



*"The Chairmen's RoundTable is an incredible San Diego resource. Going through the mentoring process provided significant value and I feel very lucky to have been selected to be a part of it."*

Robert Baum, Chairman (former CEO)  
TechFlow, Inc.

#### Company Profile

TechFlow is a strategic business technology consulting and software systems integration firm that helps organizations capitalize on enterprise technology investments by creating and improving eBusiness solutions. Founded in 1995, and based in San Diego with offices in Washington, D.C., TechFlow has been helping companies leverage the right technologies to drive greater business value while conducting their businesses more efficiently.



[www.techflow.com](http://www.techflow.com)

## MENTORING SERVICES CASE STUDIES

### **TechFlow**

#### **Eliminating Complexities**

TechFlow is a company that provides IT professional services. Its tagline is "Eliminating IT Complexities." While the company is quite effective and successful at eliminating complexities for its customers, TechFlow's own complexities were another story. The company's growth, combined with the CEO's personal needs, created serious challenges for the organization. It quickly became clear that some big decisions needed to be made.

#### **An Outside Perspective**

Robert Baum, TechFlow CEO, loves the company he founded. He also loves his family – and a personal situation required him to travel outside of the United States, with the potential for a permanent move. As a result, Robert began to ponder the future of his company. Was it time to sell? Find a successor? Try to manage it remotely? And what were his other options?

Merrill Lynch, a Chairmen's RoundTable (CRT) sponsor, referred Baum to the CRT, a diverse group of seasoned executives who offer free strategic counsel to growing businesses. "I was excited to find out that a resource like this was available," said Baum. "Many of the issues I was dealing with were personal, which made it difficult to be objective. So I welcomed an outside perspective that could help me do what was best for the company and for myself."

#### **Not for Sale**

Once the Chairmen's RoundTable began to work with Baum, they quickly discovered what the company's vulnerabilities were. The majority of the company's revenue was provided by a single, large customer; there was no strategic plan for the company's growth; and the CEO was considering transitioning out of the company.

"Despite all of that, we were a happy, profitable company," said Baum. "But we recognized that our time might be limited if we didn't look closely at our challenges and form a plan of action."

# Strengthening SAN DIEGO, One Company at a Time

## About Chairmen's RoundTable

The Chairmen's RoundTable is a non-profit volunteer organization comprised of successful Chief Executive Officers with diverse industry backgrounds who provide businesses in San Diego County advice on how to manage and grow their businesses through a well-defined mentoring program. CRT members provide this service free of charge to qualified area businesses as a way of giving back to the community. For more information, please visit [www.chairmensroundtable.com](http://www.chairmensroundtable.com)

After in-depth discussions with the CRT mentors, Baum faced a difficult decision. "The CRT team said 'fix it our get out,'" Baum said. "The financial analysis didn't provide an overwhelming 'sell' indication. More importantly, selling the company just didn't feel right. So I decided to fix it."

## Putting a New CEO and a Plan in Place

The CRT mentors emphasized the importance of sales and marketing and the need to reduce the company's dependency on a single customer. CRT helped TechFlow develop a plan for growing its customer base in order to mitigate its risk. In addition, TechFlow extended its contract with its large customer, which gives the business additional time to implement the plan. As a result, TechFlow expects to be in a much stronger and more secure position when the current contract nears its expiration.

In addition, the CRT mentors made it clear that Baum needed to transition out of the CEO position, and they helped create a CEO recruitment process. "I knew finding the right CEO was critical for the continued success of the company," said Baum. "The guidance and support that my CRT mentors provided during this process was invaluable."

"I am pleased to say that the CEO transition has gone very smoothly. In addition, we have implemented many other changes based on a proposed path that was formed in my discussions with the CRT mentors," Baum said. "In fact, having that outside viewpoint has proven to be so beneficial, I have assembled an Board of Advisors so that we can continue the dialog that the CRT has opened up to us."

Key Challenges:	Recommendations:	Results:
<ul style="list-style-type: none"> <li>• One large customer with uncertain longevity</li> <li>• Lack of sales and marketing focus</li> <li>• Heavy financial management overhead</li> <li>• Need for a CEO transition</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce dependence on single customer</li> <li>• Change company focus to sales and marketing with sales department reporting to CEO</li> <li>• Reorganization including recruitment of a new CEO</li> </ul>	<ul style="list-style-type: none"> <li>• Large customer contract was extended – buying more time to lessen dependency</li> <li>• Developed multi-year strategic growth plan and in the process of recruiting VP of Sales</li> <li>• Hired new CEO and transition has been very successful</li> </ul>