

# Entrepreneur shares lessons on road to success

Former Tri-Citian turned successful entrepreneur Kelly Pennock is well-versed in the ups and downs of starting a business.

Pennock is president and chief executive of Bellevue-based Intelligent Results, a provider of customer analytics and decision management software.

Before that, Pennock co-founded Cartia, an information technology spin-off from Pacific Northwest National Laboratory, and sold it to Amazon.com in 1999.

In a recent presentation to Tri-City business leaders, Pennock shared some of the lessons he has learned in running a startup funded by venture capital.

■ **Lesson No. 1** — Always have a BIG story. Vision is a great motivator for the team and frames all strategic decisions for the business. When Pennock and his



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big idea. Owners must be flexible in adjusting their business plans as time goes on. After two years, Pennock's company had only two customers and very few prospects. In danger of not

colleagues started Intelligent Results, they had a solid business plan in place, and yet the first 20 investors turned them down.

The group spent an entire month crafting its vision and received funding shortly after.

■ **Lesson No. 2** — Flexibility trumps a

raising a second round of funds, they polled their prospective customers, made changes based on the feedback and started seeing positive results.

■ **Lesson No. 3** — You never get a second chance to make a first impression. Have an elevator pitch that is gripping from the start. Keep it simple and credible. Pennock failed to win over the managing partner of an investment firm in the first few minutes of his presentation. The firm has been a passive investor ever since, without making its business connections and expertise more available to Pennock's company.

■ **Lesson No. 4** — The great equalizer is thought leadership. Be aggressive about broadcasting your message. When market research showed low awareness about Intelligent Results' brand, Pennock

hired a forceful chief marketing officer. The buzz about Intelligent Results exploded, leading to new customers.

■ **Lesson No. 5** — Get others to talk at any cost. The best advertising is word of mouth. Because Intelligent Results' first customers were banks collecting debts, references were difficult to come by. Pennock hired analysts to help build credibility. They kept digging until they found customers willing to promote the company's services.

■ **Lesson No. 6** — Never, ever compromise your culture. Just because someone is qualified and has experience does not make them "right" for the job. Fitting into company culture is an important element for a good hire.

■ **Lesson No. 7** — Always have a plan for your investors. Dealing with investors

invariably involves political battles. Find someone on the inside who will give you insight into firm politics.

Under-promise and over-deliver every time and pick a friend to fill the spot on the board that is given to an outside investor, if possible.

Having learned these lessons, Intelligent Results is enjoying success with its business.

"Although the process was a little bumpy, we are starting to see the fruits of our labor," said Pennock.

To view his presentation, go to [www.pnl.gov/edo/events/venture\\_startup.stm](http://www.pnl.gov/edo/events/venture_startup.stm).

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