



# Spotlight on Success

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Chuck Lennon



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## Former “Mad Man” Masters the World of Franchising

Imagine how the lessons learned from working at a successful Madison Avenue advertising agency could help IT professionals. That type of sales and marketing experience has actually proven to be quite valuable to many MSPs and other channel partners who have worked with Chuck Lennon, President of TeamLogic IT.

How did this former advertising industry “mad man” become so ingrained in the managed services field? Lennon fills us in the details in this month’s CompTIA Spotlight on Success:

**CompTIA:** What did you dream about being when you were a kid?

**Chuck:** Everyone always thought I would be an attorney because I liked to talk, a lot, and that was always in my mind during high school and into college. Whether it was a dream or just planted in my head by others, that was the route I chose until I got to into college and started taking classes that were more business-oriented. That led to a change in my junior year of college, when I switched schools and majors to pursue my dream of being a “Mad Man,” working for an advertising agency on Madison Avenue.

I was not a highly creative person but was always a pretty good at sales, so becoming an account executive for an ad agency sounded like the perfect fit. With a major in advertising and a minor in public relations, I came out of school confident in my decision and I ended up working for a small agency in Manhattan. Later on, I ended up running a publishing company in New Jersey and overseeing all their advertising sales for several monthly magazines. So I really did get to pursue my dream of being a “Mad Man” and loved every bit of it.

That’s when I was bitten by the “entrepreneurial bug” and got into franchising. At 26, I bought a printing franchise that was really more of a graphic design shop, with a color and black and white copying service that was kind of an extension of my advertising business. I was the 50th Copies Now franchisee and I ran it for about five years before selling and joining the parent company (the franchisor). After having pursued my entrepreneurial spirit and enjoying it tremendously, I entered the other side of the franchising industry and never left.

**CompTIA:** What was your first experience with a computer?

**Chuck:** I am pretty sure it was the first one I bought, an Apple 2. It was hot stuff and I used it for both business and pleasure. In the advertising world, Page Maker (one of the first desktop publishing programs) was the thing at that time and I became quite proficient using it. The portability of the computer was cool. It had a handle and was easy to move all over the place, and everybody wanted to see it. The thing I remember most is my PowerBook 100. When I first started travelling, people at the airport gates would gather around to see this “portable” device



with a separate modem plugged into the side of it. I could never get any work done because everybody wanted to see it and learn more about it.

**CompTIA:** How did you get your start in the IT industry?

**Chuck:** I got recruited to be the vice president for marketing for New Horizons Computer Learning Centers in the late 90's. That was a real turning point in my career, bridging the worlds of franchising and technology. New Horizons was a very big franchising company and I got a great introduction to technology, specifically in small business space. As VP of marketing, I was engaged and started going to events and meetings (including CompTIA). My boss, Martin Bean was on the Board of Directors of CompTIA at that time and he was instrumental in introducing me to the programs, staff and members in those early days.

**CompTIA:** What came next in your career?

**Chuck:** I was recruited by a major franchisor looking to start an IT services franchise to support small businesses across the country. I really didn't know much about the managed IT services side of the industry and it was just a concept at that point. They made me an offer to come on board to build out the model and run the business, and I accepted. I started out by hiring a branding company from the East coast and, after few rounds of discussions, we came up with the TeamLogic IT name. Four IT services professionals who wanted to get into this space helped me build and refine the business model and, a little more than a year later we started to franchise the concept. We felt we had a sound proposition, good tools and materials and a solid support structure in place to help someone build a TeamLogic IT business. I was hired in 2004 and worked on the model and pilot for about two years before we rolled it out to others.

Three of the individuals became franchisees and the fourth decided to remain independent, and is still in business on his own today. We still keep in touch and remain friends. TeamLogic IT currently has 110 franchisees operating in the US today and one in Canada and is on track to add another 25 to 30 offices this year.

**CompTIA:** What was the biggest obstacle in getting TeamLogic IT off the ground?

**Chuck:** I thought the majority of franchisees would be conversions, existing independent IT business owners who would choose to join our team. There were not many successes following that path in the early days. We found it was far easier to start a franchise from scratch, getting them to understand and embrace our model and systems. It was harder to convert someone who was accustomed to doing things their own way, even those who knew they needed our help and support.

Changing their behavior and getting them to follow our recommendations was difficult. That surprised us and created an obstacle in the beginning. We sold franchises to exiting providers (conversions) and to brand new business people who wanted to build IT companies of their own. But we found that those who started from scratch were growing their businesses much faster than those who converted. We have very good success stories about both, but while I originally thought conversions would be 50-60% of our franchisees, it actually ended up accounting for less than 20% in the early days.





**CompTIA:** Has that changed since then?

**Chuck:** If an existing, independent IT business wishes to convert, we are better position to help them than we were a few years ago. We used to treat them all the same, whether converting or starting anew. Our training program and virtually everything was identical. Today we break them out into different groups and programs. We support a conversion quite differently than we would a brand new business. I believe that we've gotten much better, but we're also more particular about who we allow to convert.

For example, if an existing independent (provider) has a base of very small customers or primarily offers break fix services, they are going to have a harder time adapting than a very business-focused MSP with larger clientele. It's easier to convert the latter because the emphasis will be more on business growth than on technology. Our support team just has to help them improve their processes and drive more revenue.

**CompTIA:** What type of assessment process is in place for prospective franchisees?

**Chuck:** It's fairly informal but we conduct a pretty in-depth review of the past three years of their business. We look at revenue growth over that time and figure out how many clients it takes to drive 80% of their sales. If the majority of their revenue comes from three or four accounts, it's usually quite difficult to convert. We've learned that it's very hard for them to branch out and to really dedicate the time and attention it takes to grow their business.

**CompTIA:** Why should MSPs and MSP prospects consider the franchising route?

**Chuck:** I typically put the benefits into two "buckets." The first is technology. It truly amazes me at how fast it changes and we have dedicated people who engage with vendors and suppliers constantly. They manage those relationships and really have a finger on the pulse of future merger and acquisitions in the IT space. They do a deep dive vetting of partners. So before one of our franchisees does business with a supplier, they know we've done a huge amount of research on that company, from both a business standpoint (are they solvent) to their future ambitions. We want to know what their roadmap looks like and if it aligns well with our business model and our franchisees needs.

I think the majority of the independent IT support businesses and service providers continue to struggle with that today. Many don't have the time or the ability to really vet vendors and understand the future technology changes. It's important to know who the key players are and who we should align ourselves with. The technology roadmap is key.

The other focus (or benefit) is on revenue growth: marketing and sales. As a franchisor, we have a complete marketing department, including a full-time employee who only does paid search and a mar-com person who specializes in content marketing. We constantly provide our franchisees with content so they can position themselves as subject matter experts in their communities. In our case, we have a full-time sales trainer whose sole focus is to help franchisees sell. She covers everything from the point a lead is generated on, including how you convert that initial prospect into a paying customer. What does the proposal look like? What does the sales pipeline look like?





**CompTIA:** What other things can MSPs do to improve their business expertise?

**Chuck:** We encourage franchisees to work with each other, which creates a lot of comradery between providers. When you run an independent managed services business, it can be lonely. Even with CompTIA and other organizations that can help, it's good to know you can pick up the phone and have access to dozens of others in the same shoes as you who will gladly stop what they are doing to lend a hand. That is gratifying and reassuring for franchisees.

**CompTIA:** What other resources do franchisees find helpful?

**Chuck:** Peer communities like our Mastermind Groups are always well received. We take franchisees with similar revenue models in different geographic regions and bring them together for monthly brainstorming sessions, kind of an MSP think tank. They discuss problems and solutions, and spent time working through different ways of growing their businesses. We also have regional group meetings that are very upbeat, positive meets are typically held on a Saturday at one of the franchisees offices. It's a very productive environment.

We also run a sales training meeting with individual groups that our franchisees find useful. Every sales person in a TeamLogic IT office is assigned to one and they meet every other week to discuss issues and opportunities and role play.

A similar activity takes place with the IT business owners. In their first year, every franchisee participates in every other week meetings with peers who opened their businesses around the same time. Again, they share best practices and encourage each other.

There is a lot of comradery throughout our network and I refer to it as a fraternity. We encourage franchisees to collaborate. They know support comes from all over. Not just from me and my team, but from their peers and others (vendors, suppliers) willing to help out.

**CompTIA:** Who was your mentor in the IT industry?

**Chuck:** My boss at New Horizons, Martin Bean. Not only was he tech savvy and a great mentor, but he was probably the best sales person I ever met. Most people are usually one or the other, but he was the hybrid. I admired Bean for his skills and his patience.

On the IT side of my career, Gerard Kane, Ted Roller and MJ Shoer took me under their wing when I was first launching Team Logic and had just started attending CompTIA meetings. My exposure to the association was on the education side, so I knew no one at Breakaway (the precursor to ChannelCon) and similar channel events. They were all new faces and they spoke a language that was much different than I was used to. I knew enough about managed services to be dangerous and Gerard and Ted and MJ introduced me to their peers, and they were a big reason I became a member of the board of directors later on.

Bob O'Malley was absolutely instrumental in helping me understand how CompTIA could help me grow TeamLogic. I was appointed to the board at the time he was named chairman and he took me under his wing and helped me understand the procedures and activities. He helped me navigate that whole world and I thank everyone for the help they provided. I found out that's what CompTIA and its members do well; they help others (peers) succeed.





**CompTIA:** You work with a number of people just entering the IT channel. What advice do you offer them?

**Chuck:** It is absolutely essential to network with your peers. You have to get to know others who are doing similar things as you. You need to find the people who are more successful than you and learn from them. Show up at events and listen, and when appropriate, ask questions so you walk away knowing more than when you went in. I have found that those who are inquisitive and want to learn are the ones who become more successful. There are some really smart, helpful people in the managed services and IT support industry. Many belong to CompTIA and other channel groups. Check out all the peer communities and choose at least one to take part in. Whatever you do, build a network of people you like, know and trust so you have someone to turn to for advice and direction.

**CompTIA:** You have been actively involved with CompTIA for a number of years. What things have you done and what brought you the most enjoyment?

**Chuck:** I was a member of the board for several years and vice chair from 2008-2012. When my tenure was up, they offered me the role of chair of the Creating IT Futures Foundation. I thoroughly enjoyed working with the team and taking part in many of the charitable activities they do each year. The foundation does great work and when my tenure was up, I decided to get active with the Public Policy team. I'm currently a member of their Executive Board and get to work closely with Liz Hyman on a variety of federal and state IT industry issues.

**CompTIA:** Why have you volunteered so much over the years?

**Chuck:** I got a lot back. The high-level relationships I developed were extremely helpful to my personal and professional growth. These volunteer roles allowed me to have one-on-one conversations with countless industry thought leaders, which was vital to my own development as well as my job, which was building TeamLogic IT. Many of those discussions probably never would have been possible if I had not been in a leadership role with CompTIA.

I think my involvement also elevated the image of my company, and that was really important. People have a favorable image of my company as a result of my work with CompTIA. Nothing but good can come from that, and I got the opportunity to learn a great deal about how the IT ecosystem works and thrives. When you're interacting with other members, vendors and suppliers, it gives you a deeper understanding of the struggles that those individuals and companies have.

I have also built a number of lifetime friendships as a result of my association with CompTIA. It's a great thing when you can combine the career advancement and learning opportunities at channel events with getting together with people you've grown with, know and trust. You know they will always have your back. We all work very hard and it's great to be around friends. I treasure that aspect of CompTIA events.

**CompTIA:** What advice do you have for those looking to get more actively involved in the IT industry?

**Chuck:** Running an IT company can be a very lonely exercise. You can get very engrossed in





your own little microcosm. I absolutely urge people, whether they are starting a career in IT or a business in IT to build a peer group of people who will truly be helpful in those endeavors. Find people you can rely on and trust. CompTIA is a great place to start. Just know there are people willing to help and you can save yourself a lot of heartache by tapping into their knowledge base and skill set.

