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Entrepreneurial Ventures

MDL Partners has helped thousands of executives land new corporate positions. At the same time, we have supported a number of executives launching entrepreneurial ventures. Three of the recent crop of current entrepreneurial ventures where MDL clients are actively involved are Affluent Nations Inc., Seamless Medical Systems, and Allyke.

Affluent Nations, Inc. (ANI) aggregates groups of individuals (members) with similar lifestyles and passions, connects these members, merchants, suppliers, the media and the banking community to form an ecosystem or "nation," provides compelling benefits to its members, and makes it easy for all constituents to transact business in an otherwise huge and fragmented marketplace. Their tagline is "Connecting lifestyles and passions."

Their first "nation" is targeting affluent "car nuts," the top tier of the 25 million automobile enthusiasts who spend on average over \$6,500 annually on their passion as part of the \$38B auto aftermarket. The "Car Nut" nation will have access to a credit card program (the Carbon Fiber Card) with custom benefits, exclusive media content, and exclusive events and discounts. At the same time, merchants will increase their reach, access the affluent market, participate in revenue sharing programs, etc. Related media including print, blogs, forums, clubs and events will all contribute and benefit.

The model has been proven in an earlier venture by founder [Robert Minnick](#) and is being built by [Chuck Bauer](#) and [Rob Pietrafesa](#), two other MDL clients.

As their model is refined, and Carbon Fiber Nation is launched, the team will expand into motorcycles, fishing, boating, and other "nations."

As we know, healthcare delivery is rapidly changing. Patients and the government are concerned about privacy and the Health Insurance Portability and Accountability Act (HIPAA). More recent focus includes electronic health records, and the continuing emphasis on improving customer care and services, minimizing costs while improving provider revenue.

Seamless Medical Systems has developed and launched an integrated patient engagement system. It is multi-platform (mobile phone, tablet, and computer) to help patients and practices manage a full spectrum of activities from appointments and preregistration to patient check-in, patient payment, follow-up education and care compliance plus loyalty and marketing activities. At the same time, Seamless Medical's platform provides integrated electronic health records for the practice.

The company is currently serving 800,000 patients with 40,000 new patients added per month while generating a 99% patient satisfaction score. The system is adding \$60K-\$120K in revenue per year per provider and is generating a 9.7 net promoter score among users. [Steve Garcia](#) is advising and assisting in fundraising.

A third company is [Allyke](#). Allyke's team has created a next generation of product discovery tools for consumers shopping retailer's websites based on computer vision and machine learning. On pilot sites that have implemented their SaaS based product, they have demonstrated a 4x increase in visit minutes and a 2.5x improvement in conversion

rates. They are selling to traditional brick-and-mortar retailers and pure eCommerce sites trying to maintain their margins and increase market share in the face of overwhelming pressure from large eCommerce players such as Amazon and Google Shopping.

Their initial product is an intuitive, powerful eCommerce capability that brings to digital shoppers more of the intimacy a great in-store sales associate provides to brick-and-mortar shoppers. They do this by answering common questions that require a visual understanding of products, such as "I think I like this [shoe, purse, chair]...can you show me similar items?" By answering "visual" questions accurately and consistently, Allyke's visual search engine yields increased conversions and fewer returns. Allyke transforms online consumers into loyal customers by making shopping fun!

The team includes a tech savvy business person previously backed by blue chip VCs ([Greg Moeller](#), "the idea guy" and MDL client), an MIT educated scientist who has built multiple computer vision teams over 15+ years (Neal Checka, "the brains behind the operation"), a world expert in retail performance improvement (Michael Yacobian, "the front-side of the house"), and a seasoned entrepreneur in retail ERP (Bob Hoyt, "the back-side of the house"), and a seasoned IP attorney with litigation experience (Al Brunett, "the guy building the moat").

Allyke is raising \$1.5M of seed capital to harden its initial product and accelerate revenue traction.

If you are interested in additional information, if you know of potential angel investors or if you would like a more detailed business plan, please contact the principals named above, [Tom McNeil](#) or [John Decker](#).

CEO Pay in the News

The CEO pay gap continues to make headlines. Recently, the SEC approved a Dodd-Frank-initiated regulation that public companies must report the ratio of CEO pay to median employee pay. This ratio is now over 300:1 and has been increasing steadily. Despite objections, public companies will be required to report this ratio in their financial statements for 2017.

While the media continues to report on "exorbitant" CEO pay, there seems to be little concern about sports and entertainment figures compensation. In sports, Floyd Mayweather and Manny Pacquiao had reported incomes of \$300M and \$160M respectively last year. Cristiano Ronaldo and Lionel Messi (soccer) reported incomes of \$79.5M and \$64.7M while LeBron James reported \$72.3M and Kobe Bryant, \$61.5M. On the entertainment side, Katy Perry made \$135M, One Direction, \$130M (split four ways), Howard Stern \$95M and the author James Patterson, \$89M. Robert Downey, Jr. and Taylor Swift, both reported \$80M.

What we really have here is a matter of supply and demand. People are willing to pay to see sports and entertainment figures. Boards and investors are willing to pay for a low-risk, high-demand CEO.

The CEO position in a public company (or any large company for that matter) is incredibly complex; one third of new CEOs are out in three years and now we have the added pressure of activists. In addition, CEOs will be facing increasing pressure from one half of all of their employees (those below the median) when median salaries are publicized.

Unfortunately, Dodd-Frank won't fix the pay gap. The only solution is supply-based, when companies focus more on executive development and CEO succession planning. Boards and institutional investors must also focus time and resources on executive development.

An even better solution is for aspiring executives to take charge of their own career planning (with the help of MDL Partners) to build their CEO-level skillset.

Don't Write a Book

John Decker explains that he just spent 30 minutes learning more than he ever wanted to know about the ellipsis...

You have seen them many times, but in case you don't know (I didn't), ellipses are the series of dots that usually indicates an intentional omission of a word, sentence or whole section from a text without altering its original meaning. According to the Chicago Manual of Style, three dots is the preferred number. If you were thinking of writing a book, you might as well start memorizing the Chicago Manual of Style (1,026 pages) because you will need to know whether an ellipsis can be enclosed in parentheses or square brackets and other rules before you can be published.

This was only one of many learnings and surprises as I completed "CEO: Mastering the Corporate Pyramid," a forthcoming book for executives, younger professionals and aspiring CEOs. I even foolishly opened a bottle of sparkling wine when I finished the first draft, then discovered that was only the beginning. I am now facing two terribly tiresome tasks: creating and editing the footnotes, and building a complete index. An MDL alumnus who has written a book warned me that you actually write it three times: once for yourself, once for the audience, and once for the publisher.

Despite all this grief and aggravation, over 300,000 books are issued every year by traditional publishers, and over 390,000 books are self-published every year. The average new book sells something like 273 copies in the first year. Only two of every thousand new titles sell more than 5,000 copies. Despite all this, authors insist on producing more than we can read in a lifetime.

If you have a great idea for a book, strongly consider reducing it to a tweet. Save yourself and the rest of us a lot of time and effort.

To be continued...

Success Stories

Doug Brockway has joined First Guarantee Mortgage Corporation as a Senior Business Analyst.

Christopher Clark has moved to Harwich, MA and is now the Town Administrator for that beautiful area.

Casey Corcoran is now Partner at FourV Systems in the Baltimore area, where he does product and market development in selected commercial industries for FourV's historical and real-time data analytics platform, which incorporates patented machine-learning analytics and natural language processing capabilities.

Tony Glad has accepted a position as Associate Director for Student Financial Planning at the Columbia University Medical Center in New York.

Aleksey Kurochkin is Chief Operating Officer at Federal Professional Solutions Inc. in the Washington, DC area.

Cathy Martens is Senior Vice President at Pirate Castle, LLC.

John McAndrew is Chief Operating Officer at Columbia, MD-based Phoenix TS.

Paul Ruppert is SVP, Global Sales at Mblox. Mblox is the world's largest Enterprise Messaging Services provider with over \$160M in revenues.

Kathey Tonnacliff is Manager at Falls Church-based IntelliDyne, providing support to the Defense Health Agency.

John Womack is now V.P. Finance at the Alexandria, VA based National Society of Accountants.

Thought for the Day

Boiling water softens potatoes and hardens eggs.
It's not the hot water you get into, it's what you do when you get into it that counts.

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