of people who are happy to have worked here with me.

What excites you about your own work?

Helping people and the opportunity to be creative in a unique environment that enables employees to continually grow and go as far as they want in the business. There are no glass ceilings at Acendex.

As I child, I learned my options for helping people were limited to the medical or legal professions, and neither was for me. I liked helping people my own way. It’s like a drug when you’re in the field making a difference – the feedback from satisfied clients is immediate and exciting.

What are some of the most difficult aspects of your work?

Balancing the right solution and what the client wants; this is not always the same thing.

Sometimes a client with a little bit of knowledge is a dangerous thing. They may have turned their employees loose on their systems, added new software and found the results disastrous. Then, we have to go in and fix the problems – problems that may have caused serious consequences for the client, specifically in the areas of security or system reliability.

See The Savvy CEO Speaks, Page 2

The Invisible Coat

Once upon a time, there was a kingdom that was ruled for many years by an impartial, wise king. The kingdom's tax coffers were constantly filled by the labors of the subjects and the king tried to improve their lot, but he demanded obedience and hard work. He was known far and wide as a tough, fair ruler.

He had a son who was his heir. All through his son's childhood, the king saw to the prince's education, and introduced him to all the disciplines of running the kingdom. The boy learned well.

When the prince became a man, the old and infirm king decided that in 30 days the prince would become king. On the eve of the coronation, the king presented his son with a large box and said, "This is the most important gift you will ever receive as king." The prince opened the box and found that it was empty. The prince looked at the king and said, "Father, I don't understand. There's nothing here."

The king smiled and said, "The box is not empty. It contains an invisible coat that you will put on tomorrow. Only you will know that you wear it, but as long as you are king you can never take it off. At times the coat will feel unbearably heavy, but you must stand straight under the weight. You alone will feel that weight."

"You must wear this coat because you are responsible for the welfare of the entire kingdom. You will stand in a solitary tower and watch your subjects climb to you with their needs, and try to convince you what is right. But they cannot look out the window of that high tower. Only you can see that view. You will see things that they will never see.

"So you will inevitably disappoint and anger them. You will have public and secret enemies. You will make errors in judgment for which you will be unfairly blamed. You will feel squeezed between the needs of your subjects and the advice of your counselors. And the coat will remain invisible to all but you."

The prince thought about what the king had said, and then asked in a sober voice, "Father, am I to truly carry this weight alone? Is there no one in whom I can confide and find relief from this burden? Perhaps my queen? Or a trusted advisor?"

The king replied, "Perhaps. If you are lucky, you will have a confidante. That friend may help the coat feel lighter at times. But the truth is, you will feel the weight of the coat most of the time. The only comfort I offer you is that you will grow stronger under the coat's weight, and you will stand tall. You will learn to be comfortable with this secret knowledge, and the solitary tower will become familiar to you."

The prince became a king of great stature, and the kingdom prospered.

Abe Putnam is the pseudonym of the president of a local manufacturing company.

The Savvy CEO Speaks

Continued from Page 1

We want our clients to be successful, but we need their help. They don't always want to take advice until they have a problem.

How did you learn to be a manager of people?

I'm not sure I am a good manager of people. But I try to lead by example, and I seek out help from seasoned professionals when I sense I'm in over my head.

I do think I'm good at hiring gifted engineers. I need engineers who will look at the whole problem – not just work their way mindlessly through checklists. I'm looking for right-brained people. I want engineers who can read music, play an instrument, write or paint. This might be the key to my success: I hire creative types who happen to be network engineers.

And actually, I don't hire my own sales people. I get help from professionals who are much more knowledgeable in this area than I am.

In your very busy schedule, how do you keep a finger on the pulse of your company and what's important?

Omelet meetings! Once a week we bring in an omelet chef who makes custom omelets for everyone, and then we have our general meeting which includes communications and an in-service to help us stay abreast of changes in our technical world. Then we divide into smaller break-out sessions to discuss key projects and issues with the firm's leaders in a more intimate setting. We do our best to keep everyone in the firm "in the know" about technology and our key projects.

Tell me about management courage.

It's never letting your co-workers see how frantic you really are – and still empowering them, especially when you want to just do it yourself. Also, it's creating an environment of challenge. I expect to be challenged by my staff; it's part of our employee evaluation process. I want employees who challenge me; I fear "Group Think" and believe that an environment where people believe it's okay to ask questions in a constructive manner is a healthy environment for both the company and the individual because it promotes growth.

What advice would you give someone new to the CEO role?

Cash is king. Know where your cash is at all times. Don't let receivables sit out there. You can't help people if you're broke! Then plow cash back into the firm: take out only what you need to live on – use the rest to make the company strong. And pay everyone else first. Invest in your business, your tools and your employees. If you do a good job, the money will come eventually.

Also, it is important to have an ally in the company. Sometimes you need another to stand by you, not a "yes man", but someone who will go to the wall for you.

What recommendations do you have for investors regarding the recent rash of business scandals?

Run your own business with unquestionable ethics. I believe investors need to look at the ethics of the management team. We should reward whistle blowers, not punish them. It takes courage to do the right thing.

Interested in learning more about Acendex? Contact Jonathan Husni at Jonathan@acendex.com or 216-292-4878 x 3005.

Becoming a Savvy CEO

The Savvy CEO turns four this year, and we have profiled a number of very Savvy CEOs. All of them have “made it”. They have suffered through the ups and downs of managing a business through good times and bad. But what about those gritty souls who strike out to create their own businesses and, along the way, become Savvy CEOs?

*Periodically, we will feature a CEO who is becoming Savvy. In this issue, we talk to **Beth Dunphy, CEO of Custom Closet Designers** in Mogadore, Ohio.*

Beth, what is Custom Closet Designers?

Custom Closet Designers (CCD) is a company that specializes in organizing people’s lives – organizational specialists, if you will. We design and install organization systems for closets, pantries, basements, garages, etc. The company is almost five years old, and our revenues for 2004 were up 6% from 2003.

What makes CCD special?

I believe the critical difference between CCD and our competitors is the spirit in which we approach our work. I truly feel that I am called to do this work. I’m using the talents I was born with (I’ve been organizing others’ things since I was a child), and I love helping others. I love and am fulfilled by what I do, and my clients can sense that and so they want to do business with me. If I were independently wealthy and didn’t need to make money, I would do this kind of work for free. That’s how much I love it!

I don’t think we want to tell your clients that! But starting a business is extremely hard. Why on earth would a sane person do that?

I always wanted to own and run a business, and deep down I knew I could run this particular business better than anyone else. Isn’t it much too hard? Yes and no.... at the same time! There are some days that I think, “What am I doing!? This is too much work!” But yet, at the very same time, I have never entertained the thought that I would pack it in and go do something else.

I am sure there have been many challenges.

Absolutely! One is knowing where and how to spend my marketing dollars. I find it difficult to determine what’s going to give me the most bang for my buck. It’s

easy to throw your money at anything you think may work, only to find it didn’t make the phone ring even one time. Ouch!

Another is CASH FLOW. Even though I keep a very tight rein on my receivables, I seem to suffer a cash-flow crunch every few months. It always works itself out, but I probably sprout a few more gray hairs in the meantime.

But the most difficult challenge is finding the balance between working “at” my business and working “on” my business. Both are important, but finding the right balance between the two is tough!

**“There is no elevator to success
You have to take the stairs.”**

Author unknown

“I’m tougher than I thought!”

Beth Dunphy

What would you do differently?

What I would do over is take more time in the hiring process of my first salesperson. My first hire just didn’t work out. And I have learned some other important lessons:

- ▶ People buy for emotional reasons (not necessarily logical ones).
- ▶ I can’t sell anything to anyone ... they’ll buy or they won’t for their own reasons.
- ▶ I’m tougher than I thought!

If a good friend was going to start a business, what would you advise?

Find balance and patience! Starting a business takes tons of time and effort, but everything does not have to be accomplished in the first year. My business is in its infancy, and there are times when I’m impatient and want it to be bigger and better NOW. But I’ve come to realize that since I’m in this for the long haul, it’s okay to slow down and proceed at a steady pace. This allows me to work on the other things in my life, too, and not be overwhelmed with achieving success.



Beth Dunphy

The second insight I would share is FIND SOMETHING YOU LOVE TO DO. When you’re working those ungodly hours in the beginning, you’d better love what you’re doing!

And keep your sense of humor. Laugh at every mistake you make (then learn from them). Very few things are of life-and-death consequence, so I laugh at my blunders all the time! As a friend of mine told me when I started this business: You don’t have to be sane to be successful.

What’s next for Custom Closet Designers?

The future holds steady growth for CCD. I have a long-term plan for the growth of this company, and I am working that plan. I’m a small-company kind of person, so I do have a cap on how large I want this company to become. I don’t think bigger is always better. I do, however, reserve the right to change my mind on that, though. Flexibility is king here in CCD Land!

To learn more about Custom Closet Designers and Beth Dunphy, call 330-699-5060 or visit www.customclosetdesigners.com.

The Savvy CEO provides the free exchange of ideas and reflection on the art of exceptional management.

Publisher: Lee Nielsen, President
The Nielsen Group

Graphics: Dina Gruey
DMG Communications
330-864-5882

The Savvy CEO is published quarterly by The Nielsen Group, trusted advisors to executives dealing with people challenges. Published quarterly since June 2001, subscriptions are available for \$42 a year.

For more information on submitting articles or subscriptions, contact Lee Nielsen at 440-786-8800 or lnielsen@thenielsengroup.com.

In This Issue:

What Does It Take?

- The Savvy CEO Speaks

Jonathan Husni, President

Acndex

- Becoming a Savvy CEO

Beth Dunphy, President

Custom Closet Designers

- A Fable: The Invisible Coat

Abe Putnam

P.O. Box 31762
Cleveland, OH 44131

The Nielsen Group

It's Always About People

Case Study:

Finally, the business is generating good revenues and profits, and the CEO sees an opportunity to get out of the day-to-day operations and pursue long-range plans.

While the CEO knows that his best contribution is in building the future, he finds it extremely challenging to not be involved in every step of the business. He hires good people and is surprised when they leave after only a short time. The departing executive says, "Never was I able to do what I was hired to do." And so the long-range plans never move forward.

What is going on?

The CEO is intimately knowledgeable about his business and "feels" what's needed. His impatience begins to overwhelm him as he waits for the new executive to learn the idiosyncrasies of the business, and soon he's telling the new COO what must be done. Soon, the COO

realizes that in order to keep his job, he must do what the CEO asks.

The CEO becomes even more frustrated and directive, the COO begins looking for another position and one day resigns. "Now why did that happen?" asks the CEO.

How to help?

The first step is to help the CEO clearly define the results expected from the COO. And along with the results is a timeline of expected progress and review.

Secondly, it is most valuable for the CEO to describe his own role once the COO is on board. This is a difficult assignment because the CEO is most comfortable running the business his way. And it has worked successfully.

But to manage the future growth, the CEO needs to accept his new assignment and let his skilled people do their work.

How can The Nielsen Group help?

We work with the CEO to define both his role and the COO's. We help the CEO identify the actual tasks associated with his new role and develop his own timeline for success. And we help him develop the appropriate check points with the COO to ensure the CEO is kept conversant with company operations. Then we develop an on-going plan to guarantee his focus on the future and the COO's success on the day-to-day.

It's always about people. It's not just a slogan: it is a deep understanding that organizational growth is achieved only through the people on your team. Removing obstacles to your team's success builds success for your business.

The Nielsen Group works with growing companies in creating exceptional performance through effective people strategies, dealing with significant people challenges and much more. Contact The Nielsen Group at 440-786-8800 or lnielsen@thenielsengroup.com