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**The Most Powerful Name in Corporate News**

## **IT Services for Mid-Market Companies**

### **About Atrion Networking**

Our sole purpose is to help you and your IT leaders to fuse business with technology, and transform your business. Through our leadership, solutions, services, innovations, and partnerships, we'll keep your business on the cutting edge; knowledge in making the right IT decisions is power. But our biggest differentiator as a company is that we're people-centric IT - from planning, to implementation, and monitoring, we cover it all from bottom to top. We'll be with you every step of the way.

**Interview with: *Tim Hebert - CEO***

**Conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine**

**CEOCFO: *Mr. Hebert, your website indicates that Atrion Networking Corporation is the fusion of business and technology. How so?***

**Mr. Hebert:** By trade, we are an IT services company. Therefore, what we do is help companies; usually mid-market companies somewhere between two hundred - to say - five thousand employees, solve information technology problems. What we do that's a little bit different from most organizations, is that we fundamentally believe it's up to us to make sure that companies are using technology the best way possible, and to do that, we really have to understand the business very deeply. There are many people, like many of our competitors, that focus on technology for the sake of technology. What we bring to the table is how to maximize that technology and make your business more productive, maximize revenues, and decrease your cost. We really focus on the business drivers as much as we do the technology.

**CEOCFO: *When you are speaking with a prospective client what is the key to understanding their business and understanding what they really need as opposed to what they say they want or what they think they want?***

**Mr. Hebert:** That's a great question, Lynn. The first thing that we do when we're going to meet with a client for the first time, is that we need to have a deep understanding of who they are, what their business is, and where to try to take the business. Therefore, prior to that meeting, we spend a lot of time doing researching the company. We have a department at Atrion called our "Strategy Office," and all they do is research. They research organizations and perspective clients to understand their business drivers, their industry, and everything that we could possibly want to know about the business. The second part of this, when we finally meet with the client, there is a rigorous discovery process that we go through with them. Most of our competitors and most of the IT industry focus on trying to discover the technical needs: how fast does it need to be, how big does it need to be, how many CPUs does it have, and on and on - that very technical, for the most part, "mumbo jumbo." What we do that's different is our discovery. Probably sixty to seventy percent of it is focused on starting with "what is the strategy of the business, what are you trying to accomplish, what are the goals and objectives for this year," and try to map from the top of the organization down. Then as we're looking at a technology solution, we then would migrate into the technology discovery portion. After we do that, we then design a solution with the client - so there is a design element. Then, when we go back with the client to review with them what we learned about their organization and how the solution will help them meet their objectives. It's a pretty in-depth process. We probably spend two times as much time and effort and energy in that early phase with our clients than the average IT services company.

**CEOCFO: *Did you understand this on day one or did this strategy develop over time?***

**Mr. Hebert:** Lynn, I will be completely honest with you. I started with Atrion and my business partner in 1987. We both had grand ideals. However, we were technical geeks at heart. Therefore, I would say in our early years we understood that we need to have different kinds of conversations, and for the most part, they were a little bit different. But they were nowhere near where they are today. Over the last two decades, we've perfected really getting to know our clients, really understating their business, and understanding their strategy. In some cases, we even helped them to develop that strategy. We not only helped develop their IT strategy, but also helped them to develop some of their business strategies. We do a lot of leadership training with our clients also. However, even that has evolved; it has been a constant evolution of our organization. We remember that we started as geeks, there is no other way to say it than that - we were very technically focused. Therefore, we were very similar to some of our competition at that time, but we probably spent a little more time on developing the relationship with the organization.

**CEOCFO: *Are there particular industries of focus at Atrion?***

**Mr. Hebert:** First of all, what we do is horizontal. I tell many people that our business is kind of like plumbing. It is all of the stuff that is in the walls, it is in data centers, no one ever really sees the stuff that we do, unless you're in the IT

department. But what we provide can work for any client, in any industry, for any vertical. However, over the years we have developed four verticals that we have become very skilled at working with. The first one is higher education. We are based in the North East and as you know there is a high concentration of higher education institutions within the North East area. Especially, tuition based private, higher education schools. That is our first vertical that we have a lot of experience with. Our second is what we call community / commercial banking. The small regional banks that have anywhere from five, to fifty, or one hundred remote branches. We are very strong in that. We also do quite a bit in healthcare, and we do quite a bit in what we call 'business services.' Those would be accounting, legal, consulting, and those kinds of spaces. Those are the four primary verticals that we focus on.

**CEOCFO:** *Some of the areas that you are dealing in have many regulatory issues, certainly in banks and healthcare and even as far as education with diversity requirements. How do you keep up so that you can advise your clients correctly and make sure that whatever you are putting into place meets all of the needs in that arena?*

**Mr. Hebert:** That is a great question! I think one of the things that has changed since we started our business is the amount of regulatory compliance that our clients need to go through, just in general. However, the impact that technology has on compliance, so that anyone dealing with personal information; whether it is a hospital, a higher education institution, or a company that is in retail; there is a whole series of regulations that defines, not only what has to happen with that education, but how technology is used in that space. Therefore, part of what we spend a lot of time doing is twofold. We have people on our team that are experts in those areas, and their job is to stay current on the trend. They do a lot of primary and secondary research, keeping with what is happening and what is coming down the pike. We work a lot with organizations like Gartner and InfoTech that can provide even more advice on top of what we are already doing. We do that portion ourselves. The second portion with the ones that have high compliance that we specialize in, we actually get involved with a lot of their associations and the organizations that they would join to help them handle it. In higher education, there are institutions like Tech Collective that focus on IT in those areas. There are always conversations around compliance and regulatory issues that come up in those meetings. Therefore, now we are researching what we are working on very deeply with the industry and its associations to stay on top of it, and also to understand how other organizations are potentially dealing with those changes as they are coming down. Therefore, it is not that they put it in place and it lasts for ten years. They are constantly evolving within those organizations. Those are the two primary ways that we do this. Then of course, we bring that knowledge to the clients and we work with them.

**“What we bring to the table is how to maximize that technology and make your business more productive, maximize revenues, and decrease your cost. We really focus on the business drivers as much as we do the technology.” - Tim Hebert**

**CEOCFO:** *How do you evaluate what technology might be useful and what you should at the very least keep on the radar screen if not try it our immediately?*

**Mr. Hebert:** There are two answers to this question. One is, “what do we do for our own internal use of technology.” The second is, “what do we do as an industry, just in general.” When we started our business the evolutionary cycle of our business was about seven, maybe ten years, depending on the technology. What that means is that every seven to ten years we had to reinvent ourselves. The technology changed at that rate. Today, that time window is between eighteen months to thirty six months. Therefore, every thirty six months we are having, at minimum, to reinvent ourselves. And if we don't, we go out of business –it's that simple. We age ourselves out, we become less relevant, and our business is just gone. And it's not just changing one model, it is reinventing your *entire* business model. Therefore, as a necessity we have to be in the forefront of technology and what is happening. We have people on our team that are dedicated to watching industries, watching technologies, and watching products, that their sole job is to evaluate those products and to look at them. Some of it is what I would call “paper research.” This is the kind where you are talking to people like Gartner, you are talking to Info Tech, and you are reading a lot of white papers and things about technology. There is a lot of that that happens. The second portion of that is that we are able to vet the hundreds of players that play in that area, down to the top two or three that we want to use and look at. Then what we do is more a sense of evaluations, where we meet the companies. We really learn about their products in-depth. We do price evaluations and technology evaluations. Then what we usually end up doing is selecting the very best for our clients; the ones that fit our client base the best and go from there - that is a constant process. We probably, at any point in time, had ten different things that we are looking at, at minimum, to determine if it was something that we wanted to add to our portfolio, or model our business around. For our own internal use, we use a very similar process. The difference with it is that you have a tendency of expanding it to all of the gadgets that come out: all of the handhelds, laptops, tablets, and smartphones. We do not do that in our core business, we are more on the infrastructure side. However, that stuff also gets added to it. We have many geeky people that just show up with new technology that they bought at Best Buy or the Verizon store or the Apple store or wherever. They come in and want to all of a sudden start to use it on our network. Therefore, we have been very open on how we have done that. We use something we call the “bring your own device” to work model. Therefore, any of our employees can bring their own solution to work. They can connect it to the network. There are some minimum standards that they

have to do and a few minimal processes they have to do. However, we encourage that kind of experimentation. Therefore, we love people that have, maybe in the span of a year, five or six different smartphones. That is because they find one and they do not like it and they replace it with another one, but they are always experimenting with it and learning from it.

**CEOCFO: *What are you surprised has not been created yet? Is a particular part of what you do, when you think there should be an easier solution and it has not yet come along?***

**Mr. Hebert:** I think that the number one problem in our industry is this concept of single sign on. If you think about, just in your personal life, how many user names and passwords you have for all of the applications that you connect with. I am surprised that there are not better solutions that are more robust, but, there are some just starting to come out now that allow you to have basically a password vault somewhere that you can put all of your passwords in, and there is one password to protect that. Then you should be able to synchronize that, not only in my personal life, but also my corporate life. Therefore, I think that is an area that should be further along. The single sign on password protection area is something that I think is really underserved at this point. It really needs to be a forefront of what you do. That is probably one of the big things off the top of my head that I would say that needs to change. Also, there are many things that are happening with the cloud that could use improvement. I think that when I look at how we connect it seems like everyone is trying to do it, but it has not really gotten there. We have a phone. The phone connection is a bridge in the middle that connects us. I think that there are much better ways to connect with voice or video, white board space, and document sharing that do not exist. I think that applications like WebEx and GoToMeeting are a good starting point. However, to make it so that we would almost appear in the same room together, even though we are separated by miles, would be a huge, huge boost to the way the world is moving. Everything right now is a point product that is not as consolidated as strongly as it needs to be. That is the challenge today.

**CEOCFO: *Do you have ongoing relationships with many of your clients?? Do you know if they are implementing the strategies and making full use of the systems you initiated?***

**Mr. Hebert:** Yes. One of the things that are part of our business model is this concept of client relationships. It is about client-to-client loyalty and a client for life kind of mentality. What we try to do is, if you look at our average tenure of clients it is about eleven years. Eleven and a half years is what we are measuring it at today. Therefore, we do have many connections with our clients. We are able to see processes and get them implemented. We are able to see how they manage the adoption process. I will say that some clients are very good at it and some clients are not so good at it. Therefore, one of the things that we have been working on the last couple of years, is in the past, the clients have always owned adoption. That has been their process. They buy the solution from us, we help them design it, we help them implement it, and we help them support it. However, adoption is something that they really kind of owned. What we are finding, especially in the last five years, is that organizations had to downsize because of the recession or they have not been able to add employees as they are trying to grow. Therefore, they do not have staff to actually handle the adoption portion correctly. Therefore, what we are doing with our solutions is moving into the adoption space, helping our clients roll out solutions to help with the adoption and helping people understand how to use more than the top three features of the solution that was put in place. We are seeing that happen and this is part of being more focused on the business outcome verses it being a technology solution. That is because you could spend one million dollars for a solution and get zero return on it if you do not know how to get it to work. People are adopting new processes on a day to day basis and maximizing that investment.

**CEOCFO: *What is your geographic reach today?***

**Mr. Hebert:** We are a regional company. We are headquartered in Warwick, Rhode Island, just south of Providence. We are in the process of acquiring and merging with another company that is in the New Jersey area, but our footprint is really from Virginia to Canada. Our focus has been mainly the New England states, but we'll soon have a much stronger focus across our entire reach.

**CEOCFO: *That is a large range!***

**Mr. Hebert:** It is!

**CEOCFO: *Was the merger opportunistic? Are you looking to grow and that is the way to do it? Why now?***

**Mr. Hebert:** That is a great question. First of all, we are based in New England and New England is a very large market in general, especially for what we do. We could probably double or triple in size without expanding beyond New England. Although, what happened is it is kind of opportunistic in the fact that we have friends that own businesses in New York and New Jersey and we have been talking with them for the last decade or so about their businesses and where they are going. The owner of one of those businesses was looking to exit. He has kind of gotten past retirement age, wants to move on and enjoy life at a retirement level. Therefore, that opened up the opportunity. Therefore, two years ago we created a strategic partnership with them where we actually started helping them move to new technology, introduce new services and solutions to their clients. We have been doing that for about two years and that has worked very well. This

year we decided that it is time to actually merge, so to acquire that company and merge the two organizations together. Now that we have done that, we have very aggressive growth strategies, not only in New England, but also the whole North East territory. That is pretty good. We are looking grow, and we have had growth every year since we have been in business for the last twenty-seven years. We are growing at a rate that is probably an average rate of about twenty five percent year over year growth. Now we are looking to do that and more!

**CEO/CO: Why choose Atrion Networking?**

**Mr. Hebert:** I think that why clients choose us are three primary reasons. Number one: our approach in how we actually look at your business and help you match a technology solution to your business is second to none. In the IT industry, most companies and most manufacturers of products do not know how to do that. Their sole focus is to sell products. We are really trying to help them understand how to achieve business outcomes and technology is just the way we do it. Our approach is uniquely different than most of our competitors.

Our second area that people even tell us about is that we put a lot of emphasis on people in our organization. We develop people. We do things that are unprecedented in our industry about how we attract, find, retain, and develop talent. Therefore, I would say that our talent is in the top one percent of our industry. It is not just technical talent, it is well-rounded talent: we train our people on public speaking, we teach them how to be better problem solvers, we teach them critical thinking, and we teach them leadership. We spend a lot of time developing them as a whole person that has both, what I would say, the technical side as well as the professional side. I think we have all seen the classic technical geek that is super smart but cannot carry on a conversation with anyone. At our company we have broken that mold. Therefore, we bring superior people to the table every single day.

I think the third reason why is that we really challenge our clients to think differently. IT is a very difficult industry to be in. There are a thousand ways to do everything, but only one or two of those ways will actually work for you and your organization at this specific time. Sometimes we have to help clients look at what they are trying to do in a completely different fashion from where they are going. Therefore, our clients like the fact that we are willing to challenge them to think differently about solutions. Possibly, as part of thinking differently, we are willing to walk away from an opportunity if a client is going to do something that is not going to be productive for them. Most of our competitors would say, "Well, you want X we are going to give you X." We are going to say, "No, X is a bad solution for you, if you want X we are not going to be able to sell it to you." That kind of honesty and that way of thinking about the problem is just different and it is refreshing to many of our clients.



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