

IT Procurement, Asset Management Solutions and Equipment Leasing and Financing for Large Global Corporations



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CEOCFO: *Ms. Rivers, what is the focus for Technology Concepts Group International today?*

Ms. Rivers: Today, Technology Concepts Group International's purpose is to help large corporate buying organizations to streamline their procurement operations, drive efficiency, reduce cost and risk associated with a bloated supply chain. Our solution in this area involves IT Integrated Procurement Management, so we help corporations to buy their technology better. We do not provide it, but we manage that process for them. We also manage the tail end of their spend; those transactions that are lower dollar value and may be of less value to the organization, but where the majority of the spend happens. The 'Tail' might be set at \$1 million, \$500,000, \$250,000 or another amount. It differs from one corporation to another, and typically constitutes 80% of a corporation's spend.

CEOCFO: *Do many companies look for assistance in this area. Does it tend to be larger companies? Who is turning to you for service?*

Ms. Rivers: That is a good question. Typically yes, companies are increasingly looking for service providers in this space. We see requests for proposals or direct requests on a regular basis from companies looking for support. All major corporations, as you can imagine, have their own internal procurement departments from which they conduct strategic sourcing or purchasing. However, we do see a growing trend of outsourcing different pieces of it, especially the tail spend.

CEOCFO: *What do you understand at TCGi about the process that perhaps others do not, or perhaps your clients do not?*

Ms. Rivers: We understand that most procurement professionals at these large corporations are inundated with the sheer volume of

"TCGi is excited to launch our own Procure-to-Pay platform in September that will deliver end-to-end automation of our workflows for our team, customers and all the stakeholders with whom we partner. This will be a game-changer for TCGi!"

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transactions. They become very transactional as opposed to strategic. They have limited time to negotiate as best as they can to bring about the best value on every sourcing event. They have limited time to work with the business to understand the needs that might be coming down the pike. Therefore, they become very reactionary. We understand that most procurement professionals are not happy or satisfied or fulfilled with those dynamics. They want to be strategic. They want to utilize all of their learnings and expertise. They want to drive value back to the organization. They want to be a trusted advisor. They just do not have time to do all of that because of the sheer volume and transactional nature of their responsibility. Having this knowledge allows us to alleviate those pain points for customers.

CEOCFO: *“Solving it forward” is the tagline on your site. What does that mean? How does that play out day-to-day?*

Ms. Rivers: It has a dual meaning. Because we are an IT firm, it can mean solving IT forward as well as solving “it” forward. The IT, of course, is more self-explanatory where we understand the technology industry -- where it’s going and how we help our customers be forward thinking. Solving “it” forward can be more of a general nature with the solutions that I have talked about already helping to manage their procurement of technology better, looking at the trends in procurement and understanding the challenges, not just today, but in the next three to five years.

CEOCFO: *How are you able to take the longer range approach when so many services, so many products and so much technology in constantly changing?*

Ms. Rivers: They do change. Technology especially changes fast, but with the level of investment that major corporations make in technology they are not ripping stuff out anytime soon. They are spending hundreds of millions of dollars on technology every year and it is typically adding to the legacy infrastructure that they have in place. They may go through a whole transformational activity every couple of years, but even then they are not ripping everything out. Therefore, it is a lot less dynamic and fluid at that level than it is as individual users of technology like you and me, where we may change laptop or smartphone every twelve to eighteen months. Not so with larger complex systems on which the companies run.

CEOCFO: *Would you walk us through a couple of engagements - why a company would turn to you, what you were able to provide them with and, of course, the results?*

Ms. Rivers: I’d be happy to. I want to go back to a former one, because it illustrates how TCGi assesses a customer’s situation, listens to their pain points, understands what they would like to do, and identifies what the road blocks are to achieving those objectives. Then we customize and frame a solution to fit those specific needs. Often times it can take us a year to two years to really ramp up a new customer, because we want to make sure that it is the right solution. That is because we cannot totally change the way they customers are doing things. We have to bring them along. Therefore, a case in point was when Verizon’s predecessor company came to us because they were awarded a contract to automate the issuance of hunting and fishing licenses for the State of New York. This was a very manual process where if you wanted to hunt, fish, shoot turkey, bear or whatever, you needed to first obtain a sportsman license. You had to physically or manually send in a request,

an application, through the mail or visit a municipal agent of the state in whatever county you resided. Then it took weeks to get that license. This contract was to automate the issuance of these licenses, make the process more user-friendly and generate a lot more revenue for the State of NY. Under the new scenario, a point of sale system was set up at agents both in municipalities and retail stores such as Target, Walmart, Dick's Sporting Goods, etc. Finally, sportsmen were able to obtain their license right there on the spot. While Verizon managed the program and provided the network, TCGi outfitted thousands of agents with computer equipment, scanners, printers, and all of the different peripherals needed to produce the license and print a receipt. We maintained that operation for the State of New York for fourteen years. That is one of our legacy projects. At present, we are engaged with a large pharmaceuticals company who said, "I have these five different objectives I'd like to achieve." By the way, this is the same set of objectives for most major corporations. "I want to reduce my supply chain. I do not want to deal with hundreds of suppliers anymore in the same spend category of technology. I want to reduce my costs if at all possible. I want one to two, very few large global resellers of technology to support our needs. I want extended payment terms. I do not want to pay in thirty days." Most major corporations now have extended payment terms, anywhere from sixty to one hundred and twenty days. "We want to work directly with a Tier I diverse supplier, a company like TCGi who is certified as both minority and woman owned. We want to do our business and have a company like yours to manage this for us." They brought us together with that major global reseller that they chose and together we framed out a customized solution. We call it Integrated IT Procurement and Tail Spend Management. TCGi manages the customer's transactions from purchase order to payment, adding value along the entire workflow. We are launching a new technology platform in September that will automate these workflows from end to end, driving even more efficiencies, convenience, and speed to our customers.

CEOCFO: *Once everything is in place, such as all of the technology and safeguards, what do you have to watch out for, other than that everything matches up on each side? What are some of the challenges 1 month, six months or a year down the line?*

Ms. Rivers: As we discussed previously, the technology history is changing. The players are changing. They are spinning off. They are merging. Just in the last year we have had HP split into two companies. We have had Dell and EMC merge. Therefore, that affects the customers. While companies hope they aren't adversely affected, the potential impact still looms. What does the resulting entity look like? Will they discontinue manufacturing and/or supporting equipment the customer may have installed? What does it mean for the equipment that customers have installed today? How long will it be supported and by whom in the future? For these kinds of things, keeping an eye on the industry and understanding the twists and turns and the ups and downs of equipment going in and out of support, as well as the customers themselves. How many times have we heard of companies merging or being acquired and different players coming in perhaps with a different focus or strategic direction that could adversely impact our ability to continue to do what we were doing for that legacy customer? Therefore, we have to keep an eye on that as well. That is because once we build up a global infrastructure to respond to these kinds of needs, we really have to protect it and constantly grow our customer base so that we are not jeopardized by the unexpected market departures.

CEOCFO: *What is the competitive landscape for TCGi?*

Ms. Rivers: We typically compete with the big boys; the IBM's and Accenture's of the world. We both compete and partner with these same companies. There are not many small or mid-sized certified diverse global companies that do what we do. There are just one or two. However, typically we are not competing with that one or two. We are competing against the global giants in this space.

CEOCFO: *Are you surprised that companies still turn to the large firms that have so little real personalization when there are firms like yours where the principals are involved?*

Ms. Rivers: Surprised no, because I understand the realities of business. There is this saying that small companies in the IT industry always remember -- that no one in corporate America is going to get fired for choosing IBM, no one. Whether that was the right choice or not, it was the safe choice. With all of the upheaval in the business community, globally, I understand the reality is that it is a safe bet to go with one of the global giants. However, I agree with you; it is not the direction a company should go for nimbleness, for dealing directly with the principals, for the level of customization that we provide, and how quickly we can do things on behalf of a company. Therefore, my recommendation is always that if you decide that you must go in that global giant direction, please bring us together. I have a long history of partnering with them all, and we would love to partner with them on your behalf so that at least you can get the best of both worlds. That is our recommendation to folks who want to take the safe route. There are many more reasons of course to go with a large global corporation other than just the safety of it. However, everyone is looking at the risk scores small and medium businesses have compared with a global or major corporation. You just have to be realistic; and I am. I am from Corporate America too; and I have been an entrepreneur a long time, so I have matured in that area. However, there is a solution.

CEOCFO: *What is next for TCGi?*

Ms. Rivers: What is next? We have such an exciting "next" ahead of us on a number of different fronts! Number one is that we are in the midst of the initial phase of our own technology platform being developed. This was not my first choice. My first choice was to buy and configure and adopt. However, we could not find a technology owner out there with an existing platform that we could customize for our own purposes of being a service provider and not an end user. Therefore, we have commissioned a local firm here in New Jersey to build that technology for us. We are working on the first stage now, which is rolling out in September. What that will do is automate all of our processes from end to end. We are just so excited about that, because all of these peripheral pieces of technology that we are using to cobble things together will go away. Everyone will be utilizing the same system, including our customers, our resellers and partners and funding sources. Everyone will have access to this one end-to-end system. Therefore, we are really excited about this initial Procure-to-Pay module and workflow. However, we have sourcing and supplier management, contract management, inventory management, telecomm expense management following on as additional modules that will be built on to this system. We are just wildly excited about having our own intellectual property and having a way to automate all of our workflows. Then just as important is our global expansion. We launched in Singapore late last year and we have our employees there now. We are building a base of clients in the Asia

Pacific region, so that is an exciting new “next” for us. We go to Europe next to launch our wholly owned subsidiary, TCGi Europe, within the next six to nine months. Then Latin America follows after that and other regions of the world where our customer requires us to be. That is just a very exciting “next” for us as a medium sized company based in the US.

