

CASE STUDY

Datatec Systems, Inc. – Technology Deployments**BACKGROUND**

After graduating from Princeton, Chris Carey was working for a small data cabling firm in NJ when he was fired on March 1st, 1976. The owner was closing the business after several years of losses. Chris and his wife Mary orchestrated a management buyout for \$50,000 paid in a 2 year note to the owner. They slashed costs, secured receivable financing, and Chris hit the road as the chief sales person. In the first full year of operations, the company had \$400,000 in revenue with a \$35,000 profit.

The company grew to \$96M in revenue in 2000 with over 5% of ebitda, 20 offices throughout the US and Canada and over 750 associates. In 1996 they had taken the company public and in 2000, Chris and Mary sold their position. Over their 25 years of operations, they had averaged a 25% annual compounded growth rate with over 97% of customers 100% satisfied. They had created the largest independent technology services firm successfully competing against IBM, NCR, Unisys and others. They primarily sold direct and had a dominant market position in most categories of retail.

**STRATEGIC PLAN
EVOLUTION:**

There were many lessons learned that Chris applies to improving other businesses. The significant strategic elements were as follows:

- Created a “cult of the customer”.
- Developed an outcomes based approach that focused on providing financial improvements to customers, some highlights,
 - o Developed a process for new store openings for Lowe’s Home Centers that resulted in a reduction of 10 days and improved their revenue by millions.
 - o Implemented a Cisco router deployment to over 12,000 State Farm Insurance offices over 9 months that provided a 300% improvement in their ROI.
- Analyzed prospect groups and identified traits that significantly increased close rates and priced margin.
- Developed four large equipment staging facilities for customer systems deployment and depot maintenance.
- Created and successfully managed under a nationwide agreement with the IBEW.
- Developed the 1st ever comprehensive Internet based Project Management system

CAPITAL:

Secured over \$15M in senior loans as working capital.

RESULTS:

From \$380,000 in revenue to \$96,000,000 in 25 years.

Compounded annual growth rates of 25% with over 5% ebitda

97% of customers were 100% satisfied