

Members, sponsors, friends and colleagues:

We are very pleased to present this summary recap from our May event titled "*How Do Advisors & External Resources Enable Wealth Creation: Governance & Risk Management Perspectives.*" Based on the overwhelming response it has become quite clear to myself and our board that our approach and our curriculum is needed, required and appreciated by the Houston emerging business community. Thank you as well for your continued support.

Certainly, we appreciate your participation and look forward to our next two events which are detailed below. Since we are approximately 60% to our membership goal for our founding year, we recommend that you and your peers lock in your founding member rate. Additionally please feel free to bring your peers to our next meeting or let me know and I will personally invite them to attend one of our upcoming events.

While the detailed summary recap from our last event is detailed on the next pages, I would like to summarize the curriculum how our next two upcoming events relate.

- First, we started the 2011 Curriculum by having Terry Peltis give us the "Playbook for Success in the New Economy" which outlined the focus and "How-Tos" to update and reengineer our business models.
- Then we dedicated two meetings to discuss the most effective revenue strategies for growth and our speakers have shared with us surefire tactics for growth and expansion.
- At our last two meetings we turned our attention to ensuring our growth goals are met thru effective financial management, stewardship and CEO best practices.
- At our next few events we will focus on the core role of the CEO including CEO effectiveness and when and how to obtain outside help that is most relevant and creates wealth by being a more effective CEO.

It is true what our good friend, Rob Solomon, and a recent panel speaker told us: "*Companies today must embrace change, embrace outsiders influence, grow, or the business is in jeopardy of dying.*" Our goal at TeXchange is to provide you with a forum for exchange and learning and hope that embraces your challenges. We look forward to seeing you at our next meetings.

Again thank you for your patronage and support!

Sincerely,

Garry E. Meier  
Houston TeXchange Chairman  
[Houstonpresident@texchange.org](mailto:Houstonpresident@texchange.org)  
713.401.9647

## Upcoming Events

Topic: *"Management Effectiveness"*

Date: Thursday, July 21st, 2011



### Event Details:

Location: The Briar Club

Time: 6pm - 8:30pm

Cost: \$25 per person for dinner for members, \$35 for guests

Register now by simply emailing us with "RSVP" in the subject line.

This seminar will address how to be an effective CEO including how to create an environment that produces accountability, productivity and improved results.

1. *Can your constituents describe your business strategy in a Twitter moment?*
2. *Do your measurements mirror your business strategy?*
3. *What instructions does your management and financial reporting process provide you?*

## 2011 PROGRAMS CONTENT CURRICULUM REMAINING EVENTS

Thursday July 21: Management Effectiveness.

*Meeting your growth objectives; what gets measured gets done.*

- *Can your constituents describe your business strategy in a Twitter moment?*
- *Do your measurements mirror your business strategy?*
- *What instructions does your management and financial reporting process provide you?*

Thursday September 15: Leadership & People Effectiveness.

- *How do you know if you are an effective leader?*
- *How do you demonstrate to an investor that your people are effective?*
- *How do you know if and when progress and success is achieved?*

Thursday November 10: Useful Capital & Financing.

- *What is the meaning of Useful Capital?*
- *How do I determine if my capital provider is Useful or not?*
- *How can Boards or advisors assist me with my financing options?*

## *How Do Advisors & External Resources Enable Wealth Creation: Governance & Risk Management Perspectives Recap Summary*

*Wednesday, May 11<sup>th</sup>*

This dinner seminar focused on expertise and support for CEO's as well as best practices for creating an advisory and/or Board of Directors. The panelists also weighed in on risk and investment profiles as well as how to deal with the many vicissitudes of today's management challenges such as the purpose of governance, the roles of a company board and/or advisors, and when to obtain outside perspective when making investments or strategy decisions.

Panel Recap:

- *Question: What's the purpose of governance and obtaining outside perspectives?*
  - Avoid mistakes, mitigate risks, and get help for senior management because there is a small window of success. Outsider perspectives provide a different "lens" on the business and its' challenges.
- *Question: What's the difference between entrepreneurial and investment risk profiles?*
  - The difference between entrepreneur's and investors is their risk approach. Investors first evaluate and require sizable unsatisfied market demand coupled with a significant market opportunity married with a quality product or service. Entrepreneur's may only require a product or service and do not view opportunities on a "risk adjusted basis".
- *Question: What is the role of a Board and/or Advisors?*
  1. Companies cannot be successful long-term without an effective board or outsider influence. Just like in golf, a go-to expert (caddie) who is working side-by-side with you can be invaluable.
  2. Advisors will help you from repeating mistakes; both yours and others mistakes, and advise on the learning lessons not just the "not to do's."
  3. Advisors will ensure companies focus on and target the market opportunity. Their role is to keep everyone honest in regards to performance, reality, budget, etc.
  4. Advisors will also help mitigate risks from legal issues to capital to investment plan, business development concepts, monitoring the plan/budget and keep the financial side in order.
  5. To ensure the right leadership is on the job!
  6. Most advisors and consultants will help, but are rarely asked to do so!
  7. Review budgets, strategic initiatives.
  8. Be and provide a "sounding board" role.
  9. Manage and mitigate conflicts internally or externally.
  10. Provide a "Reality Check" for management.
  11. Provide common business sense.
  12. Make pragmatic decisions for the company, not on emotion or ego.
- *Question: How should you choose advisors?*
  - Don't ask your friends!
  - Rely on very trusted references.
  - Have your trusted advisors perform reference checks as well, just like any hiring decision.



Put in writing what you expect from your advisors and board members. Set expectations clearly and communicate frequently. Engage advisors involved early in the life of the business, however be able to transition them out and replace them as the business matures through its maturation process.

Event Speaker Panelists Backgrounds for May 11<sup>th</sup> :

- *Newt Hamlin has started and served as CEO and board member for a variety of privately held and publicly traded companies. He has provided merger and acquisition services to more than a dozen companies. In addition to holding several prestigious board positions, he is currently the chairman of Texas Multicore Technologies, which commercializes software tools developed for NASA at Texas Tech University.*
- *Dennis Murphree is the managing general partner of Murphree Venture Partners, a series of early-stage and growth-equity venture capital funds. The firm is now one of the more active venture capital managers in the southern United States and is considered a "generalist" firm, addressing a wide variety of traditional industry categories wherein new technologies or new business models can be employed to spur growth. In December 2010, the firm was chosen by the Houston Technology Center to manage its new \$100 million Houston Technology Future Fund. Murphree also has helped to start and grow over 100 companies in the course of his career. Murphree graduated from Southern Methodist University in 1969 with a Bachelor of Arts degree in economics. After serving in the U.S. Air Force, he graduated from The Wharton School of the University of Pennsylvania with a Master of Business Administration degree in finance.*
- *Jack W. Plunket is the CEO of Plunket Research, Ltd., a Houston-based company that provides market research and industry information to corporate, library, academic and government markets around the world. He is the author and editor of more than 30 books. He also has been recognized as a finalist in the "Entrepreneur of the Year" competition sponsored by Ernst & Young.*
- *Garry E. Meier is the founder and chairman of Ephor Group, an advisory firm based in Houston that focuses exclusively on business-to-business mid-market technology and service providers ranging from entrepreneurs seeking fast growth to emerging enterprises looking to carve out a new niche in their industry. With more than 34 years of experience, Meier is well known as an industry thought leader and speaker on many topics, including strategic effectiveness, outsourcing, useful capital, institutional capital, economic trends and performance improvement.*

Key Takeaways from the Q&A:

Q: When do you cross the chasm between needing advisors and need a formal Board of Directors?

A: When you are funded. When a company has more than 1-2 shareholders then a board is needed. - Dennis Murphree

Q: What is the most common board structure?

A: Two board members from the investors, two from the founders, and one independent board director agreed upon by all. - Dennis Murphree

Q: What is the best way to become a good board member?

A: The best way to become a good board member is to service on your favorite board. Could be a non-profit or something that you have a passion for. - Jack Plunkett

Q: What is the typical compensation for advisors pre investment?

A: The structure assuming no capital need is typically a small amount of equity and \$500 to \$1,000 per meeting for small emerging companies. - Jack Plunkett

Success is not final, failure is not fatal: it is the courage to continue that counts.

Winston Churchill

Q: What is the single biggest gap for founder CEO's and why they need outside advisors?

A: Assuming there is no capital need, then first look at where the gap is in the business between where it is today and where it needs to be in the future. Most commonly that gap is either where your market and buyers are headed i.e. product management and product marketing, so therefore the most common need is the CMO (Chief Marketing Officer). The second most common gap would be for business development as it relates to corporate development, M&A, and later stage alliances and acquisitions. Keep in mind the goal is to populate the board to satisfy and enhance the success factors of the company. - Dennis Murphree

**"Never give in — never, never, never, never,  
in nothing great or small, large or petty,  
never give in except to convictions of honour  
and good sense."**

- Winston Churchill  
PissOffTheLeft.com

Q: What are the attributes of a good chairman?

A: Independent from the CEO. Experienced in the industry and domain. - Garry E. Meier

Q: How do you ensure board members or advisors get the information they need?

A: They need to deal with the key people in the business on a regular, routine basis. "Management by walking around" is a powerful ally. - Dennis Murphree

Q: After decades of experience, what advice would you give a founder CEO?

A: From Newt Hamlin: Pick the best partners and people that you can as it all flows from the senior management team. Success depends on your selection of the people around you. Choose competent advisors that critically understand your business. Have an agreement in place with them and ensure regular, strong communication and goals and constituent alignment from top to bottom. Sometimes the best advisors are the ones that are really engaged on a personal level. Do not compromise on objectivity in the advisors. - *Newt Hamlin*

A: From Dennis Murphree: Just like golf; a valuable caddy can make all the difference. And also, these pieces of advice from Winston Churchill:

- "Success is going from failure to failures with no loss of enthusiasm."
- "Never, Never, Never. Give up."

A: From Jack Plunkett: Advisors are needed early, starting during the boot strapped stage; Put in writing what you expect from your team and board members and set expectations and provide feedback.

Q: As a small cash strapped business where do I start? What can I do to bridge the gap?

A: Find an interested advisor to work on a part-time basis. Set up clear expectations, roles, responsibilities, and communication routines.



Joining TeXchange: Please fill out the registration form below.

- Annual Membership Fee for Founding Members: \$140 per year & per meeting of \$25.00 (price of dinner!). Guests fee is \$35.00 per dinner event. Non-members may attend up to two events per year.

Preferred Method of Payment:

- Credit Card  Check (please staple check)  
 Type:            MC      Visa      AE  
 #: \_\_\_\_\_  
 CVV Code: \_\_\_\_\_  
 Expiration: \_\_\_\_\_

Contact Details: Please fill in the blanks below and staple a business card.

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
 Company: \_\_\_\_\_ Email: \_\_\_\_\_  
 Address: \_\_\_\_\_ Phone: \_\_\_\_\_

Which of the following best describes you? (Check one)

- CEO/ President  Investor / Advisor  Other: \_\_\_\_\_
- Entrepreneur  Service Provider

What are your primary interests? (Check all that apply)

- Strategy & The "New Economy"
- Go-To-Market, Revenues, & Sales
- Operational Effectiveness
- Capital and Banking/Financial
- Knowledge & Learning
- Management Best Practices
- Leadership
- Useful and Effective advisors
- Other: \_\_\_\_\_



## TeXchange Houston Chapter Announces 2011 Curriculum for Technology Executives

**WHO:** The Houston Chapter of Technology Entrepreneurs' Exchange, ([www.TeXchange.org](http://www.TeXchange.org)) is a non-profit organization focused on providing Houston entrepreneurs and executives engaged in technology-oriented businesses with an open forum for networking, learning and the open exchange of ideas. TeXchange provides a relevant network of local and regional business leaders who interact at a series of learning oriented events and seminars for continuing business education. TeXchange also has chapters in Austin and Dallas.

Additional information about TeXchange's Board of Directors and sponsors is available at [www.TeXchange.org](http://www.TeXchange.org).

**WHAT:** The Houston Chapter of TeXchange has developed a full curriculum of seminars and events for 2011. Each seminar features successful executives and industry experts who serve as speakers and/or panelists on emerging business issues, management, growth and expansion, and financial topics. All TeXchange events are open to members and non-members guests.

The event fee, which includes dinner, is \$25 for TeXchange members and \$35 for non-members. Speaker and panelist information will be announced four to six weeks in advance of seminars via the TeXchange Web site at [www.TeXchange.org](http://www.TeXchange.org).

**WHEN:** All TeXchange events are hosted from 6:00 to 8:30 P.M. Central Time on Thursday evenings with the following schedule of activities:

6:00 p.m. - Networking and Cocktail Reception  
6:30 p.m. - Program and Dinner  
7:30 p.m. - Table Discussions, Presentations and Q&A Session  
8:20 p.m. - Closing Comments

**WHERE:** All TeXchange events will be hosted at the Briar Club:  
2603 Timmons Lane  
Houston, Texas 77027

**MEDIA CONTACT:**  
Laura Pennino for TeXchange  
281-286-9398 Ext. 1 office; 713-419-1776 mobile  
[lp@penninoandpartners.com](mailto:lp@penninoandpartners.com)

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# 2011 Overview for Houston Chapter of TeXchange



## Houston TeXchange Mission

*“To provide a relevant resource and knowledge network to enable executives of technology businesses in the creation of wealth and shareholder value by building sustainable business models.”*

## Who We Are

- The Houston Chapter of Technology Executive Exchange (also known as TeXchange) is part of the statewide non-profit 501 (c)(3) member-based organization that **supports the economic growth and prosperity of technology companies in the greater Houston area.**
  - *Through a series of dinner seminar sessions, technology executives and community leaders exchange, learn and get the “cliff notes” on how to adapt to today’s biggest management challenges.*
    - TeXchange also operates chapters in Dallas and Houston.
- Members are technology business leaders, executives and entrepreneurs, financial sponsors and key supporting organizations.
  - Member companies have generated annual revenues of greater than \$1 million.

# Who We Are: Leadership

## Houston Chapter Board

- Chairman - Garry E. Meier, Founder and Chairman, [Ephor Group](#)
- President - Jeff Brown, Vice President, [Corum Group](#)
- Treasurer - Mike Goodwin, Co-Founder Technology Entrepreneur's Exchange
- Secretary - Charles Bedard, Growth Practice Leader, [Ephor Group](#)
- Events Chair, Mike Eyre, Founder [Apollo Sales & Marketing Group](#)
- Technology Chair – Mark Leary, Founder [Serenity Systems Inc.](#)
- Marketing and Public Relations – Laura Pennino, founder and chief executive officer, [Pennino and Partners](#)

## Table Leaders

- Mike Patton
- John Yonkers
- Scott Clingan
- Paul Schatz
- Keith Frazier

## Sponsors

Apollo Sales & Marketing Group LLC  
[www.apollosmg.com](http://www.apollosmg.com)

Oracle  
[www.oracle.com](http://www.oracle.com)

Aventine Hill Partners Inc  
[www.aventinehillinc.com](http://www.aventinehillinc.com)

PKF Texas  
[www.pkftexas.com](http://www.pkftexas.com)

Ephor Group LLC  
[www.ephorgroup.com](http://www.ephorgroup.com)

Weaver LLP  
[www.weaverllp.com/](http://www.weaverllp.com/)

Fizer, Beck, Webster, Bentley &  
Scroggins  
[www.fizerbeck.com](http://www.fizerbeck.com)

## Houston TeXchange 2010 & 2011 Sponsors



a professional corporation



## What We Do

- For 2010-2011, the Houston Chapter of TeXchange launched a series of dinner seminars with speakers focused on business growth and profitability.
- The content of all seminars is a synthesis of information, strategies and experiences that equip TeXchange members to adapt their current business to market conditions while also preparing for effective expansion. Members receive a comprehensive recap of seminar “takeaways and lessons learned” within a few business days of the dinner seminar.
  - Through an “**exchange**” and dialog with seminar leaders and small group roundtable discussions, members and guests gain access to lessons learned and anecdotal information that can be applied to their own business operations.
  - Each dinner meeting is hosted at The Briar Club in Houston and features distinguished speakers and presenters with enviable credentials; in-depth table discussions that are facilitated by table leaders; and a question and answer session with the guest speakers.

## Why We're Unique

- TeXchange focuses on technology-centric businesses and their leaders who want to learn, evolve, contribute to the local economy, and create wealth for themselves and their stakeholders.
  - What makes TeXchange unique is our audience demographics, our **curriculum of seminars that address current management issues** and challenges, and our approach to delivering high value to our members.
  - Members pay an annual fee of only \$140 and reasonable dinner seminar charges (\$25 for members; \$35 for guests).
  - TeXchange complements and aligns with other Houston area organizations focused on technology entrepreneurship and economic development.

# Houston TeXchange Curriculum

Houston TeXchange curriculum for 2010 & 2011:

- **Business Model Reengineering: The Playbook for Success in the New Economy:** Terry Peltis, National Managing Partner Tatum October 20<sup>th</sup>
- **Strategies for Growth in 2011:** Rob Solomon, CEO & Founder Bulldog Solutions December 2<sup>nd</sup>
- **Growth Options & Expansion Capabilities:** Panel Speakers: Jack Barry Sr., Bill Leake, & Houston Lane, February 24<sup>th</sup>, 2011
- **Financial & Expense Management:** March 31<sup>st</sup>, 2011
- **Governance, Risks Management, & Perspectives:** May 12<sup>th</sup>, 2011
- **Management Effectiveness:** July 21<sup>st</sup>, 2011
- **Leadership & People Effectiveness:** September 15<sup>th</sup>, 2011
- **Useful Capital Financing:** November 10<sup>th</sup>, 2011

## Why We Matter – Benefits to Members

- TeXchange offers members an “inner circle” of advisors and peers that fosters trust, candor and open communication through the dinner seminar experience.
- TeXchange’s dinner seminars and in-depth, small group discussions for members and their invited guests provide a unique platform that delivers these benefits:
  - improved learning
  - better absorption and execution of new approaches and strategies for continuous business improvement and corporate financial performance, networking and exchanging ideas and solutions with like-minded business owners and executives
  - the sharing of values and philosophies

## Vision for the Houston Chapter

- TeXchange is critical to the **economic growth and prosperity** of the Houston business community.
  - We are likely to create additional in-depth events or “special interest groups” to enable members to deepen their knowledge base and achieve even greater value from their participation.

## Key Contacts

- **MEMBERS AND GUESTS**

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- **MEDIA**

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