

VISTAGE

Member *Stories*

Joe Hines, CEO
Voice & Data Networks
Minneapolis

At a glance

Role: CEO

Industry: Information Technology
Management, Services and Sales

Employees: 1–25

Vistage chair: Wayne Serie

Joe: “Vistage’s focus is mid-market companies, which is also my market.”

In 1995, a vortex of technology and change swirled through the economic landscape disrupting just about every company in its wake. Joe Hines was a young entrepreneur at the time, working for a corporation buying and selling used telephone equipment. Sensing opportunity in this business climate where a nascent technology called the Internet was rewriting the rules, Joe left the security of a line job “To hang up my own shingle.”

That company was [Voice & Data Networks](#) (VDN), and he launched it to buy, refurbish and resell used technology equipment like telephones, circuitry, routers and Ethernet switches. AT&T was Joe’s target market, and his timing was perfect. AT&T was going through its own tectonic shift by breaking into three separate operating units. Meanwhile, AT&T was also moving full-speed ahead into wireless with the purchase of Cellular One.



Voice + Data Networks morphed over the years, primarily by adding more managed services designed for small and midsize businesses, the company’s niche market. Joe has strengthened VDN’s professional and managed services offerings as margins in his hardware business have steadily eroded from aggressive online competition. Margins in the hardware business have dropped to 1–3 percent. Therefore, Joe’s turned to services to close the gap: Professional Services and IT Management Services.

That said, as a VAR (value-added reseller) Joe’s 18-person firm still sells and distributes new and used voice and data network equipment. And not just to smaller companies. VDN sells to pockets of larger companies, such as Best Buy and healthcare companies. The Mayo Clinic in Rochester, Minn., for instance, uses 10,000 wireless phones throughout its sprawling campus. As one might imagine, hundreds of these break each year and VDN is there to serve this need for the Mayo Foundation.

Fast-Growing Hosted Telephony Services

Even though the number of households with landlines has slipped in recent years, businesses still depend on telephone networks. “Every company needs a local area network, phones, a circuit to carriers, and Wi-Fi,” says Joe. Indeed, most small and midsize businesses usually aren’t staffed to maintain a telephone and data network. And that’s why companies are looking for simpler solutions.

The simpler solution as it turns out is the cloud. The cloud has also become a bastion of growth for the company, shares Joe. VDN offers a full suite of services for cloud applications, including migration, integration, and customization for managed hosting, backup and disaster recovery, cloud storage, and hosted Exchange & email archiving. Telephony systems have even moved to the cloud.

“You used to buy a PBX, put it on site and hang it on the wall. Most people didn’t even know it was there,” he says. “They just worked, operating for years with little maintenance,” Joe shares. These legacy systems, however, are failing and even catching fire in some cases. VDN is converting the old PBX systems to hosted (cloud) telephony now. “It is just a really fun business suddenly,” he says.

“It’s real fun to offer hosted telephony. The client’s costs typically go down, the client’s complexity goes down, and VDN can offer this service in such a manner whereby VDN can afford to offer GREAT customer service. This only happens a handful of times in anyone’s career” says Hines. “The value proposition for our customers is overwhelming; it’s an easy decision!” He cites a fast food chain that will save

\$36,000 a month with the transition to hosted telephony.

Joe’s bullish on the growth potential of the hosted telephony business. Per Gartner Group research, only 25 percent of companies under 100 employees have converted to hosted telephony, but in eight years that number will reach 100 percent. Enormous growth, to be sure, and Joe is creating a strategy to capture a slice of the market.

Vistage—a Strategic Tool for Growing Voice & Data Networks

Joe’s interest in continuous learning and a desire to employ the best leadership and management practices at his company led him two years ago to Vistage. He sees his investment in Vistage as a strategic tool for growing VDN. Joe’s Vistage chair is Wayne Serie, a chair with considerable experience leading related technology businesses to VDN.

Before Vistage, Joe had spent many years in CEO groups that were industry specific. What he likes about his Vistage experience, however, is the mix of CEOs and senior leaders from different industries. Joe has discovered the perspective from others in the group with similar growth challenges to be priceless. He also cites the monthly presentations from business thought leaders and authors as inspirational. “Vistage’s focus is mid-market companies, which is also my market,” he says.

Within the first few months of joining Vistage, Joe’s chair encouraged him to leverage his 20+ years of experience and begin presenting to clients and prospects. “I went to the Mikki Williams Speakers School and started speaking to some of the other Vistage groups,” he says. When other Vistage group members learned about his IT

experience, they were eager to tap into his knowledge. In fact, a handful of companies asked Joe to serve as a third-party CIO with the task of solving the companies' IT problems.

With his experience leading midsize companies, the leap to IT advisor has made sense for Joe. As an example, for one client, he reengineered the company's IT and joined its board of senior leadership team. "I help the companies keep an eye on what could disrupt and threaten their business." To the contrary, Joe wants helps his clients' companies to be the disruptors in their space.

Selected to Join Vistage Minnesota Champions

Recently, Joe was selected to be a part of Vistage Minnesota Champions, an elite group of members who partner with chairs to grow the Vistage community and strengthen the business climate throughout Minnesota. Vistage Champions like Joe are recognized for being steadfast collaborative leaders with compelling stories of how the Vistage experience has helped transform their businesses and themselves. As a Minnesota Champion, Joe has an opportunity to increase his impact beyond his own Vistage group by speaking and consulting on topics related to his expertise. **V**