

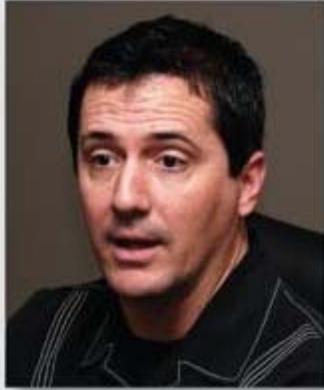
Roundtable



From left: **Cary Robarge**, Robarge Collision; **Jonathan Driggs**, Attorney at Law; **Sean Whalen**, Property 23; **Jeanette Bennett**, BusinessQ Magazine; **David Williams**, Fishbowl; **David Decker**, Complete Merchant Solutions; **Aaron Brown**, Box Home Loans.

Growing Pains and Gains

This UV50 issue is proof that businesses in Utah County are growing, growing brawn. Our 30 Fastest-Growing Companies took 2008 and charted up a storm through 2010—during an economic storm of recessionistic proportions. But it's not all cashing checks and adding zeroes. There are people involved—the right kind who make perfect partners and the wrong kind who can't accept the non-negotiables of the enterprise. In the end, the face of the business is also the heart. These six local business leaders talk us through the challenges and rewards of growing a company and a skillset to match. No pain, no gain.



Cary Robarge

Robarge Collision

You can't be an entrepreneur on the fence, wanting the security and wanting the dream.

Jeanette Bennett, BusinessQ: Describe successful entrepreneurs.

Aaron Brown, Box Home Loans: You've got to have a dream and a vision of what you want to create, build and grow. If you don't have that, you're probably not going to stick it out.

David Williams, Fishbowl: You need the willingness to lay it all on the line. Plus, you need a family who can handle not knowing if you're going to bring in money or if you need to collateralize everything you own to make payroll.

Sean Whalen, Property 23: You've got to be fearless. When you do collateralize everything and push all the chips to the middle of the table and lose, can you do it again?

Cary Robarge, Robarge Collision: It takes somebody who understands the "why" is far greater than the "how" and "when." It takes a big dream tank and the capability to see beyond what's right in front and the vision to look forward when things are tough.

Williams, Fishbowl: We have to be a provider of hope to our people, even if we're scared and don't know if there's hope. That separates the managers from the leaders. Leaders create hope and provide that for other people.

David Decker, Complete Merchant Solutions: It's the opposite of the status quo mentality. It's an extreme need to win and achieve. But there is a misconception

that entrepreneurs are big risk takers. While there is risk in branching out on your own, a successful entrepreneur is never whimsical in making key decisions.

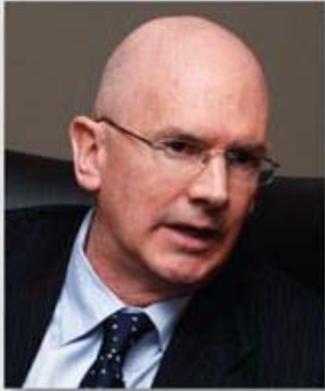
Whalen, Property 23: It's a lot more calculated than people think. There's a lot more thought and staring at the ceiling at night. It's a passion-generated thought process. When everybody is jumping off the boat, you're pushing forward — knowing these people have to put food on their table as well. It's a totally different mindset than people think.

Brown, Box Home Loans: There's a transition between being a risk taker and putting it all on the line and losing a couple of times, and then really having something and not just promising your wife, "This one's going to go, I know it." When it does actually go, something weird changes inside — you're not as aggressive because you have something to protect and keep. That was an interesting transition that I experienced, and it was distinct.

Jonathan Driggs, Attorney at Law: To me, it's not recklessness. There's a maturity underneath it. They understand risk and they're comfortable with risk, but they need to have their feet attached to the ground or they're going to have a disaster.

Bennett, BusinessQ: Is now a good time to be an entrepreneur?

Robarge, Robarge Collision: Now is better than ever.



Jonathan Driggs

Attorney at Law

You need infrastructure that will help grow your business while being compliant. Generally speaking, we've been better in Utah at growing business ideas rather than growing healthy organizations that turn into long-term employers.

Williams, Fishbowl: We've got one of the most educated employee bases in one of the least expensive places to conduct business. There is cheap rent and other factors that encourage startups to use a smaller amount of capital to engage the market.

Whalen, Property 23: The cost of doing business is significantly less than what it used to be. The risk of rent, payroll, money and benefits is less. The talent pool is unbelievable. When you're getting people with high-level graduate degrees applying for a \$15-an-hour job, it's remarkable.

Decker, Complete Merchant Solutions: If you have a brilliant solution that fills a major void, there's never a bad time to go to market. But for most ventures, you have to step back and analyze your audience and understand buying patterns. Is your solution relevant enough or does it alleviate enough pain to motivate your audience to buy it now? If the answer is no, keep your day job until the market shifts.

Robarge, Robarge Collision: The golden rule is to buy low and sell high. We're low right now, which means it's time to buy or start a business. The changes have opened doors for new people to come into the marketplace and give it a try — that person who got laid off, that person who had a high-end executive job is still forced to feed his family. Maybe they weren't willing to put it all on the line five years ago because they had such a good paycheck coming in.

Williams, Fishbowl: We had two main competitors

who decided to stand still in this tough market. We decided to press, and now they're no longer in our space. Not only startups but also mature companies need to make smart decisions during this type of economy. There's less competition, so it's a great time to capture market share.

Brown, Box Home Loans: We're in a recession, but every time I go out to eat, the place is packed. People are paying \$5 for a cupcake and \$3.50 for a cookie. No matter the market, you can find a niche and provide something people are going to pay for.

Bennett, BusinessQ: During the start-up stage, what legal issues need to be addressed early on that entrepreneurs may overlook?

Driggs, Attorney at Law: Entrepreneurs don't start a business so they can focus on compliance. But you need infrastructure that will help grow your business while being compliant. Generally speaking, we've been better in Utah at growing business ideas rather than growing healthy organizations that turn into long-term employers. Payroll, employment eligibility, I-9 form, e-verify — it's more complicated than people realize and there are serious penalties if you don't comply. This is where the entrepreneur's risk-taking trait can be a liability. I see common problems with compensation structures, agreements, commissions, bonuses. If they're ambiguous, you're going to have claims down the road. The current administration is ramping up enforcement. You can't treat any employee as salary exempt; they've got to fit into an exemption. Get resources to set up your infrastructure and employee base correctly so it can grow in a healthy manner and avoid a



Sean Whalen

Property 23

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painful adjustment period.

Bennett, BusinessQ: Did any of you learn these lessons the hard way?

Whalen, Property 23: Every single thing he just said I did not do when I started my company. A year and a half into running the business, we were growing like gangbusters and losing money. The best decision I ever made in business was bringing on my partner, who is the polar opposite of me. I went to one semester of college, dropped out and never looked back. He was well educated, structured and methodical — not an entrepreneur at all — and it transformed our business. It brought us from scooting-along to growing more than 1,000 percent and becoming a force to be reckoned with. Entrepreneurs don't know what payroll taxes are half of the time, let alone how to pay them. You say I-9, and that's like speaking Greek to most entrepreneurs.

Driggs, Attorney at Law: That's not the fun part of running a business, but it is essential. If you don't do it, there are consequences. Small businesses begin to grow and there's a painful transition — there's a loss of talent, there's a loss of reputation of the leaders of the organization — and it can impact their ability to survive.

Bennett, BusinessQ: What is the best business decision each of you ever made?

Robarge, Robarge Collision: Jumping in headfirst. You can't be an entrepreneur on the fence, wanting the

security and wanting the dream.

Brown, Box Home Loans: Having the right partner is paramount. I had one partner who was not right, and the whole thing exploded. My current partner, Jeff Reeves, and I line up on our core principles, but we're like a mom and dad and we go at it. We have different opinions, but because the principles we govern our lives by are the same, it's been tremendous. Choose a partner who's opposite so you can look from angles you didn't see before. Then have the wherewithal to say, "I didn't consider that." I can't imagine being an entrepreneur without a partner to keep me in line and vice versa.

Williams, Fishbowl: For me my best decision was determining what my values or my non-negotiables were. The people I would hire, now 78, needed to agree with my values. There are four non-negotiables, and if you can't live with them, you can't work here. It's had a natural weeding-out effect. The four are: You have to trust one another. You have to believe in what we're doing. You have to be loyal to one another. You have to be fully committed. If you can't do any one of those things, you can't work at Fishbowl.

Bennett, BusinessQ: In addition to aligning values, how can businesses grow by harnessing technology?

Decker, Complete Merchant Solutions: Technology is what makes a business relevant. The key challenge is identifying which technology will directly impact your business and then aligning yourself with that technology at



David Williams

Fishbowl

From the first day, set aside a portion of your company for your employees. Do it in a way that's prudent and that they have to perform to receive and that is given over time.

the right time. Timing is critical. If you hitch your wagon too soon, you'll waste significant resources and potentially upset your customers due to glitches. But if you're late and the technology is disruptive enough to your market, you'll get passed by and be out of business.

Brown, Box Home Loans: Our industry is full of variables, and our success depended on eliminating as many variables as possible. There wasn't off-the-shelf technology that would meet our needs, so we had to build it ourselves. Over the past five years we've built a platform that has put us light years ahead of our competitors. Technology allows us to attract an infinite amount of customers. Fulfillment is another thing and we're finite in that respect, but technology allows us to be different and attract customers.

Bennett, BusinessQ: What part should social media play in running a business?

Whalen, Property 23: Technology can separate you from your client. But if you are real, social media creates a nice buffer.

Decker, Complete Merchant Solutions: We've put time and money into building corporate structures and corporate brands, but social media allows people to get to know you as a person. They see you're a decent human being, and they are more likely to do business with you. But that's a new perspective for me. I've focused on creating a brand that has the right colors and says the right thing to fit the corporate mold.

Driggs, Attorney at Law: From a legal perspective, I'm seeing an increased number of issues where employees are misusing social media — everything from sexual harassment to threats of violence made over Facebook to complaining about the boss or the company on social media. It's becoming more important to have a social media use policy in your workplace. Talk to your employees about your expectations as far as them making comments about work through social media.

Robarge, Robarge Collision: The power of Facebook and Twitter initially seems so overpowering compared to the other forms of media that I got caught up in that for a while to promote my business. It was a real slap when I got an article in the Daily Herald. The response reminded me that I had been attracting Gen Y, Gen X on Facebook and Twitter, but the clients who had money to pay their deductible and the claim were another demographic. We need to be cautious. Social media is relevant, but only a slim margin of my clientele base was finding me there.

Whalen, Property 23: Social media is crucial, it's imperative, it's fantastic. But there's nothing that trumps a face-to-face meeting. They're not buying because your Facebook is cooler than their Facebook. They're buying you.

Williams, Fishbowl: We don't see our clients, so social mediums are a source to provide awareness. We've received an amazing amount of leads through Facebook and Twitter. LinkedIn has enabled us to reach out to the Utah market, which we've not done a good job of in the past. It



David Decker

Complete Merchant Solutions

There is a misconception that entrepreneurs are big risk takers. While there is risk in branching out on your own, a successful entrepreneur is never whimsical in making key decisions.

has provided great one-on-one meetings with our local customers for the first time.

Brown, Box Home Loans: We're having people post their experiences on Facebook. When we set out, our goal was to turn every client into three. So we have to provide a vastly different experience. Having people talk about us positively is crucial to our plan and has been from the beginning. Technology doesn't do that, but it does allow us to systematize all of the variables. Our loan officers proactively reach out to the clients through our technology, which makes people say, "Wow. They care about me, they held my hand through this thing, and I'm going to tell everyone I know."

Williams, Fishbowl: One of my employees was looking at getting a loan from you. They shot a message to 1,500 Facebook friends and got seven responses about you, all positive.

Brown, Box Home Loans: That is great to hear. Clients rate us as we're going through the process. They can change the dial on a scale of 1 to 10 on how are we doing. If they drop the score, the loan officer, the processor and the manager get e-mails instantly so we can change that opinion before it's set in stone. That was our best safety net when we hit explosive growth.

Bennett, BusinessQ: What pains have you experienced as you've grown? And secondly, how do you grow without giving up control of your company?

Robarge, Robarge Collision: In 2007 our business model quit working. We tightened our belts, reduced our overhead and whittled away at expenses. The question of growth is a double-edged sword for me. Do we want to grow bigger or more profitable? I found I could grow on the bottom line instead of gross revenue. For me, less is more. We grew by minimizing our menu. We want to be the best at insurance paid-for collision repair, and we did away with diesel performance, auto accessories and retail. We fixed a lot less cars for a lot more money last year.

Williams, Fishbowl: I've tried growing different ways. I've had lines of credit, VC money, bank money. This time around I decided not to have anyone own me. It's been interesting to make decisions based on my own cash flow. We're fortunate to be in BusinessQ's Fastest-Growing Companies, but we're also debt free. We can make decisions not based on what the bank wants or what the VC decides. It's a remarkable experience.

Whalen, Property 23: As an entrepreneur you come in saying, "It's my idea, my vision. I'm the biggest fish in the room and nobody can tell me otherwise." Most entrepreneurs need humility. The number one thing I had to realize is there are things I don't know. I have to find people who can help me. I'm an idea guy. I'm not a money guy. I'm not a structure guy. I'm not a spreadsheet guy. An entrepreneur has to check their pride and realize that running a million miles an hour is great, being in magazines is fantastic, being noted for explosive growth is great, but if you can't have longevity and sustainability, it doesn't matter. You have to bring people in who can do what you don't do. If you don't, you'll fail. Period.



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Choose a partner who's opposite so you can look from angles you didn't see before. Then have the wherewithal to say, "I didn't consider that." I can't imagine being an entrepreneur without a partner to keep me in line.

Driggs, Attorney at Law: At first, enthusiastic entrepreneurs say, "Let's all get on the bus, and we'll figure out where we're going down the road." They start making promises about commissions, bonuses, stock options. As the business matures, you've got to revisit those promises. Make promises in a reasonable way. Otherwise, there will be complications.

Williams, Fishbowl: I grew up on a ranch and my father would say, "Good fences make good neighbors." Building the right structure, not promising flippantly, documenting things and having a good attorney looking over your documents is so important. You don't think it is in the beginning. Sometimes you don't even think it is down the road because everyone's so excited. But if you ever hit the wall, things start breaking loose. Having your core infrastructure documented is vital to longevity.

Driggs, Attorney at Law: Just documenting conversations in an e-mail is so important. That has saved me countless times. Write down that which you visited and promised.

Decker, Complete Merchant Solutions: The textbook challenge for most entrepreneurs is giving up control and trusting others to make decisions. While difficult at first, this has proved to be extremely liberating. We've been fortunate to find enormously capable people, and there is no question we've made strides as a company that wouldn't have happened if only the owners made the decisions. With that, when you lose one of

those capable people, it's extremely painful.

Whalen, Property 23: When the sky is blue, everybody is your buddy. When the ship starts sinking, you realize who is going to bail water. As an entrepreneur, you put your blood, sweat and tears into that baby, so when somebody realizes that's not the thing for them anymore, you take it personally.

Bennett, BusinessQ: When is it time to share the success with employees and the community?

Williams, Fishbowl: From the first day, set aside a portion of your company for your employees. Do it in a way that's prudent and that they have to perform to receive and that is given over time. As far as community social responsibility, that's from day one, also. That needs to be a part of your culture. People are compelled by that behavior from leaders.

Decker, Complete Merchant Solutions: People want to be part of organizations they can take pride in. You want to take care of your employees and create a family environment. You want to pay them competitively. Creating a brand that I can be proud of, that my family and my employees' families can be proud of — that's what it's all about.

Robarge, Robarge Collision: It's pretty tough for a company to say, "When we get this successful, then we'll give it out." Entrepreneurs are givers at heart. We want to earn more so we can give more. That's ingrained and that's part of our plan. Being able to give and see that multiply is as equally rewarding for me as any of my bottomlines have ever been.

Bennett, BusinessQ: Lastly, what is the payday for being an entrepreneur? Why do we do this?

Williams, Fishbowl: Seeing people succeed and gain in their self-confidence, competency and skill set is a huge payday for me. To get to the point where a company has a shot at lasting forever is my most recent massive payday. My own children work at Fishbowl; I hope my grandchildren work there. I'm driven to have an enduring company for generations.

Decker, Complete Merchant Solutions: Candidly, when we started out, I was driven 100 percent by how much money we could make. Fortunately, that has evolved into wanting to build a respectable brand that people recognize in a positive light. Another major payday comes from creating new jobs.

Brown, Box Home Loans: The reward is two-fold. It starts because it's a great idea and you think you can make a lot of money. But then the organization grows and takes on a life of its own to the point where you transfer ownership of responsibilities and roles. And then other individuals are making it better than you were.

Robarge, Robarge Collision: When I started it wasn't for the money because there wasn't any. The biggest reason I did it was to exercise my creativity. I can get up early and run hard and make this work, or I can sleep in and do nothing. I choose to run. I choose to create something bigger than me. It's awesome to provide a living for others.

Driggs, Attorney at Law: As an employment law attorney, I'm well aware there are many employers in this valley who will go to great lengths to avoid contacting a law firm when they need help. I like finding a way to give them resources in a way they're comfortable getting it. My practice focuses on prevention and early resolution. The majority of my clients don't get sued because I work with them closely. It's rewarding to provide resources that help others succeed.

Whalen, Property 23: The biggest payday is to hear people talking about what we have. There's something that stirs a sense of pride in me to know people are

talking about something that came out of my brain. It's exciting.

Williams, Fishbowl: When we gather as a company socially, I like to talk to the spouses of my employees. For them to say he or she is excited about what is going on, that gets me emotional. Another example of a payday — three years ago, my 25-year-old son contracted cancer. For six months I didn't go into work. The company rallied, and we actually had one of our best six months ever. They were motivated by helping and serving when I needed them. That was a massive payday.

Bennett, BusinessQ: Thanks for your insights. Now let's go grow our businesses!

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