Case Study

Eugene Curry

Seven Systems, Inc.

Gaithersburg, Maryland

The Alpha Phi Fraternity has produced some of the most notable African American leaders in this country. Great Alpha men like Dr. Martin Luther King Jr., Thurgood Marshall, and Jesse Owens have left an indelible mark on the world that no amount of bigotry or ignorance can ever erase. Eugene (Gene) Curry has followed in the tradition of excellence that most Alpha men espouse. Working for his company, Seven Systems, Inc., (SSI), Gene enjoys the high level of activity that most successful government contractors, otherwise known as 'beltway bandits', experience daily.

Seven Systems, Inc. (SSI), the brainchild of Gene and two other computer programmers, started out as a software/data processing systems company. They prepare statistics, analyze trends, and perform inventory analysis using stored data, most notably for health-care companies dealing with areas such as drug abuse, mental health, and infectious diseases. Ninety percent of their business is government contracts. Recently, the National Institute of Health (NIH) in Bethesda, Maryland became a major client.

How the Company Began

In 1978, the three partners were working as officers in a major data processing firm that broke up, so they united to start their own company, SSI. The new partners quickly carved out niches that allowed them to work in their area of expertise, and thus effectively contribute to making the business a success.

Their ability to work well as partners transferred into SSI's culture. The tightly knit team works together to achieving common objectives. One partner proudly shares:

> "The company is informal with the majority of SSI's seventy-five employees
> knowing each other on a firstname basis. Everyone knows what's going on and no
> one is working in a fog. We hold board meetings and keep everybody abreast of
> major company decisions." *Eugene (Gene) Curry*

Gene, serves as the CEO for the company while maintaining a respectable amount of billable hours. Another partner, who works primarily in hardware and software, is the treasurer of the board, accounting department, and corporate coordinator. The third partner, an expert in Java programming, is the contract coordinator in health care and imaging.

By wisely dividing the company's duties, SSI has developed a very good reputation. Most new business comes by word of mouth. A vice president or principal oversees the day-to-day responsibilities of keeping each project on budget and on time. SSI prides itself on providing services that are on time, on budget, and thorough.

SSI's financial strategy is: "always stay one step ahead of financial requirements." The company maintains large lines of credit with numerous banking sources. It has done business with local banks for so long that the firm has never been denied credit. The company prides itself on its ability to estimate cash requirements for contracts accurately.

How Did Gene Get Where He Is?

Gene Curry grew up on a farm purchased by his grandfather during the early 1900s, outside of Lawrenceville, Virginia. He and his eight brothers helped to work the farm. Although farm work was very hard, it provided the family with a certain level of security and prestige. Gene's grandfather worked very hard to provide the family with this security. He not only had a farm, but also owned a country store and one of the few cotton gins in the community. Gene's parents understood the importance of education, so when Gene turned seventeen they ushered him off to Hampton College where he studied mathematics.

After graduation, he didn't know what he wanted to do, but he knew he didn't want to work in the post office or as a teacher. These were two of the few areas blacks were allowed to work in but neither paid especially well. Disappointed but not willing to give up, he ended up waiting tables in Richmond, Virginia.

In 1959, he was drafted and later that year married his lovely wife, Juliet. Since he had a college education and was technically skilled, Gene was assigned to the Pentagon to build economic models to predict the performance of eastern block countries and monitor their economic indicators. Gene took advantage of living in

Washington and enrolled in Howard University to earn his masters degree. Soon after, he accepted a new position as a Fortran programmer. At this point, he was satisfied with his good "government job" and wasn't thinking about going into his own business. Besides, he had finally found a profession that he enjoyed – computer programming.

> "Computer programmers in the late 60s, early 70s were like little angels, everybody wanted them. You could leave that job confident that you could get another job. Computer people were in demand just as Internet and web technicians are in great demand today."

In 1962, he was making only $9,000/year as a GS9 and felt he could use the increase in pay. He got an offer for $13,000 from a private company, and worked there for five years before leaving to join another firm, Delta Corporation. In 1965, ventured out with three other people to form a new company. The group had great difficulty working together and the venture was short-lived. Gene left the start up firm and returned to Delta. Although the venture was not a success, Gene learned from it and used those lessons later when founding SSI.

Soon after returning to Delta, he heard about consulting opportunities from the guy sitting next to him. Shortly thereafter, that colleague quit and called Gene to ask if he wanted to do some consulting. Gene left Delta, this time to do a $25,000 contract. Gene felt that this was a no-risk situation. If business didn't do well, he could always get more work. After a few months, he and his partner, Danny Gwynn, decided to form SSI.

What Made Gene Successful?

Before setting out on his own, Gene secured a business deal for approximately one million dollars. Unlike many fledging businesses, SSI started out well capitalized. Gene's philosophy is to have twice as much money as needed at the outset, and he was able to promote his business from a position of strength. Gene asserts:

> "You have to have capital—your projection of what you need is only as good as how well you know your business. Get more than what you need – almost twice as much. When you've exhausted the bare minimal money, no one is going to give you more. Our business lost $90,000 the first year but I borrowed twice the amount I needed so we survived. You have to have a long term, well thought out business strategy."

Other key factors Gene believes contributed to SSI's success were knowledge of the business and their competition:

> "You have to have some feel for what people make doing comparable jobs and what their overhead rates are. What do people load their spreadsheets with if they selling people's time? Ask friends that are hiring contractors. Look at the contracts you have lost and ask why? As a bidder, you have the right to find out why. Remember, your can't rely on other people to protect your interest."

SSI also had other strengths. Most importantly, Gene and his partners were working in their areas of expertise.

> "You can't rely on other people to protect your interest – you have to protect it yourself. You have to work your butt off to make sure it's the way you want it to be. One thing that the banking people look for is the ability to run the business. I had nine years of running an active business, three of which I was the president. You have to know when you're making money and when you're not. The key to starting a small business is to know what you're doing."

When asked what it takes to be successful in the long run, Gene replies:

> "Learn to work hard and stay with it. Do not let early successes get you off track. One success won't make you. You need to develop a pattern of success. Save your cash. No one wants to bother with a five-year-old business that needs money. Try harder to accumulate cash. If you're in a personal service firm, get qualified personnel."

Finally, besides remaining persistent, focused, and attracting good people, Gene recommends that entrepreneurs not spread themselves too thin:

> "Don't be in a hurry to serve on too many boards and committees at the beginning of your venture. Back off and let someone else serve on them for you. It is critical to focus on the needs of the business until it's strong enough to stand on its own and not on your shoulders."