

Comprehensive and Inclusive Full Service IT



Delcie David Bean IV
CEO

About Paragus Strategic IT

Our mission is to develop an innovative, fun and growing company whose employees are committed to delivering an exceptional customer experience and enhancing the role of IT through strategic, proactive, and cost-effective solutions.

We partner exclusively with likeminded organizations who share our vision of IT as an investment, not an expense.

Originally founded in 2002 under the name Vertical Horizons, Paragus has existed in the Pioneer Valley for over 12 years. Currently employing close to 40 full-time staff, Paragus has grown to be the largest outsourced IT firm in the Western Mass region. Its growth has also made it the 2nd fastest growing privately owned business in Hampden and Hampshire County, the 2nd fastest growing IT firm in all of New England, and the 1349th fastest growing small business in the United States. Founded on a principal of creating opportunities for its staff, its clients and its community, Paragus has become a household name in the Valley. Each year they donate anywhere from 4%-6% of their gross sales to charitable causes in the region and its staff volunteer 100+ hours each year.

In March of 2011 when Valley ComputerWorks became Paragus Strategic IT, a decision was made to shut down both the residential services and outside projects division of the company. This bold move allowed Paragus to focus 100% of its energy on providing the very best service for the clients who had contracted with them to be their full service IT firm. This laser focus and unique business model allows Paragus to do several things its competitors simply cannot:

- Guaranteed response times – usually measured in minutes not hours or days
- Dedicated account team – 3 person team assigned to each account to create efficiency and personalization
- Private number and email for every client – allows for instant support directly from their dedicated team
- Best customer service and retention rating in the Valley
- Grow larger – providing more expertise, resources and experience to each client

Paragus has strong strategic partnerships with Microsoft, Dell, Hewlett Packard, EMC, ShoreTel, Cisco, IBM, Lenovo, Rukus, SonicWall, VMware, and many other best in breed technology brands.

Our service includes three levels of IT support and strategy:

Tier 1 – Superior, friendly, and personalized help desk support including break-fix, troubleshooting and installation. Provided remotely, over the phone, or in person.

Tier 2 – Monitoring and maintenance. We monitor 100% of our client's networks for unusual activity. We proactively patch software and hardware, and collect volumes of data about our client's infrastructure that is automatically analyzed and assessed for any potential issues that could be prevented before they manifest.

Tier 3 – This is where Paragus separates itself from the competition. By working with key leadership within our client's organization, we create a long term technology plan that allows us to understand where the business is headed and how our day to day solutions should be aligned with that. This reduces short term thinking that leads to spending that is never fully capitalized on due to a change in direction.

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

CEOCFO: Mr. Bean, your website says "IT done right." How so?

Mr. Bean: In 2011, we made the very conscious decision to shut down two of the divisions of our company that many of our competitors still have, which are residential consumer end work as well as the project work, which is something that many companies have a huge portion of budget attributed to. The problem with doing that is it is very hard to offer consistency to your clients. If you do not know where your work is coming from month to month and you do not know what is going to come up until the phones ring, you end up spending whatever resources are available when the first call comes in to that call and the next and so on. What happens is when your traditional customer calls, the person is not there to

answer the phone, because they are assigned to some other project. We made the conscious decision to not accept any of that work and to instead, only work with clients who are going to put us on a long term retainer to just be their consistent, ongoing IT company. This allows us to assign a team to that account, have the same people work with them day in and day out, have consistent solutions that are focused on both long term and short term objectives, and just deliver a more comprehensive and inclusive package to the customer.

CEOCFO: Are you a bit ahead of the game at that point?

Mr. Bean: We are. We were when we did it and I think in some ways we still are and that much of our competition still has its model guide at least locally. Nationally, you are seeing more and more firms trending in that direction, but locally that is still kind of an anomaly, to not take a project. When the University of Massachusetts calls and says, "Here is a 20k dollar project, do you want it?" The exception is the fact that we would say no to that.

CEOCFO: What is the geography that you serve?

Mr. Bean: We serve from Brattleboro, Vermont to Harford, Connecticut, that I-91 interstate corridor.

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CEOCFO: Do you find that there are certain traits in the northeast population that affects your service? What are the types of companies that you are serving and what are the expectations, given the culture of the area?

Mr. Bean: It is one of the reasons that we like being in western Mass. New York and Boston move at a very fast pace and it is often such a fast pace that it is hard to enjoy the work. What you are really enjoying more is the craziness and chaos because there really is not enough time to get into the work at the detail that we like to get into it. On the other side, we have done work in places like the Berkshires and we have done a little bit of work for some clients further south, and they moved too slow, where we felt like there was no sense of urgency, everything was like a "waiting to see how things go" kind of mentality. What we like about Western Mass is it seems to be this right balance; we are right in the middle physically between Hartford, Connecticut, New York and Boston. We are right in this little vortex of those three major cities. In that little area, we get the influence from those cities, so we definitely have pressure to move, but we also have a different, more relaxed way of life. One of the cities that I found that is somewhat comparable is Denver, Colorado, where it seems like the right place; it is very comfortable, not too slow or too fast. It has been good for us and we enjoy being here.

CEOCFO: What types of companies are using your services?

Mr. Bean: From a size standpoint, it is pretty diverse. We have clients with as few as five employees and we have clients with as many as 3000 employees. From an industry standpoint, our major verticals are medical, which is probably 30% of our business, manufacturing is a big piece, nonprofit is a big piece, and then there is what we call professional services, so accounting, insurance and financial.

CEOCFO: Virtually all of those areas have regulatory issues. How do you keep up with what you need to know, to be of best service for your clients?

Mr. Bean: In terms of keeping our knowledge up to date, I would say the regulatory is the least amount of pressure that we feel because the regulatory body moves so slowly. The bigger challenge is because they do not keep up to date, it is about adapting today's technology to the standards that were created a couple years ago and trying to figure out if something is technically compliant or in order with what they were trying to say back then when that was the technology that existed. That is actually one of our bigger challenges, but certainly, because we are in IT we have a ton a pressure to keep up with the industry and keep up with everything going on. On one hand, we hire techs who passionately love technology, read magazines, blogs and hang out and do these things in their personal time and it is a big part of their lives. On the other hand, we go to a ton of tech conferences, so at any given week, there is at least one person at some tech conference somewhere in the country learning about some new products and new vendors. We invite vendors into our company to do presentations here. The company subscribes to several organizations including Microsoft and we just try to stay in touch with the greater technical community, so there are couple of resource membership groups we are part of where we can swap ideas and hear about new innovation. There are many different things you have to do in order to do it well. The other benefit is that we have 150 clients, so we get to learn what works, what is not working and what one company is doing that is innovative and cool and how that might help one of our other clients.

CEOCFO: How do you evaluate new technologies?

Mr. Bean: It is a challenge and it is a challenge across our entire company of where that balance is between geek and business, because at the end of the day, our clients are business people. They are running companies and what they

need are solutions to business problems, not solutions to technical problems. We have to ingrain that in much of our trainings, development, and much of even our hiring and recruiting is finding people who can do those things. Then we have to have senior level managers who come from business backgrounds. These are people who really get business, understand profit and loss, can read a balance sheet, can understand a budget, but can also appreciate some of the nuances of running a small business and what some of those challenges look like. All of our clients with exception of one are a small business, by the definition. We have to be able to relate to that. When it comes to evaluating technology, the questions we always have to ask are what problem this is solving for the customer, what the value is of that solution to the customer, and if we can sell the product at the value or less than the value in a way that will make us money. If all those things can be true, if there is a technology that will solve our problem at a value that is equal or greater to the cost that we can profit off, then it is a great product and we will try to bring it to market. If it is technically sound and it meets all the other criteria, that is when the geeks get involved, but from a business standpoint, it is all about insuring that we are not just bringing more chaos or noise, but that we are bringing solutions. If we are bringing solutions, they sell very well.

CEOCFO: *Are there particular areas that you find many of your customers do not pay attention where they should?*

Mr. Bean: There are couple of specific things, but the overall thing that we struggle with are clients that still view IT as an expense; a necessary evil. They think of IT as a line item in the budget like rent and electricity that you have to spend but will spend as little as you can get away with spending, it is just part of running a business. That mentality is dangerous because IT plays such a prevalent role in today's business and it has so many potential solutions encompassed in it if it is used right. What we are really looking to do, and this speaks a little to the area we are in, is educate our business owners and clients about reevaluating the way they approach IT. That is to think of it as an IT investment; something that they are investing money into with an expectation of solving some problem, netting some kind of ROI. Sometimes those ROIs are clearly measureable and go straight to the bottom line. However, there are times when they are more soft, like improving employee retention or increasing customer satisfaction. There are many different ways we can look at it but the goal is to get them to look at IT as something that they invest in to get something out. The more we can get them to think of it like that and less like a necessary expense that is just part of their business that changes the whole conversation. That is when we can ask how we can improve this workforce problem or efficiency problem, how we can solve this challenge and what role does technology play in doing those things.

CEOCFO: *You offer the fastest guaranteed response times in the industry. How do you make that happen?*

Mr. Bean: It has a great deal to do with not accepting any project work. Our clients have a pre-arranged commitment with us, so we know every month, client A is going to have us for 20 hours a month. We know which team is going to do those 20 hours and it is very easy to then back up that team with another team that has similar clients and a similar geographic area, and if their team is not available, then the other team that is very similar is available right there. The other thing is we are also the biggest in our area, so we are 40 people and our nearest competitor is probably 20. More resources, better planning, and a better business model allows us to provide better service and a huge piece of that is to have the fastest guaranteed response time.

CEOCFO: *How do you reach out to new customers?*

Mr. Bean: We do not really. We do a great deal of branding about the company. Therefore, we will sponsor many events that we feel are important to the area, we do a great deal of nonprofit and charity work, but at the end of the day, we do not take out ads, we do not put TV commercials on, we rely on the business to come to us and for the most part it does. Ninety percent of our business is word of mouth referral from existing clients and then the rest are businesses that have heard about our brand through branding efforts either at an event or they saw our cars driving around etc. and they contact us.

CEOCFO: *How is business these days?*

Mr. Bean: Business is great! Two years ago, we were one of the 1300 fastest growing companies or about there on the Inc. list. Last year we were 1500 on the Inc. list where we grow 20% a year on revenue. Our headcount increases every 6-8 weeks. It is a very solid, stable, healthy growing business with good cash reserves, money in the bank and a good profit margin.

CEOCFO: *What do you worry about at night?*

Mr. Bean: Our biggest challenge right now is sustaining that growth. If we want to keep growing, we have to add new services and we have to expand our geographic reach, and at some point, we have to be concerned with hitting market saturation. We are not there yet but it is something we have to be looking at. The bigger problem we have is talent. In order for us to grow, there is a very linear relationship between our growth, our headcount and we have to hire to grow. We have a hard time recruiting and hiring talent. One of our big challenges is working on that, both through better efforts but also we have invested heavily in a non-for-profit that is a start-up non-for-profit that is going to focus on creating workforce for IT companies. We are very passionate about helping that nonprofit succeed so that they can play a role in our future growth as well.

CEOCFO: Why does Paragus Strategic IT standout?

Mr. Bean: I think what stands out is it is a company that is more than a company. Every company has purpose. Our purpose is to create opportunities. While we are in the business of doing outsourced IT, what we really get excited about every day is creating new opportunities and those opportunities can be for our new staff, our clients, and our community that we are in. It is all about helping in growth and improvement and moving forward. Our culture is night and day compared to other companies. The money we spend on our staff is night and day compared to our competition. We truly believe that a company should serve far more people than just the owner or the investors; we believe that a company should serve its employees, its clients, its community. In fact, the major endeavor that we are going through is we will be transitioning the company over to an employee owned company to achieve just that so they cannot just figuratively, but literally own the company.

BIO: Delcie Bean, founder and CEO of Paragus Strategic I.T., is a born entrepreneur. Having started his first company at the age of 8 and a non-profit at the age of 13, he thrives on coming up with ideas, building businesses and having a lot of fun in the process. Delcie's mission is to use business and technological innovation as a positive force to impact the lives of clients, employees, colleagues and the community as a whole.

Delcie has come a long way since founding Vertical Horizons as a sophomore at Amherst Regional High School. That company has evolved into Paragus Strategic IT which currently employs more than 35 people, with new staff being added every 6-8 weeks. According to Inc. Magazine, Paragus is the 1532nd fastest-growing company in America and the 2nd fastest growing IT company in New England. In 2013, CRN Global ranked Paragus the 30th fastest-growing IT company in the United States and the Greater Chamber of Commerce of Springfield named Paragus the 2nd fastest growing company in Hampshire and Hampden County.

Paragus provides outsourced IT solutions for businesses and organizations. It is a fun and growing company whose employees are committed to delivering exceptional customer experience and enhancing the role of IT through strategic, proactive and cost-effective solutions. In addition to Paragus, Delcie is founder and CEO of Waterdog Technologies, a technology distribution company with an innovative and disruptive business model. Waterdog is turning IT distribution on its head by making the profitability and success of its Managed Service Providers its primary objective.

Most recently, Delcie is channeling his passion and creativity into Tech Foundry, a nonprofit he started in May of 2013. By building a dynamic technology institute that will allow local high-school students to learn the skills needed to get high-paid tech jobs in the Valley, Tech Foundry aims to turn Western Massachusetts into a technology capital. Working with a diverse population of high school kids, Tech Foundry seeks to solve the shortage of computer science professionals in the region in a manner that will allow the curriculum to respond to market demand in close to real time. From creating jobs to attracting big business to the area, Tech Foundry is poised to have a massive, long-term impact on the future of the region.

Currently 28 years old, Delcie lives in his home state of New Hampshire with his wife and two young boys. His passion for change and excitement has kept his work here in the Valley as he continues to see enormous potential for growth in this region.

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