

**Management and Technology Consulting Firm, Digineer is
Delivering Meaningful and Memorable Results for their Healthcare,
Financial Services, Insurance and Marketing Services Clients**

**Business Services
Consulting
(Private)**

**Digineer
505 N. Highway 169, Ste. 750
Plymouth, MN 55441
Phone: 763-210-2300
www.digineer.com**

**Michael Lacey
President and CEO**

BIO: Michael Lacey is the founder and CEO of Digineer®. In 1998 Michael founded the firm at the age of 29 and has since built an award winning, multi-million dollar organization. Under Michael's leadership, Digineer has experienced more than 60% growth every year for the past four years. In 2006, Michael was recognized by Fortune Small Business as one of Winning Workplaces' "Best Bosses". He has also been named to the Twin Cities Business Journal's "40 under 40", a list of the top business executives under 40 and was a finalist for the Minnesota High Tech Association's 2006 Emerging Leadership award. In January of 2007, Michael was profiled in Upsize Magazine after Digineer was named the Business Builder of the Year for its growth strategy in 2006. The company has been named two years running to Twin Cities Business Journal's "Growth 50", a list of the fastest growing firms in Minnesota. In addition, Digineer has attained the Inc 500, Inc Magazine's list of the fastest growing privately held firms in both 2005 and 2006. In 2005, Digineer was the number one technology firm in Minnesota to make the Inc 500 list.

Prior to founding Digineer, Michael's experience included senior project manager and director level positions at several Fortune 500 firms. He was responsible for the strategy and implementation of leading edge online systems at major corporations including Blue Cross Blue Shield and American Express. In his first decade of experience in the technology industry, Michael implemented and managed groundbreaking systems for the insurance and financial services industries. Michael was promoted to his first director position at the age of 26. Michael holds an undergraduate degree from Michigan State University and a Masters in Business Administration from the University of Minnesota.

Company Profile:

Headquartered in Plymouth, Minnesota, *Digineer* is a management and technology consulting firm that delivers results.

In today's competitive environment it takes insight and execution to increase efficiency and effectiveness and maximize profitability.

Digineer leverages the unique breadth of our expertise and business acumen to deliver uncommon results. From management and technology consulting, to application development, we apply smart, strategic thinking to real business problems and offer a team of experts in the right fields to execute solutions. Our clients have achieved business goals in ways they never thought possible.

Learn more at www.digineer.com or call 763-210-2300.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Lacey, what was your vision when you founded Digineer and where are you today?

Mr. Lacey: I founded Digineer in 1998 after being a client of many consulting firms. What I found was lacking back then, and what I really had a passion to try to create was a company that was very knowledgeable not just in the technology or the process, but in the business of their clients. I also aimed to create a team that was committed, could demonstrate that they could produce meaningful and memorable results for their clients, and that they was willing to put their skin in the game to that end. At Digineer, we pride ourselves in delivering results for clients. Sometimes we do not take on work because we frankly cannot see how we can deliver results within the client's budget. I think that is very different from many other firms who do not have the level of rigorous discussion and analysis upfront with clients before they take on more. The results we have seen from our clients and the feedback we hear has shown that they will trust us with their business and with their career to deliver on our commitments.

CEOCFO: In the beginning, did people understand the difference, and do they understand even today?

Mr. Lacey: It is interesting, we often find that it is very hard to articulate the difference in an initial discussion with the clients, but we are getting better at it as we have improved our marketing skills. We find that if we lose to a competitor, the client will

come back to us after a bad experience with another partner. We have far more self-imposed discipline and rigor than they ever anticipated. Even though they hear about “commitment to results” from other firms, most clients have never really seen it delivered before. I guess the short answer is it is not as easy to get clients to understand that upfront unless you can really show demonstrable results; most of our clients only get it when they experience the Digieneer Difference.

CEOCFO: What is an example of what people would be coming for you to do that is fairly routine, and an example of something that is out of the ordinary that you are able to deliver?

Mr. Lacey: One of our clients, a publicly traded company in the Fortune 100, had years of IT cost overruns and delayed projects, and ultimately the deliverable did not meet the expectations of the users. They hired us to audit their own internal practices in building software, managing budgets, and holding the vendors accountable – what most companies call project and program management. After our audit, we came back with a number of suggestions for them. They asked us to implement those suggestions, and if you fast-forward about eighteen months later, the nearest estimate is that we saved them somewhere in the neighborhood of \$5 million annually. The work that we have done impacts what they deliver for their customers. Their CEO received feedback from their customers that they have not seen that kind of delivery from them before. That is typical of a client that we worked with to help them improve the way they deliver internal IT projects and internal software development efforts. We get these engagements because we have easy-to-consume consulting services that are targeted on where we know the pains of our clients are. We engage with them not just on a project, but it is a commitment to deliver improvements for them over the lifetime of our work with them and well beyond that. More of an atypical

engagement is a client from the east coast, where we were competing with five other firms to bid on building a game-changing piece of software for them and their industry. There is nothing like it out there. This firm had a vision to build something that did not exist and that you cannot buy off the shelf, so that was going to be a game-changer for them and their industry. At the end of the day, we won the work even though we were 25% higher than our competitors. This company hired us to build this software for them and we have since not only built the software, but have worked with them to develop a new marketing strategy, go-to-market strategy, a new customer service and support strategy. We have introduced them to new clients that they have

I founded Digieneer in 1998 after being a client of many consulting firms. What I found was lacking back then, and what I really had a passion to try to create was a company that was very knowledgeable not just in the technology or the process, but in the business of their clients. I also aimed to create a team that was committed, could demonstrate that they could produce meaningful and memorable results for their clients, and that they was willing to put their skin in the game to that end. At Digieneer, we pride ourselves in delivering results for clients. - Michael Lacey

driven new business from, and we have in many respects become a true partner of theirs, so when they go on sales calls, we will sometimes be included on the sales call to help them land new business. With all of the results of this software, it exemplifies the breadth to which we take our commitments to help our clients improve their business results, and in many respects, the clients have said we would gladly pay the premium over again and again. Had they simply just tried to pick on price, I know they are afraid of where they would be. I have heard that from the CEO himself.

CEOCFO: Are there particular industries of focus for Digieneer and are there industries of which you would like to be more involved?

Mr. Lacey: We do have a focus, there are three broad industries and

then there are some specifics. One is healthcare. We have historically focused on healthcare. Prior to starting with Digieneer, I worked for Blue Cross and Blue Shield of Minnesota, and we have a lot of experience in the healthcare industry. In the financial services industry, we have a tight focus specifically around insurance. In the marketing services industry, we have worked a great deal with loyalty marketing firms and firms who do a fair amount of work with building customer engagement strategies for their clients.

CEOCFO: Are there areas where you would like to have more of a presence?

Mr. Lacey: From an industry standpoint, we are looking at other industries, but what we are looking to do is to deepen the experience and exposure we have in the industries where we are already working, and take it to a different tier of clients. Today we work with the largest firms in their industries, and I think there is another tier below that which may not have access to the same level and quality of consulting experience that we bring to the table compared to the regional consulting firms that they typically work with.

CEOCFO: Do you have a strategy to reach that group?

Mr. Lacey: We are working on that now with both our marketing and sales teams. We are exploring changing both the messaging and the way we target those future clients. We are also considering expanding the geographic area we serve.

CEOCFO: Would you tell us about Triumph?

Mr. Lacey: Triumph is actually something that came as a result of almost ten years' worth of work. It's an end-to-end performance improvement work with our clients. The first example I gave you of a typical engagement is the sort of thing that turned into Triumph. This is where we are able to package our approach for a company to manage transformational

projects and programs so that they deliver better results and that they can improve what they do today as opposed to just fixing what is broken. Many companies have functional areas that they do pretty well; areas that are not necessarily broken. But by putting the right emphasis on the way that they operate, manage, measure and monitor their business, it is amazing the improvements they can see. Triumph starts with us coming in and completing an assessment with the client. We have developed a framework that we can walk the client through which is a fairly inexpensive and quick assessment to help them pinpoint the areas where they have the most pain and the most disconnect between their senior leadership team – or the most opportunity to improve. Then we put together a roadmap to help them improve their performance. We document a baseline of their maturity on a variety of measures so that they can see the improvement over time.

CEO CFO: What qualities and technical experience do you look for in your staff?

Mr. Lacey: In every employee, there are aspects of leadership we are looking for that is both professional and interpersonal and the ability to handle some delicate and difficult situations with a high degree of integrity because ultimately in our business, if the client does not trust you before or after you work with them, it is a problem. We look for people who work well with teams and can bring a whole-brain approach to working with our clients, so we are not usually looking for specialists. We are looking for people that have deep strengths but are able to collaborate well. Our people have a degree of innovative thinking because nothing changes unless you do things differently and it is important to be able to both think innovatively and communicate to a client in such a way that they can understand. Last, but not least, we look for fun people who take their work seriously but do not take themselves too seriously. I think these traits are what

make a good Digiener consultant: leadership skills, integrity, innovative thinking, fun, and commitment to delivery and teamwork.

CEO CFO: What is the key to convincing a client when they really do not understand?

Mr. Lacey: To use the doctor phrase ‘do no harm’ and help the patients heal themselves. Often we will point them in the direction of other clients in non-competing industries who they can talk with as a reference. The key is employing good listening skills and being able to hear the problems that the client may not be talking about so that you can bring them to the surface. That process demonstrates to the clients the depth of understanding you have as well as the level of sensitivity and integrity you have, allowing the client to be open, candid, and share their issues. There are times when people frankly just have a different mindset about it, and in our experience, we have seen and listened to them, trying to propose or talk through things with them, and sometimes disengaging and then re-engaging with them in a couple months. Often they will have tried other things and in some cases have been successful, and in many times, stuck where they were.

CEO CFO: What are the special challenges today given the state of the economy, the country, the world?

Mr. Lacey: In our industry, we tend to be a leading indicator of the economy, and at least we at Digiener are growing as fast as we can. One of the challenges that brings is really making sure that we keep the level of quality of our consulting staff high, and that we are being thoughtful in how we grow. From a client perspective, there is a great deal of pressure before or during the downturn, and pressure on managing cost. Today, we see a lot of pressure from the boardroom on down to grow and to be aggressive with expansion, so I think that shifts the client’s mindset in terms of where they will focus their time, mind, and energy. What you will find is companies

that really want to grow have to take a look at the internal operations of their business to see how they can improve and scale that, because they may not easily get money to build new departments or software. Coming out of the downturn, people are cautious about how they grow and improve. In terms of the global economy, what we see is some competition coming from overseas that could create some pressure on rates for services like ours. However, we counterbalance that by demonstrating a proven method to deliver results and pointing to very specific, measurable and tangible results. Often clients focus more on getting the result than on how much it costs to get there, even though the work we do typically delivers high returns on the investment. That allows us to have a different dialogue with our clients than you would typically see from other firms.

CEO CFO: Why should investors and people who may be interested in your services pay attention to Digiener?

Mr. Lacey: First, in our fourteen years of business we have grown twelve of the fourteen, the most recent downturn being the only exception. Clearly, there is something we are doing well and doing right. Secondly, we have a long history and proven track record of delivering results for clients, and I think we can go back to our first clients and still get a good reference. Thirdly, we are growing rapidly and are looking to expand and target segments of the market that are underserved. Therefore, there is a great deal of opportunity for Digiener. We are both a firm to keep an eye on and a firm that potential clients may be interested in talking. Last, but not least, we can demonstrate the value that we deliver. We do a good job of boiling it down to brass tacks that people can understand, and we can demonstrate that we have delivered. We even can demonstrate to clients that we will deliver even prior to engaging us, and that sets us apart from other firms.



Digineer
505 N. Highway 169, Ste. 750
Plymouth, MN 55441
Phone: 763-210-2300
www.digineer.com