

## **Naysayers Fuel Digi-Net Technologies' Growth: CEO Robert Parker in the Hot Seat**

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**(Gainesville, FL)** -- Go ahead... dare Robert Parker and his Digi-Net [ <http://www.digi-net.com> ] team of 50 not to succeed. Try telling this 29-year old entrepreneur his ideas won't fly and his business model won't work. Outspend him (which isn't hard to do), out-resource him (again, not difficult) or try to upstage his technology (now things are getting a little more difficult). But whatever you do, don't take him - or Digi-Net Technologies - lightly.

In just seven years, this former University of Florida student carved out a respectable place for Digi-Net in Internet technology by focusing on software that powers electronic bulletin boards (DigiPosts TM ), assisted e-commerce transactions (Groopz ECommerce) and chat rooms (DigiChat TM ). What started out as a one-man Internet consulting firm, is now a thriving enterprise with true A-list clients -- the National Hockey League, NBC, Boeing, and Procter & Gamble to name a few. Digi-Net now ranks as the fastest growing IT firm in Florida and the 8th fastest growing private company in Florida overall.

Because of its relatively small size, and the fact that it remains privately-held, Digi-Net Technologies isn't a household name... at least, not yet [so far, Parker has resisted offers for venture capital or an IPO]. But regardless of whether or not the public knows Digi-Net by name, one thing is certain -- the competition knows Digi-Net's products all too well.

My eFlorida News recently sat down with Robert Parker to pick his brain and discover his source of inspiration.

**(My eFlorida News): You started Digi-Net as an Internet consulting firm with less than \$1,000. How did you spend that initial "seed capital"?**

(Robert Parker): I think the first \$1,000 went toward a deposit on office space, plus the first month's rent and paint. I had a pizza/beer party to convince a bunch of my friends to help me repaint the office.

**At which point did you realize the company would switch from being a part-time job to a full-time business? Was the transition intentional, or did it just evolve?**

It was fully my goal when I opened Digi-Net's doors that I would go full-time with it. I realized three or four months into it that it would never be successful unless I was able to do it full-time. I hoped to generate enough income to cover the cost of business during the launch phase, but I wasn't able to do so because of the limited time I had available. Eventually, I decided to take a leap of faith and hope that if I dedicated enough time, revenue would come. Ultimately, the revenue did come, but at the time it was pretty scary.

**Did you have any mentors to guide as you started the company?**

I'm similar to a lot of other entrepreneurs in that I've done a significant amount of reading. I've particularly enjoyed the stories of people like Larry Ellison, Steve Jobs, (Bill) Gates, and (Steve) Ballmer. Reading those stories served as a roadmap for some of the goals I have.

**In the beginning, given that you were an English major (not a computer science major), how did you get the technical skills to run a technology company?**

It required a lot of research. Because I didn't have the money to hire many people, I learned how to program out of necessity. But I would never consider myself a technocrat. I'm pretty much a pure entrepreneur who understands both technology and business applications and where those two will meet five years from now. That's the space I like to play in.

**What happened over the last 7 years to get Digi-Net where it is today?**

Digi-Net's history is divided into two phases. At first, we started out as a technology consulting firm. We developed technology for everyone from "mom and pop" shops to Fortune 500 companies. Companies like NationsBank, Hyatt, Swissotel, and FirstMarketing asked us to implement specific pieces of technology or help integrate their ordering systems with their existing inventory system. We were able to do that.

The problem was that it was a "build once, sell once" model. No matter how much you charge for consulting, you're still building one thing, one time and the selling it one time. It's not a model that I liked because it doesn't scale. What I wanted to do was build once and sell everywhere, or sell a million times. Much more like a Novell or an Apple or a Microsoft in what we call the "shrink-wrap software industry." In 1999, we made the switch to the second phase -- developing software.

**What have been the biggest growing pains for Digi-Net?**

Because we're a cash flow positive company on a fast growth track, I think our biggest challenges been in managing growth without overgrowing and running out of capital. Running the business cash flow positive every quarter requires a tremendous amount of management.

We don't have the ability to have something called a "burn rate." There's no such thing at Digi-Net. Our philosophy requires vigilance at every level of management, right down to each salesperson needing to be productive and profitable. That approach has been a big reason for our success, but it's also been the reason for a few extra lines on my forehead.

**Digi-Net is still a privately held company. From an entrepreneur's perspective, what are the advantages and disadvantages of staying private?**

The main advantage is that there's only one head honcho. I don't have to answer to an outside board or Wall Street. That allows our team to plan for ROI on a multi-year basis. We're also very, very nimble and can take advantage of opportunities when we see them.

Being private can be a disadvantage when we work with larger companies. They prefer to work with other public companies because, obviously, their financials are public and there's a greater comfort level there. However, I think we've been able to overcome much of that concern by establishing a good history with our existing clients.

**Industry critics have observed that high-tech companies often fail because their founders possess brilliant technical and creative skills, but can't craft a viable business plan to save their lives. How do you find the right balance?**

In general, I think that there are two types of entrepreneurs. The first is the technology-based entrepreneur you mentioned, who has brilliant technical and creative skills, but lacks savvy on the business side. Then there's the other type who's more of a businessperson, or an "evangelist", who can stir a crowd with a rousing speech and sell really well, but without an understanding of the technology.

The rare breed is the kind of person that excels at both -- a visionary who's also an evangelist/salesperson. At Digi-Net, our executives and our team are capable of seeing both sides. That's really what we focus on -- having the balance between the two types.

**Talk about the corporate culture of Digi-Net. What type of person does well in your culture? What type of person won't make the grade?**

That's pretty simple -- the people that do well are believers . We call them evangelists at our company. These are people that if you cut them open, you'd find that they live, breathe and bleed Digi-Net. The technology we develop literally changes people's lives . And the people that drive that technology -- whether they're in technology, or sales or accounting -- believe in what we do. These are the people that work until 4 in the morning, if necessary, and do so without a manager watching over them.

You can make money doing anything -- from the adult industry, to making coffins, to selling copies of Microsoft Word. And yes, putting in the extra effort can help us make a lot of money. Ultimately though, the most rewarding part is the knowledge that we're going to make a difference to our customers. That's really, really important.

The people that don't do well are the people that are the "9-to-5'ers" that are gone at 5:01 p.m. We don't have many of them.

**What are the advantages of being headquartered in a college town like Gainesville, Florida?**

The most obvious answer is having access to talent. We now have offices both in Atlanta and in Gainesville. In Gainesville we're obviously a bigger fish in a little bit of a smaller pond. So we really get our pick of the litter of the students from the University of Florida once they graduate. We also attract people that want to stay in North Florida, or Florida in general.

**For others who might be interested in starting their own high-tech venture, what advice do you give?**

I think being a little bit ignorant, and not understanding how complex and difficult it is, is actually a huge advantage. So I probably wouldn't tell them too much. But what I would say is that 80% of the difficulties you'll find in running a business are things that you don't think about now. It's not in creating great technology, or hiring the best coders, or anything like that. It's in dealing with the people issues, and HR, and maintaining the balance sheet and those types of things.

I think picking yourself off the ground, expecting the unexpected, and being real flexible in the way that you operate your business are the most important attributes of a good entrepreneur.

**What's next for Digi-Net?**

Continuing to develop great technology, great support behind that technology, and evangelizing that technology through the market. Developing technology that makes a difference is far more important than producing a product so a customer or prospect can say "Digi-Net's products or technology have the most features ." Instead, we want to make sure those features translate into benefits and actionable metrics so a customer can say "You know what? Digi-Net's products or technologies make a difference in our business or in our lives ." As long as we continue to do that, I think we'll continue to grow and be successful.

**Finally, if you were accepting a statue for "most innovative company", who would you mention in your "thank you's" (and why)?**

I don't think I'd mention specific names. But what I would do is thank everyone who said it couldn't be done. That I was wasting my time or making a mistake. I would thank every customer, or potential customer, that went with one of our competitors, or decided not to buy one of our products. Situations like that really serve as the impetus behind our drive and innovation. Every time someone says it can't be done -- at least for a person like me - - that's as much fire under my {butt} as you can possibly imagine.

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Enterprise Florida is proud to welcome Digi-Net Technologies as a partner in getting the message out about Florida. Innovation Hub of the Americas. SM Digi-Net's bulletin board product, DigiPosts™, powers The Hub on the My eFlorida section of eflorida.com.

For more information on Digi-Net Technologies' portfolio of products, go to: [www.digi-net.com](http://www.digi-net.com)