

# FREERING up space

*IT consulting  
company making  
more revenue  
while selling less*

CHRISTOPHER CALNAN | STAFF WRITER



NICK SIMONITE | ABJ

From left, Cobé Dunn, Justine Fontaine, Chris Mire and Wayne Orchid are behind the growth at Freeit Data Solutions Inc.

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## ASK THE EXPERTS

**What should entrepreneurs consider when starting a business that seeks customers within the industry or sector that he or she used to work in?**

It's important not to fall into the trap of thinking that you are guaranteed to succeed because you worked in the industry. You still have to make sure you are addressing a defined need and taking care of marketing, sales, customer delivery and ongoing support. Industry contacts are helpful, but actual performance speaks louder than a good network on LinkedIn.



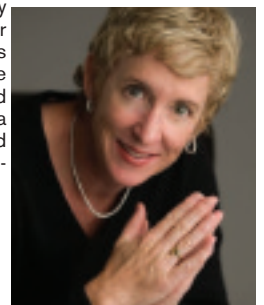
**Dave Manzer**  
Founder  
Dave Manzer Creative Relations

Do people in your industry respect you enough to buy your product or service? If the answer is yes, you are off to a very good start. Will you have enough faith in yourself to be able to sell to people you know and respect in your industry? Sometimes you can be the biggest obstacle. Can you get through the gate keepers? Now start evaluating your idea.



**Pat Henneberry**  
Founder  
The Jewelry Coach

They should consider the strengths and weaknesses of their previous employer and how that related to the overall industry. At that point, they should figure out whether making those weaknesses strengths would be a viable model in which they could operate profitably and have a unique approach that would lead to offering a more complete service or product.



**Cary Prewitt**  
CEO  
Black Star Hospitality

# Startups hunting opportunity must choose target carefully

With many hunting seasons beginning in the coming weeks and months, proper planning is key to being safe and successful. But you can't lump all the different hunting seasons into one preparatory process. Each target requires specific, separate and sometimes contradictory preparation. The same can be said of starting a business.



**BILL MORROW**

I pose the question: If you are lost in the wilderness and only have one bullet, do you go after the largest animal in the forest or the smallest? In other words, what is your target market given your resources and capabilities?

Think about that for a bit.

Starting a new business can be quite daunting. From coming up with the idea, building your product, raising capital and building your team — all from a dead start — there are many reasons to be overwhelmed. But perhaps the biggest deer-in-the-headlights moment might come from analyzing your competitors, especially if they are large, national or even global companies. The feeling that at any moment they can slam into you can overly influence your business planning.

The most important tenant of business is not to beat your competitor — but to win the customer. All companies have weaknesses to challenge, and most have strengths to be concerned with; however, it is a thorough review of the customer's requirements that should be the target of your business efforts. Just because you can exploit a competitor's weakness doesn't win you business if the customer doesn't care about that aspect. And never believe that all potential customers need the exact same product or service.

The shortest path to success is to acutely

understand the market and to finely tune your target. The shooting adage "aim small, miss small" serves young companies well. With limited capital, you need efficiency in everything you do.

That brings us back to our illustrative wilderness-based scenario and the question of which prey to track.

Perhaps we go after the largest animal in the forest because with only one bullet — limited capital — that size game could feed us for some time. Of course, with only one shot and an extremely large target, our aim, caliber of bullet and position of the prey must all be perfectly executed or we could do little more than piss him off. Bringing him down is a high-reward but low-probability outcome.

So is the smallest target the right answer? The issue here is that it's a small target and harder to hit, and even if we bag our prey, the benefits would be short-lived. Here we have a higher probability of success but a lower return.

In this overly simplistic discussion, the best answer is probably a midsize target yielding a good probability of success and a strong opportunity for reward.

What I see most small companies do, however, is charge into the woods — with limited capital — looking to shoot any and all opportunities. While intuitively one might think this creates the greatest probability of dinner on the table, in fact one sets up dramatically different for each potential target. And similarly, with a target market firmly selected, a good entrepreneur will hire specific skill sets, target specialized marketing opportunities and tune the product or service to that target market — all keys to improving one's success ratio. The old saying "don't bring a knife to a gunfight" comes to mind here.

So the bottom line is that young com-

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## **FREEIT:** Virtualization, deduplication among tools for managing growing data

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stiff, with only few companies large enough to qualify. But smaller contracts are more suitable for small and medium-sized firms that have a specialization, Weaver said.

"The more vertical you can be, the better," he said.

The local IT services industry has been consolidating in recent years.

In August 2010, Austin-based White Glove Technologies Inc. bought rival firm Riata Technologies Inc. The deal marked the second of five acquisitions for White Glove, which also appointed Tommy Wald as its CEO.

Wald had founded Riata as Netforce Technologies Inc. in 1993 and built it to a 38-person company with solid local market share.

While his appointment distinguished the Riata deal from White Glove's other four acquisitions, the deal underscored a roll-up strategy designed to create a dominant IT services company with offices in Texas' major markets.

Meanwhile, Round Rock-based Dell Inc. (Nasdaq: DELL) is pivoting its computer making business to focus more on

the higher profits generated by network management tools. In 2009, the company acquired Plano-based Perot Systems Corp. and has since been on a buying binge to acquire companies developing complementary products.

Stephen Elkins, the city of Austin's chief information officer, said the top problem of managing the city's IT network is prioritizing its projects. But managing its ever-growing amount of data remains the biggest and most constant tech issue.


Virtualization and deduplication are the two most helpful tools used to accomplish that, he said.

Since 1998, the city's data storage capacity has increased 1,000-fold, from 335 gigabytes to 335 terabytes, city officials said.

At Freeit Data, Dunn said her experience at the Department of Information Resources gave her valuable experience and a glimpse into the world of future customers and what they were needing.


"I kind of saw a vision and felt like there should be another avenue for these agencies," she said. "I thought there's got to be a better way to help. My goal was to go out and educate them."


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