

Project: **Techie Co. Voice of the Customer**
Respondent: **Holly Hunter**
Company: **Advanced Surgical Supply**

Give me your perspective on the history and how things started with Techie Co..

I've been one of the people that's owned Advanced Surgical Supply since 2005, the company has been in business since 1988. But we got to a point in our growth probably in, I'm going to say maybe 2008, might be a little earlier. Where we realized we're in the business of selling medical supplies to sterile processing departments in hospitals and we're not really in the business of maintaining, and sourcing, and updating, and managing computer systems. And we had our own servers and our closet here at Advanced Surgical Supply. We had a couple of outside companies helping us with our main ERP system work. But they also were doubling in helping us manage our network infrastructure as well as our server infrastructure. And we realized that somebody who touts themselves as being, say the resource to go to to help manage your Microsoft Great Plains application, may not have all the capabilities you need them to have to help employ the best network in your office or manage your server infrastructure. We decided we needed to make a change, and we wanted to get out of the hardware maintenance business. We went through a process where we talked to several companies in the twin cities, and to be honest with you I can't remember who the other people were. We had a different chief financial officer at the time who was sharpening this process. But we settled on Techie Co., and we made a whole scale change on how we viewed things. Techie Co. was going to be our hardware and network resource. We have a separate company that is our Microsoft great planes resource, and we have another company who is our CRM resource if you will. Techie Co. came in and convinced us because they're credible knowledgeable people, and that was part of why they were selected. That hey we need to get these servers out of your closet, we're going to host them at our datacenter. You guys have backup data issues, you have potential disaster recovery issues. And we made a move over into their place if you will. It was a good move because then granted we had to write a big check every month, but servers were always updated, things were backed up, things were maintained. We were out of that business if you will. Techie Co. has strong technical people. We have an Techie Co. engineer coming to our facility one day a week who handles break fix network stuff which is fantastic service. Not only are they technically competent, they also are very service oriented. They're easy to interact with from a help desk perspective, from a returning email perspective. Somebody can be technically great but if you find them a pain in the neck to interact with, who cares how technically great they are. We've been very pleased

not only with the technical competence of Techie Co. but also the, to sound kind of cliché, their customer service level of the business and the responsiveness of the business. It's been a good relationship. We haven't had major problems, they've fixed stuff. I think to add to this history a little bit, we – one of the things that I think Techie Co. could do more effectively is create a little bit more of a separation between the selling aspect of Techie Co. because we buy a lot of things from Techie Co.. We buy hardware from Techie Co., we buy service from Techie Co., we buy advice from Techie Co.. And they have a very capable competent guy who is their director of sales Bradley Cooper. He's extremely knowledgeable, he knows a lot of stuff, he knows how IT systems work, he knows how telephony works, tremendous information resource in him. But at the end of the day his job he's paid to sell stuff. Techie Co. looks to him to say sell stuff. And that's fine, there's nothing wrong with that, I employ a whole bunch of sales people in my company so not a big deal. But the reason I bring this up is that last June Advanced Surgical Supply our business changed quite dramatically. We partnered with a Chicago based private equity company, and we acquired a business that was headquartered in Germany that also happened to own another company in the UK. Great opportunity, great growth, great IT projects to consolidate all this stuff, all this is great. Part of that though is the private equity firm in Chicago who we feel very strongly about because they're our financial partners and they're good people. They happened to employ a full-time person who's their chief information officer, not only for the firm but also serves as a IT advisor consultant due diligence person for their portfolio companies. And that person has his ideas on certain things, and Techie Co. has their ideas on certain things. And to the extent where those ideas differed, that's where it became a little bit evident that the person who was providing us technical advice and suggestions namely Johnathan who I really like by the way, I think very highly of him. He also not only was giving you technical advice but he's also the sales man. And you have a little bit of the perception which was picked up by our private equity firm of, "Hey, of course he's advising you technically to do that because that's what he's selling." I'll give you an example. Our private equity partners and a lot of people think we ought to move to Office 365. And we're not on Office 365, we have an exchange server hosted at Techie Co.. And Bradley Cooper thought that moving to Office 365 was a bad idea for us, and I like Bradley and I respect Bradley so I'm like, "Tell me why?" And he says, "You guys lose all kinds of control, you don't have your own server, Microsoft can update stuff at their choice not your choice. You're handing over a lot of stuff to Microsoft." But also that's where the world is going here from a connective perspective from a data – but in the back of my mind I said, "Are you saying that because we're going to now not rent an exchange server from you, and we're not going to pay licenses for Microsoft Office products it's going to be – " There's the opportunity that they have I think is to make more impartial the

technical suggestions from the sales person if you follow that logic. If I look to Techie Co. and say what should we do, what's the best thing should we do technically and I don't want that to be biased by somebody who has a horse in the race from a sales perspective, I just want some technical advice. And maybe the [INAUDIBLE sounds like: burlap] comes on us to say look we should figure out independently what we want and Techie Co. is our provider. Once we decide what we want, we tell them and they provide it, which is perfectly reasonable as well. But I think what happened was for years we've heavily relied on Techie Co. to not only provide but guide and tell us what we need or want. And now we have different people also weighing in on that, and in the instances where those two sets of advice are different, the advice from Techie Co. gets clouded a little bit by the fact that are they saying that because that's what they're selling? If you're a Ford dealership. All you're going to do is sell Fords. And if somebody says, "Have you looked Chevy?" You're like, "No, you don't want a Chevy. Here's why you don't want a Chevy." Maybe I do want a Chevy and I need to compare Chevy and Ford. I'm not saying this in a negative way and I'm not saying it being on Techie Co. or on Bradley Cooper, I'm just saying it's an opportunity when you present yourself to a client like ours who's very heavily invested with Techie Co., you want to, you don't want your customer or people associated with your customer to even have an incorrect perception that you're partial.

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Sounds like with Bradley, he's a consultant but he's also supposed to drive revenue for the firm, therefore he's getting paid on those new services and products he's selling you. I'll take that into consideration with my report. Haven't heard that phrased so eloquently yet.

It's subtle. We really didn't notice it till our PE partner said I could be wrong here but rather than getting told you don't want Office 365 and in the past look we're not IT people we're not software people. We pay Techie Co. a lot of money to make us run smoothly. But if he says here's why you should want this, so let's have a honest discussion and I think Techie Co. it's not, look it's not in Techie Co.'s financial interest to have clients go to Office 365 because they sell less server space that way. There's in a way Techie Co. has to be careful that they have to separate out the financial impact of customer decisions from the technical impact of customer decisions. And certainly if everybody goes to Office 365, the guys who forecasts Techie Co.'s revenue are going to say, "Holy crap, we're going to rent less server space for exchange servers, so how are we going to make that up?" That's a fair question to ask because you run a business, but you can't have

that taint, or not taint but even appear or be perceived to be tainting the advice you give clients.

Are there any examples whether it's exactly related to that conflict between sales and advice, or other examples where you feel there's room for improvement?

There's one where it's happened a good way where we bought a lot of our hardware from Techie Co.. We'd buy POE switches, we'd buy computers, we'd buy all kinds of stuff and Techie Co. is great at setting them up and all that. But one of the things our private equity partners do is they bring some group purchasing parity equation and we have a network deal through CDW, and we have the ability to buy Dell products cheaper than through Techie Co.. And Techie Co. said get, to their credit they said, "You guys get your hardware wherever you can get your hardware at the cheapest price. We don't make a lot of money on selling hardware, we're a Dell re-seller we're an authorized Dell shop." But they didn't seem to have as much skin on the game on that even though it's a revenue loss it's probably not much of a margin loss. But they did say it which is a good point is look if together Techie Co. and Advanced Surgical Supply spark out that a new workstation should have X, Y, Z features in terms of process or speed and memory and 18 other things. When you go get that same piece of hardware through CDW or from somebody else, make sure you get that same piece of hardware. Don't have somebody swap out eight megs of RAM because they swapped out eight megs of RAM and it's not quite the same as what we specked out. Compare apples to apples, which is fine and we've done that and nobody is sour about it or anything like that, so there's no worries there.

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Are there other things that make them distinct from other IT firms that you work with, whether it's your CRM or ERP system or anything?

They have a good reputation in the market place. They've done some high caliber work here locally in terms of big projects like US Bank Stadium and things like that. They've created a brand in the corporate culture which is, got some values that are aligned with us. They believe in a strong brand, they believe in community service, and they walk the talk. They're not just somebody who sends me a letter that says, "I want to be your IT provider," which I get on a monthly basis. They actually have a strong presence locally, they've got a lot of clients that you can use as testimonials, and you want to - when you're dealing with this so this is my perspective, you don't want to go with somebody who's cutting their teeth and trying to build their business from a four person company

to a ten person company. You want to go for somebody who's got a data center in the vault of a former federal reserve bank building. They have some critical mass to 'em, but they're not cocky and arrogant so it's a good - they succeeded because they know what they're doing. But they're not braggarts but they have kind of a cool funky attitude about themselves and they have really good customer service.

Can you point to behaviors that exhibit that customer service?

It's also how they answer the phone. How they follow up on a service ticket, how they operate in the community, how they advertise what their office looks like, I could pick up on all that.

Can you explain what you think their value proposition is, a classic marketing value proposition statement?

For companies who appreciate that having their own IT department might not be the best use of resources, Techie Co. provides essentially a fully capable outsourced IT department that supports the ongoing functions of your business from help desk to server infrastructure, to office applications and network hardware. And it's very hard for people who are business owners to sometimes realize that I should really buy that instead of make that. Unless you're a computer company or unless you're a giant company, you got to focus on your business. You don't have your own employees necessarily as the people who clean your offices at night. You buy janitorial services until you get big enough and you go I should have my own people. I think Techie Co.'s value proposition is for a certain size business, they do a soup to nuts operation where you buy that service and you don't have to worry about it. That's where I see their niche is and they do it pretty well.

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It doesn't sound like you worry about it?

No. Here's the reason I don't worry about it is because I have a saying that the experiences you have create the beliefs that you have. If you go into some restaurant you go that's a crappy restaurant, it's because you had a crappy meal there, you had crappy service there, or someone who you respect said don't go there I had a crappy meal there. If you an experience that creates your beliefs. The only way to change your beliefs is to be provided with a different experience. Based on the experiences that Techie Co. has provided me and our company, I form a belief about how they're doing. And when they proactively

communicate via email maintenance schedules for servers and they send me a weekly incident report, and the help desk staff gets closed and button up, every time I have an interaction with them, phone, email, fax, proactive communication something, it is an opportunity for them to shape how I believe about them. And they haven't stepped on their toe too many times so I have a good belief system that they know what they're doing, and they communicated well and I feel comfortable that when I come in, in the morning I don't have worry about one of the servers is going to crap out there, I wonder if the CRM is going to turn on. No, they're on top of it proactively based on my experience.

Can you express five words that would describe Techie Co. in your mind?

Competent, savvy, service oriented, knowledgeable, reliable.

Their tagline is safe, simple, smart.

Pretty good.

Do you feel that that's a good tagline for them?

It's pretty good. But no one is going to ever say unsafe, hard, and dumb. On one hand it's kind of obvious which is fine to state, but they could be a little more descriptive. You always want safety in your IT partners, you want it to be simple, easy to do business with. You don't want idiots. But I do like three word taglines all beginning with the same alliteration sound. But it also isn't, if someone just saw that and they never heard of them before, and it's Techie Co., you're like I hope they'll be safe, simple, and smart. But maybe there's a way to hint out a little bit more of the value they provide by altering that slightly. But it's pretty good.

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You talked about for a certain size of company that really understands they shouldn't make their own IT, they should buy it or rent it. Do you have a sense for what that size of business might be, where a certain size of business might start to have in-house resources versus outsourcing to an Techie Co.?

That's hard for me to answer because when we were a tenth the size we are now, we had it in-house and now we have it out. I don't know where the threshold would be where you'd want to bring it back in again, but I think that would depend upon how utterly critical you think the system is to the ongoing health

and well-being of your business versus a necessary part of the process. General Motors –

Where is it on your spectrum?

The system plays an incredibly important role. No company today will produce any value if their computers don't work on any given day, it's not going to happen. But the question is how critical our custom is. And we're not doing anything that's rocket science here, we're basically a sales and distribution company so we need email, we need phones, we need PCs, we need an ERP system, and all that stuff has to work at a high level of reliability. We don't have something that's like, we're not building rocket ships and we're not doing robotics surgery. We might have a whole bunch of custom work and we might from a regulatory perspective need more oversight and control on it. There could be a revenue component too where I'm sure Medtronic has their own in-house IT people, but I think that's going to vary business to business. Our combined businesses now with our European operations are, we're a \$75 million company. But we have no problem, that doesn't say gee we need an in-house IT department in two continents of 12 people, no, I don't think that's the right call. Because we're not doing stuff that's massively out of the box. Somebody has a massively custom SAP implementation where half the stuff they do on SAP is unique to them. You probably need to control that more because if a consultant quits or leaves, what are you going to do, we're not in that boat. It's hard to tell from a revenue and a functionality perspective where the line is, I don't think we're there yet.

That's good for me Holly. If you have anything else to add or other questions let me know.

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No, all good but if you think of anything else just shot me an email.

I'll do that. Thanks so much.

OK Sean. Bye-bye.

Have a great one, bye now.

You too, bye.