



# Know your BUSINESS

➤ **CHRIS MARSHALL**  
*The Entrepreneur*

**DATACENTRES**  
ICT CENTRAL  
NERVOUS SYSTEM

What **CLOUD**  
means for your apps



# ARN<sup>25</sup>

CHANNEL | BUSINESS | TECHNOLOGY | COMMUNITY

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# A blueprint for channel success

There is no large oil paintings of Steve Jobs or Bill Gates looming over his desk, or a *Startup for Dummies* book occupying his top drawer, because blueAPACHE founder and managing director, Chris Marshall, has no clichéd inspirations. What he does have is a blueprint for success that began 18 years ago with an unassuming appreciation of the business world. Now the IT managed services provider is quietly celebrating its strong position in a crowded and highly competitive channel. Marshall spoke to *ARN* Editor, **JAMES HENDERSON**, about the long road to the top.

**I**t wasn't quite a garage," laughed blueAPACHE Managing Director, Chris Marshall. "But it was close. I started the business in the spare bedroom of my parents' house, and in looking at where we are today, it has been an extraordinary adventure."

Akin to the humble beginnings of Apple, Google, Hewlett-Packard et al, the birth of Melbourne-based IT managed services provider, blueAPACHE, has stood tall as Australia's own entrepreneurial adventure.

But for those nauseated by the Silicon Valley start-up vibe, don't worry; channelling the Palo Alto psyche isn't Marshall's game.

Marshall's blueprint for success has derived from an unassuming appreciation of the business world.

Founded in 1998, the Abbotsford headquartered tech firm has quietly, and organically, developed into one of



the country's leading managed services providers, serving Australia's most successful organisations.

Operating in a local channel now crammed with competition, as new players usurp the old hands, blueAPACHE continues to subtly stand the test of time, inadvertently manufacturing a prototype for longevity and progression in a changing channel.

"I've always had an interest in the corporate world and remained mindful of how successful organisations operate," Marshall said. "I can't pinpoint it down to any particular individual or organisation, but I read countless biographies and make an effort to talk to business owners and stakeholders whenever possible.

"I suppose it's just about trying to learn from other people as much as possible, and to take that into my own world."

Short on spiel but long on logic, Marshall's engineering background has helped foster an approach created away from the textbooks of business school, rather developed on the ground and in harsh reality.

"I've learned to talk to business owners and actually understand the challenges they are facing, and how best to solve them through applying technology solutions," he explained.

But Marshall is quick to point out this isn't just rhetoric. He means it. "And that's not reading the 'About Us' page on their website five minutes before your meeting. It's a much deeper understanding".

Traditionally speaking, engineers are the quiet guys in the room, that less creative bunch in the corner with the debatable social skills and the long beards.

While Marshall laughs at such a stereotypical assessment of his character, underneath the industry judgement lays a deep transformation, from the quirky genius of 1998, to the business leader of 2016.

"Absolutely, I've changed as a person," admitted Marshall, who recently launched a new Queensland office, in addition to New South Wales and Victoria locations. "I'm certainly less naive now than I was before. But I

think you need that naivety to start a business in the first place, there has to be that element ignorance almost.”

Today, Marshall operates in a “far more measured and consultative” manner, honing his skills in line with the business demands that come with the managing director role.

“The great thing today is that we have so many people in the organisation that are much smarter than me, and that whole notion of surrounding yourself with more intelligent people is certainly a recipe for success,” he said.

“Growth has allowed the opportunity to employ people that are great at the things I’m not great a doing.”

### CREATING CULTURE

With a team of 76 staff, with nine additional open roles and more forecast for the next 12 months, Marshall still plays an active role in the recruitment process, refusing to let growth be an excuse for mindless mass hirings.

“Yes we’re growing at scale but a cultural fit is critically important,” he explained. “We have a robust recruitment process and are very stringent in terms of technical excellence requirements, but equally ensuring they will slot into our way of work.”

In attempting to always recruit ahead of the curve, Marshall acknowledged that talk is one thing, but action is another, as he fights to ensure the culture of his one-man band nearly two decades ago continues to permeate the corridors of blueAPACHE’s expanding empire.

“At the start you have to do it all,” he recalled. “But only last week, I was

fixing the dish washer, so it’s very much about mucking in together, even now.”

The art of creating a company culture remains complex however. For the very forcing of the issue, and the desire to manufacture such a working environment, is often the ultimate downfall of business leaders.

During the early days, with the headcount in single digits, Marshall could sit down and talk through every decision together with his team – the problems are simpler and the communication more direct.

While Marshall isn’t at the stage of managing a 100+ team just yet, the direction of travel is clear and as the company grows, he remains conscious

### In the beginning ...

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that culture can help exert a powerful effect on staff, both old and new.

“It probably comes a lot from my history,” said Marshall, who oversees a leadership team with a longstanding commitment to the company. “I started out as a technical person and because of that I felt most comfortable employing other engineers and maintaining that environment.

“For the first 16 years, we were predominantly a team of

engineers that had a level of business acumen.

“And because of that we created a different culture to those built around sales and marketing, as we’re all working together to accommodate each other and grow as a team.

### BUILDING VALUE

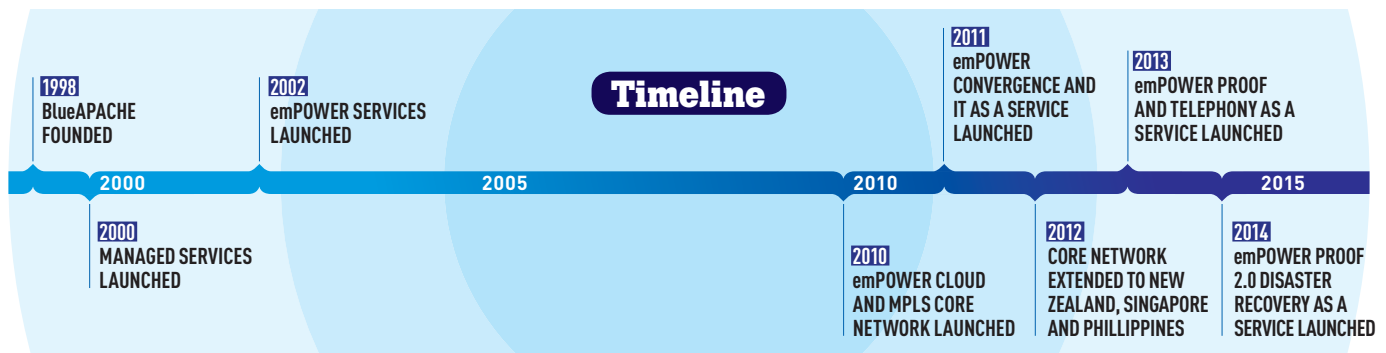
With general manager of commercial, James Hendry, on board since 2001, and fellow executives Adam Batey, Jason Ward and Andrew Bird joining in 2008, staff retention remains a key value for Marshall, who relied on organic growth and word of mouth to expand and prosper. “We waited until the right time to develop a sales and marketing arm of the business,” added Marshall, who previously built his business on local referrals. “We’ve built our business on a lot of strategic planning and have been purposeful in the opportunities we’ve targeted.”

Too often, emerging businesses seek guidance from sales and marketing from the outset, which can at times be to the detriment of company IP and experience.

Despite the generalisation, and as fellow thriving channel partners can attest, promotional activity only brings benefits when there is something tangible to promote.

In other words, businesses can be built, but to maintain and to grow, a clear value needs to be articulated and easily replicated.

“We created a successful business with a great reputation locally which made it easier to scale organically, and our sales and marketing addition has been an extension of that,” Marshall said.





Building on the engineering foundation of 16 years, blueAPACHE made its first sales and marketing hire in 2014, ramping up its effort at what Marshall recalls as a “crucial time” for the business.

“We had nothing at the start,” he said. “My business card looked like something I printed out at the airport and our website was something I pulled together using a template. We grew purely by referrals and relied on this stream of business entirely.

“We always understood the importance of promoting our value to the market, but crucially, we had to create this value in the first place.”

**FOUNDATIONS FOR SUCCESS**

Such an under the radar approach is typical among many emerging Australian tech businesses, business more focused on execution rather than promotion.

Backed by a team of support and network engineers – all carrying industry certification and accreditations – blueAPACHE signed its first \$1 million managed services contract in 2009, 11 years on from first starting the company as a home-based business.

Recently, the expanding business signed a \$6 million contract, validating an approach to the market based around locality and openness.

But as Marshall recalls, blueAPACHE’s ascent hasn’t come without obstacles along the way, obstacles that have challenged convention and management wisdom in parallel.

Lacking in scale remained a common barrier to growth throughout the early days, but as business processes aligned and contracts were signed, a new challenge occurred.

“We made a huge decision to change our business model early on,” Marshall added. “During the early years, a large proportion of our

revenue was coming from a small group of customers.

“Granted those customers changed year-on-year based on the projects rolling out, but it wasn’t viable to have such a hefty chunk of our revenue coming from one or two customers.

“But what are your choices? Do you ditch the large customers? Well, you’re obviously not doing to do that.

“But you do need to ensure your risk is spread and today, following a lot of change, our top 10 customers represent a relatively modest percentage of our total revenue, and sit across a range of verticals.”

In working with core vendor partners such as Hewlett Packard Enterprise, Microsoft, Cisco, Citrix, VMware, Veeam and Palo Alto Networks, the box has been ticked in terms of technological capability in the market, partnerships deemed implausible during the pre-Internet era.



Prior to the turn of the century, the market of today appeared an alien concept, in a market still heavily influenced by old technologies and bygone ways of working.

“I was working for another technology business during the late 1990s and was incredibly immersed in the Internet space,” Marshall recalled. “I saw huge potential for email which sounds ridiculous today but I developed a business in a box type of model and it snowballed from there.

“It started out as two-month rental processes which would cover Internet and connectivity, which was an innovative idea at the time.

“I didn’t share the same enthusiasm for the fax machine as many in the industry did, so I acquired the rights to the business in a box model I had developed and launched blueAPACHE.”

Sitting in the 21st century, armed with hindsight, such a vision of the market seems ordinary at best, but in 1998, it sat on the bleeding edge of technological innovation.

“Even before the technology boom, I was incredibly committed to the IT-as-a-service model, and I believed the market would respond,” Marshall added.

Following 18 years of market responsiveness, and a business fast approaching 100 staff, the next logical step for Marshall and blueAPACHE is a source of intrigue.

For the speculative in the market, and in response to the increasing consolidation across the Australian industry, perhaps an acquisition is on the card?

“It’s not on our radar,” he confirmed.

“We have no exit strategy and we’re certainly not done yet. In many ways, we are only just starting, and there’s plenty of fight left in us.”

And it’s such a fighting spirit, amassed through two decades of technology service, which is ensuring Marshall carves out a blueprint for success in the channel. ■

**Three keys to success**

- 1 “We created a successful business with a great reputation locally which made it easier to scale organically, and our sales and marketing addition has been an extension of that
- 2 “We’ve built our business on a lot of strategic planning and we’ve been purposeful in the opportunities we’ve targeted and capitalised on that.”
- 3 “I’ve learned to talk to business owners and actually understand the challenges they are facing, and how best to solve them through applying technology solutions.”