

# Business Building Blocks

## Winners Discuss Creating a Company to Watch

By Charlee Beasor

**B**lood, sweat and tears. No, we're not talking about the long-time jazz rock band or proposing a title for a new action film. Actually, those are components that every entrepreneur and company leader puts into his or her business endeavor. There are other key elements: experience, employee drive and skill, a healthy statewide business climate and supportive governments, to name a few. To get an idea of how successful companies make it work, BizVoice® hosted a roundtable discussion with executives from four of the 2012 Indiana Companies to Watch.

### Participants:

- **C. Shane Conner**, president of Advanced Technologies in Electrical and Communications, Lebanon
- **Christine Cook**, COO of Catheter Research, Inc., Indianapolis
- **Jon Nolan**, president and founder of Nolan Security & Investigations, Avon
- **J. Chad Wolfe**, president of Wolfe Diversified Industries, Anderson

### Getting into gear

Good ideas go nowhere without drive.

"If you're going to own your own business, you have to be a Type A. You've got to be absolutely motivated and driven and have a motivation that runs probably twice as hard as anyone else," Nolan offers.

A former police officer, Nolan created Nolan Security & Investigations in 2006 after becoming "disenfranchised and frustrated."

"One night I just took out a legal pad and I started writing down what I could do, what else I could possibly do. And I realized on my list, everything was like legal, safety, security. ... And so I decided to take \$4,000 that I inherited from my grandmother and give it a run. It was absolutely sink or swim, and there were sharks circling some days," he recalls.

The company helped provide security during Super Bowl XLVI in Indianapolis, which allowed Nolan to hire 228 additional staff members for that project.

Conner, who describes an entrepreneurial "wiring," says he started off as a teenager working at McDonald's and knew even then he wanted to run his own company. Following time in the Army and college, Conner became an apprentice, then a foreman and project manager in the electrical industry.

"Then after that, the only thing you can do to grow yourself is to start your own. ... So, I think you're wired to it, because it is so much time and so much dedication if you want to succeed in this business," he declares.

The desire to create his own company came to fruition in 2005 with ATEC. Also involved with Super Bowl XLVI, ATEC provided communications contracting for the event and has since secured \$3 million in work.

It wasn't quite as thought out for Wolfe, he admits. Wolfe Diversified Industries initially bought a locally owned company that sold and produced school fundraising discount cards. Today, the company's TickeTracker software has become a leading online ticketing and gate management software platform.

"I knew I wanted to get into business. I started scurrying to find something to buy that I thought had potential. And I found a business that was totally outside what I did, and then obviously I have morphed it into what we are today, which is really more of a technology company," he explains.

### Don't press pause

Being a company leader means never being content to stay where you are, Cook says. Chief

operating officer for medical device manufacturer Catheter Research, she is known for being in her office before the factory opens at 6 a.m. – and she shows her employees that dedication each day.

“I think if you’re the leader of the company, if you are ever completely satisfied with where you are, comfortable with where you are, then the only direction you have to go is down, because you have to be the person who is demonstrating that we can always do better,” she acknowledges.

“I’m never satisfied. And if you asked them (employees), they would say that too: ‘Oh, what does she want now? What are we going to do today?’ So, that’s just a challenge. Raise the bar all the time.”

Adds Wolfe, “The innovation, it doesn’t stay stagnant. It doesn’t matter what business we are in. There are constantly things changing, and you can either be reactive or proactive. You can figure it out because your competitor did it, or you can be the first to figure it out.”

Part of that innovation is utilizing available technology.

“I keep my tablet there (on the bedside) and although I write on the tablet, I send e-mails at weird hours. But, you know, if it’s pertinent, I want to get it out there,” he grants.

As Conner’s business has “advanced technologies” in the name, he knows he’s got to be on top of emerging processes and solutions.

“There is always something to learn. It is changing every day. And I take classes – I take a couple of classes each semester, in the summer, in the fall, just to stay up on it. I mean, there is new software coming out,” he offers. “You definitely have to stay on track with technology or you will fall behind in today’s world.”

### Firing on all cylinders

Having a supportive business environment and culture – from the workforce all the way to state policymakers – is also needed.

Cook counts on building her workforce around the “Hoosier hospitality” mindset.

“There’s a real desire, I think, with just the general population that wants to work hard and the sincerity of the Midwest and Indiana ... I feel that when I am interviewing and looking for people; that’s a strength,” she says.

A “business friendly” and forward-thinking government is what Conner sees as an advantage.

“I’m a born and raised Hoosier. I love Indiana. But as far as business goes, we have a great central government. Mitch Daniels has done wonders to the economy. We’ve had the Super Bowl. We are building a new hospital. We built Lucas Oil Stadium. There’s always something going on construction-

wise in Indiana. It’s like we’re always moving forward and we are never looking back,” he describes.

Location wasn’t a consideration for Nolan. He started his business where he lives, as most do, and has benefitted from it time and time again. Assistance from the Indiana Small Business Development Center (ISBDC) enabled him to get a major cash flow issue resolved.

“(An ISBDC representative) helped me get my numbers together and look at historically, yes, we are growing, and to get my numbers in a format where a banker would understand,” he remembers. “And that way I didn’t have to tell a banker my hopes and dreams. I could show the bank that we were going to make money and we are going to pay this back.”



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*Chad Wolfe  
Wolfe Diversified Industries*

Similarly for Wolfe, working with a banking partner, the local government and a new venture capital organization kept his business from struggling at times. The city of Anderson stepped in and provided a loan when Wolfe Diversified Industries was formed to allow the company to bridge its financing gap.

Another piece is the financial assistance and consulting the company receives from Elevate Ventures, a public-private partnership within the Indiana Economic Development Corporation that supports entrepreneurs (read more about Elevate Ventures on page 76).

While the state business climate is important, influences beyond Indiana’s borders make an impact as well. The Affordable Care Act (ACA) and its medical device tax is the biggest concern for Cook.

“The other big threat is everyone going offshore because they are threatened by that plan (the ACA) or taxes or just the economy of ruining medical device costs,” she explains. “We have to just be the very best that we can be here in the United States and also



**“When you’re coaching somebody’s kid and they see you’re a real true genuine person or you’re just a really nice guy, who else are they going to ask to do their electrical work for them or to sell them a new phone system? We’ve gotten so many businesses like that.”**

*Shane Conner  
ATEC*

... speak up when there are things that are threatening..."

Offers Wolfe: "Health care is a huge concern for us, no question. Not just because you're in the device business, but from an employee standpoint. I mean, it's a huge national problem."

**Mind the gap**

A capable workforce can make or break an organization. Indiana's higher education system is turning out well-educated graduates, but even that doesn't quell the major issue holding some companies back: a labor force lacking skills or professionalism.



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*Jon Nolan  
Nolan Security & Investigations*

"We're finding a huge gap in soft skills; people that are showing up for job interviews in sweat pants," Nolan declares.

"We've actually partnered with several local universities – Harrison College, Brown Mackie, Ivy Tech and some others are getting involved – and it's helping students realize that when they go into the workforce, what may have been acceptable (at home or in school) is not the norm in the professional business world.

"Get a shave and a haircut and be on time," Nolan continues, "and if you're going to be late (to an interview), life happens, use technology and not a text message. Make a phone call; send an e-mail: 'This has come up.' We can work with that."

Getting students and schools to focus on the practical applications of degrees would help, Wolfe believes.

"They do have that degree, but are they trained and ready to go now and do they have the skill level? Or are they somebody that we're going to have to bring in and take the sociology degree or whatever the degree is that is more theoretical and put that into a more practical (setting)," he remarks.

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Cook also understands the dilemma. But, being in the medical device industry, a skilled workforce – from the engineers who design the products to the factory employees who assemble them – is imperative to customer health and safety.

“Actually, at Catheter Research, that’s one of the things we do, is teach people the skills,” she conveys. “We are just really looking for a work ethic and a dedication and a desire to do things right, and a desire to know that we are making medical devices and that you can hurt people if you don’t do them right.”

There are bright spots, Conner says.

“In Indiana, hands down, the union construction workers are the most trained, highly-skilled construction workers in the United States,” he affirms. “In Indiana, we are so productive that we can actually come in a lot more competitive. That’s why we don’t have a lot of out-of-state contractors doing our work, because we are so competitive.”

### Spread the wealth

Once employees are in the door and trained, one way to keep them invested is to let them reap the rewards of their hard work by owning part of the company through an Employee Stock Ownership Plan (ESOP). Catheter Research CEO and owner Dr. John Steen sold 30% of his business to employees in 2008 and the remaining 70% in 2010.

“We have an interesting dynamic in that we had already created an environment where we really value the employees, and we encourage open dialogue and input. So we had a good foundation for an ESOP going in,” Cook relays.

Employees are given stock each year as part of an allocation program.

“We are just climbing, and every year they get more stocks and then the value is going up, and they know that if you scrap product and are not paying attention, or if you make bad product that gets out into the field and becomes a recall, or if you’re not doing your best, if you’re not getting your reports done, or your customer communication, every single person knows that they impact that value.”

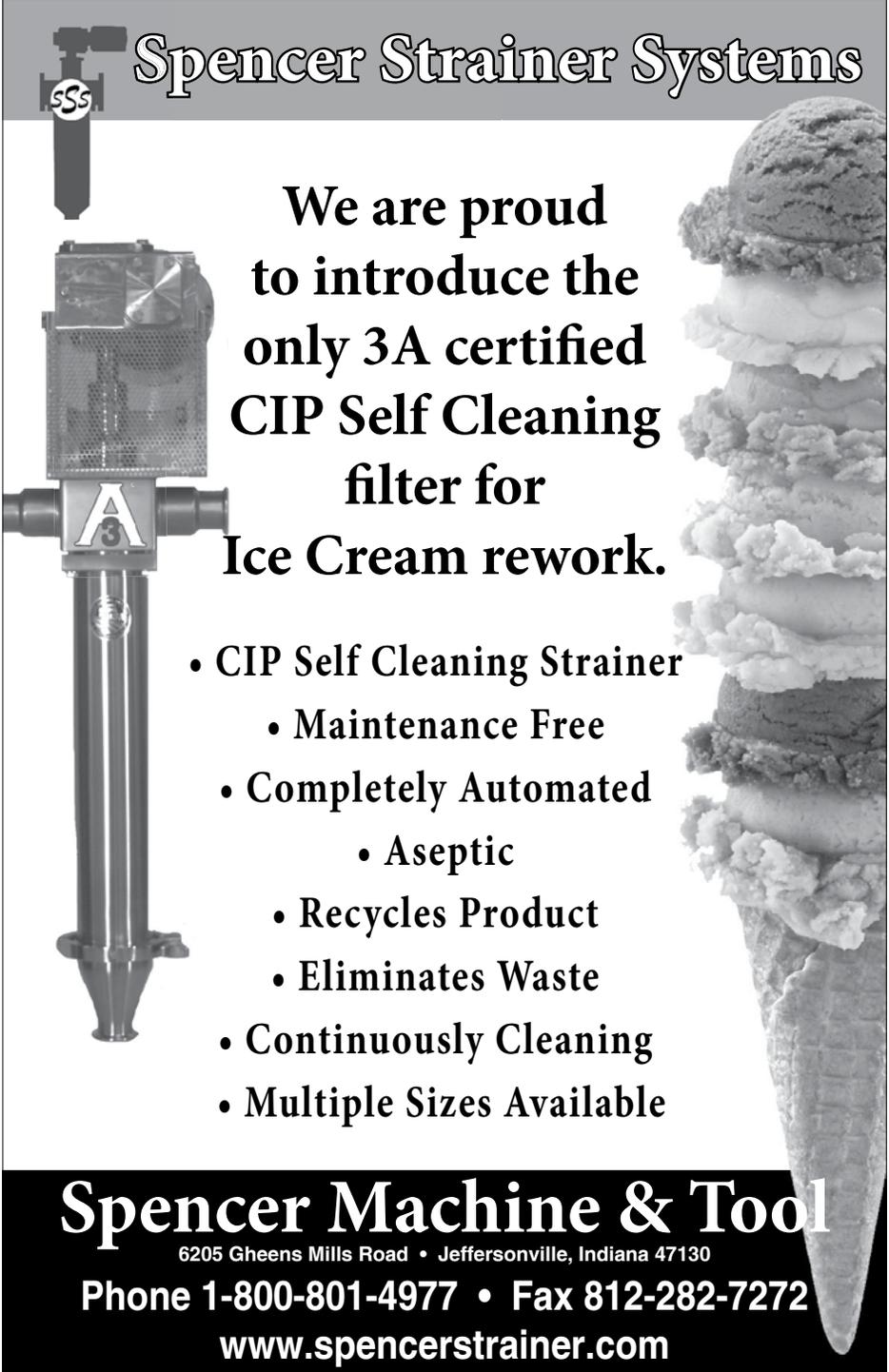
The proof of the ESOP is “in the pudding,” Cook contends. “There is no turnover. Less than a fraction of a percent of turnover. People don’t leave.”

### Moving to the next level

Whether it’s word-of-mouth advertising or a more formal marketing campaign, growing companies need to build client relationships.

And what works for some doesn’t work for others. While social media has proven successful for businesses to get the word out about their products and services, Nolan knows that won’t succeed in his industry.

“Nobody is going to hire their security service from



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Facebook or from LinkedIn or from Twitter ... seemingly every marketing person we talk to, that's all they want to talk about. And I say, 'Absolutely not.' And we learned the hard way, after failing with a couple of attempts on some other stuff," he indicates. "It's expensive and what it comes down to is relationship marketing, and that falls right on me."

Developing those relationships is what gets Nolan's company traction. Hiring military veterans – the company has started to promote that in the past few months – is also something that piques interest from potential clients. His staff is 30% to 40% veterans, along with about 50% of the management team.

The same is true for Conner – building relationships through community service and a proven track record of business success is most worthwhile for him.

"I live in a world where everybody needs energy. We live and die by energy. And that just happens to be what I'm in. So when you're coaching somebody's kid and they see you're a real true genuine person or you're just a really nice guy, who



**"We are in control of our own destiny. We are not owned by some bigger company that could just shut us down some day and move it to Mexico. (Employees) have accountability to do their job very well and they see every year what that does to their stock value."**

*Christine Cook  
Catheter Research, Inc.*

else are they going to ask to do their electrical work for them or to sell them a new phone system? We've gotten so many businesses like that," he acknowledges.

ATEC has a web site, Conner discloses, because a friend built one – but the company has no marketing dollars in the budget.

"I've just been blessed; it's all been word of mouth. All people want is a good job at a fair price and they will call you back and they will tell your name to 20 other people," he affirms.

Catheter Research has also been a word-of-mouth organization, until recently. A formal sales and marketing campaign, headed by Cook, is now in place.

"Sales and marketing is very tricky, it's very expensive and it can be paralyzing to your organization. If you don't

do anything, it's fatal, so we have hired experts, and sometimes it just hasn't worked out," she asserts. "It's interesting for me as the general manager for the organization now to be strictly only sales and marketing and trying to develop what it needs

*Continued on page 70*



## Awe inspired.

We know you don't get here overnight. It takes hard work and dedication. We congratulate the 2012 Companies to Watch winners. We believe in their efforts. And we're proud to support them.

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## Roundtable

*Continued from page 52*

to look like for our organization without crippling us financially.”

That expense, Wolfe says, is absolutely necessary for his company to grow in the technology industry.

“(If) it’s one of my client service specialists taking a phone call, they are glaringly aware because they are trained on it, that if (the customer) asks this question, here’s an up-sell opportunity, and you better know how to sell it,” Wolfe stresses.

“Sales is a huge part of our organization. And it’s really what’s been able to enable us to grow our company. It’s what we are adding right now. As we go get resources, the majority of those resources that we are talking about are for sales and marketing staff.”

### INFORMATION LINK

**Resources:** C. Shane Conner, Advanced Technologies in Electrical and Communications, at [www.atec-electric.com](http://www.atec-electric.com)

Christine Cook, Catheter Research, Inc., at [www.catheterresearch.com](http://www.catheterresearch.com)

Jon Nolan, Nolan Security & Investigations, at [www.nolansecurity.net](http://www.nolansecurity.net)

J. Chad Wolfe, Wolfe Diversified Industries, at [www.wolfediversifiedindustries.com](http://www.wolfediversifiedindustries.com)