



# Harley Lippman

## – A Story of Perseverance

### Academic Challenges

Harley Lippman's life started out more or less normally. He grew up on Long Island and was a somewhat quiet child, the kind that's often ignored by teachers and definitely picked last for teams in schoolyard games. People thought he wasn't paying attention. They didn't think he might have been paying attention to something else.

But that didn't keep them from saying unkind things, either to him or to his parents. "I'll never forget my sixth-grade teacher," Harley remembers. "She called me in and told me that to succeed, you had to be good at one of three things: 'The first is intelligence, and that's not you. The second is athleticism, and that's definitely not you. And the third is to be good looking and have an out-going personality, and that is certainly not you.' It sounded like 'three strikes you're out' to me. I acted like it didn't matter, but I guess it did." For Harley, it was the beginning of a life he would spend overcoming obstacles and managing difficulties.

When Harley began to think about applying to college, the high school guidance counselor phoned his parents and weighed in: young Harley was definitely not seen as college material. He suggested perhaps vocational school.

Well, it was about this time that Harley decided to start saying no to his naysayers. "I had a burning desire to prove them wrong," he says. So he applied to, and was accepted by, the State University of New York at New Paltz. Once there, however, he also felt a bit out of place – the spirit of the "high '60s" seemed to fit more with the school's talented population of abstract artists than for someone just discovering that he was not as academically disadvantaged as he had been told all his life.

So Harley took action. He did some research and discovered a fellowship program at the University of Manchester in England; and before he knew it he was saying goodbye to the U.S. and hello to the U.K. At the same time he was discovering that he liked taking matters into his own hands like this, and that he also liked planning and executing something of his own creation.

But his newfound joy was not fated to live long. In the middle of his year in Manchester, he got the phone call: "Harley, your father has collapsed and died. Come home, the family needs you."

### Life Lessons

When he got home, devastated by his loss as was his family, and disappointed at having to abandon the only thing he had ever created for himself, Harley got even more bad news. His father's insurance policy had been pledged to pay off the corporate debt of his floundering animation company. Harley suddenly found himself the head of a five-member household that was emotionally crushed and fiscally ruined.

Harley knew nothing about business. But he did know that as head of the family it was his responsibility to, at the very least, put food on the table. The carefree Manchester undergraduate suddenly had to learn a whole new bunch of skills. And quickly.

And he did. Harley dove into the financial mess that was his father's company, and gave himself an ultra crash course on business. He worked harder than he ever had before, with more focus than he ever had before – because he had to. His family's future was at stake. And in a relatively short time he rejuvenated the company sufficiently to sell it for a profit, and keep the family afloat.

## Renewal

Knowing that he had to return to college, not only to prove all his old teachers wrong but also to get ahead and prosper in business and in life, Harley returned to the State University of New York system, this time nearer home at Stony Brook. But now he had drive, and purpose, and vision.

He graduated near the top of his class and applied for a prestigious Fulbright fellowship – which he won. He became the first American to study in Eastern Europe on a Fulbright since the end of World War II. And while studying in Poland, he began to hang around with Lech Walesa, who was just getting ready to emerge from obscurity and bring his country from Soviet domination to democracy. Harley listened, and carried his camera around – and before he knew it he was a foreign correspondent and had stories in American newspapers and his pictures published in *Life* magazine.

When he returned to America, Harley still kept hearing his teachers' no's, and decided to say no to them again. He applied to the School of International Affairs at Columbia University, won their most prestigious scholarship, and graduated number three in his class. It seems he finally got the academic monkey off his back.

## The Corporate Test

Armed with his academic degrees, his European experiences, and a hard-earned sense of self-confidence, Harley began work at an IT outplacement firm. In a very short time he was doing very well, placing over 100 contracts in his first year of work.

As a rapidly rising star, Harley was told that he would soon be receiving an equity share of the business, which would also include healthy raises and a profit sharing plan. And then he learned some of the harder truths about business: that people don't always deliver what they promise.

Harley kept waiting, and working, and delivering contracts. But nothing seemed to be coming for him from his employers. So at the height of his success, at the first company where he was really making any money at all, Harley decided to go against the naysayers once again, and quit.

He realized then and there that there was a right way to do things and a wrong way – and win or lose, he was determined to try to do things right.

## A Trio of Determination

Harley's assets were basically these: a small one-room apartment in upper Manhattan that he didn't even own; some good advice about the opportunities available in business technology from his friend Todd; and the faith and affection of his girlfriend Marie. And, of course, his refusal to hear anything negative from anyone who said he couldn't make things work his way.

So with the advice from his friend Todd, and the support of his soon to be wife Marie, plus his own determination to overcome obstacles and manage difficulties, Harley founded Triad Data Inc. in 1986.

As with all start-ups, things were difficult at first. But Harley's hard work and determination made Triad grow. By 1991 annual revenues had reached \$14 million, an undreamed of success for such a small company. Harley had big name clients and was gaining a reputation for himself and his firm as people who could be trusted to deliver whatever was needed to get the job done. It seemed as if Harley had finally proven everyone wrong, and that success had finally arrived.

But then something else arrived, with a vengeance: the 1991 recession, which devastated businesses in New York City and all over the nation, including Triad Data Inc.

Once again, then, just when Harley thought his times of overcoming obstacles and managing difficulty were over, they reared their ugly heads again. Businesses large and small were suffering. Client companies who could usually be expected to bring more outside technology consultants in for new and larger projects were cutting back to the bone, and handling everything from inside, or not handling it at all.

Triad lost 80 percent of its business by the end of 1992, with revenues down to \$2 million, and falling. Once again, Harley Lippman felt dogged by the specter of failure. He had been so close to total success with tens of millions in revenue, only to have to face the prospect of basically starting all over.

But rather than prove the naysayers wrong and give up, Harley decided to figure out how to make Triad work. He basically reinvented the business and refined what he could and could not offer clients. He hit the road, again and again, looking for business outside of the devastated New York metropolitan region. He began to see that he could transform Triad into an information technology staffing company diversified by industry, technology, and geography.

Slowly but surely he dragged Triad back from the grave. And then into moderate health. And then back to great shape. Between 1992 and 1997, Triad revenues grew 70 percent per year, finishing 1997 with \$52 million in sales. It had been a long and difficult five-year recovery, but once again Harley Lippman was on top, and he was looking to add success onto success in his now amazingly successful business career.

## Taking Stock

In 1997, Triad was a very successful company, a viable candidate for an initial public offering, and a very attractive plum ripe for the picking by any number of large and more established public companies.

Under Harley's stewardship, Triad had become a company that could boast not only 70 percent annual growth in revenue and \$52 million in sales but also sound fundamentals that added to its appeal: an astonishing 96 percent repeat business, excellent profit margins, and very low employee turnover rates.

Companies made offers, and Harley decided to accept one. He sold Triad to a public company in early 1998 for 15 times EBITA, when the industry standard was only six to nine. He got his price because of the more than sound fundamentals mentioned above. And they were excellent predictors of its success: of the 20 companies purchased by Triad's buyer, only Triad and one other went on to exceed income expectations.

Harley had every reason to believe that success was now his. He had sold Triad for millions, which he had taken in stock rather than in cash, since at the time it seemed that this acquiring company's stock would continue to rise in value and enrich him even more. And he was given a senior position in this much larger organization, where he felt he would thrive and add not only to the business Triad had brought them but to other parts of their businesses as well.

But Harley was soon to learn, as he had when he first worked for others that promises are not always kept, offers are not always what they seem to be, and the value of stock is not always the same as the value of cash.

The time of having to overcome obstacles and manage difficulties were about to enter Harley Lippman's life once again.

## The Genesis of Genesis10

Soon after Harley assumed his new position, he realized something was not right. He thought that when asked to join the firm that his opinions on how to do things, the very factor that had brought Triad such success, would be valued and supported. But such was not the case.

Soon after he arrived it was clear that the overall business of his purchasers was not doing well. The stock that he had traded his precious Triad for had begun to lose value, quickly. Before his eyes it lost nearly 60 percent of its value, which meant he lost 60 percent of the price he had been paid for Triad. And when he tried to fix the company, his ideas were rejected and his efforts ignored. By the spring of 1998, devastated by the loss of his stock value and the loss of Triad, Harley left the firm.

Always trying to be positive, however, Harley did not wallow in bitterness about his loss. He chalked it up as an unfortunate combination of different personalities, business practices, and bad luck. Of course, he did do a lot of soul searching. After all, it's not easy to build a tremendous success and just begin to reap its harvest, only to then have the rug pulled out from under you. The stock that had lost 60 percent of its value kept going down, dropping more than 99 percent. The \$28 per share stock price that had made Harley rich on paper eventually went down to 28 cents!

Even the prospect of beginning again was overwhelming. Harley felt he had already started and sold a successful IT consultancy; so why do it again? And could it even be done again? The business had become “commodicized”. Thinning profit margins, more and better competition and a tougher overall business climate presented more obstacles, and more difficulty.

But Harley’s soul searching led to a revelation. All these reasons were just, what he called, a “mask for fear.” So he pushed the fear aside, and set out to build a new and better company.

He called twelve of his former Triad employees and colleagues, all of whom now had good paying jobs in established firms. He asked them to ignore their common sense, the advice of their accountants, their risk-averse life situations with children and mortgages, and come and join him in a new venture. Oh, and also to take 50 – 80 percent pay cuts.

Unlike his teachers and his guidance counselor and his former employers, ten of the twelve joined him. And just like that, Genesis10 was born. As with Triad, Harley looked to the people who teamed with him to find a name for his company. And even though it had no offices and no clients (and a president who took no salary), Genesis10 with Harley and his ten team-members began to make something new and something great.

The most important lesson learned here, says Harley, was trust. “Even though I had nothing tangible to offer my team, I realized that they were willing to risk their good jobs and nice homes because they trusted me to do things right. That kind of trust in a person by others is something I’ll never forget.”

## Differentiate and Deliver

Genesis10’s challenges were many, and Harley and his team attacked them right away. Starting from zero, Genesis10 began to show a profit within five months. “And in an environment that was not what you would call favorable,” Harley adds. “By 1999 all the Y2K money was gone, since everyone had prepared for and spent it in advance. And the funds they had expended on that cut deeply into their budgets for new projects.”

Other challenges included finding qualified staffers when the dot-coms were booming and offering talented employees equity deals and the promise of becoming millionaires. On top of this, most big firms were faithfully adhering to the policy of only using companies who were on their vendor lists; getting on these lists was anything but easy, run as they were by procurement people rather than project managers who understood what Genesis10 could offer in the way of technological expertise. More obstacles, more difficulties. But Harley and his band of ten pushed on.

Within three years Genesis10 reached revenue levels it had taken Triad twelve years to achieve. Harley was opening offices all over the nation in order to be able to deliver services to clients far away from the New York home base. Business was growing because Genesis10 was offering something few other firms were: “We not only knew how to listen to clients, which allowed us to truly understand their unique business and technology challenges; but we were able to *consistently* deliver the people and solutions they needed to stay competitive in their own businesses.” This consistency has produced amazing growth from start up to \$120 million annual revenue in just ten years and in a very difficult business environment.

Today, Lippman's business and technology consulting company has more than 2000 employees and consultants nationwide, delivering synergistic solutions to some of the biggest corporations in the world. Genesis10 is consistently ranked among the highest performing vendors by clients. The entrepreneurial gamble has certainly paid off. In October 2007, Genesis10 was profiled in the technology consulting/staffing space as best in the country by Fortune Small Business in an article entitled "Extreme Customer Service."

But the work hasn't just paid financial dividends. A great deal of what Harley Lippman gains from business fuels the same spirit that propelled Genesis10, building upon the values of familial trust and the need to build and grow and give back.

## Giving Back

Thus far, the Harley Lippman story has been about Harley Lippman the businessman, not necessarily Harley Lippman the man. An active philanthropist, Harley pledges ten percent of earnings to charitable organizations, and has done so since the beginning of his professional career. Year after year he fosters a culture of giving back by supporting organizations as diverse as Feed the Children, Engine Company 22 Family Fund, Muscular Dystrophy Association, Fragile X Research Foundation and the Red Cross Disaster Relief Fund. Harley's personal commitment extends beyond his check book. Each year he, his wife and their three children share their time and energy in the Cambodian orphanage he underwrote, teaching the children practical skills and delivering first aid so that they can help others in their small community. Harley leads by example, encouraging his colleague's and employee's efforts to volunteer their time to worthy charitable organizations.

Professionally, Harley Lippman serves on the boards of many business, educational, and cultural organizations. He serves by Presidential appointment and Senate confirmation as a member of the Commission of the Preservation of America's Heritage Abroad. Further honors and appointments include or have included:

- President, America-Israel Friendship League
- Chair of the Board of Trustees, American Jewish Congress
- Executive Committee Member, American Israel Public Affairs Committee
- Member of the Board of Directors, The New Group – Theater Company
- Ernst & Young Entrepreneur of the Year award in the consulting category - 2002
- Former President's National Advisory Council at the University of Houston
- Former Co-Chair of the Dean's Council, Columbia University School of International and Public Affairs
- Former Public Director of New York Mercantile Exchange

So for a child and a story that started out ordinary, Harley Lippman's life has turned out anything but. Being told he would never succeed, he went on to prove his naysayers wrong. Growing and losing a business, he came back to build another even more successful one. Being treated not always kindly by teachers, employers, and business colleagues, Harley persevered and came back successful and ready and willing to give back to people in need.

Maybe when Harley's teachers thought he wasn't paying attention, he was indeed paying attention to something else. Maybe he was listening to his own inner voice, telling him that he could do things right, do things his own way, and still have a happy ending.

Though the ending is nowhere in sight, Harley's course is set – onward and upward, and never looking back.