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KC entrepreneur sends brainchild off to college

DATAcore CEO SELLS CONTROLLING INTEREST BUT KEEPS TOP JOB

By James Dornbrook – Staff Writer

Jeff Yowell said he's amazed at how many people have stopped him in the past two months to say they are surprised he sold a controlling interest in Datacore Marketing.

For Yowell, it seemed the logical next step. The deal allowed him to diversify his family's assets, the vast majority of which had been tied up in the company. It also gave Datacore solid footing in marketing's big leagues.

Yowell remains CEO of Datacore and has an employment agreement for the next seven years. New majority owner KnowledgeBase Marketing, part of international marketing giant WPP Group, has an option to buy Yowell's remaining 49 percent interest in Datacore during that same time.

Gary Laben, president of KnowledgeBase Marketing, said he already paid Yowell a sum in the low eight figures. At the time of that transaction, Datacore had about \$15 million in annual revenue and 120 employees.

"I thought going into this that it would change my mental state a little bit, but it hasn't," Yowell said. "I'm not looking at that seven-year thing as a countdown. I could see it even being nine years from now, and if they still want me, I may still be here because nothing has really changed."

Yowell said he might feel differently about staying at Datacore if KnowledgeBase was replacing all of his people, or if he had to be on the telephone getting every little thing approved. That hasn't been the case.

Laben said Yowell's passion for his business is why KnowledgeBase agreed to let him maintain day-to-day control of Datacore.

"Jeff has a strong entrepreneurial spirit; he hates to lose and is highly competitive, which are all traits we greatly value," Laben said. "My observation is that he really believes in what he is doing and feels like he has a lot of work yet to be done."

"That fits perfectly with our business model because, frankly, we want to see his business double or triple in the mid-term here."

Laben said Datacore's strength with program operations and management and KnowledgeBase's strength in service offerings and distribution should make it easy for the business to keep growing. Laben said Datacore probably will gain an international component soon and provide its expertise to WPP's international clients.

Pat Trysla of Frontier Partners was Yowell's broker in the KnowledgeBase deal. He said the transaction is a good example for entrepreneurs of the importance of being prepared to take advantage of opportunities.

"If you're going to build value in your company and optimize your business, you've got to analyze and continue to reassess where it is you are taking your company," Trysla said. "Without that strategic vision and plan, you're just subject to the whims of the market and are not effectively managing your business. You are reacting to the market instead of proactively managing to the market."

Yowell said the first step in his planning process was to set the goal of diversifying his wealth by finding a solid partner to help build the business.

"It wasn't that we weren't comfortable that we could grow on our own," Yowell said. "We saw revenues increase 40 percent from 2005 to 2006. But as an independent company in Kansas City, it was getting harder and harder to continue growing at that rate."

Yowell attributed the recent growth to his decision about three years ago to hire an executive to handle operations and free himself to pursue new clients.

"At some point, you have to ask yourself, 'What are the skills I am good at that made me successful, and what are the skills I'm not good at that could potentially limit us as an organization?'" Yowell said. "I'm a good operations guy when the company has 20 people but not when it has 100. So I identified someone who was good at that stuff, so I could focus on what I do well."

Yowell compared hiring someone to take over operations of a company to sending a child off to school for the first time. Selling controlling interest in the company, he said, is like watching that child leave home for college.

As time went on and these decisions became the right and next logical step, Yowell said, he became more comfortable with them.

Yowell said he's not a typical entrepreneur who can't wait to get out and start another business. He put his money from the KnowledgeBase deal in traditional investments and said he just looks forward to facing each day's new challenge at Datacore.

"Really, marketing is all I know, and I really enjoy what I do," Yowell said. "In some ways, my passion is even stronger now. This gives me access to resources and experience I haven't had before, so it is going to expand my base of knowledge and allow me to grow, also."