Inc.

Why Tech Solutions Aren't Just About IPOs and Billion-Dollar Valuations

While entrepreneurs make a lot of money selling their companies or taking them public, it's good to remember why businesses need to be innovative--particularly in a crisis.

By Jim Haggerty, Founder, CrisisResponsePro

With all the talk of tech bubbles and billion-dollar valuations, it's easy to lose sight of the real value that software and technology are bringing to both consumer and enterprise markets. Hundreds of small companies are being created, not with the goal of burning cash and juicing valuation, but because an entrepreneur saw a need, and identified how technology could fill that need.

In the enterprise space, a company I founded last month**, CrisisResponsePro,** is just one example. We'd been developing the software, which facilitates effective public response during crisis and other sensitive situations, for more than two years. Our existing clients loved it, so we felt the time was right to fund a new company and release the software to the broader enterprise market. A little background on how the idea came about can provide an effective counterweight to the latest tales of unicorns and late-stage funding.

So here's my tale: About two-and-a-half years ago, my wife and I were taking the family on a vacation in the Adirondacks. I had just loaded the car when a call came in, from an environmental services company based in New York. One of their partners, a fast-growing, electronics recycler based in New England, had a big problem: an anonymous party was sending emails to regulators, media, law enforcement and others, suggesting they were violating a host of environmental laws. If the rumors and attacks weren't dealt with immediately, they might do irreparable harm to an inarguably "green" company whose reputation up to this point was unsullied. Could we help?

Thankfully, my wife knows the drill by now, so we switched seats and I worked via cellphone and Wi-Fi from the passenger seat on the six-hour drive to Lake Placid. First, I called the company in question and collected the relevant data points:

what was happening... what was being said... who did they think was saying it... and what stakeholders might be impacted by the attacks. My office then researched what other companies had said publicly in similar situations. I laid out a checklist for the client: what they should do first, then second, third, and so on, to ensure this crisis was contained. Then I started writing, occasionally consulting prior statements and templates buried in my company's server (and deep in my brain), the product more than 20 years working on crisis situations.

By the time we reached Lake Placid, the New England company had finalized emails to send to concerned regulators and customers, talking points for sales personnel and a statement for media in the event they decided to write a story on the rumors. The goal was simply to remind everyone of the truth: that the New England company had one of the best environmental records in the industry and there was nothing to this anonymous smear campaign, which was no doubt orchestrated by a less-than-reputable competitor. Over the next several days, the crisis was contained and the damage mitigated.

But as I was sitting with my wife at the end of that first day, I started to think about the sudden assignment and the value we'd brought to a company we didn't know before that morning. We'd be paid well for the consulting work, to be sure, but something was nagging me. At the time, I was working for several companies who were using technology to facilitate collaboration, document preparation and information storage - essentially mechanizing processes that had been, up till now, bespoke. Why, I wondered, didn't something like this exist in the crisis communications field? What if companies of all sizes could use technology to do, in minutes, what we just did on that drive from New York City?

Thus, CrisisResponsePro was born.

Working with Summitas -- creators of innovative, encrypted portals for the high net worth community -- we developed subscription, web-based software that provides enterprise clients with a simple, intuitive "Virtual WorkRoom" that can be set up at a moment's notice when a crisis hits. With content, collaboration and workflow management tools, you can assemble the team in the Virtual WorkRoom, collect facts and coordinate strategy, see what other companies have said in similar situations, and prepare a response.

No more overlapping emails or lawyers editing the wrong draft of a statement. No more difficulties assembling a team with the right credentials and getting them together to coordinate response. No more hurried Google searches for ideas on what to do next. It doesn't necessarily replace outside PR firms and crisis counselors; it just makes everyone better, and faster, at what they do.

Will this new company succeed? Who knows? The initial reaction to our launch has been great, but now comes the hard part: we actually have to sell some software! We're not just building buzz, after all, we're looking to grow a sustainable, scalable business. As well-known tech investor Mark Suster put it on his blog, Both Sides of the Table: "be prepared for the marathon. Expect a long, slow, linear climb."

And that's the point. Across the nation, hundreds of entrepreneurs are creating actual tech companies, not just "fundable ideas." They are seeing a need, and they're filling a need. Their *raison d'etre* is not investor presentations or VC rounds (although many have, or will be, funded) but steady, profitable growth: the long, slow, linear climb. And after the bubble bursts and the unicorns have left the scene, many, many great companies will still be there, providing technological solutions that meet genuine needs.

James F. (Jim) Haggerty is an attorney, author and crisis communications consultant who recently founded CrisisResponsePro, a software company. He also CEO of PRCG/Haggerty LLC, a crisis communications consulting firm. Jim's book, In the Court of Public Opinion, now in its Second Edition, was called "...the perfect handbook for this age..." by *Financial Times*. His next book, *Chief Crisis Officer*, will be published by Ankerwycke Publishing in 2016.

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