

ROB DIDLAKE: Managing the boom in data

E V E N T S

As nearly everything is computerized, enterprises are facing an explosion of data. How to keep, protect and manage all this information presents real risks – and, for ACG member Rob Didlake, opportunities.

Rob is founder and CEO of Dataedge Solutions, which focuses on technology to manage all that data. The firm creates custom solutions in three areas: data storage, backup and disaster recovery solutions.

As companies and institutions grow, they experience a boom in information – data they gather and keep on customers, supply chains, employees, sales, costs, you name it.

“A lot of companies struggle because they have so much information, they can’t manage it anymore,” he says. “They assume it’s under control, until a Monday morning when disaster strikes. Then it’s too late.”

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DECEMBER 3 HOLIDAY COCKTAIL RECEPTION

5:00 p.m. - 7:00 p.m.
Members only

Stinson Morrison Hecker
1201 Walnut Street

Sponsored by
Stinson Morrison Hecker

JANUARY 8 ANNUAL ECONOMICS FORECAST

7:30 a.m. – 9:30 a.m.

Brian Wesbury,
Chief Economist
First Trust Advisors L.P.

Kansas City Marriott
Downtown
200 W. 12th Street

NEW MEETING PLACE

**For 2010, ACG
breakfast meetings
will move to the
Kansas City Marriott
Downtown,
200 W. 12th Street.**

**Validated parking
available at the
Kansas City Marriott
Downtown Garage or
Municipal Auditorium
Parking Garage.**



W H A T Y O U M I S S E D

DESIGNING GROWTH — Populous

Kansas City-based architectural firm Populous designs some of the most visible buildings in the world: Yankee Stadium, for example. The renovation and roof at Wimbledon. Olympic stadiums and soccer fields around the world. In Kansas City, the facelifts at Truman Sports Complex.

Dennis Wellner, founding principal of Populous, talked about the business side of high-profile design at the ACG Kansas City meeting on Sept. 11. Populous, formerly known as HOK Sport Venue Event, was spun off in January 2009 from the St. Louis-based HOK Group and adopted its new name in March.

Continued Next Page —

TWO BECOME ONE: ViraCor and IBT

“The patients come first. Put them first, and everything else follows.” Staying focused on this single objective has guided John R. Martin in building ViraCor-IBT into one of Kansas City’s leading bioscience companies.

At the Oct. 9 ACG meeting, John shared insights and innovations that have led ViraCor to an average growth rate of 30% per year. ViraCor now has more than 200 employees and serves over 4,000 physicians, hospitals and pharmaceutical companies.

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ROB DIDLAKE: Managing the boom in data *(Continued from page 1)*

Founded in 1999, Dataedge counts as clients 125 companies and institutions across the U.S. and Canada. The Olathe-based firm works in industries as diverse as hospitals, telecommunications, utilities, universities, governments and newspapers. Small to medium organizations are the target market, although larger firms like JE Dunn and Cerner also are clients.

Critical information for business

The surge of data creates a growing need for businesses to get a handle on information they're storing. Is the data that's critical to run the business safe? Can managers access what they need, when they need it? What happens if someone hits "Delete" at the wrong time, or a flood or tornado strikes?

"As companies grow their business, they become more dependent on their data," Rob says. "They accumulate so much that their storage

space is just bustin' at the seams. Systems are starting to run sluggish, they're missing backup windows by running all night. After awhile, if they stop doing backups every night, then it's going to get them in trouble. We want to prevent that."

Litigation and e-discovery present another growing risk. A data retention policy might say to delete emails after 30 days or a year, for example, but it's no help if the storage and backup solutions don't carry out the policy. Once a lawsuit is filed, managers may learn that everything has been stored forever.

Many C-level executives assume their companies' data is well managed, Rob says. "Businesses have that stereotype, and they make assumptions. 'I've got geeks. It's all taken care of,' they think."

Dataedge meets managers at that point of risk, creating systems tailored to unique data situations.

WHAT YOU MISSED

DESIGNING GROWTH — Populous *(Continued from Page 1)*

Dennis walked ACG members through 26 years of the firm's history, showing slides of famous venues we've all seen on ESPN — and telling how the company has grown via acquisitions, global expansion and addition of complementary services. Populous now has 450 employees and 10 offices around the world.

One of the firm's big growth moves was a merger with a London architectural firm in 1999. "We found ourselves bidding for projects in Europe, but as a U.S. company it was hard to compete with European firms," Dennis said. "We became friends with a firm in London, which designed venues in Europe. We shared common philosophies, and our interests led to merging with the London firm, which also had offices in Australia. This gave us greater success globally," including work on the 2000 Sydney Olympics.

Populous is designing the main stadium for the 2012 London Olympics, an 80,000-seat centerpiece.

This year's spinoff was a long time in the making. "Ten years ago when we were merging with what is now our London office, we investigated buying ourselves from HOK, but the value HOK management put on the deal was a lot more money than we thought we were worth. So we passed," Dennis said. "A couple of years ago, the president of HOK suggested that maybe now's the time. The buyout became doable because many of our partners owned stock in the HOK Group, and the value of our stock enabled us to trade shares in HOK for ownership of the sport venue business."

Armed with its new name, Populous already is planning for growth initiatives in additional fields such as convention centers and entertainment districts.

Organic approach to growth

By design, Dataedge has pursued an organic growth strategy — partnering with other tech companies for specific needs and acting as a reseller of storage and data management products from IBM and other manufacturers, but so far not pursuing the M&A route. And Dataedge's capital structure is pure bootstrap.

The strategy flows from Rob's business philosophy: "Take care of the customer and everything else will follow. Your company will grow. It may not be as fast, but it's going to be strong, because it's based on relationships. Growth comes from building strong relationships with clients, providing excellent service, and asking them for referrals. We probably could have grown more, but we'll take it slow."

Besides blocking and tackling for clients, Dataedge has expanded by adding related products. The firm moved from backup systems into disaster recovery solutions and hands-on testing of disaster plans. Now, Rob is developing a new online product to help clients get back to business fast when a disaster takes out their in-house capability for communicating with employees, customers and suppliers.

At the end of a day or year, how does Rob define success? "Having money in the bank. Customers who renew. New customers. Clients who have gone from one solution to another, who have multiple solutions and have upgraded with us as they've grown. Those relationships are how I measure success."

ACG makes a difference

Participating in ACG for the past several years has made a difference in Rob's plans for Dataedge: "I feel a little more connected to financial things that companies worry about. It's very educational. I get to see more of the bigger picture. ACG helps me understand what companies are going through when they're trying to grow, and some of those things apply to my business. And there's a lot of good people, friends I've made. When I'm talking to other companies, I can connect them to people I know. I'm a connector."

NEW MEMBERS

Phillip Bell,
Spencer Reed Group

Derrick Carpenter,
MSI Systems Integrators

Lori Diffendaffer,
Grant Thornton LLP

Talena Hooper,
Wells Fargo

John Kmetz,
BKD, LLP

Alexis Schierman,
Resources Global
Professionals

Drew Thomas,
Cerner Corp.

George Valenti,
Populous

ON THE MOVE...

Christenberry, Collet & Co. has taken a bit of its own advice to take the firm's growth to the next level by merging with **Country Club Bank**. Three principals who are active in ACG – **Terry Christenberry, John Hense and Bill Conway** – are now managing directors of Country Club Capital Advisors.

New company? New job? Let ACG members know in an upcoming issue of The Voice. Send an email titled "On the Move" to Kasey Strahm at acgkc@everestkc.net. Please include your name, new company and position, and old company and position.

NEW MEMBER PROFILE

PHIL HUDNALL President, Pharyn Resources

For starters, what's your business at Pharyn?

We are a small, independent oil and natural gas exploration and production company, primarily involved in low-risk drilling operations, acquiring existing production and focusing our attention on local Kansas fields that still have oil left behind. I work with three or four very reputable operators, out in the field doing all the work. We're part of their development, so we get small portions of projects and diversify.

What is your background?

I came into the energy field from the capital markets side, and I've been doing oil and gas for over eight years, primarily consulting on projects. From that, I built a small E&P company and we incorporated Pharyn Resources in 2005.

The energy field has seen some interesting times lately ...

Very much so. We've had huge volatility in both gas and oil. This past year has probably been the most interesting, because we had oil at \$40 and natural gas below \$3. That's the lowest I've seen since I've been in the industry. Since prices have been low, it's been a tough climate. Obviously, we've all been affected by this adverse time. On the flip side, we think now's the time to purchase and get money in the ground. Cash is king right now – if you've got the backing, you can take advantage of a lot of good opportunities.

What kind of growth plans do you have for Pharyn?

We're always looking for new capital, with high net worth individuals or financial planning and wealth management firms. What we do is put together tax-advantaged partnerships to do the drilling, completing and production of a project. We've been taking in and putting to work, on average, \$5 to \$10 million a year. We're slow and methodical, so that number has been creeping up. What I foresee for 2010 is a goal in the \$20 to \$25 million range.

What's the key to your growth strategy?

The biggest thing for me is getting the teamwork right. In my opinion, we have the best operators, the best engineers and geologists, but we are always looking for opportunities. My growth strategy is directly related to the team that I'm building and working with.

What do you see as your biggest strength?

I'm a very high-energy person – I'm a runner. I've taken that and put it to work in my business. A little-known fact is that I qualified for the Olympic trials in the marathon in 2004. Running requires you to be disciplined, highly organized. It takes attention to details. You have to have high energy and do all those things. People want to know if you're going to be there for the long haul – well, in the marathon you're there for 26.2 miles. There are so many things that roll over from running into my business.

What attracted you to join ACG?

Scott Pinter, our director of business development, met John Trewolla of Management Analytics, who introduced us to ACG. I think there's a stigma out there about "networking." People don't realize networking doesn't have to be uncomfortable. I like ACG. Here we are in a city where you have top-flight law firms, top accountants, top advisers, top capital markets people – and they're all here in one room when you go to ACG.



ViraCor provides molecular diagnostic testing for infectious diseases. And it delivers those test results fast: 99% within one day. Sometimes ViraCor can deliver answers while patients are still in surgery. “We save lives by delivering complex test results fast,” John explained. “We can do in a day what used to take a full week.”

Changing the clinical laboratory business “wasn’t easy,” John recalled. “When we started, we had to choose between risk and comfort. We chose risk. Risk taking leads to more risk taking as you get used to fear. The fear doesn’t go away . . . you just get comfortable with it.” By focusing upon ways to speed up complex viral testing, ViraCor established a niche in a highly competitive marketplace. More than 80% of ViraCor’s testing processes were developed internally.

Earlier this year, Viracor merged with IBT Laboratories, another leading Kansas City-based life science firm. The merger allowed Viracor and IBT to provide both complex and routine laboratory analysis services.

“IBT has a great reputation in the area of conventional large-volume lab work. We had admired them from afar for years and were especially attracted to them because of their entrepreneurial spirit. IBT’s services and markets were complementary and a perfect fit for both companies.” John explained.

Although ViraCor was self-funded until the merger with IBT, Ampersand Ventures (Boston) funded the merger with IBT.

“We’ve always looked outward for strategic insights – industry conferences, consultants, surveys, management books – but most of all, our customers and patients,” John said.



OUR SPONSORS

Special thanks for this newsletter to the ACG/KC Marketing Committee, Paul Davies for design & production, and Dick Johnson and John Trewolla for writing.

CALENDAR

DECEMBER

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December 3
Holiday Cocktail Reception
 Stinson Morrison Hecker
 1201 Walnut, Kansas City, MO
 5:00 p.m. – 7:00 p.m.
 Members only
 Sponsored by
 Stinson Morrison Hecker

JANUARY

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January 8
Annual Economic Forecast
 Brian Wesbury, Chief Economist
 First Trust Advisors, L.P.
 7:30 a.m. – 9:30 a.m.
 (note extended time)
Kansas City Marriott Downtown,
Basie Ballroom A
 200 W. 12th Street, Kansas City, MO

FEBRUARY

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February 12
Leveraging Social Media to Grow Your Business
 Eric Morgenstern, President & CEO
 Morningstar Communications
 7:30 a.m. – 9:00 a.m.
Kansas City Marriott Downtown,
Basie Ballroom A
 200 W. 12th Street, Kansas City, MO