

# THE WALL STREET TRANSCRIPT

Questioning Market Leaders For Long Term Investors

## InTouch Incorporated



BRIAN CARROLL is the CEO of InTouch Incorporated and the former President of Carroll Communications. Mr. Carroll has held a wide variety of sales management positions since he began his career 1989. Mr. Carroll developed his experience in marketing by working on projects for some of Minnesota's premier companies including Cray, Honeywell and Piper Jaffray. He is also a professional speaker and speaks on subjects related to improving sales effectiveness and lead generation strategies for the complex sale. Most recently, Brian has been featured in Star Tribune, Pioneer Press, Inc Magazine and several online industry publications. He is currently working on his first book titled, "Lead Generation Strategies for the Complex Sale." Mr. Carroll is a 2-term board member of Midwest Direct Marketing Association (MDMA). He is also a member of Sales and Marketing Executives International (SMEI),

Minnesota High Tech Association (MHTA), American Marketing Association (AMA) and former 2-term president of the Tele-Professional Managers Association (TMA). Mr. Carroll attended North Dakota State University and the University of Minnesota.

**TWST: Brian, may we start off then with an overview of InTouch, how it began, and where you're going?**

**Mr. Carroll:** We've been in business since 1995 when we got underway as Carroll Communications. Actually, this was a way to pay for college while I was at the University of Minnesota. Our goal was to be a high-end business-to-business telemarketing agency.

I once worked for Piper Trust where I helped set up appointments with bank presidents and sometimes involving the company's mutual fund. The process gave me a broad, enlightening sense of the business. I also did some work for Cray Computers, then Cray Research, in mainframe computing time just about the time companies started migrating away from mainframes to client servers. The brush strokes from the two are really what inspired the decision to start our own company.

In 1999, we acquired one of our clients with which we had developed awfully good synergies, iNETech, an IT consulting services company specializing in software application development. The new name of the firm, of course, was InTouch.

I had sensed that the telemarketing market was going to be shifting and that we needed to be able to offer a more integrated solution. Most of our competitors seemed stuck on being telemarketers. We wanted to be more involved in the client's business, and that required that we be able to interact with its CRM and software capabilities, as a CRM resource, if you will.

Our focus has always been and will continue to be on working with companies that have a complex sales situation, bringing lead generation to bear on all that makes it a complex sales situation. While remaining true to our origins with the telemarketing component, we serve many other needs, in effect, in the end, helping companies acquire and maintain sound customer relationships. That's what we are all about, by way of comprehensive lead generation.

We handle the front end of the sales process, the part sales people like the least, the daunting aspects of cold-calling and scheduling first meetings. Our value proposition, however, is geared to marketing people as well as the sales people. We're able to help marketers actually track and measure their return on investment.

**TWST: How do you do that, how do you measure return on investment?**

**Mr. Carroll:** We're able to close the loop with every lead that we qualify, and we do it in two ways: directly with feedback from the sales person or, by way of the client's CRM, the merging of our InTouch Direct contact management system with the firm's database. We report how many leads InTouch has created for comparison with those from the client marketing team, the quality of those leads, and the stage in the sales process those leads occupy.

The implication is, after a period of time, our lead analysis can be measured against the client's internal benchmarks and used to develop revenue projections for the street. It's estimated that about 10% of the sales leads we deliver actually go all the way through the sales process. Our goal is to generate at least a 20x return on investment; for every dollar for InTouch services, we want to return a minimum of \$20 back.

**TWST: I know that InTouch made Inc. Magazine's top 500 this year as number 414. How has this affected the company? Do you think it's brought you more exposure?**

**Mr. Carroll:** Quite honestly, it's readily apparent that we're very much on many people's radar. It's proof of concept, I suppose, of the fact that we have been recognized as a fast-growing company. We've been working hard for five years, and it's nice that our progress is being noted.

**TWST: How have you reached the level you're at? How have you marketed yourself?**

**Mr. Carroll:** The key thrusts are: One, we use ourselves to do our own cold calling. In other words, we outsource to ourself. We have a sales force of three, two in Minnesota and one in California, and two people who continually update our database. We're building an opt-in list of sales and marketing executives in technology-based companies. Our sweet spot is working with \$20-300 million companies whose complex sale of a solution is, in terms of the annualized value, \$100,000 or greater. For each of those verticals, we simply combine a strategy and a clear value proposition

Two, through Web site positioning, we focus on search engine optimization, cross-linking, and partnering with other portal sites relative to our value proposition. With relevant content and articles, our Web site is then a productive destination and not just another means to download brochures. I feel this has really enhanced our visibility along with the seminars, workshops, web seminars, and teleseminars that are included. The whole thing has allowed us to position ourselves as thought leaders and trusted advisors.

Sales people today must become trusted advisors, with such full understanding of their products and services that they represent a high confidence factor to their audiences. A recent study showed that 69% of those surveyed said that they would more likely buy from someone who they would regard as a trusted advisor. With that precept in practice, therefore, we find that we're regularly selected as the vendor of choice for lead generation or lead management.

We also do something called lead nurturing, building relationships with people deemed a fit regardless of their current need for someone like us. We reach them by way of various direct mail print vehicles and online with personalized e-mail messaging. A web log, in which appropriate and relevant articles, webinars, teleseminars, etc. are posted, is another part of that ongoing process. Lead nurturing is ultimately the consistent and meaningful communication with viable prospects regardless of their timing to buy.

**TWST: What would you say is InTouch's competitive advantage over other companies in your space?**

**Mr. Carroll:** Our inclination to be transparent and completely focused on generating the greatest return on investment possible for our clients probably represents our greatest competitive advantage. It's been apparent that many of our competitors aren't willing to do all the necessary research to fully understand the client's operations, sales process and other things that would ensure a productive program. We continually work towards long-term relationships and will forego short-term profit to accomplish those.

We have a 95% success rate working with clients. We can fail, certainly, but our failure rate remains spectacularly low. That says a lot about the competitive advantage we offer, I think. We focus on ROI, we measure it, and we improve value, and that's key to success in terms of earning and retaining our business.

**TWST: Brian, what do you see as some of the main challenges facing InTouch in the next year or so?**

**Mr. Carroll:** One of the biggest challenges for us is to gain positive visibility. And to preclude the negative association with telemarketing that unfortunately exists right now. There is zero analyst coverage of the space we occupy, that of a CRM-based company. Though telemarketing is covered, most of it keys on consumer-based telemarketing companies where it seems there is very little positive to be said, currently, about the marketplace. Our credibility can be hurt by the misdirected notion that we represent just another telemarketing endeavor.

Too, the very concept of outsourcing represents a challenge. Relatively few companies actually outsource the kind of thing we do. Rather, they keep it in-house, as an internal function. The growth potential for us, obviously, is huge, but there is a lot of work to be done to acquaint these folks with the cost-effectiveness, the value of what we offer on the outside. I've heard it said that the number one issue in marketing is, in fact, lead generation. Our challenge is to translate that into new business for us.

Too, marketing in many corporations still gets short shrift vis-à-vis the old "why should we spend on marketing when we can just add more sales people to grow our revenue?" Branding seems to get similar treatment, particular in the business-to-business segment. We, I believe, have to do a better job of reaching senior management, to whom the tangible, measurable aspect of return on investment from lead generation is of vital concern and who must be reminded that marketing, including lead generation, is an investment that can pay big dividends.

**TWST: Brian, where do you see InTouch being over the next three to five years? Can you tell us a bit about the strategic direction of the company?**

**Mr. Carroll:** Strategically, our plan is to continue to grow organically. The possibility of acquisitions also enters in, but, culturally, it's important that candidates would parallel us in terms of values. Our target is to be an enduring organization recognized as the number one provider of business-to-business lead generation services for the complex sale. Our three-year goal is to grow our headcount by over 100%, to about 120 employees, and revenue to \$15-20 million. That's reflective of the 85% growth rate we've maintained over our five years.

**TWST: Can you give us a little background, Brian, on yourself and some of the other key people at InTouch?**

**Mr. Carroll:** Well, I may be CEO, but you might say I am really first among equals. Three of us, including COO Brandon Stamschror and CTO Pat Lorch, comprise the senior ranks at InTouch, and it's in the best interests of the company that we strive to remain accountable to each other. We're all people persons, communicators, each a creative type in his own right, and, I suppose, leaders in the sense that we operate with the confidence that our efforts really do work. Above all, we're driven by the notion that InTouch can be the very best in the business.

Though we weren't acquainted when we were in school there, all three of us are products of the University of Minnesota. What do we do at InTouch? Well, I focus on sales and marketing, Brandon manages the operations and Pat has responsibility for the systems side. Each of us is well backgrounded in his area of responsibility, and I'm proud to say, as a team we continue to meet or exceed the expectations we set for ourselves and for the organization.

**TWST: Brian, you are going to get the last word. Is there anything you would like to add, something that we may have left out?**

**Mr. Carroll:** Let's just say we have a strong vision, but our focus is on execution. We will always strive to give our clients the greatest ROI for every dollar invested in our services, and, again, that's what InTouch is all about. Just ask our clients.

**TWST: Thank you.**

BRIAN CARROLL  
 CEO  
 InTouch, Incorporated  
 550 Oak Grove Parkway  
 Vadnais Heights, MN 55127  
 (651) 255-7700  
 (800) 810-7710 (toll-free)  
 (651) 255-7601 Fax  
 www.intouch-inc.com