

DAVID GREEN & TERESA MILLER

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Green Miller

Best lesson learned: Focus and discover a market niche

Brentwood businesses serve a wide variety of niches and CEO **Jim Aylward of Sy.Med** has found a particularly strong one. His company licenses software that allows medical providers to easily complete credentialing documentation requested by insurance companies and others – some of which can run 30 or 40 pages. Jim spoke with David Green for this interview

How did your business initially position itself in the marketplace?

Sy.Med was originally positioned as a service bureau. Basically, physicians and healthcare providers outsourced all of the



Jim Aylward

COMPANY DATA

Sy.Med Development, Inc.

Business: Healthcare software licensing

Founded: 1997

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processing of credentialing applications and provider enrollment to Sy.Med. We used proprietary, in-house software to complete the applications and mailed them back to the providers for their review and signature. It was a very laborious and tight-deadline specific business.

Was there a key change in positioning that led to your current success?

Yes. In early 1998, we decided to get out of the service bureau business and develop software we could license to our current clients as well as nationwide prospects. This allowed us to implement a profitable software licensing business model with a smooth revenue stream, versus a choppy revenue stream derived from the previous labor intensive, fee-for-service model.

What was the insight that led you to change direction?

I knew that if we kept growing the service bureau our labor costs would continue to rise just as fast and result in a zero-sum game. Coming from the financial services and managed care industries, I knew the value of recurring revenue as well as level revenue streams and thought that if we had software maintenance revenue we could build a profitable business. It is much easier to keep a current client happy than to fight to win a new client. Plus, at the time I thought Bill Gates knew what he was doing.

What is the best piece of business advice you ever received?

That recurring monthly revenue is very important in building a long-term successful business.

What would you do now if you had to start over in your business career? (Not including what you are now doing.)

It would probably be in the sports or music industry. I have a keen interest and incredible passion for both and like to create new ways of

doing business in new industries. I am fortunate to be involved in both arenas already as I am President of Simplify Athletics (www.simplifyathletics.com) and Cool Vibe Publishing (www.coolvibepub.com). Simplify Athletics allows high school athletes to create profiles containing information college recruiters look for and Cool Vibe provides a complete range of services for artists and musicians all under one roof, unlike the traditional model of separate vendors for publishing,

promotion, distribution, publicity, etc.

What is the greatest business challenge you have faced? How did you handle it?

The biggest challenge I have faced was negotiating and buying Sy.Med back from our then-parent company, FPIC Insurance Group in Jacksonville, Florida. I was fortunate to have two good, seasoned business advisors in Fred Goad and Gerry Hayden who guided me through the buyback process. Fred was very instrumental in coaching me on the negotiating and “deal” side of the transaction. Gerry was extremely helpful with developing financial models to determine if Sy.Med could be profitable and how much capital was needed to buy Sy.Med back while having ample working capital post-buyback. Not only did they help me, but more importantly, they gave me the confidence that I could buy Sy.Med back and create a very successful company.

What one business tip would you give to a Brentwood business entrepreneur?

Focus. Discover a market niche, create the first, or superior, product or service and don't waver from your vision. It is very tempting to be distracted by new markets, new offerings and what competitors are doing, but be patient and be the best at what you are doing!