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*Hayes Drumwright*

Normally when I write I listen to Ray LaMontagne and the Pariah Dogs album, God Willin' & the Creek Don't Rise. There is just something about the song "Old Before Your Time" that makes my soul happy. It is very specifically the line:

*There is nothing in the world so sad as talking to a man, never knew his life was his for making…*

It is just that beautiful reminder our lives are our own and the path we choose is 100% our choice. Don't waste your time here…Memento Mori…Remember to Live. These are all reoccurring themes in my life, but even I like having ways to remind myself every now and then like with this song.

As we stated in the 2013 BattlePlan, the war for survival has begun and if we are going to be relevant in this rapidly transforming market, we need to embrace new ways of fighting. It worked. It worked better than I could have hoped. We grew by over 30% without expanding headcount! We formalized and expanded our offerings around innovation and value. Our investments in Big Data and Cloud hit the mark in a big way. The foundation to help our clients transform is set.

So…what are we going do next?

**In 2014 we are going to get Offensive**. Trace3 is differentiated from any other company in the market. I had Jason Harkins from Sony walk up to me at our Napa CxO Client Advisory Board meeting and shake my hand at the event's final dinner. He told me he had heard our rally cry of "Being Relevant in the Post VAR Era" many times in 2013 and was really impressed with how we had done it. Our new offerings and management team had matured to a state where he thought we were now something completely different and so much more valuable to him.

It was such a terrific feeling. A client next to him came over after and reiterated the same thing. He thanked us for being so brave and making the investments we had ahead of the market so his company could benefit. I smiled, thanked him, and immediately walked to the bathroom and started to hyperventilate.

IF what they were saying was true, it was time. And they were saying it a full three months before I was ready to make the next move on the chessboard! I started sweating a little. How was everything working so well?! I knew the answer immediately. I mean, Lencioni had just done a two hour whiteboarding session for the entire CAB (which was magical). I had a cohesive management team in 2013. We had clarity in purpose and messaging. We had healthy conflict and debate. We had sane and effective meeting cadences. We were willing to 'Get Naked' with our clients (another Lencioni book).

I stopped sweating.

We were ready. I smiled an even bigger smile. RIP VAR. Trace3 is truly a Business Transformation Partner now: Organizational Health, Future Tech, Big Data, Cloud, Converged Infrastructure and Services…PoP. It was clear to me the time for the offensive was upon us.

We immediately did another Table Group offsite following that Client Advisory Board meeting.

The contents of this BattlePlan are the results of that offsite. They are the detailed descriptions on why we picked the Defining Objectives we did, with some details on how we will accomplish them.

We will spend over $3M with Jim Mimlitsch, our VP of Engineering, on the "Rise of the Engineer." Trace3 will capture "750 Net New" clients in 2014 to add to the 2000 we currently have. We will spend millions on our Innovation team lead by Chad Cardenas. Tyler Beecher, our VP of Sales, will grow Utah, Northern California, and all our existing offices in both headcount and skill sets. Our sales counts will close to double.

Terri will formalize our Managed Services and Data Center Migration practice in 2014.

We broke all our records in 2013 for **cohesion** and **conflict**. We hit all new levels of **trust** within Trace3 and with our clients. Notice I did not write about records for Revenue and Profit. I wrote people words like cohesion, conflict, trust, vulnerability, etc.

We broke all the records for the Excel type number stuff too; BUT those amazing results were just the aftermath of Organizational Health. *Normal* companies focus 90% of their efforts on those **Excel** type things. We do not intend to be normal.

We will bring over 100 CIOs to Silicon Valley this year. We are formally partnered with four Tier 1 Venture Capital firms and have many in line asking to join Chad's Briefings Practice. I am going to ask every client that attends if they could get a peer who does not know Trace3 to commit to going to one as well. Many have told Chad it is the most valuable thing they did in all of 2013. This year I will outspokenly ask Trace3's clients to help us get more clients.

I have publically stated to all clients if they will do a two day Table Group offsite for $25,000, I will give them a money back guarantee. If two weeks after the offsite they did not find it valuable, I will not charge them for it. At the Napa CAB I told everyone in front of Patrick Lencioni I was not providing this offer because I liked my clients, I was offering it because I knew it is their only real chance to transform. **I need them to do it.**

I would talk to their CEOs if necessary, to tell them how I achieved 30% growth with zero additional cost. In many ways we need our clients to self select, so we know which Trace3 clients we should make the largest investments as we move forward in this battle to transform with the market. Patrick Lencioni's Table Group offsite is the foundation for any real chance to change in a large or political organization. I know this because I have lived it.

This BattlePlan was written as much for us, Trace3, as it was for you, our clients and vendors. **As you read it, imagine if your organization had their defining objectives for the year written down like this.** Hand it to your CEO and I bet he/she would absolutely love to have a book like this, written by his front line leaders, offering clarity to the organization about how they were going to cohesively conquer the next 12 months.

At the end of my 2013 speech to our clients (employees, clients, and partners), I walked to the edge of the stage and stated Trace3 is ready to step forward and lead. I hope all of you feel we have made good on that promise. To all the contributors of this BattlePlan, thank you for taking the many hours it took to concisely put down your thoughts and hopes into this book.

*There is nothing in the world so sad as talking to a man, never knew his life was his for making…*

Let's choose to never let this lyric haunt us. We have the tools and products in hand now to start our offensive. Time to come out of the foxhole with our clients and partners firmly beside us and fight for relevance together. I will leave you with our Table Group discovered statement on "Why we exist". I hope it will resonate with you.

"We exist to strive for greatness and innovate the markets we choose to impact."

Enjoy the BattlePlan.

- Hayes

# THINKING OUTSIDE OF THE BOX...IS LAME

*Sandy Salty*

People love the phrase "thinking outside of the box", but there is nothing about it that connotes action. In fact when I conceptualize the act of "thinking", I associate it with stillness, inactivity, and even stagnation. I personally hate stagnation. I dissected why that is and I believe there are a few reasons. It could be because my family moved a lot in my youth, but I believe the main reason is because I associate the absence of "movement" with the absence of living. So while I can appreciate the intention of that phrase, I prefer to use a more dynamic phrase: **Living outside the box**.

Trace3 has made a business out of "Living outside the box", especially when you consider the last 3 years and all the innovation that has taken place. In 2014, that phrase is going to materialize again with the Rise of the Engineer. Many organizations *think* about *wanting* to do something like the Rise of the Engineer, but few are brave enough to put it into *action*. We are taking the innovation we've achieved with Education Services and bringing it in house to invest in our biggest asset, our engineers. The results of this program will be exactly what we have been and will continue to try to achieve: To Be Relevant in a Post VAR Era.

"Iron rusts from disuse; water loses its purity from stagnation
...even so does inaction sap the vigor of the mind.
I have been impressed with the urgency of doing. Knowing is not enough; we must apply. Being willing is not enough; we must do"

– Da Vinci

## Staying Ahead of the Utility Curve

You don't matter…you matter…you don't matter as much anymore…ok, you *really* matter now. No, this is not a depiction of a past relationship in your life, well not a romantic one anyway. It is a depiction of the cyclical nature of the IT industry as it relates to what truly provides an organization with a **unique competitive advantage**. So is it the people or the technology that matters *more*? By definition a unique competitive advantage is having something your competitors do not have.

In the 1950's when computers first came to the world, it was the technology, definitively. Only a handful of companies could afford computers and they were the largest organizations in the world. Owning computers became their advantage against the competition. Then, as IT operations started to grow in complexity and the abstraction between software and hardware began, people started to really matter. This alternation between people and technology continued over the decades and I believe it is a product of the perpetual evolution of technology going from "innovative" to "utility". When does that happen? See the diagram below:
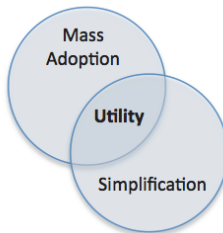


So what is Trace3's unique competitive advantage (UCA)? We often say "it's our people". Holy over-simplification! Trace3's business has thrived on a Unique Competitive Advantage philosophy that combines UCA-focused (or innovative) technology *and* people. Notice I didn't say UCA-focused people. We've always hired really talented engineers, no doubt,

and they are not easy to find. But, have we hired the engineers really talented in <u>many</u> technologies or even harder—more than one practice?

With the current round of technology evolution (think Big Data and Cloud), it does not and will not suffice to hire people that are "great" at what they do. We need our people to be great at what they do every day and pretty damn good on a few other things too; things they may not do every day. Our talent pool needs to be ahead, far ahead, of the utility curve.

UCA
Technologies

**Trace3 Unique Competitive Advantage**

Ahead of the utility curve Talent
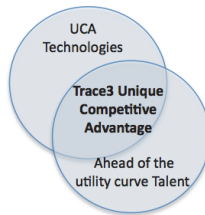
**Rise of the Engineer**

The Rise of the Engineer is a huge multi-million dollar investment Trace3 will make in 2014 to train and cross-train our engineers, because the past 11 years of Trace3 history has lead us to this. We have hired the best in the business with each technology, BAM, and, Practice and now it is time to begin the pursuit of mastery and convergence with those people. Do you remember a concept Hayes presented in a previous playbook called "Foundational Success"? Simply put, foundational success occurs when a strategic initiative benefits all three components of our ecosystem: our Customers, Trace3, and our manufacturer Partners?

Customers

partners

**Foundational Success**

Trace3
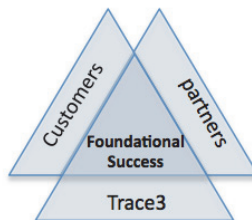
We have never been in a greater position to actually lead our partners and our clients. We are no longer simply a point of integration between the two. We can *lead* both. So many of our clients and partners have the desire to cross-train their employees and achieve "convergence", but that term is on its way to becoming cliché because it is overused, but rarely implemented. We are going to show our clients that engineers are worthy of this investment and the impact is not simply skill enrichment, but cultural enrichment as well. As an organization, we are only as good as our people. That applies to our customers and our manufacturers as well. They know this. So why are they reluctant to make the necessary investments? Fear. It is fear in the fact after they make such a heavy investment, those people, with their new found talent, will leave. But the quote below brought to me by Stacie Atwater, says it best:



peterbaeklund.com

CFO asks CEO: "What happens if we invest in developing our people and then they leave us?"

CEO: "What happens if we don't, and they stay?"

**The Archetype**

There is an assumption we are making about the Trace3 Engineer archetype. It is an assumption based on a statement that also happened to be in the "Foundational Success" playbook. Hayes stated the following: *I believe that the employees of Trace3 strive to be incredibly proficient and effective at achieving greatness in their roles/jobs. I believe you strive for greatness.*

So what if you do not fit that assumption? Be honest with yourself. What if you do not strive for greatness? Simply put, Trace3 is not the place for you. As we embark on the journey of "Rise of the Engineer", it is critical that statement, "Striving for greatness", be more true and

enacted than ever before. Is the Rise of the Engineer going to be easy to achieve? Absolutely not. It will require that our engineers balance their schedules much like we all did back in college days when we may have worked a full time job in conjunction with adhering to a busy school schedule, while still managing to have a social life too. But, Trace3 did not become a player and graduate itself out of VAR status by striving for mediocrity and "keeping up" with the competition. Unique Competitive Advantage: We **do** what competition does not do and make strategic investments where competition does not make investments. That is how we became famous and are going to stay famous, by continuing to make investments that allow us to evolve.



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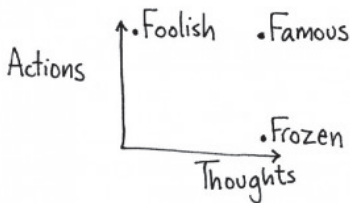
*Image found in Forbes Magazine

**Break it Down**

At a high-level, the Rise of the Engineer will emulate a college curriculum in the program will consist of two main parts:

1. Required "General Education"
2. Chosen "Specialization Tracks"

While the general education track has been determined for the most part, Jim Mimlitsch and the edu team are currently hard at work meeting with the BAM and Practice leaders to determine the specialization tracks. We hope to have much of the design completed by the end of February 2014 and ready to fully roll out in early March. Our vision of the ideal program encompasses the following:
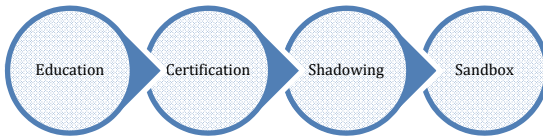
There will be different owners of each phase of the lifecycle above, including the HR team plus a few others. However more than any other part of Trace3, it is important the <u>engineers</u> own the progress of this program and achieve the vision of resource versatility across all the BAMs and Practices. There will be two main objectives of this program: begin a path that leads to *Mastery* and one that leads to *Convergence*. Our hope is that the post engineers will pursue tracks that allow them to further develop their expertise in their respective practices, so that we can augment our quality and expertise in delivery and operational excellence. For the pre-sales engineers, our hope is they will select tracks that diversify their pitching, positioning, and design capabilities so we can improve our solution selling approach.

**We need to make true solution selling and operational excellence on delivery a reality by the end of 2014. Every single Trace3 engineer will be a part of this program as well as any Trace3 customer interested in leveraging it for their engineering organization.**

On a different but related note, I am also super excited to announce we are launching a Teach and Earn Program in 2014. We are currently working on incentive details around this program, but the basic premise is any engineer that instructs a course for clients will financially benefit. The incentive will likely be based on the revenue generated from that course, but that has not been solidified. You will be hearing more about this program after the Evolve conference. If you have been "thinking outside of the box" on how to evolve your role at Trace3 and flirting with the idea of becoming an instructor (there are many of you), now is the time to "Live outside the box" and make it happen.

# LONG TIME LISTENER, FIRST TIME CALLER

*Jim Mimlitsch*

I have been at Trace3 since the summer of 2006, which means I've had a chance to read all the playbooks as they've come out over the years. It is thrilling for me to be able to contribute to this one and have the chance to speak to the entire Trace3 community. I would like to use this opportunity to introduce myself to those of you I may not know and share some of my thoughts about the challenges and opportunities that lie ahead.

## January 28, 1986

On the morning of January 28, 1986, I was a sophomore in high school biology class when Father Wade's voice came through the PA system and interrupted Mr. Wong. He told us the Space Shuttle Challenger had exploded shortly after takeoff and asked us to pray for the souls of the crew. Like everyone at the time, I was devastated. I had been a huge fan of the Space Shuttle program, owning a scrap book of newspaper clippings about the missions, a SnapTite model of the Challenger, and an 8x10 picture of the Space Shuttle Enterprise riding on the back of a Boeing 747.

After that day, I closely followed the Rogers Commission investigation into the cause of the disaster. As a result of their work, we learned about the role of the O-ring in the disintegration of the vehicle. But what I have always remembered was their insight into the culture of NASA.

At the time, NASA faced tremendous pressure to maintain the pace of Shuttle launches. There was competition from an Air Force rocket and NASA's budget was in jeopardy. Thousands of jobs were on the line. In this climate, the concerns of engineers very close to the operation of the shuttles were ignored, the priority to launch won out over safety concerns, and the results were disastrous.

Thankfully, at Trace3 we don't have to make the same, global profile, life and death decisions that NASA does. However, we do operate in an increasingly public space. We feel competing pressures about customer satisfaction, profitability, and utilization. The stakes can be very high for both our clients and us. More than 300 Trace3 employees and their families count on the decisions we all make when we engage with our clients. As we continue to develop more strategic services offerings that help CIOs get closer to their businesses, we need to ensure our delivery is flawlessly executed every single time. Not to do so would be devastating for our clients and Trace3.

What NASA didn't do that day in 1986 was insist everyone with relevant information voice their concerns and demand that when safety is at issue, all factors be given equal weight in decision making. What we must do throughout 2014 and beyond, whenever we start to plan a new services engagement with our clients is insist everyone voice any concerns about the risks we face in completing the project successfully. This commitment will ensure we can exceed our client's expectations and have met our financial responsibilities to Trace3.

T**ake a personal responsibility for each project's success.** Regardless of your role, title, or function, make it your business to offer your intelligence, experience, and wisdom. We are all professionals and all busy, but it takes so much less time to improve an outcome, catch an oversight, or offer a suggestion than to fix a problem or repair a relationship.

### 4 x 100 Meters Relay

I'm not a big fan of the Olympics (except for curling because it's completely ridiculous and requires no physical prowess whatsoever - there, I said it). But I do love the 4 x 100 meters relay. If you want to win the 4 x 100, you want to start with the fastest man or woman in the world, like Usain Bolt or Florence Griffith-Joyner. For my money, I'd pick Flo Jo. She set her world record time of 10.49 seconds over twenty five

years ago and to this day still has the next closest woman beat by .15 seconds. I once watched her sprint around a track with her husband in a harness behind her and she was still running faster than I could go - even without pulling a 170 pound man behind me.

However, having the world's fastest woman is only the beginning. You need three other world class sprinters to even field a team. It is for this reason in the 100 year history of the event only six nations have ever won more than one gold medal.

I love this event so much because of the drama. The second, third, and fourth sprinters have only 10 meters to come up to speed. A changeover must happen within a 20 meter box. Everyone has to complete a changeover where the baton is transferred between runners, and the second and third runners have to complete two changeovers. If the baton gets dropped at any point, the team is disqualified. Harsh, but exciting.

For every bit as much as running is an individual sport, the 4 x 100 is a team sport. **They win and lose together and so do we at Trace3.** We've hired the finest engineers in the industry but we still have the opportunity to lose at every changeover, which happens any time the responsibility changes from one group within Trace3 to another. A project hand off from a pre-sales engineer to a post-sales engineer is a great example of this. It is the time when the post-sales engineer must come up to speed in a flash to take the baton and run with it.

Our clients don't see our internal organizations or care at all about our processes. **We are all "Trace3" to our clients.** We aren't constrained by time or distance in the same way runners are. The best thing we can do is take whatever time is necessary and maintain a joint commitment to focus on each critical moment in each project. Doing so is the difference between Trace3 succeeding in transforming our clients' businesses and being disqualified. Like the 4 X 100, harsh, but exciting.

We will lose the opportunity to innovate if we don't see problems in another team or department as our own problems. We won't be allowed to evolve if some parts of our company are ready and others are not. **We owe it to ourselves to help each other.** We win and lose together.

## Discovery Channel

If the TV is on in my house, there is a good chance it is tuned to the Discovery Channel. I am an enormous Mythbusters fan because I love the sheer joy they get from applying the scientific method to everything and anything.

Another of the Discovery Channel's iconic features is, of course, Shark Week. I find sharks fascinating. They are an ancient, extremely diverse, and wildly successful class of fish. They're common in all the oceans and seas of the world and range in size from a few inches to almost 40 feet. Despite all this variety, all sharks must pass water over their gills to breath. In fact some must ceaselessly swim to stay alive. I think it is amazing that an animal as powerful and terrifying as a great white shark would die if it simply stopped swimming.

On some level I can relate to this compulsion because I feel like I wouldn't survive if I wasn't always learning. One of the great things about our industry is there is always so much to discover. Change for us is constant and keeping up with that is something most of us take for granted.

I am excited about working on the "Rise of the Engineer" with Sandy because we will get to offer everyone the chance to broaden their knowledge and master new skills that can be applied to client environments. We will create curriculums; establish labs; and provide opportunities to shadow and reverse shadow with other engineers. **Bring an intense desire to get the most out of this investment in you.**

In medical school, interns learn to perform procedures through a process called "watch one, do one, teach one". We will provide you with the classroom training to "watch one" and lab environments to "do one", but taking the next steps, owning the education, and cultivating the skill to implement it for a client will be up to you. We would like nothing better than for you to master that knowledge so much you can go on to "teach one".

Take this opportunity to heart. **Ask for help and selflessly give it.** Share what you know and be zealous about learning what you don't. Be bold at searching for places to apply your new knowledge. Be humble enough to accept you are still learning and need assistance to be successful.

If we all accept this challenge in 2014, I am confident we will have a wildly successful year. And if we make this shared commitment to teaching and learning a lifelong process, there is nothing we will not be able to accomplish.

# DELIVER INNOVATION

*Chad Cardenas*

Being one of six children growing up, you learn the importance of, well, many things…but in particular, the importance of relationships. How to cherish and maintain the ones you don't get to choose, and how to forge new ones based on being able to offer something of value to each other. And many times that means being the first to give, to invest, and trust in something or someone with the belief in something quite special down the road.

I was incredibly blessed to have started my career in this industry with six years at NetApp, an organization committed to revolutionizing the data storage business with disruptive ideas, regarded as the gold standard of corporate culture, and truly one of the best places to work. The experience was invaluable, but as my responsibilities became more client-focused, I became increasingly frustrated by my seemingly limited ability to connect and develop client and partner relationships with depth because of the limited offerings I represented. I wanted to bring more to the table at the outset of a relationship, and believed that Trace3 had the potential to be where this could happen. I trusted in Trace3 and what happened in the following 11 years has far exceeded even my idealistic dreams back then of what could be.

In 2002, Trace3 was formed in part with a goal of changing the channel industry and how partners and clients perceive it. In order to be successful in that effort, we would have to change the way things had been done for so long. We would have to innovate. But clients and partners don't just want something new or different, they want things that are new and different yet also provide real *value* to them.

Innovation at Trace3 on day one meant an unwavering focus on hiring and keeping the very best engineering talent in the industry – a focus we're proud to have maintained to this day. Innovation through the

next several years took many different forms: we have five engineers for every one salesperson, constant reinvestment of profits back into people and programs that benefit clients and partners, mini-districts, new technology research and evaluation, Trace3 EDU, BAMs, Switch, SmartHands, NTI, Cloud and Big Data Practices, InstantScale, VC Briefings, and PoP.

We have seen what happens to companies who don't evolve and are not concerned with perpetual innovation. There is no question this needs to be a continued focus for all of us to ensure we survive and thrive, and help our clients and partners do the same. While we've been successful innovating with value at Trace3, the bigger challenge has been in the effective and efficient *delivery* of that innovation to those who need it most. Let's take a look at some of our current Innovation offerings:

- The Table Group
- Cloud Practice - Workshops and Solutions
- Big Data Intelligence Practice – Workshops and Solutions
- Vetted NTI Products
- Portfolio Advancement
- CIO VC Briefings

### The Table Group

Many of you may be familiar with Patrick Lencioni as a best-selling author, whose works include The 5 Temptations of a CEO, Getting Naked, The 5 Dysfunctions of a Team, Death by Meeting, and The Advantage. In The Advantage, Patrick makes the case organizational health will surpass all other disciplines in business as the greatest opportunity for improvement and competitive advantage. Out of this core concept came The Table Group - an executive management off-site offered by Trace3 in conjunction with Patrick's team to help clients achieve the organizational health discussed in The Advantage. Through this engagement, management teams are taken through a process

freeing them of politics and confusion, and helping them to create an environment for their organizations where star performers never want to leave.

Through our own Table Group experience, Trace3 has adopted this methodology internally with great success. We believe if our clients are able to achieve improved levels of organizational health, they will also put themselves in a stronger position to adopt innovative strategies and solutions more efficiently.

## Cloud

Run by Anoj Willy, the Cloud Practice is focused on transforming IT into a service-center, rather than a cost-center (ITaaS). This offers two major benefits:

- Massive improvements in efficiency – IT spends less time maintaining and more time creating new services for the business with tremendous reduction in costs
- An opportunity for businesses to test new ideas and go from prototype to production rapidly

The Trace3 Cloud offerings are broken down into *Workshops* (educational offerings that cover both the business and technical aspects of building an IT-as-a-Service solution, and range from facilitated sessions to technical design-labs), *Assessments* (a great low-cost way for clients to expose shadow IT, analyze AWS usage, or map out an entire application across private and public clouds), *POCs* (design your ideal cloud while comparing various designs, products and use cases in the Trace3 Cloud Innovation Center), and *Solutions* (launch a fully integrated pre-fabricated hybrid cloud in 90 days).

## Big Data

Juan Guevara runs Trace3's Big Data Intelligence Practice, a group created to help customers connect the power of Big Data to their business. Enterprise organizations can be at very different stages in

their adoption and effective use of Big Data. The BDI team developed offerings to help all clients get value out of data regardless of how far along they already are. In the early stages of adoption, a client may benefit from one of the BDI Workshops, each of which is a building block that offers an incremental investment option depending on the maturity of a Big Data initiative. Or a client may benefit from one of the BDI Solutions, including Exploratory Analytics, Real-Time Streaming Processing, Data Enrichment, Web and Security Log Visualization, Hadoop Cluster Management and Automation, building a Data Management Platform, and Enterprise Data Protection for Hadoop. Whatever a client's needs, the Trace3 BDI Practice can help sort through the chaos, become more educated, test solutions, and build customized stacks by leveraging established products, disruptive new technologies, and services.

### Portfolio Advancement

In addition to leading all our Table Group efforts with clients, Sandy Salty is responsible for the Trace3 Innovation offerings that enable our early stage partners to go to market faster and with greater operational efficiencies. All early stage start-ups have to prioritize where they spend money, which positions they hire first, and where to focus the build-out of their own offerings so as to maximize growth in specific areas. Sometimes for a product company, things like training and professional services are a low priority. They may not have the necessary experience or connections to build out an effective channel ecosystem. Or perhaps marketing and legal services are best handled by an outside 3rd party as opposed to investing internally in those functions.

Sandy and her team are building these packaged offerings for our Innovation partners so they can have greater economies of scale in areas either too expensive to build internally or require expertise not yet present - all the while allowing the entrepreneur teams to focus on the core of what they do best. The end result is faster, more affordable

time to market, and with maximum impact. We are at a point as a company where we can provide portfolio expansion offerings that can accelerate every phase of the maturity lifecycle for these startups and possibly even take them to exit sooner. Our portfolio expansion offerings will continue to increase and evolve over time, which means greater interest from VCs and much greater interest from young entrepreneurs.

### Innovation Principals

The first major change going into 2014 is an Innovation overlay sales team chartered with representing all the innovative offerings to CXOs. The work of the Innovation Principals (IPs) will be intertwined with the efforts of the regional Trace3 sales teams and will compliment the strategies those teams have in place to achieve client success. The IP will be regionally based, mapped to specific Trace3 Reps and their accounts, help ensure the right amount of focus is kept on providing a venue for clients to be introduced to Trace3 Innovation offerings, and keep all parties organized and focused on rapid adoption of those offerings.

The synergy between the Innovation Principals and the Sales Team is critical. This will not be two separate sales forces but rather one stronger team, more effective in representing Innovation to our clients. The Innovation Principals will help keep a level of focus on these offerings with clients, and also work side by side with their Rep and Engineer counterparts in the field to ensure their efforts are part of a larger strategy for overall client success.

Tyler and Chad together will have a regular cadence of interaction, not only with each other, but also with the Reps and IPs to understand how they're tracking to certain metrics and how seamless we're keeping the client experience with Trace3. This will be a powerful component of our commitment to client success, and will be dependent upon a 'one team' atmosphere that relies on collaboration and teamwork.

## New Technology Research

The Technology Research Team led by Tim Coats will continue to play an important role in how we deliver innovation to clients, as well as our support of the VC and Entrepreneur communities. The work done to this point helped us arrive at many of the strategic partnering decisions we've made, and has contributed in a major way to Trace3's early credibility in Silicon Valley. There is now a defined vetting process every new partner under consideration by Trace3 must go through in order to make the cut. There is a process by which new technologies are assessed and analysis reports written that are shared with the entrepreneur and VC so they may continue to iterate and build a better company/solution.

The Research Team is also the bridge between our external ecosystem and our internal engineering teams. It is important going forward that Trace3's strongest asset (its engineering community) is effectively leveraged in the partnering decision tree, as well as kept current on relevant technologies and trends coming out of Silicon Valley. Part of this effort will focus on more production of collateral – whitepapers, technology reviews and assessments, blogs, etc. – for internal and external consumption.

## CIO Council

In the last 18 months, Trace3 has forged more CXO client relationships than perhaps the previous 10yrs combined. With that success comes a great responsibility – to ensure our executive clients continue to see significant value and relevance in their partnership with Trace3.

In the past our CIO clients have been invited to small regional Client Advisory Boards. We've held annual CABs in Napa and Santa Barbara. We have VC CIO briefings. But there hasn't been a plan for organizing these interactions into a program each individual can count on being a part of throughout the year and keeping the options fresh over time.

We are formalizing a CIO network within the Trace3 client base where CIOs and other IT executives can opt into a calendar of events relevant to them throughout the year. This will include programs like the CABs that have been successful in the past, but will also include newly developed programs like peering events by geographical region or vertical, technology forums focused on common challenges, press and PR opportunities for recognition of innovative leadership, and case study development and sharing around disruptive technology implementations.

## CIO VC Briefings

Possibly the most revolutionary offering out of the channel industry in many years, the Briefing program is a way for CIOs and their teams to visit Silicon Valley with Trace3 and be treated to a fully customized day of introductions to emerging technologies, the very best and brightest technical entrepreneurs in the world, and the top tier venture capitalists who back them. The awareness this creates and the thought leadership it inspires is like nothing you've seen before.

While any of this innovation can be provided as a standalone solution, there is an ideal platform by which to launch them all – The VC Briefing. A CIO VC Briefing is an opportunity for Clients, Entrepreneurs, VCs, and Trace3 to come together around a customized agenda of disruptive tech and thought leadership that is tremendously valuable to all involved. Trace3 strives to understand the needs, initiatives, and areas of interest of each client, then works closely with entrepreneurs and VC firms who back them to customize an agenda for a day of new tech speed dating as well as thought leadership discussions around relevant industry trends.

Who benefits from a Briefing and how?

*Clients* gain access to specific solutions that may solve an immediate problem for their business. An individual leader may use this as an opportunity to build consensus around an innovation strategy or simply

make others within the organization aware what is possible with proper access to the right technologies. Clients can choose from more mature, vetted solutions or very early stage conceptual solutions, plus everything in between. Trace3 facilitates the building of a relationship between Client and Silicon Valley and an ongoing cadence with the Entrepreneurs and VC partners. This is an IT leader's opportunity to become an agent of change.

For the young _start-ups_ and the _Entrepreneurs_ who lead them, they are happy to be introduced to potential consumers of their solutions. However, this is not the biggest benefit to them. What really makes a difference is getting real-time feedback from end users who know what it's like to use a competing solution, who know what is missing in the space, and who can challenge ideas and suggest improvements. For an entrepreneur in the early stages of building a company and product, this kind of feedback is invaluable.

_Venture Capital_ firms of course want their investments to grow fast with revenue and new clients, but they too are extremely interested in getting client feedback as to what their most pressing needs are, if the messaging of a new company is resonating, and what use cases are most relevant for a particular product. All this data and feedback colors how investment decisions are made going forward.

I had a CIO at the end of her briefing day turn to me and say "This was an incredibly valuable use of my and my team's time – one of the best days of my career and a game-changer for my business… WHY is _Trace3_ doing this??" (the briefings are free and there are no strings attached… for now…) The answer is simple – we are investing ahead of the business, and looking to change the nature of our relationship with clients. We believe if we're effective in doing so, and successful in creating a new category of partner that clients see value and relevance in for the long term, the revenue will take care of itself.

2013 was the first year we had a fully functional briefing program to offer CXO clients. We completed 30 unique CXO briefings by the end of 2013 and will do more than 100 in 2014. While we have developed relationships (for joint research, investment, and market development) with a dozen top tier Venture Capital firms, we have focused on building briefing relationships with five. Jillian Jaime (Innovation Team and Briefing Coordinator) has helped totally redefine the briefing program (of course in a good way) and will continue to help iterate the program into a more perfect experience for all, every time. The Briefing experience really is a one-of-a-kind opportunity to create a Client/Trace3/Entrepreneur connection like no other.

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2013 was the year the foundation for Innovation at Trace3 was laid; when the deeper connective tissue between Clients, Trace3, and Partners was formed and strengthened. 2014 will be the year remembered for the accomplishments we're all able to achieve together as a result; the further development of innovative offerings and partnerships; and Trace3's ability to efficiently infuse these offerings into our clients' and partners' successful evolution. This is like-minded individuals and organizations coming together to maximize everyone's potential. This is the building of deeper relationships based on mutual value and trust that may last a lifetime – the type of relationships with depth I know I have been searching for in this business for many years, and what I suspect many of our partners and clients have been looking for as well. In a way, this is the joy of life, applied to business.

# Lead, Follow, or, Get Out of the Way

*Todd Gallina and Josh Berezin*

**Strategic differentiation is defined as "[a]n** approach under which a firm aims to develop and market unique products for different customer segments. This is usually employed where a firm has clear competitive advantages."

Historically, marketing at Trace3 has served to enhance existing client relationships. We give you a time and a place to show up, we guarantee some knowledge and a great time. In fact, we differentiated ourselves in the market on that premise. Our presence at VMworld attracts a huge audience every year. We started Evolve several years ago when people would never think to go to a show in Las Vegas run by a VAR. We have always been fun and a little irreverent. That won't change, but our mandate has changed. We have decided we are the platform to showcase Trace3's competitive advantages in the market. Where we traditionally relied on our salespeople to show clients why we are special, we now want to own that responsibility.

Last year our business changed. We moved from being a regional player to having the potential to make an impact at a national scale. We innovated the market with our VC briefings, our relationship with Patrick Lencioni and The Table Group, our growth in Education, and our focus on professional and managed services. We've became something new with a bigger, broader communication around innovation and business transformation. Our collective message had scale and substance.

## What and Who Is Trace3 Now?

In order for us to lead, we needed to establish what Trace3 really is. We have had a lot of customers for a long time. Many of them know us as a company that sold them a single line of technology. We are synonymous with a single vendor rather than our wider capabilities.

While we need to introduce Trace3 to a broader audience, it could be just as important to re-introduce ourselves to our existing client base who may not understand what we have become.

**Trace3, a pioneer in business transformation solutions, empowers organizations to lead their market space by keeping pace with the rapid changes in IT innovations, ensuring relevance to specific business initiatives required to maximize revenue generation by leveraging the latest Silicon Valley, cloud, big data, and datacenter technologies maximizing organizational health.**

This message is powerful. It is transformative. It will move people to seek more. So if we know what we are, can we get a glimpse of WHO we are? Trace3 is **TRUSTED, RELEVANT, and INNOVATIVE.**

### Weaponized Marketing

Marketing is being *weaponized*. We want 750 net new customers. We want to enhance the focus of our campaigns to include CMOs and line of business owners. We want our cloud and big data initiatives to shine through our substantial capabilities in converged infrastructure. Marketing is taking the fight to the street

You will see stunning changes over the next 90 days. Some of the changes are already creating buzz. We hired a new PR firm that has already gotten our story into Wired and Fortune. Our PR strategy will push Hayes, Juan, and Anoj into the limelight as thought leaders in our industry.

We will be revamping our website, our color scheme, our branding, and our logo. We are going to undergo a full image makeover. This isn't to create a story. It is to unlock the story we already have.

Marketing is partnering with our solution leaders to help build exclusive content, articles, and whitepapers. This content will draw people to Trace3 to learn more about the transformative capabilities we have and tell stories about the clients that utilized us to build and enhance new

revenue streams. We will do campaigns around this new content and have copious new technology under the covers to track and rate those campaigns based on user response. Marketing is now leading the way as we go on offense.

## Our Client Profile

A lot of our focus and analysis over the past several months has been introspective. How do we lead? How do we tell Trace3's story in a more compelling fashion? How do we give people access to Trace3 in a new and enhanced way?

That analysis will prove to be important going forward, but we also wanted to look at who would actually be the consumers of that message and most likely to respond to it in a positive way? We created a basic analysis of the clients that will consume our message and need our help: (1) the pace of technology transformation has the potential to marginalize ITs impact on the business, and (2) IT can no longer rely on optimization and expense reductions to justify its existence, and (3) CXOs knowledgeable on the latest relevant technology innovations that aid in revenue generation will excel in leadership roles, and (4) those CXOs need a trusted advisor to keep pace with rapid changes in innovation with relevance to specific business initiatives, THEN (5) Trace3 has the People, Programs and Process. Let's roll.

## Conclusion

Marketing will become a strategic differentiator for Trace3 in 2014. We will lead the way and tell the story. The changes in the industry and within Trace3 have given us a phenomenal opportunity. Ring the bell, we are getting in the fight.

# BE THE WEATHER

*Tyler Beecher*

Though a serious fan of Trace3 since 2006 (as I write this I have been on the team for just over 4 months), I am the newest contributing member to this playbook and have been asked to share a little background on myself. So here goes!

In the early 90's I was headed into my junior year in college and thanks to Title-9 (and a nagging elbow injury), my collegiate wrestling days were thankfully coming to an end. For the record, I hated college wrestling but it paid the bills. It's a long story. Now being that my lack luster athletic career had come to an end, nights and weekends were now freed up. I soon found myself pushing mutual funds for Fidelity Investments in the evenings and ladies shoes on the weekends for Nordstrom. I accelerated wildly at both…yep, I was the King of ladies shoes! Fidelity was a great gig because friends and family all believed I was a full-fledged stock broker, which I technically was. However, I never let any of them know the "late night call center brokerage job" or better put, the "answering angry drunken investors at 2am EST job" had a locked salary of less than $20K a year. Nordstrom was even more exciting because on occasion I would get the chance to peddle a pair of 3EEE pumps to women with twelve toes (code named "Yetis") - no offense to anyone's mother.

It was during this period of schlepping shoes, mutual funds, and preparing to go to graduate school that I read a book called MegaTrends2000, which made me believe "high tech" was the next "gold rush". Within days of finishing the book (yes I read a couple of books in college), I sold shoes to a man and his wife who after witnessing the greatest shoe sale presentation in the history of the "sock era", told me I was crazy if I didn't get into high tech sales. He was a recruiter. The following Monday I started at a fast-rising mobile communications company called Megahertz that within months was

acquired by USRobotics. USR was soon was purchased by 3Com Corp out of Santa Clara, CA, and in no time at all I was on the mean streets of Silicon Valley as a "hardened sales criminal" covering Northern California.

I have since lived in Seattle, Phoenix, San Diego, Salt Lake City, and the Bay Area twice, and have led teams for 3Com, Cisco, EMC, and NetApp (where I spent the last 10+ years). It's been quite a ride with a lot of good and bad lessons learned. Mostly good! Below are several I would like to touch on briefly and that we will be focusing on as sales teams in 2014. I look forward to our "sessions."

1. **COR Sales Methodology:** Ever been on a sales call where the sales rep drones on and on about themselves and their "special" company while showing several charts that (oh by the way) look to a customer like every other sales person's slides (commoditization), hoping to prove his or her company/products are the best, followed by a comparison to their competition (poisoning), and then finally, assuming the customer is still awake or even in the room, they start talking about the customer's pain? My bet is if you rode shotgun on 100 sales calls this year, you would likely experience this 99 out of 100 times! This is why most people detest interactions with sales people and they revile the "enough about me and my company but let's talk some more about me and my company" sales personalities that drain their time and energy on a regular basis.

   So what is the answer to avoiding self-commoditization and client exhaustion? COR Sales Methodology. **COR methodology makes us highly complementary to what our client is trying to achieve, rather than competing with them by trying to drive "our agenda."** It represents a total reversal of the order in which our entire industry engages with clients and it de-

commoditizes the sales teams disciplined enough to drive it. Clients who experience COR discussions "lean into" conversations rather than away from them because COR conversations are all about their challenges, their options, and THEIR success! Can't wait for our training sessions!

2. **Drive Technology Scouting**: Nothing embodies COR Sales Methodology like our NTI Practice and Briefings. The curation process the client goes through, followed by the meetings with the VC Community are 100% focused on their challenges and pain. Testimonial after testimonial from CIOs come back the same...It is the most meaningful forecasting experience they have had in their careers.

   In my last NTI/VC Briefing, I had the opportunity to accompany an East Coast-based CIO who had run two world class organizations and was skeptical going into the briefing. By mid-morning, he was asking to repeat the process quarterly or even monthly! His experience was consistent with everyone to whom I have spoken.

   **I liken our NTI Team to talent scouts who represent "big league" ball clubs that don't have the time to scour through hundreds of colleges or thousands of high schools for future "big league hitters" who will shape their horizon.** Our NTI Practice is without parallel. **As such, we should be selective/guarded as to which clients we engage in the community Chad and his team have developed, only exposing those who are interested in being "Major Leaguers."**

3. **Organizational Health: I am convinced Individuals (and especially Teams) take time to be well, or they take time to be ill.** I have also learned by sad experience those who delay the decision (or make no decision at all) are making a decision...they are choosing to be ill! In 20 years of solution selling for four

F500 firms, I have rarely (if ever) seen a project fail due to technology. Without fail, initiatives both large and small fall short because of people. These are people protecting turf, legacy decisions, political standing, process, or simply aren't aligned or don't "buy in" to the importance of what is being driven. For those clients that "choose to be well" **T3's Lencioni-based Table Group is the best "bang for the buck" any organization will experience in 2014**.

4. **Celebrate People:** Everyone loves a winner! Unfortunately "loving on winners" gains you little. We all know the saying "success has a thousand fathers whilst failure is an orphan." At our sales kick off in September, I posed the question of when we should celebrate people. The answer is simple: **We celebrate people in their struggle**.

   For over 10 years I worked for an Executive named Tom Mendoza, who was always happy to place a call when asked to congratulate someone who had achieved something great. But what impressed me about Tom was he was much more interested in placing calls of appreciation to people who were struggling through a tough situation or having a tough year. In fact, what I witnessed was the calls of congratulations to "winners" were brief compared to the calls Tom placed to good people struggling through a tough campaign, project, or customer satisfaction issue. I can go on and on with this subject, but you get it

   I**f you want people to follow you, then supporting them in their fight/struggle is worth a 100 times that of celebrating them after their success.** Please remember my Tom Brady "drafted #199th" story from SKO. **Celebrate the struggle**!

5. **Develop Virtual Teams:** Who has your back? If you are sick or unable to perform does the show go on? When you're down is

the whole team down with you (meaning you are the whole team)? High performing and high servicing account teams develop strong "street level" relationships (ecosystems) with partners and cooperative vendors that bless the lives of their clients and greatly diminish the conflict, finger pointing, and noise that can fatigue them. I am asking all teams to be prepared to share your 2014 V-Team plans in our Q1 planning sessions. V-Team Plans will help you better understand, support, and deliver against your client's challenges. **Don't go it alone!**

6. **Commanders Intent:** Like many of you, I grew up in a world with parents, teachers, coaches and managers that defaulted to the old "command and control" style of leadership. Fortunately or unfortunately (depending on your opinion) due to the pace of change each of us (and our clients) face, it is critical we embrace ambiguity, leaving that old "command and control" leadership style behind as we accelerate and transform ourselves and teams. **"Command and Control" is all about "doing things right" but with our rate of change it must be replaced by Commanders Intent", which is all about "DOING THE RIGHT THINGS!"**

We are all witnesses to the demise of many competitors focused on "doing things right". They run the same plays they always have. Military Officers headed into conflict train their people and plan extensively, but also move forward with the concept **"the plan won't survive first contact"** embedded in everything they do. This means they know when they go into battle things aren't going to be as anticipated. **Things quickly turn "VUCA"** (volatile, uncertain, complex, and ambiguous), meaning people, supplies, weather, air cover, communications, and even the enemy aren't where they anticipated. As such,

audibles must be called by the people on the ground to move the mission forward**.**

**Commanders Intent is all about making sure when things breakdown (and they always do), your people clearly understand the mission objective and are empowered to make it happen. Commanders Intent means your teams are clear on the "What and the Why" (end state success) and free to deliver on the "How."**

I believe there are still many leaders who believe they have to be "hands on" and/or "in the weeds" on every decision. This results in their **organizations being able to make decisions and move forward ONLY as fast as they (the leader) can understand things, resulting in the leader becoming the "bottleneck" that costs their teams and companies' immeasurable loss in creativity, energy, talent and revenue.**

7. **Be The Weather:** I'm a big believer there are two kinds of fires. Fires that attract people (BBQs) and fires that send people running (house, car, etc.). It's all a question of smoke and perception. My point here is **great sales and service people (that should include everyone in our company) create the perception their customers and customer's projects are "special" and worthy of heavy investment by all in their eco-system**.

Haven't we all witnessed projects dragging or quickly sliding the wrong direction that seemingly get turned around in days when a "personnel change" is made and the "right person" is on the job? More times than not that "right person" is someone who quickly brings "good weather." They own the "water cooler talk" and ensure all around them are positive, show good energy, and are "on message." The result is the project takes on an air of confidence and almost immediately attracts resources

and talent. There's a theme here…"success has a thousand fathers". People want to be a part of success.

On a very personal note, a few years ago I became very unhealthy. I was physically and mentally exhausted to the point I seriously questioned whether I could continue to work or even provide for my family in any capacity. As I struggled to regain my health and sorted through the things I could and couldn't control, several past decisions stood out. Of the two I regret most (I will save the first for one for our "live sessions"), one was a large customer deployment we struggled through for many months. It was a complex, political, and highly volatile environment where we were replacing a competitor that had been embedded for well over a decade, which meant there were some on the client side that weren't excited to see us succeed.

Not an easy situation. And **at the heart of our struggle was a team leader who was actually repelling talent and resources because of his attitude**.

He was so busy celebrating all the challenges with the project (fanning the wrong kind of flames), the kind of people who could have made all the difference were sprinting away from the project. You can guess how this movie ends. We switched the team leader and the weather changed. Talent and resources were attracted, and, ultimately, the project succeeded. If only I had made the move sooner!

The morale of the story here is people in our business tend to be "weed/plant kill" or "miracle gro." Some are hard wired and for some it is still choice. As I have grown older (and hopefully a little wiser), I have come to believe it is "easier to act your way into feeling than to feel your way into action." **Great sales people "act" to create energy and attitude around their**

clients, which attracts great talent and resources to the struggle, resulting in outcomes previously unreachable/unimaginable.**

8. **Great Athletes seek Coaching:** Although Tiger Woods and Phil Mickelson are arguably two of the best golfers in the world, both are humble enough to seek out coaches. What makes their decision to seek out and pay for coaches interesting is neither of their coaches (guys like Hank Haney or Butch Harmon) ever won a major event or can hit even a single golf shot better than these two great athletes. How often do we see this in the sales/business world? Rarely!

   **Most people believe if they have had more success than those around them, they are above seeking coaching**. **In essence, they are declaring their delusional belief they are better in their chosen profession than Tiger Woods is at his**. **Great coaches are all around us. They can be found amongst our peers, partners, and customers. Seek them out!**

In closing, I would like to end with a thought brought to me by a leader I respect as much as any in this industry. As we were wrapping up a lengthy coaching session focused on being more vulnerable/relatable to the teams I serve, he made an "off the cuff" comment about the Rocky movies. He asked me two questions about them. First, was who was my favorite fighter, and second, why? We all remember the characters (Rocky Balboa, Apollo Creed, Clubber Lang, Tommy Gunn, etc, or even the wrestler known as "Thunder Lips"). As I thought about the characters and whether or not I was being asked a trick question, my mind defaulted to the name of the movie and the fact they made five sequels of the same name. I also remember as a teenager standing in a packed movie theatre with my arms in the air as the place erupted in cheers as Rocky defeated the Russian fighter, Drago.

Rocky was clearly the right answer to my coach's question. But why? Don't we all want to look in our daily lives like the fighters who were total and complete pros…unflappable, ultra-confident, rich, and undefeated? Don't we all want to look like Apollo, Clubber, Drago? But here's the head-scratcher; if so many of us want to look like them, why is it we so enjoyed watching them fall? We enjoyed it so much it fueled five sequels of basically the same story. And why do we root for Rocky, this totally blemished, poor, mumbling fighter from the wrong side of the tracks who literally has to beg an old trainer to coach him, who in turn spits in his face? I believe we all know the answer. The Rocky character is humble. He is hungry. He is vulnerable and he is good to people around him…the often times "forgotten people."

So my question to all of us is this; Do people want to see you and me succeed, or do they want to see us fail, and why? Which character are we trying to portray? My hope is we can lift and appreciate each other in our struggles and be vulnerable, hungry, and humble. Let's fight for the people that line up alongside us every day. Let's be the kind of people our teammates, clients, and partners want to see win. Let's celebrate the struggle! Let's celebrate the fight!

# PLASTIC FLAMINGOES

*Nate Julson*

Trying to come up with financial goals at Trace3 is super easy. We generally don't ask sales staff to forecast. We start three new businesses a year. We usually start an office in a market where we have never sold before. We discover half a dozen new products that weren't available last year and the tech industry generally moves faster than any other.

My bad, sarcasm never actually works in print. Let me rephrase…it's a total nightmare. So one of the first things a finance guy clings to, at least to start the process, is to look towards external predictions in the industry to gain some context. I started by looking at all the analyst predictions for every publicly traded VAR, manufacturer, and distributor with whom we do business. The highest earnings growth forecast I saw was 31% (a VAR competitor of ours). But to give you some more context, the average across VARs and System Integrators was 24%. Our manufacturers averaged 10%. And distributors are looking at 11% on average.

So my next step was to plug everything into an internal model and see what looked reasonable from a Trace3 perspective. After my first couple of runs at it, I came up with something I really liked and thought was possible. I was pumped. We are getting better at this every year and what's really cool is that I've got an aggressive number. Finally I was going to shed the conservative finance stereotype with my big reveal…WE ARE GOING TO HAVE 40% EARNINGS GROWTH IN 2014, AND BETTER YET, WE CAN DO THIS WITH ONLY A 20% GROWTH IN GP! YOU HEARD ME! THAT'S 25% BETTER THAN ANY PUBLIC COMPANY WE COMPETE WITH OR BUY FROM. Pretty exciting, huh?!

"That sounds way too easy. Does anyone agree with me?" – Hayes Drumwright

What the??? You've got to be kidding me. That's 25% better than any of our competitors or suppliers. It's way better than our past three years of compounded growth. We even lost money in 2012. What are you talking about?

He began to list a handful of reasons why he thought this was the case and I listened. It was a brief conversation, but the points he made were valid. Not only was I going to have to go back to the drawing board on my model, I had already written my section of the playbook in my head and this basically trashed everything. How could we possibly do better than my proposal? As I wrestled with this, I began to realize all the advantages we have over both other companies in our sector and previous years at Trace3.

To start, our Big Data, Cloud, and VMware practices were in a pure investment phase through almost all of 2013. We were hiring and building these teams with little or no associated sales. We are way ahead of the curve compared to our competitors in these areas and we have assembled an all-star roster of people. These investments are going to start paying off with potentially massive revenue streams that were non-existent to us previously and they don't compete with our other product lines. In many ways, the same could be said about Managed Services. While we did have associated revenue with this business, it was relatively minor in 2013. With an increased focus on this by Terri Cooper's group and a lot of the investments already made, this will be much larger in 2014.

Reason number two is the VC Briefings. While it's tough to directly quantify the effect of the VC briefings, there is no doubt the visibility we have gained with CIOs will amplify the amount of purchasing we will see from our clients who attend a briefing. Not only will we see an increase from our existing clients, but our ability to expedite new relationships at the CxO level is unmatched. Who else can deliver this in our space? We really did not gain traction with this until the second half of 2013 and I

think we will see customers accelerate with us in a single year, where it used to take three years to become significant to them. Why would they buy from their traditional partners when we can bring something of this value?

Another mitigating issue in 2013 is Consulting, Staff Augmentation, and Managed Services all lost money in 2013. This is on an "unburdened" basis. While it may be tough to hear, it's actually a tremendous opportunity for us in 2014. NONE of these business units are going to lose money this year.

Rather than focusing on any and all service opportunities, we are going to narrow the service offerings and continue to improve on how efficiently we deliver them with the Consulting group. The cross training involved with the Rise of the Engineer is critical to making this happen. In addition, we are going to improve *how* we sell Consulting engagements to ensure we can advance projects to successful conclusion more quickly and thereby recognize revenue sooner. Staff Augmentation has been spun out of Trace3 to Greenfield Partners. As far as Managed Services goes, we have made a significant portion of the investment already and while it lost money, revenue grew steadily throughout the year and it was profitable five out of six months in the second half of 2013.

Finally, we have a very aggressive plan on the number of sales reps we are going to add in 2014. We believe we can significantly increase the headcount in this area with limited addition to fixed expenses. It is likely we will add an additional market or two as well. While it generally takes significant time for reps to ramp, Tyler Beecher has a proven track record of accomplishing this quickly and with scale. We have never had someone on staff, especially with his experience, dedicated to assisting new reps across all regions. This is maybe the best example of what we mean by "going on the offensive". Our total sales head count has increased very little over the past few years and not only should we see

additional sales, but with Tyler's help, we should also benefit from them faster than in the past. Combining all this with the VC Briefings and the addition of the Innovation Consultant role is almost scary.

So what is our goal?

1.  We will blow by the half Billion dollar mark with over $550M in revenue.

2.  We aim to grow earnings by 60%.

I truly believe 2014 will be a historic year for Trace3. On top of this, I think we have put ourselves in a better position than anyone to deal with external challenges (vendor consolidation, VAR consolidation, changing resale market etc.). Barring another economic meltdown (which we have no control over), I believe almost all of our challenges come from within. I would like to ask for your help to avoid these.

First, you will hear a lot of emphasis on profitability across all business units this year. Please trust that management is doing this for the good of the company. Net income is crucial to Trace3 controlling its own destiny and continuing to invest in itself. If we look back at the track record, you will see this continual reinvestment. We have opened seven offices in ten years. We have a ratio of five engineers for every one salesperson. Evolve has been established as a premier marketing event. We have established the VC Briefings. We have started four new BAMs, along with the Managed Services, BDI, and Cloud practices. You will see the Rise of the Engineer this year. We do this to provide more opportunity to everyone and not just a few. (Also remember that when we talk Trace3 earnings, because of our corporate structure, it does not include income tax expenses. Half of whatever we earn is paid to the government).

Embrace what we are preaching about the changing market place. Don't keep doing things the same way you were three years ago. While we have enjoyed quite a bit of success, we are seeing hard evidence the

straight resale model is beginning to deteriorate. Our gross margins have decreased in each of the last three years on resale. We have already seen significant VAR consolidation in a few of our regions. Rather than competing with the same tools everyone else has, leverage the investments we made that our competitors can't compete with and stay ahead of the curve and above the fray.

Practice what we preach to our clients about breaking down silos. Accept maybe another solution from another BAM may be a better option for the client. Be open to the idea maybe services can drag product sales rather than always vice versa. Realize the Rise of the Engineer will be effort, but everyone becomes more valuable in the long run. All these will contribute to more long-term global success with clients and provide more opportunity for everyone down the road.

The conversation I relayed in my intro is the TYPICAL conversation I have had over the last 11 years at Trace3. In many ways, I feel like my group is the most challenged by all these changes as we have to adapt to every new offering across the entire organization, figure out how to track it, pay for it, and do it in unreasonable time frames. I am the first one to acknowledge all this seems overbearing at times. But as I look back, I have also come to realize this is what makes Trace3 so special. The degree of difficulty is so much harder, but the ride is so much more interesting and the feeling of hitting the mark is so much more rewarding. Personally, once I learned to embrace this rather than be exasperated by it, I truly felt appreciative for the opportunity I have been given rather than stress of keeping up with it.

When businesses have great years, it's almost always because of the efforts made over previous years. We are going to see tremendous returns on all of those efforts in 2014. When it happens, take a moment to look back and realize it was worth it, but also keep in mind this will be another year of laying ground work for the future as well.

P.S. - There are more plastic flamingos in the U.S. than there are real ones.

# ALL IN ON CLIENT SUCCESS - OUTRUNNING BEARS

*Tony Bushell*

2014 will mark the 13th anniversary of me moving to Colorado and, having been born and raised in London and spent most of my adult life in major cities throughout Europe, there were a bunch of things I had to adjust to and learn about my new home to both thrive and survive. Driving on the wrong side of the road, as an example. Or not being bitterly disappointed when asking for a beer in a bar and being served a Coors. The small things.

My ex-wife - as well as being a criminally insane sociopath - fancied herself a bit of an outdoorswoman and loved to hike. Although hiking always felt a bit too much like a desperate run to freedom from prison, as a family with dogs and a young daughter living in the Rocky Mountain foothills, I'd often find myself dragged with the pack into the wild on weekends. Whenever I told anyone I did this, I always got the same response - "If there are two of you and you see a bear, remember you don't have to be fast enough to outrun the bear - you just need to be able to outrun the person you're with."

I was always inclined to see if their smugly selfish self-preservation instincts would help them outrun a punch to the throat but I never put that to the test. Growing up in London, I spent my childhood avoiding enthusiastically aggressive bums and painfully talentless buskers as well as badly driven vehicles, so bears just seemed to be one more environmental threat to dodge where possible. That said, even as a newlywed, it should have been fairly telling that my ex-wife was already making plans for how to leave me behind to die in the woods, but that's a whole other story.

2014 will also mark 20 years I've been in IT in one form or another .Before coming to Trace3, much of my career was spent in operations where I built and maintained infrastructure and was really good at it. I

liked my fiefdom and tried to feel good about the complex environment I lovingly crafted and begrudgingly gave to the business to play with (and then fix when they broke it).

After a few years stumbling from job to job, I found myself working in the Cisco TAC and then the NOC back in Europe. The local SE manager asked me a few times if I would be interested in interviewing but I had this idea in my head what being in sales meant. I really wasn't very interested. At all. There was something pure about being the type of engineer I saw myself as, and diluting that purity with sales wasn't all that appealing.

I might have been ex-Cisco but I was still very much a pro-Cisco bigot. So at my last job before coming to Trace3, when we needed WAN accelerators I went straight to my Cisco reseller and had a truly horrible, trench-coat sales person experience. They tried to sell to me ON THE WAY INTO THE MEETING, before even understanding anything about the project in which I was engaging them. Strike one.

And they were trying to sell me something I didn't need. Strike two. Historically, it turned out to be something that didn't even work very well (Cisco retired the product a few years later) so even though the VAR was already fired by the time I learned that third fact, it was most definitely a retrospective strike three.

I almost wanted to rehire them just so I could fire them again.

So, I literally did a 180 and walked them out of the building and started to look for alternatives to the Cisco product. This led me to Riverbed, who put me in touch with Trace3. I had a meeting with one of T3's AM's, but he moved on and I got Bullwinkle on my account. I came to the first meeting with her more than a little frustrated, disenchanted, and probably a little more combative than I needed to be but, typically for her, Susan was very disarming. It was like the voice of an angel when the first two things she asked me were: "What are you trying to achieve and what are the business drivers behind this project?"

Funny, but in the 10-12 years of working with vendors and VARs in different capacities, that was the first time anyone had ever really asked me that in the collaborative way she did.

I would like to say "it was love at first sight" with Trace3 but the reality is it took closer to 6 months. Repeated exposure to a great AM/SE team meant that I put all the business I could through Trace3. The more I was exposed to the engineers who worked here, the more I realized perhaps sales DIDN'T have to be cheesy and slimy or make me feel like no matter how many times I washed, I'd never be clean again. Maybe sales could be collaborative.

Maybe we could even help people.

Sure, there was also a financial motivation behind everything done, but ultimately we got paid to make people successful, and the more successful we made people, the faster and bigger Trace3 grew. Denver went from 17 employees at the beginning of 2011 to 43 by the end of the same year. All by making our clients successful.

I used to joke that my job as an SE was one-part Mr. Fixit, one-part Santa Claus, and two-parts Jedi Knight because my whole job was bringing new toys, fixing what was broken, and generally making The Universe a better place. Pretty cool stuff when that's how you view your own job but on a more abstract level, what an amazing thing to be able to offer our clients.

I know when I was in the enterprise business, I was so busy I never really had a chance to read about new technologies and even more rarely, implement any. However, at Trace3 that was a part of my job description and I could take that and offer it to my clients. I could help them stay ahead of changes in the industry or market place when they didn't have the time to do it for themselves. We often helped them solve problems they either didn't know they already had, or would have within a short amount of time.

Although our competitors would no doubt all like to say the same thing and believe it, the truth is our clients and partners have been telling us for years we are different because of how we approach their problems and successes – like they are our own – and we bring solutions which their own teams either are unaware of or just haven't considered. We take ownership of the project and their environment and we execute and deliver.

On an even more simplistic level, what we are doing differently isn't really all that complex or even smart - you might even call it a return to basics. We have focused on making our clients successful. That's how Trace3 approached the initial partnership with my organization and it's why Trace3 is so different than our competition.

In some respects it is just simple word play – our focus has always been more on the 'Value' aspect of being a VAR rather than the 'Reseller' part. Even on our journey to becoming a *Business Transformation Partner*, we have always been cognizant of the fact if you focus on making the client successful, purchase orders will follow.

Over the six years I've been here, I've constantly been told by our clients and partners we are just different from our competition. We look different, we smell different, but most importantly to them, we act different. I firmly believe it's because our focus is different.

During a recent presentation to EMC, we were told all our partners are talking about selling more widgets and becoming more transactional in an increasingly fragmented, widget-agnostic, and solution-focused marketplace. Bless their hearts.

And then there's us, talking about providing more value to our clients and helping them become more successful through a variety of mechanisms that start at the technical and move increasingly into the heart and mind of the organization. We can offer help at so many levels and provide such an escalating value proposition that we are constantly

redefining how our clients and manufacturing partners view our competition.

We often say the constant change and evolution of Trace3 has largely been mandated by our clients, but it could as easily be argued these changes were actually forced upon us by the need to outrun that big old bear - the cutting edge where the market changes meet the industry trends meet the enterprise's needs.

Possibly the one constant in IT is innovative and disruptive change. Even in the six years I've been at Trace3, we have seen a variety of technologies - WAN optimization, mobile device management, flash storage, cloud, big data – become massively relevant to our clients when just a few years prior, those market segments hadn't even existed.

How much have we all seen and needed to respond to in our time at Trace3 and how many more changes are we going to have to adapt to in order to survive?

The bear isn't slowing down. It's continuing to chase us with increasing speed as we run uphill (don't try that, it's a myth and doesn't slow bears down but it DOES make them apoplectic with rage). But we shouldn't be thinking about the bear. We shouldn't even be thinking about the guys beside us, despite the fact they are stumbling and falling all around us. We should be thinking about the client. Always about the client.

If we execute and deliver and help our clients chase their success, we will outrun the guys beside us and, of course, stay ahead of the bear.

Because whether we want to believe it or not, the bear IS coming.

We are seeing further evidence of this every month. Last year in both Denver alone we saw some pretty dramatic changes in the competitive landscape. We witnessed a downwards shift for *LongView Systems* and *ISCSI* (we were lucky enough to pick up their CTO, which is most definitely an upside to all this). *FishNet* merged with *TorreyPoint*, *MSN*

*Communications* got sold to *TDS* (a company with a significantly different business model, which has both their clients and major manufacturing partner (Cisco) scratching their heads about MSN's – or OneNeck's - future). *South Seas Data* got sold one week later, STA got sold at the turn of the year, and multiple sources keep whispering one of our California-based competitors is looking to close their Denver office as the local team circles the drain.

All the while we're growing and, perhaps more importantly, evolving. Our competition is too concerned with being and should be focused more on what they are *becoming*. By not focusing on becoming something *worthwhile*, they are simply becoming *obsolete*.

Our competitors are still focused on selling more widgets and it's slowing them down, while we are busy chasing our clients' success and providing solutions with greater value across a wider spectrum of services and increasing our value across more fronts than just IT. We are adding new definition to the cliché of Trusted Business Advisor.

Which is why they are getting eaten by bears and we are simply running free in the fields.

# CONSISTENT MESSAGING AND FEEDBACK

*Timothy Abbott, Josh Berezin, Tony Bushell, and James Franklin*

*"All the adversity I've had in my life, all my troubles and obstacles, have strengthened me... You may not realize it when it happens, but a kick in the teeth may be the best thing in the world for you." -- Walt Disney*

If you want the unvarnished truth, let your employees tell you what is happening in an anonymous survey. Hearing the word "survey" may cause you to cringe or find yourself daydreaming of the movie *Office Space* and thinking about the "Bobs". Sure, we've all been there, a company takes a survey to "get a pulse" of the employees only to file the survey away and fulfill a checklist created by reading some book. But how many companies actually *do* something with that survey?

I'd like to share with you some of the comments our employees made in the survey we commissioned in regards to communication:

*"Lack of processes or communication"*

*"Unable to get answers and responses from management in a timely fashion."*

*"Lack of communication on decisions/changes that are made without talking '2 levels down' to see the daily impact of said decisions/changes"*

*"Breakdown in communication between teams or within teams that is clearly avoidable but some members keep information to themselves."*

*"Poor communication"*

*"Execs and all decision makers that impact the company need to continue to over communicate even if they think it's not needed. Not everyone is included in all the meetings and events so it shouldn't be taken for granted that just because one group hears about something new or a change that the rest of the company automatically would know about it…"*

If you are married, have friends, are a parent or child, then you know you must constantly communicate to keep those you love happy. I was told once in marriage that opposites attract and I found this very true in my own life. You enjoy this bliss when you first meet. If you are more casual, then your spouse tends to be a more structured. These opposite styles shape our conversations and bring variety to our lives. If you have passed the initial stage of a relationship, you soon find out opposites may attract, but often shift to opposites attack. This principle also rings true among employees and leaders.

Communication should not be such a dilemma. We live in an age where there are more ways to communicate than ever. You can reach employees through blogs, twitter, email, and lots of other tools. So why don't we get it right?

Intellectually we know communication is important to sustaining an engaged workforce. As we have grown, we believe our first issue is a simple function of geography. As a leadership team, we simply don't get to see enough of our people as they are spread across our eight offices. In fact, as we travel, we find ourselves in primarily empty offices because most of our employees are out at customer sites communicating with them. This crystallizes the need for crisp, concise, digestible messaging on a frequent basis.

### A Business Killer

We spent most of 2013 talking about our need to grow more streams of revenue aside from the product business. We launched a broader campaign around professional services, managed services, education, Table Group, and our NTI companies. If we fail to reinforce why these nascent businesses are important to our future, and there is success selling only product (as opposed to solutions that deliver a business outcome and ensure client success), it can create incentive for employees to ignore the original message, or assume we just were not serious about that business. This is a dangerous state as it allows groups

of people to essentially "prove" your theories are wrong, or at least misguided.

These types of nascent businesses fail, not for being bad in nature, but because they are simply not adopted. Trace3 will continue to build businesses that automate tasks and reduce the number of times an asset is touched by someone in an IT department. These businesses, even in their early adoption phase, must be built with a level of communication that allows the company to understand its importance to our clients and our future.

### The Keys to Communication – Intention and Motive

**"Tell me, I'll forget.
Show me, I'll remember.
Involve me, I'll understand"**

**– Chinese proverb**

Different people learn in different ways – some learn best by repetition, some learn by doing, some learn by having the soles of their feet struck repeatedly with a small length of rubber hose. What we have learned is people love great stories based on what we have accomplished and seek

To that end, we are going to ensure our cascading messaging continues in a variety of ways. Some of these are more informal and ad hoc, while others more rigid. Each, though, is designed to ensure no matter what your schedule or preferred method of communication, we are going to attempt to communicate with you how you want to be communicated with and not just how we think it should be done.

As well as keeping us on our toes in 140 characters or less via Twitter, Hayes is going to continue to write his blogs that entertain and inspire us all, as well as provide insight into his thinking and plans for the future. Keep referencing back to them. You'll see there are common themes running throughout that show, sort of like one of those crazy mime artists that spends a day turning around, Hayes has very long-

term plans he keeps telling us about but it's only with the benefit of hindsight we can see the emerging patter.

Josh is going to start putting together a monthly "Update from the President's Lounge" email that will provide a variety of operational updates about the company. Ranging from financial information to details on interesting or unusual deals, the hope for these updates will be we can all learn from each other's success. The message will include our growth in marketing, branding, and outreach initiatives. They will also be regular and consistent in their messaging so that each installment will feel like a self-contained chapter in the T3 story.

Evolve has always been a good medium for us to communicate to our clients and partners and you can expect that to continue in 2014 and beyond. It's gaining continued attention from the industry and if we continue to bring in world-class keynote speakers and make this unlike anything our competition or collaborators are doing, it will continue to be the perfect platform to state our agenda and direction each year.

As amazing an event as Evolve is, its infrequency means we want to ensure the leadership team gets out into the field. We are going to continue with the Town Halls from this year, though we are going to restrict this to once a year, most likely in our quiet season of deep, dark Q2/Q3. Having tried two different formats this year, we are going to go back to the more interactive, presentation and Q&A type Town Halls, followed by a dinner and – schedules permitting – office hours from the leadership team the following day. The intention with this is to have the leadership team personally deliver and discuss their portion of corporate strategy and be accessible for the teams. Hayes will likely try and get someone to do something wild and wacky, like push-ups in front of a crowd, or shaving of one's head with a cheese grater. A good time is pretty much guaranteed.

In addition to these different pivot points throughout the year, your GM will continue to hold district meetings at a cadence that makes sense

and should be a constant source of information to you about local issues and corporate direction. If we don't know the answer to something, we know who does and how to find it for you.

## The Employees and a Two-Way Feedback Loop

Regardless of how well we communicate our intentions, it is the feedback loop that allows people to feel connected to Trace3. We had a number of notable pivots this year when we got employee feedback and were able to make changes based on information received.

Our employees wanted access to information to make knowledgeable decisions in the best decisions of Trace3. People understood their decisions at an individual level must be in line with the company's goals. Everything had an impact. So, our goal is to provide that to you, enable you to make those decisions at a local level, and keep all of us apprised of our evolution. Without a doubt it is our people that will get us there. Through internal communications we will provide you the tools so individual contributions and decisions get us all closer to the goal.

The feedback loop has manifested itself in several awards and company growth. We recently won the "Most Clued In Management" award from the OC Business Journal. This award illustrates that closing the feedback loop is critical to employee empowerment.

We are not perfect by any means. We know an engaged workforce is the key to our success in the future. We are committed to listening, learning, and giving our people the opportunity to be a part of the future and decide their own path.

# THE 750 MOONSHOT

*Hayes Drumwright*

For all of you leaders out there who have not heard of Moonshot goals or Moonshot Thinking, Google: "moonshot thinking". For all of you already applying this type of thinking, I applaud you. Moonshots seem impossible. That is the secret to their eventual greatness. There is almost no way to know how to succeed in accomplishing them from the start. They are not to be figured out by one person. They are to be figured out by the many. A speech by Mike Kail from Netflix was where I learned about this type of goal setting and I was so impressed with both Mike and the Moonshot. Mike's plan at Netflix is to be completely out of infrastructure in three years. How could they possibly achieve this?

Could you execute that plan in your company? What if you had no choice? Could you inspire the masses to achieve it? That is moonshot thinking.

On a lighter note, I was going to call this section "The Stuff that Hayes Pulls Out of His A\*\*", but most everyone thought by writing that in the book, I could offend people; so I won't. But you can see how initially that is exactly what moonshots look like if not explained or taken seriously.

I joke about that title because when I announced the goal of 750 Net New clients for Trace3, that is exactly the response I received from Ladd Parrish, a senior person with Trace3. He said he was just conveying the voice of the people and I 100% believe him. We only have 2000 clients and I want to get 750 more in one year! It sounds a little nuts.

Ladd's reaction is always a very good gauge for me on whether I am pushing hard enough. As soon as he tells me it will never work…then I know I am right where I need to be. The challenge then becomes creating an execution plan for the crazy idea to which Ladd can start nodding his head. If I get that, I know we have a chance at achieving it.

Most of you know a Ladd. He is practical, strategic, and an execution machine. Like many of you reading this, he means what he says and has amazing follow through. He just thinks people that spout off constantly with crazy ideas and don't back them up can get in the way of him crushing his day to day business.

Hayes needs Ladds. (Just like the Goonies when Sloth says, "Sloth love Chunk") And as it turns out, Ladds need a Hayes. Ideas are close to totally useless without execution and execution on mundane ideas equates to mediocrity.

Trace3 strives for greatness and will innovate the markets we choose to impact. We should all do that. Great ideas and goals matched with terrific execution is what to strive for. It is a battle where each side of the equation is constantly pushing and challenging the other. Ladd makes me smile when he told me PoP would never work. It made me smile because I knew he might be right. It made me smile because I then knew my go to market plan was not baked enough for him to engage. Maybe I make the Ladds out there shake their heads and smile when I say we will get 750 Net New accounts. Let's see if after reading this, they MIGHT just nod and think it could be possible. Maybe, just maybe, they will even want to jump in and try to help improve the plan.

Let's start in the best place to start: The Why.

"Trace3 will be relevant in the Post VAR Era."

We repeated this Rally Cry from our Table Group offsite till we were blue in the face. Think about the statement like you normally do, from Trace3's perspective. Now stop and think about it from the market's perspective. If we make the assumption the statement is true, what would happen in that market? The obvious takeaway is the traditional VAR market would start to wobble, slowly consolidate, and eventually collapse. Taken one step further, clients would then look for other partners to serve them. We are not saying clients will go away (different discussion). As these VARs sell, go out of business, and consolidate,

there will still be clients who need to be served. Our assumption is they will not want to be served by someone just selling infrastructure, but instead by a Business Transformation Partner (BTP) doing all the things we cover in this BattlePlan.

Which VARs will make that transition to a BTP? Without naming them, we have narrowed it down to about eight nationally, not including Federal VARs. We believe Trace3 will create the market with our offerings and these eight will quickly try to emulate us. With very few exceptions, all these potential BTPs will be much larger than Trace3. Four of them are 10X larger than us. I will not get into why I find this exciting because it would take too long. I will just say I have always LOVED being the underdog and being a $500M underdog with capital to make real investments will be fun.

So, if you believe my thinking, clients are going to get stranded all over the place as the average VARs they work with slowly disappear. And since the remaining players have deep pockets and could also be perceiving the market as we do, what conclusion must we reach on how Trace3 must approach client acquisition in order to secure the family?

**In 2014 we must begin the offensive.** We have to gain as much territory as possible before all armies dig in and begin building barriers to entry.

We are the first mover. We are the only one with a VC Briefings practice. We are the only one partnered with Lencioni. We are the only one formalizing "The Rise of the Engineer" that will transfer to our client environments. Cloud, Big Data, Data Center Migration…All of these are extremely high value.

We might be the first mover but we will not me the only mover for very long. Others will chase.

It is for this reason Trace3 will capture 750 net new clients in 2014. When the other eight competitors engage with us, we will have the high ground and be fortified.

750 is not a monetary goal. It is not a profit goal. It is an offensive move in a battle already begun. Hopefully all the Ladds out there are listening.

Now, onto the "how." In moonshot thinking, the how is discovered, lost, rediscovered, and at each stage, executed. We are designing an outline of things we know will need to happen and we expect everyone in the company to help constantly iterate and reiterate a more effective plan as we move throughout the year. With that in mind, Marketing, Sales, and I have put together a loose straw man on how to attack the moonshot. Your input will be mandatory for it to work. In our eight current territories we will need to add between 16-20 new Account Execs. That in itself is not the key. The key is who we will go after and the purpose they will serve. We opened Utah and Idaho in the last couple of months. Three hires to start with more to follow.

Looking from a GM's perspective, each GM needs to get 250 net new clients. One positive thing to factor into this calculation is Trace3 has clipped at a net new client acquisition rate of 100 clients per year for the past three years without any goals or emphasis on it.

We would propose the following as a basic outline to hit our moonshot:

1.  The current sales team takes it upon themselves to move the number from 100 net new to 160 net new. This means each of the current reps would need to try and get three more accounts than normal. For those major account reps that do not take new accounts…REALIZE you have the power to attract new companies to our value prop and hand them off to the reps who are taking more accounts. In fact, it might be the easiest for you to do so. Read my blog on "What's in it for Me" at www.trace3.com/hayes as I dive deeper into this thinking.

2.  Each region will need to bring in at least one or two ramped-up sales teams. People who can hit the ground running. We used to hire this way all the time. It is not difficult to do with our positioning and pay. Tyler will be approaching all of you for the

best candidates in the market and ask for introductions. Each of these hires should be able to generate 20 accounts for us this year if we get them in the next two months. There is 160 more.

3. We will be building a middle market team of account reps who will each be goaled with obtaining 30-40 net new accounts. One in each major territory would give us 200 on the high side.

4. We have Chad's team of Innovation Principals, who are leading the networking charge for Trace3 and helping to build Exec peer groups via the offering Chad has put together.

5. As covered in Todd's section, The Marketing team has an effective plan to help us hit the moonshot.

6. And then there is the client…To date, we have never leveraged our clients to help us get more clients, except via marketing. I would ask that all clients, if they really believe in our direction, leadership, and value, help us by introducing us to one of your peers you think would feel the same way. I realize this all on its own could hit the goal. An example of this working, which we have already seen, is for a CIO or VP who attends a VC Briefing with his/her company to then do a second one with three to four of their peers. It is simple and has produced great results for all involved.

You still might add all of this up and say we will still end up 100 short of the goal. Maybe even 200 short. You might think it is still impossible. I would bet most Americans did when JFK said we would land a person on the moon…the original moonshot.

Maybe a client reading this section has her own moonshot in mind and is now trying to think through a straw man of how to convince the masses it might be possible. Maybe they have a "Rally Cry" to be relevant in the "Cloud Era" and want to follow Netflix into an infrastructureless world…Maybe they want IT to deliver Business Services that truly drive millions in top line revenue…

Regardless of what moonshot you choose, in order to innovate, someone must first lead. If that is all that occurs, she will fail. For the innovation (or moonshot) to succeed, others must pick up the torch and lead with as much fervor around what is possible as the original thinker. When it becomes contagious, it has a chance.

**Final thoughts…**

In reality, this is not a goal about Net New clients or a "Cloud Era" or Business Services. It is about securing the future for the people counting on us as leaders as they do everything they can to make our companies great.

I will leave you with the following quote:

"It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat."

– Theodore Roosevelt

# In Conclusion

*Hayes Drumwright*

"We strive for greatness…"

This is how Trace3 began. Yet it is not so much the greatness that ever interested me. Greatness is just a potential result of striving. And I want people with me who want to strive.

Trace3 and our clients may have tremendous success this year and in the years to follow. As this occurs, and I think on why we exist, I worry sometimes we may have forgotten something in our "existence" statement. The word humility.

"We strive for greatness **with humility** and will innovate the markets we choose to impact."

Maybe we messed that up? I always worry the closer anyone gets to success and greatness, the farther they could distance themselves from humility. As we all move forward in our Offensive in 2014, please keep humility in mind. It matters. It is part of why we all love working together. Our offerings and place in the market may change, but we as a collective can still be humble, lift others, and share as we grow. That is the core of Trace3.

Thank you for helping Trace3 become something special.