

INSIGHT



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Skyline Technologies takes creative path to the future

New CEO Mitch Weckop leads the Green Bay-based IT company as founders realize their dream of transferring ownership to employees

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- Communication
- Quality
- Knowledge
- Balance

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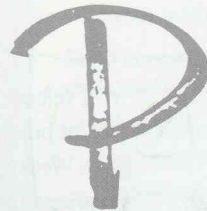
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Advisors told them they were a little crazy to sell the company they built almost 20 years ago to their employees instead of cashing in with a major investor. But Skyline Technologies co-founders Pat Deprey, left, and Keith Kaufmann, right, happily transferred shares to more than half their employees when Deprey retired in December and hired Mitch Weckop as CEO. Kaufmann continues as business development manager.

Skyline Technologies takes creative path to the future



at Deprey has always been a man with a plan.

Teaming up with his brother-in-law and business partner Keith Kaufmann, Deprey started Skyline Technologies in 1992 on simple foundational principles: create an environment that will attract top talent and build relationships that last beyond the current project.

The plan worked. Nineteen years later, the Green Bay-based company is recognized as a leader in its field by giants such as Microsoft and clients like Ariens Corp.

Yet, even as he was building Skyline, Deprey also had another plan in mind – to retire in a way that gave him the time, health and finances to pursue other passions in his life.

Deprey could have very easily just sold the company off, taken the money and pursued his other interests. That was never his plan. →

by Sean Johnson with Photographs by Shane Van Bortel, Image Studios



“I could have flipped it and really done well,” says Deprey, who stepped down as CEO of Skyline in December 2010. “But it was about the people who helped us build it. We have a very old-fashioned value system and I wanted to give an opportunity to those who helped us build it to build some wealth.”

Instead of taking the quick cash, Deprey would give Skyline’s associates a chance to buy a piece of the company they helped build. He announced the plan in 2009, and by the end of 2010, nearly 50 employees had bought in and a new CEO had been hired.

Deprey was ready to move on.

“It was always part of my plan to give back to the employees,” Deprey says. “My legacy will be the continued success of this company.”

The initial results would seem to indicate his plan will work. Despite the sluggish economy and the start of the transition plan, the company rebounded from a tough 2009 to post its best results ever in 2010, with 2011 promising to shape up even better. The company’s annual sales are estimated at between \$10 million and \$12 million.

Transitions from founders to a new generation of ownership can always be tricky, especially for small- and medium-sized

who will continue on with the company to maintain and build client relationships. “Mitch is what we need for our next level.”

Kaufmann says the company needed executive leadership to continue moving forward. Weckop brings a new perspective to the company’s leadership.

A native of Indiana, Weckop comes to Skyline from Schneider Logistics, where years ago Deprey cut his teeth leading breakthrough solutions to trucking communications before starting Skyline. Most recently, Weckop served as senior vice president and general manager at Schneider. He also spent 21 years with Procter & Gamble, where he helped manage and market some of that company’s largest brands.

By his own account, he’s not a technology guy.

“There are a lot of great technological minds at this company,” Weckop says. “What they wanted was the business acumen – the guy who could tell them how they scale it from here.”

While he may not be the technology wizard around the office, he’s no Luddite either. In several of his previous roles, he has worked with large systems, and understands the challenges folks face when it comes to integrating new technologies and getting the data necessary to make good business decisions.

The marketing background doesn’t hurt either.

“A lot of people thought we needed a tech guy. What we needed was leadership, someone who could teach the next generation of leaders in this company.”

– Keith Kaufmann, co-founder and business development manager, Skyline Technologies

companies such as Skyline, says Eliot Elsner, a professor of business administration at St. Norbert College in DePere. One particular challenge is for the original investors to recover the value of their investment without leaving the company weakened.

Many times, the choice boils down to rewarding the investor or keeping the company financially viable. The succession plan at Skyline is a bit unique in the way it was handled, he says.

“To have found enough associates with the capital to buy out a principle owner is unique and an interesting way to resolve the challenge,” Elsner says. “A lot of small companies get weakened in the process and wind up becoming part of a larger company. This particular arrangement is pretty unique.”

The challenge now will be to continue the company’s success. For the near future, that will rest with the leadership provided by Kaufmann, who still holds the largest single stake in the company, and new CEO Mitch Weckop, who joined the company in September.

“Pat was a great leader for this organization,” says Kaufmann,

“I’ve been the customer, so to speak,” Weckop says.

Not being one of the company’s technical gurus also gives Weckop some insight – or perhaps latitude – to look at situations from a different perspective. One of his first activities as the new CEO was to attend a meeting with representatives from Microsoft. During the meeting, which started out with a lot of glad-handing between the software giant and its vendors, Weckop did not say much.

When the Microsoft rep asked him for his thoughts, he responded with the following: “I’m trying to figure out if you are the next GM and if I should keep my business aligned with you.”

Much like GM, Microsoft has taken a beating in the marketplace, and is now seeing its market share eroded by companies such as Google. Weckop wanted to shift the focus of the meeting to what Microsoft is doing to innovate and how it can help Skyline remain competitive.

Kaufmann recalls the question posed by Weckop as brilliant. “A lot of people thought we needed a tech guy,” says

Kaufmann. "What we needed was leadership, someone who could teach the next generation of leaders in this company."

To do so, he will not only have to manage a staff of nearly 100, but also a technology landscape that is almost always in flux with the development of the next "must-have hardware" or "killer app."

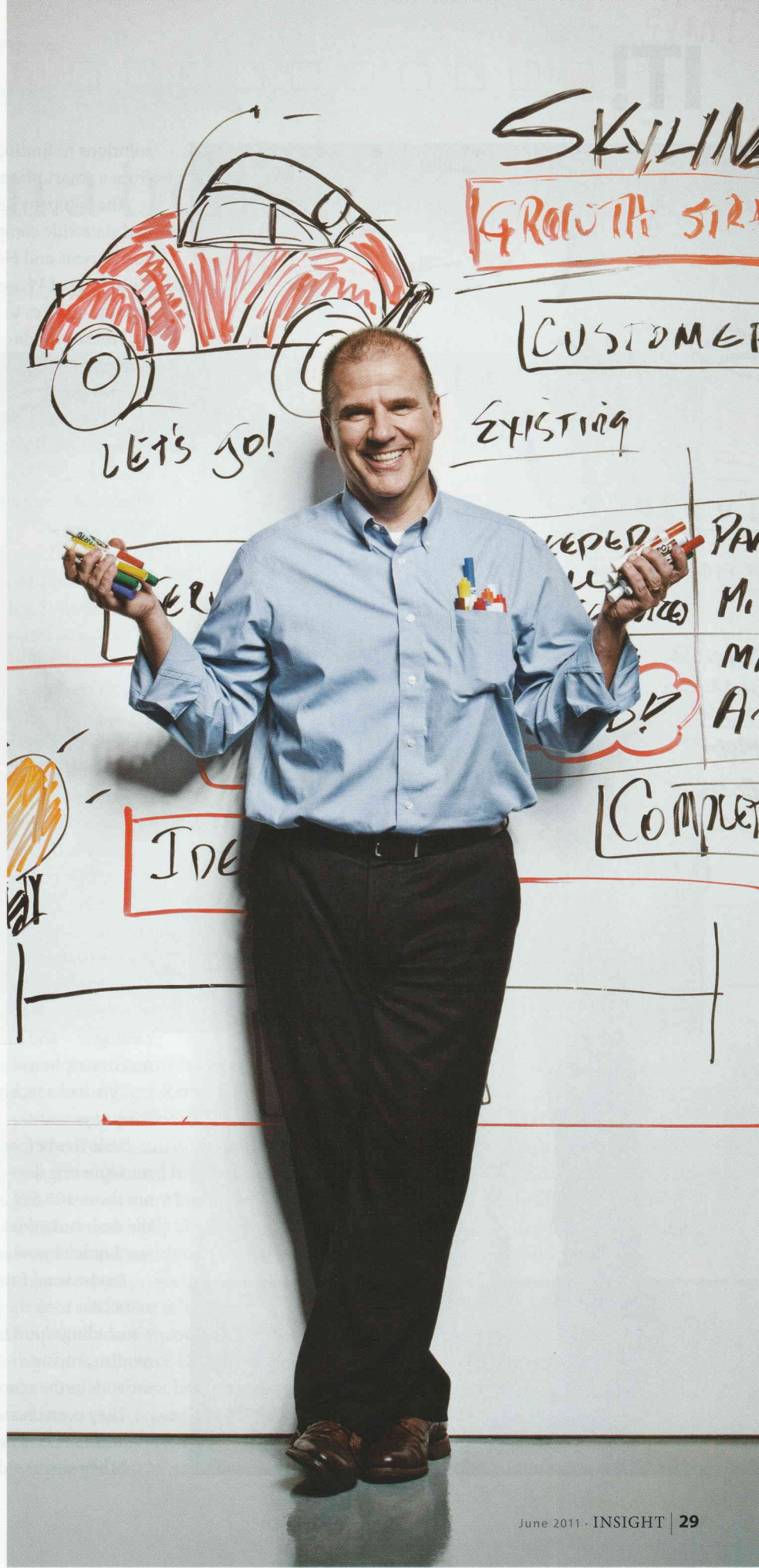
Skyline's mission, as Weckop tells it, is to help folks use technology to get better information to make strategic decisions. Initially educated as an engineer, Weckop likes to use the whiteboard to diagram his explanations. In this case, he uses it to illustrate how a school system probably has four to five different computer systems providing data, all in separate reports or to separate groups.

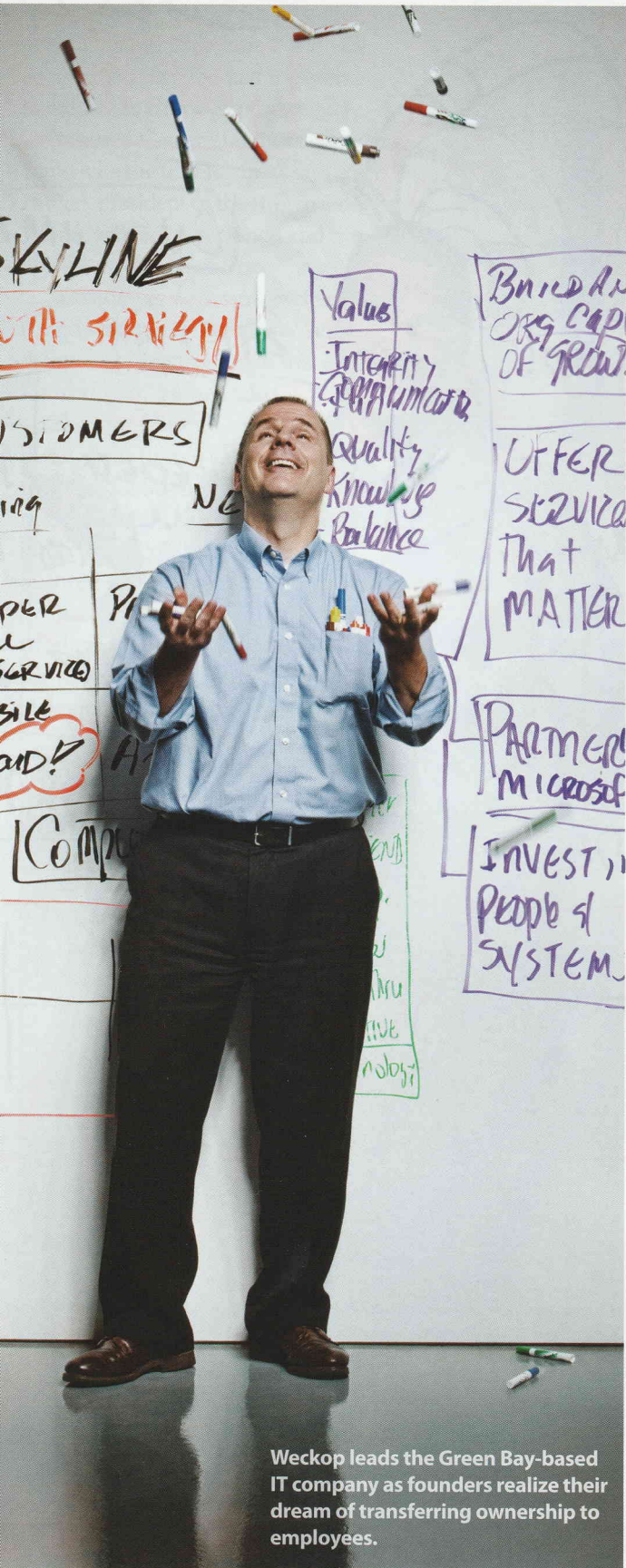
As he draws on the board, he connects all of the systems together illustrating how Skyline, as a system integrator and software solution provider, helps companies connect all of their disparate systems together so it can get the data it needs to make good decisions reported to a singular place.

"How can we help them use the data in all of these separate systems to make good decisions today," Weckop explains. "This is how Skyline helps."

It's a part of the company's business intelligence services offering. Additionally, Skyline also provides custom software, IT consulting, enterprise portals and online marketing support for its clients. Services can range from specialized website development to cloud computing →

Skyline Technologies CEO Mitch Weckop, who joined the company this year, illustrates his points on a white board as he describes how the system integrator and software solution provider helps companies connect all of their disparate systems together to glean key data. "How can we help them use the data in all of these separate systems to make good decisions today - this is how Skyline helps," he says.





Weckop leads the Green Bay-based IT company as founders realize their dream of transferring ownership to employees.

solutions to finding ways to allow clients to access needed data from a smart phone.

The company's client portfolio is a who's-who of regional and statewide companies, ranging from major manufacturers such as Ariens and Hoffmaster to educational concerns like the University of Wisconsin E-business Consortium. They also provide services to professional sports teams in several leagues.

Weckop credits the company's success to Deprey and Kaufmann's original plan of hiring good people and keeping them around.

"When you call about a project you did two years ago, that person is probably still here and can answer your questions," Weckop says. "The foundation here is really solid. We might be remodeling some of the upstairs rooms, but the foundation is solid."

That solid foundation is one of the reasons Weckop believes the company was able to survive 2009, when the recession hit the company hard. That same staff helped the company rebound in 2010, and he is expecting an even stronger 2011. The agenda for his first year is growth.

"It's just better for the employees that we are growing," Weckop says. "It's better for the clients, better for the new shareholders and it's a lot more fun."

Tim Riley can't tell you about the fun, but he will rave about the passion and commitment of the associates who work for Skyline.

Riley is the executive director of the Trout Museum of Art, which recently launched a unique exhibition featuring more than 10,000 pieces of art from Appleton area school children describing in words and pictures what compassion means to them.

The exhibit alone was ambitious enough, but how to create a Web-based version that would allow anyone to view the catalogue – and link one of the artworks with its accompanying text description – was another issue.

"We had a technological challenge before us like no other," Riley says.

That was before an associate from Skyline walked into the museum one day – the museum and Skyline's Appleton offices are about 100 feet away from each other – put a business card on the desk and asked: "how can I help?"

"I didn't know at first," Riley says.

But he would soon learn just how they could help as Skyline associates took the project on. Using several new technologies – including cloud technology Microsoft is pushing in its latest media campaign – they created an online exhibit that links the artwork to the school to the artist's descriptions.

They even created "an app for that" for iPhone, Android and Windows Phone devices.

"They surpassed any and every expectation we had,"

"I could have flipped it and really done well. But it was about the people who helped us build it. We have a very old-fashioned value system and I wanted to give an opportunity to those who helped us build it to build some wealth."

— Pat Deprey, co-founder and retired CEO, Skyline Technologies

Riley says. "As far as I know, we are one of the first museum exhibitions in the country to have three cell phone platforms."

As for the Skyline employees, they volunteered their time. Often, Riley would get messages on new development times at midnight or later. The notes always had a sense of excitement.

"This is the first time we have ever worked together," Riley says. "I am pretty sure it will not be the last."

Weckop certainly likes to tout the Compassion Project, not just as an employee contribution, but as an example of the kind of technology integration that is demanded in today's economy. As he points out, just five years ago no one would have probably attempted one mobile app for the project, let alone three. That's almost an expectation now.

Still, it does not work without the employees and the culture that was created by Deprey and Kaufmann before him. Those employees not only give Skyline the opportunity and expertise to take on projects like the Compassion Project, but to be recognized nationally for the company's ongoing efforts.

Microsoft has some 60,000 partners, yet only invites 10 of them to make presentations to the company for mobile platform development. Skyline was one of those 10.

"We have quality people here," Weckop says.

That's exactly what Deprey was after when he first formulated his plans for Skyline and his eventual retirement. That lasted about a day-and-a-half. Then he got himself

involved in a couple of other projects – heading up the recruitment committee that found a new president for the Green Bay Catholic Schools system and starting a mentoring program with some of the parishes.

He's comfortable he has done the right thing.

"When we decided that we were going to do this, we knew our success would be tied largely to the people we hired," Deprey says. "We always had that plan in the beginning to give back, I just had to ramp it up the past few years." ❶

Skyline Technologies

Founded in 1992 by Pat Deprey and Keith Kaufmann

Current CEO: Mitch Weckop

Privately held, associate ownership

Employees: 90-plus

Web site: www.skylinetechnologies.com

Skyline Technologies has grown from an IT staffing agency into an IT integration firm specializing in consulting and custom tools that help organizations of all sizes. Areas of emphasis include business intelligence, enterprise portals and online marketing solutions.

Client portfolio includes:

- » Wisconsin Milk Marketing Board
- » Hoffmaster
- » University of Wisconsin E-Business Consortium
- » Ariens
- » WG&R Furniture

Recent project launch:

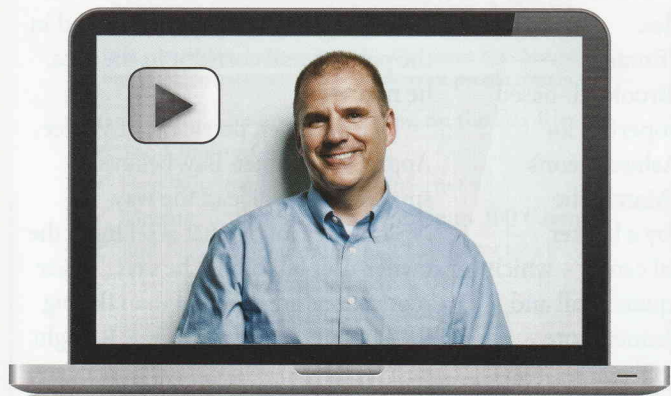
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➔ **ONLINE:** CLICK to see a video of Weckop talking about plans to grow Skyline Technologies.