

Members, sponsors, friends and colleagues:

We are very pleased to present this summary recap from our July event titled "*Management Effectiveness.*" 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 last two events which are detailed below. Since we are approximately 75% 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 and membership candidates 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 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
713.401.9647

Upcoming Events

Topic: **"Leadership Effectiveness"**
Date: Thursday, September 15th, 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.

Leadership effectiveness is the cornerstone of any successful business.

This seminar will discuss leadership skills as well as effectiveness. The panelists will present tips on making sure that investors believe in the integrity and abilities of a company's employees, as well as tips on measuring progress and success in leadership skills.

Panelists will address the following questions:

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

Topic: **"Useful Capital & Financing"**
Date: Thursday November 10, 2011

Finding and working with "Useful Capital Partners."

This seminar will present information on financing options, including how to identify "Useful Capital" providers and tips on ways that boards or advisors can be helpful when considering financing options.

Panelists will address the following questions:

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

Management Effectiveness Recap Summary

July 21st 2011

This dinner seminar focused on being an effective manager, implementing management best practices and tackled management issues ranging from communicating strategy and vision, to creating effective teams, as well as discussion around appropriate measurement and metrics for businesses depending upon size, complexity, scope, etc.. As usual, there was much disagreement and discussion; topically the discussions focused on defining/communicating strategy and creating the best teams and how to deal with sourcing/firings/training along the way.

Panel Remarks Recap:

Question: *Can your constituents describe your business strategy in a Twitter moment?*

- The most important thing is to hire the right team, foster open and honest communication rhythms and routines, and get the right people working in the right direction.
- Customers will give you plenty of "strategies" and even help you define your strategy via Twitter.
- Strategy is about getting the entire team "on the bus"; moving forward. Remove people from the bus as needed; "you never fire anyone too soon."
- Vision and mission should be known by all, but more important for team members to be bought into solving the customers' needs, and providing great customer service.

Question: *Do your measurements mirror your business strategy?*

- Yes, as a CEO you have to know all the scale, operational, labor measurements intuitively for your business.
- #1 we measure revenue, #2 revenue versus expenses. We measure all key determinants that drive and impact revenues.
- Yes, we follow many examples from "Good to Great." And yes, we manage according to our measures and metrics.
- We follow the "Qualities of Right Theory"; we put the right people, in the right job, at the right time.



	ix
	xiii
1: Good Is the Enemy of Great	1
2: Level 5 Leadership	17
3: First Who . . . Then What	41
4: Confront the Brutal Facts (Yet Never Lose Faith)	65
5: The Hedgehog Concept (Simplicity within the Three Circles)	90
6: A Culture of Discipline	120
7: Technology Accelerators	144
8: The Flywheel and the Doom Loop	164
9: From Good to Great to Built to Last	188

Question: *What instructions does your management and financial reporting process provide you?*

- What gets measured gets done.
- It's easy to evaluate people when you have metrics.
- We measure operations through threshold, constraints and benchmarks.
- We measure churn and we ask why! We ask ourselves what information we expect from our metrics all the time.
- "Unit of 1 Economics"; i.e. we know and measure the business based on one unit of sales, one unit or labor, etc..
- We measure revenues by channel source (big believer in alternative distribution, aka having both direct and indirect channels).

Q: How do you manage social media?

A: Enterprises must use tools to monitor Twitter and other social media commentary. -Garry Meier

A: First of all, it is certainly a new dimension and one you have to measure as an enterprise class company. We use monitoring tools and then have assigned people to respond. It helps us stem issues, learn, and proactively manage customer service. - Gray Hall

Q: How do you manage the need for talent that you cannot afford?

A: First, we complete annual stack rankings of all employees and then can use that to document performance and create incentive and/or other performance plans as needed. Then we leverage equity and non-monetary rewards. Also, we look to "go young" in order to get more effort for our dollars. - Chris Melson

Q: How do you use culture?

A: I teach a "culture class" to all new employees as part of their onboarding. - Chris Melson

A: Culture drives our success. Our strategy is to provide the BEST customer service. Culture drives refecnes, brand recognition. - Chris Melson

A: Treat employees like owners and they will act like owners. - Gray Hall

Q: What is the perfect size of a team?

A: Taking a page from Bill gates' playbook, first define what resources are needed to get the job done and then the ideal team size is that many resources minus one team member.

- Team Resource Capacity formula = defined # of team members based on measurement and metrics minus one team member. A great team will still ensure everything gets done. - Chris Melson

Event Speaker Panelists Backgrounds for May 11th :

Gray Hall is a veteran of the IT managed services industry. Prior to joining Alert Logic as CEO, Gray co-founded VeriCenter in 1999 and served as President and CEO until its successful sale to SunGard Data Systems in 2007. VeriCenter was among the first enterprise managed hosting providers in the U.S. market. Gray led VeriCenter from its start-up through 28 consecutive quarters of growth to \$80 million in annual hosting revenue. After selling VeriCenter, Gray was an Executive-in-Residence at Fidelity Equity Partners, a \$500 million middle-market buyout fund backed by Fidelity Investments. Prior to VeriCenter, Gray's experience includes seven years with IBM, where he led the formation and launch of IBM's Center for Scalable Computing Solutions in 1994, and several years in the venture capital industry including serving as Managing Director of Broadband Venture Partners, LLC and various roles with a number of early-stage IT hardware and software start-ups.

Chris Melson Chris has more than 26 years experience in the high technology and computer markets, including large, medium, and start-up organizations. He was the founding CEO of Augmentix Corporation, a 2003 start-up. Chris raised a total of \$15M in venture capital, partnering with Austin Ventures, Centennial Ventures, and G51. Augmentix was acquired by Entorian Technologies in 2007. In 2007, Chris became the CEO of Vendor Safe Technologies, a company providing PCI-DSS network and payment card security services to thousands of merchants throughout North America. Chris has led all facets of complex operations in both start-up and turnaround situations. He is a skilled strategist in developing and implementing successful long-range growth plans and product/marketing strategies, controlling costs, and improving productivity in struggling markets. Chris creates a work environment of cooperation and employee involvement. He has negotiated multi-million dollar contracts with a variety of Fortune 100 applied-computing companies, including Siemens Medical, Phillips Medical, AMC, Avaya, Intel and the United States Armed Forces (Navy, Army, Air Force and Marine Corps).

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.

In conclusion:

- *Measure and monitor what you want the business to be achieving.*
- *Set expectations of people and manage to those expectations: do not accept mediocrity!*
- *Fire quickly; hire carefully.*
- *Treat key individuals as owners and they will act like owners.*
- *Ensure the culture supports the business strategies and objectives.*
- *Have a management process and adhere to it in a consistent manner.*



a professional corporation



Joining TeXchange Membership Application:

- 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.

Please fill out the registration form below.

Preferred Method of Payment:

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

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)

- | | |
|--|--|
| <input type="checkbox"/> Strategy & The "New Economy" | <input type="checkbox"/> Knowledge & Learning |
| <input type="checkbox"/> Go-To-Market, Revenues, & Sales | <input type="checkbox"/> Management Best Practices |
| <input type="checkbox"/> Operational Effectiveness | <input type="checkbox"/> Leadership |
| <input type="checkbox"/> Capital and Banking/Financial | <input type="checkbox"/> Useful and Effective advisors |
| | <input type="checkbox"/> Other: _____ |

Membership contact: Charles Bedard, 713.401.9643 cell, houstonmembership@texchange.org , 24 E. Greenway Plaza Suite 440, Houston, TX 77046.

TeXchange Houston Chapter Announces 2011 Curriculum for Technology Executives

WHO: The Houston Chapter of Technology Entrepreneurs' Exchange, (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.

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.

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



a professional corporation

