



Build it and they will come, or buy it and make it yours

Business creativity comes in all shapes and sizes. For some entrepreneurs, it's all about building something from scratch, coming up with an idea or a concept that hasn't been tried and making it a reality. Others love the creative challenge of taking an existing business and growing it or making it better by imprinting it with their own creative ideas. This column takes a look at both types.

VAUGHT, INC., CREATES BUSINESSES TO MEET EMERGING NEEDS

Chris Vaught, president, CEO, and owner of Vaught, Inc., has enjoyed a successful career in pharmacy and hospital administration. Both of his parents are educators, and he's not aware of any entrepreneurs in his family tree. Still, whenever he would happen on an unmet need in his interactions with other companies, the lack would nag at him. So he decided to do something about it.

"This business was born out of the concept that we love it when we hear someone say, 'I hate it when I have to....' Just fill in the blank with something they need that is not being provided," Vaught says. "We are all about trying to come up with a solution for that unmet need and, if the solution is good enough, building a business around it."

Vaught concentrates on solving problems in the health-care industry. His Beckley, West



Virginia, company has launched four ventures so far: NightWatch, an after-hours remote pharmacy services provider; DayBreak, a daytime counterpart to NightWatch; MedMatrix Solutions, which provides medical practice management, billing, and consulting services; and Hospice Rx Network, a prescription management service for hospice providers and their patients.

Vaught, Inc., calls itself a health-care consultancy, but it is really a business that exists to build other businesses. It all started with NightWatch, Vaught's flagship company. "The idea came from a meeting I had with a group of hospital CEOs who were interested in making medication delivery safer," he says. "I was a hospital CEO myself at the time, but the entrepreneurial bug was biting me. I had an idea about how to solve the problem, and I believed I had the background and connections in pharmacy to make it work."

That meeting took place in late 2007, and Vaught launched NightWatch the following April. The company offers hospitals and other health care providers complete, after-hours

▼ **Snapshot:**

Vaught, Inc.

Business:

Health-care consulting company

Owner and CEO:

Chris Vaught

Location: Beckley, West Virginia

Established: 2008

Employees: 25

Mission: Streamlining client operations and practice management

Website:

www.vaughtinc.com

Quote: "As long as problems continue to pop up in areas of health care where we have expertise, we'll keep looking for ways to solve them."

Secrets of Success Vaught, Inc.

- 1 Surround yourself with people who are smarter than you; shun yes-men.
- 2 As your business grows, don't lose focus on the importance of your staff.
- 3 Avoid making emotional decisions, especially early on; look at things objectively, relying on numbers and data.
- 4 Look for new opportunities everywhere, especially in existing relationships.
- 5 Don't take yourself too seriously; if it's all work and no fun, you will burn out.

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prescription medication coverage, regardless of the pharmacy process, computer system, or level of automation. Vaught designed it as a cost-effective strategy to support hospitals' patient-safety initiatives, and he built it with enough flexibility that it could be customized to meet any client's needs and interact with their existing software and protocols.

As is often the case with a startup, there were some hiccups. But while most new businesses underestimate their initial capital needs or overestimate the size of their market, Vaught got caught short by the scope and rapidity of NightWatch's success. He underestimated the company's appeal and growth potential, he admits, and so made some faulty strategic decisions, especially regarding infrastructure. For example, based on his initial estimate of the young company's information technology (IT) needs, he bought a \$10,000 server. The \$400,000 IT upgrade the company completed in 2010 illustrates just how far off the mark he was.

To be sure, a lot of young companies would kill to have Vaught's "problem," but it taught him some valuable lessons, not the least of which is the importance of "knowing what you don't know," he says. As a result, he surrounded himself with talented people as his company grew—especially those who were talented in areas where he was not. An equally important lesson he learned was how challenging growth management can be, especially in an innovative business.

CREATIVITY RE-ENERGIZES A TIRED BUSINESS

Results Marketing was a 10-year-old company when Mike and Lori Freemire decided to buy it in 2006. It wasn't a bad company. In fact, the Freemires had been clients themselves, hiring Results Marketing to work on a few projects for other business ventures in which they'd been involved. But they were pretty sure that with a good dose of creativity, it could be a lot more than it was. So when the opportunity to acquire the business presented itself, they jumped on it.

"One of the big myths about business creativity is that it just sort of magically descends from the sky," says Lori, a managing partner and co-owner of the company with her husband, Mike. "Just the opposite is true for the kind of work we do for our clients. Our company's tagline is 'Planned business growth,' and to achieve that, strategic thinking has to drive the process. That's the creative element, and what it creates is value for our clients."

Results Marketing in the Freemire era exists to help its clients grow their businesses. The Freemires promise they will approach each new engagement with "a mixture of unbridled enthusiasm and years of experience in planned business growth." The enthusiasm is evident upon meeting the Freemires, and their track record prior to acquiring Results Marketing backs up their claim of relevant experience.

Earlier in his career, Mike (who also happens to be mayor of Bettendorf, Iowa, where Results Marketing is headquartered) worked in strategic growth and market planning for a Fortune 500 transportation and logistics firm. In 1996, he assumed control of his family's landscaping business upon the death of his brother, quintupled its growth, and sold it to a national company in early 2006.

Lori, who met Mike while they were students at Coe College in Cedar Rapids, earned an advanced degree in Spanish at the University of Iowa, attended business school in Madrid, and went on to a career in inter-