

Supply Chain Management and Professional Services Solutions



Andres Ruzo - CEO

LinkAmerica is a high-growth supply chain management and professional services solutions provider to network service providers, enterprise operators/users and their supply chains.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: *Mr. Ruzo, what is the concept at LinkAmerica?*

Mr. Ruzo: The concept of LinkAmerica; we are an end to end service solution company. We primarily work with large carriers to provide service support and service delivery solutions to them in the areas of logistics, warehouse management, rack and stack and managed services.

CEOCFO: *What do you understand about those processes that allow your solutions to be better, faster, cheaper and easier?*

Mr. Ruzo: that is a good question. We try to develop solutions based on a concept called "value co-creation". Our value model uses three things to drive processes: collaboration, innovation and value co-creation. That is the mantra for our company. One of the things that we do for customers or clients are to constantly try to co-create value, as we utilize technology and innovation to drive new processes. Our goal is to drive cost out of their business operational life cycle. Another goal is to bring incremental sales through us to improve their top revenue. And as a result of one or both, we bring

their net profit up. Therefore, if we do one of the first two we increase profit. If we do two of the two we increase profit. The big challenge really is how to add value to the supply chain, how to bring innovation and new ways of looking at things and challenge existing methods and procedures and processes, so that you can become very flexible, very fast and very fluid as business changes and transforms. In the past companies, the life cycle of a product used to be fifteen to twenty years for a big switch. Now, we are talking about nine months from start to finish. Look at iPhone 4, iPhone 5. Every nine months they are reinventing the whole thing and obsoleting the previous technology. Therefore, you have to be fast, flexible and fluid to stay ahead, to be proactive and to really ride the technology waves... a constant process of virtuous transformation. Then, pick another wave that is a winner and ride that wave by creating innovation and value. That is the constant life cycle that we have to do with our customers; always questioning ourselves as to what value add we can bring and what high impact we can bring. That is because we are fast, flexible and fluid, because we are small. We are a little, bitty company. We work with large carriers. Therefore, how can we best impact in driving cost out and incremental sales up? Is the right question.

CEOCFO: *What is the competitive landscape?*

Mr. Ruzo: It is interesting. There is lots of competition. That is because everyone wants to be a main supplier of these large organizations. The bigger the customers the more people focus their attention on them. Therefore, it is a challenging question. The competition is there. However, we try to change the conversation to high value. We are a minority business organization, so that opens doors. However, besides the minority business organization, what we are is high value. Therefore, we try to change the conversation to bring innovation through technology, through processes, through people, that enables us to really say, "If you come with us and we journey together in this value co-creation journey, we can really succeed together." That is because; basically you are going to be paying me out of the cost savings that I am getting for you. We are going to be creating a new opportunity that brings incremental revenue to you. Therefore, by working together we are driving costs and we are bringing incremental sales. I think that model of high value, high impact, is what keeps us ahead of the competition in terms of what we are trying to propose.

CEOCFO: *Is it easy to get in? Do companies listen or is it a challenge to reach potential customers?*

Mr. Ruzo: The sales to any new customer - is a tough proposition. I am a very "hurry up and do it" type of guy. However, what I see is that when you work with large organizations; Fortune 2000s and Fortune 1000s, the cycles are long, like two years or three years. However, the good news is that once you get into that machine and it starts cranking up then the volumes come. That has been our success. We were able to latch into that machine, bring a lot of value and then the

volumes take care of the rest. That is because, everything you do has huge scale, huge scope and not a lot of speed, but that is what we add. We add the speed to the scale, to the scope and then we can be driving innovation because we are small guys. We see things bottoms up. We do not look at things top down. When you look at these huge organizations, they are constantly looking at things top down. In some cases they are even disconnected with what really happens in the field. We try to connect the dots and link to that connection and find out ways to use technology to make it much simpler to bring real time information and processes and procedures.

CEOCFO: *Would you give us a concrete example of an engagement with a client? What the challenge and what you were able to accomplish for them?*

Mr. Ruzo: there are several. One case is with a large carrier that they had an issue and we came up with an out of the box solution. They had to drop their cost down for design services, because they had fixed costs on people and on engineering resources that were waiting for projects to come. They were also working with multiple oems; multiple technologies and manufacturers. It is like having a car repair shop. That is a close analogy. Therefore, we said, "they needed to do design services for six technologies." Let us say they needed to do the repair work for six different cars. They need to do repair work for Toyota, Lexus and ford. However, all of the cars have four wheels. All of them have an engine. All have a carburetor or fuel injection. All of them have a steering wheel. Therefore, if you connect the dots, the same mechanic can fix any brand of car, because they are very similar. In today's technology world (it world) everything is IP. It is very simple. They are very similar. They do the same thing as they transport packets from one computer to another mobile phone. Therefore, if you are a mechanic for one technology, if trained, you can be a mechanic for all six. Case and point, we took one hundred people and then they brought it down to fifty people and they could not bring it down to less than that. They had people who specialize in Lexus, Toyota and Fords; ten in Lexus, five in Toyota and twenty in Ford. We said, "no, no, no. With eleven or twelve people I can replace and cross train all of my engineers to do all six technologies, all six cars and do it in a factory type mode. Therefore, if a Lexus comes we will fix the Lexus, if ford comes we will do ford, if something else comes we will do that. To us, by doing that, we created centers in Costa Rica and Colombia to support that. Now we have five different centers that do that, we provide the technical value add with certifications and total bilingual support... and again, driving cost out.

As we drove cost out of the operation by providing a variable model, so we flow with the flow with their sales and the specific scale and requirements of the designs. It has been a total success. We have been running these centers for five years. A total success.

CEOCFO: *Why Colombia? I have heard Costa Rica mentioned often not Colombia?*

Mr. Ruzo: We chose Colombia, because it is ten times larger than Costa Rica. We chose Colombia, because it is very safe now. It has incredible engineers and incredible technical people. The labor pool is really high and they have very good ethics and are very capable. They get it, they want it and they are capable.

CEOCFO: *Do many of the companies that you work with take advantage of the full range of your services? Do they tend to pick and choose and perhaps come back again and again?*

Mr. Ruzo: yes, they do. We do not want to be everything to everyone. We try to be very tailored and go deep in relationships. Therefore, when we engage with a company we look for partnerships, because in the value co-creation model that is how you succeed. You do not have all of the answers and you cannot do everything. Therefore, you partner with people that enable you to do an end to end solution. Therefore, it is about solutions. It is not about selling boxes or selling phones or selling computers. All of that is commoditized. Everything is becoming a commodity when it is physical. The model is: what services you can bring "end to end". What solutions can you bring? You see that in education solutions that you can bring to connect kids in their home to their homework, so that they can have after school access to their information. Provide a laptop, a tablet or some kind of a device that enables them to connect and do their homework at home, through an iPad in a school owned and protected network. Here, I am not thinking about selling them the iPad. I am thinking about providing a total solution to connect them. That because, the iPad, the base stations and the wireless network that you are going to build, is just a physical and logical enabler that brings content to the user. Therefore, we are trying to move from just moving physical products - to providing end to end solutions to bridge the 21st century digital divide.

CEOCFO: *What surprised you as the business has grown and developed?*

Mr. Ruzo: I am surprised every day – I live in awe. I am surprised, because things change so fast that you have to constantly be on your toes. It does not matter if you have a two or three year contract. You turn around and here we are in march. I just closed 2013 and we are already twenty percent into 2014! It is moving so quickly that, really, my attitude is, I cannot have a rear view mirror. I am like a race car driver. Race cars do not have rear view mirrors. Pilots cannot turn to look; they just look forward towards where they need to drive. This concept also demands to have a discipline with your executive team. That is because you have to move everyone at your speed. Everyone has to move at your speed, because it is difficult to stay ahead, when you stay moving at high velocity. However, if you do not do that, if you are constantly trying to look back and look back, you will not be able to move as needed and as fast as the business

challenges come. Therefore yes, I live with constant surprises. At the end of the day, it is about people, technology and processes. That is what I used to say before. Now, I am saying that it is about people and technology, because the process is imbedded into the technology.

It is amazing the amount of data that we have. When they talk about big data, it means many different things to different people. However, it is just amazing the terabytes and petabytes of information that we create on a daily basis, globally! There is so much information out there. It is more about how to make them meaningful and process it and bringing it to a specific tactical and strategic added solution short term, which enables you to bring value. That is the total gist of it; bringing high value.

CEOCFO: *How is business these days?*

Mr. Ruzo: It is great! We are doing fantastic! We have had the best two months of our history and we have had very rapid growth. We have grown about five thousand three hundred percent in five years. The last two months were huge!

CEOCFO: *How do you keep up? How do you address some of the challenges of a fast growing company?*

Mr. Ruzo: You have to stay ahead. You have to rely on people. You have to learn to delegate. You have to have strong leaders; strong executives that get it, that want it and that are capable. Therefore, GWC: do you get it, do you want it, are you capable. You have to be fluid. You have to reinvent yourself. You have to think like an immigrant. I am an immigrant. Immigrants do not take anything for granted. I do not take anything for granted, even now. We drive. We drive to constantly renovate. The question that keeps me up at night is, "How much value do I bring to my customers" or "what other value can I bring to my customers."

"You have to be fast, flexible and fluid to stay ahead, to be proactive and to really ride the technology waves... a constant process of virtuous transformation... My faith has been my shield and my sword throughout my entrepreneurial - up and down journey." - Andres Ruzo

CEOCFO: *Why is LinkAmerica an exceptional company?*

Mr. Ruzo: that is a good question. The exceptional piece does not only come from the rapid growth. I know that that is meaningful in the U.S. for other CEOs and CFOs and your readership. I think what is exceptional and what we are trying to build in LinkAmerica is a culture; a DNA. We are - DNA not only focused on bringing stockholder value, we focus on maximizing stakeholders' value. We place very much emphasis on not only developing the revenues and the profits of the company, but also developing the people; a lot of emphasis in developing the people, developing the "can do" attitude, developing training and educating the people. That is because, for us, it is more on the service side. That is why we are focusing in services. The physical piece, the gadget, the laptop, are becoming a commodity. The services side is where you can differentiate yourself and bring the skill sets that enable large customers to really take advantage of your infrastructure with your speed, your scope and your scale. Everything that we do we got to think in large scale. We cannot just think in Dallas, not even Texas. We have to think us. We have to think the Americas. That is why the name of my company is LinkAmerica. We think about the Americas. We want to be a positive agent of change for the Americas. Therefore, back to the question, what makes us exceptional; we embrace and thrive with our core values. We are doing the Rockefeller habits with my company. Transparency is a core value for us. It is very important that we are transparent; not only to the customer, but for our employees. Another is the extra mile; under promise and over deliver. In every relationship that we touch, we want to under promise and over deliver. Again, it is about the culture that we are building. It starts with the culture. Once you have that and a tight ship, you can run and really conquer anything. We feel that that is critical. On the personal side, on my side as a spiritual person, it is my faith. My faith has been my shield and my sword throughout my entrepreneurial - up and down journey. Activating change wherever you go is not easy. People look at me and they say, "he has an accent", how can he be successful? It is not easy, the answer is inward, and that is what I call my "why". Being an entrepreneur is really complicated. If you are born for it and if that is your purpose and your "why", then you flow with passion and always find your north. However, entrepreneurship is not for everyone. That is because you have to take risks and constantly drive or embrace change, you have to go the extra mile and you are always connected – always on. If you learn to dance with that type of life, which I do, you do not actually separate - work from social, from life and from family. You flow and I am in a space where I am pretty good at it! I am flowing with life!

BIO: Andres Ruzo is the Founder of LinkAmerica. Born and raised in Lima, Peru, Andres came to the United States in 1980 and earned an engineering degree at Texas A&M University. Andres founded LinkAmerica in 1994 as a firm that sold refurbished equipment within the communications industry.



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