RT: What brings you to the CEBIT Conference?

ND: To see new technologies for cyber awareness and security.

RT: Can you tell us about Netzbahn, which is based in Wisconsin? I know you don't like the term MSP (managed service provider).

ND: We're an influencer in dictatorship, as we don't believe the customer is always right. We take a situation, clean it up and put structure to it. We deal only with local government and public safety - they have structure to follow to begin with, and we enforce it.

RT: You provide IT support, consultancy, everything that goes along with that, to government and law enforcement in the Wisconsin area. Do you go further afield?

NB: Presently just in Wisconsin.

RT: How long have you been in the industry as a whole now? Can you talk us through the history of where you've come from and started out, and where you've ended up today with Netzbahn?

ND: I've been in the industry 30 years. I started out hacking into university systems because our public school was tied to it. I adjusted climate systems, such as in the kitchen to 150 and the women's locker down to 30, got caught and had to talk my way out of it.

I worked for a computer store before setting out on my own, where I cut my teeth a lot! It's progressed from being hardware-based to business-solutions based. It's not about the technology, it's about the solution you need and wrapping the technology around it.

RT: How many people are there in the business? What does the team look like and what do they do?

ND: There are currently nine of us. We're engineer supervisors. We're vendor agnostic, meaning we help clients write and evaluate RFPs (request for proposal). Our philosophy is if we're doing that, we cannot bid on the RFP, but we take clients through the process.

I'd say the number one position we do is vendor management, because in the law enforcement side, from fingerprints - AFIS (Automated Fingerprint Identification System) - to breathalysers, there's a company that has a state contract.
We're essentially the traffic cops for the cops, in regard to access to their network, as they have to fall within Homeland Security guidelines. We ensure that those guidelines are followed.

RT: In terms of the niche you're in, which is unique in the industry, who are your competitors?

ND: We don't really have competitors, because when we're brought in we're not there to replace existing IT, whether that's in-house or contractor on or offsite. We manage and supplement their shortcomings, because most MSPs don't know by heart or index the 600+ page CJIS (Criminal Justice Information Systems), which is the guidelines used by the FBI and Homeland Security.

RT: I'm intrigued to find out how you got into this area in the first place, but before we do, what are some of the security implications that you're seeing which means you're the only company in this space? Presumably most IT companies would look at this and run a mile, because it's so difficult to do what you're doing.

ND: We're not the only ones in this space, but we're the only ones catering to cities with a population of 30,000 or below. Bigger companies which handle this niche are going after bigger cities and metropolitan areas.

The smaller cities are forgotten, so they don't have an IT staff or they have one person who raised their hand when the question "Who knows about IT?" was asked. We supplement that by having systems in place so they can escalate tickets to their provider and to enhance communication.

We take from a situation where every IT ticket they're putting in is a fire-based ticket – they're always reactive. That's about 20% of the tickets, and the rest are focused on projects.

RT: You mentioned tickets – do you use a PSA (professional services automation) tool?

ND: In-house we use Autotask, but we work with people who use ConnectWise, CommitCRM and other tools. We don't subcontract those people, as they work with the client directly. We don't need to skim off the top, because there's enough work out there for everybody.

If they're comfortable with the IT company that's in there, we supplement them, because a lot of them don't have the expertise in what the requirements of the business are.

RT: It's slowly beginning to dawn on me why you don't want to be referred to as an MSP now! What you're doing sounds a lot higher-level than that; is that fair to say?

ND: It is. We do have our pet clients where we test out procedures and make sure they work, and do the full IT gambit for them, but we don't do that day to day.

RT: We've mentioned some PSA tools, but which others do you use within the business? Presumably there are some secure tools to manage your clients' networks.

ND: Pass!

RT: Is that something you're not comfortable talking about because of the security implications?

ND: Yes.
RT: Let's talk about the genesis of you getting into this niche. How did that come about?

ND: When I went off my own, a municipality was my first client.

RT: How did it develop from there? How did you end up with more municipalities or local governments as clients?

ND: Police departments talk, and they'd rather ask each other who they're using and get a referral. In the course of 25 years on my own, I've found that advertising doesn't really work. You could have exactly what they want, when they want it and at the right place, but unless they know how to get two more quotes so they can present it to their council, they throw it in the bin.

RT: How do you deal with that? It's not an unusual situation for some of the listeners, because more traditional MSPs who deal with local government and public sector will find those sectors have a need for three different quotes.

Do your clients come to you and say: "We need to find another two quotes for this – can you help us out with it?"

ND: We're usually involved with the process to begin with. If it's strictly product-based, such as a life cycle PC, we make all of our clients have a CDW account – they're a US-based reseller that has government departments. Everyone's heard of them, and it's a product endorsement business.

We make sure customers have the account because they can handle Microsoft licences and the whole gambit. Then, we ask them to have a local provider too. Both companies can quote, and the client will often go to somewhere like Amazon for the third quote. We're very fortunate that we don't have to sell hardware. We don't like financing and it's not something that we have to worry about.

RT: In terms of the team you've built around you, you've had a fairly low staff turnover. How do you find those people and how do you retain them so well?

ND: It's about finding people who fit into the right culture. Our culture is pretty loose until it's time to work, and then we go in and get the job done. When you plan for cut-overs there's a point of no return, but we always make sure there is a point of return.
Even if it fails miserably at the eleventh hour, we can go back. It's more painstaking upfront and there's a lot more planning, but it makes the process, which is daunting and stressful anyway, (when you have to bring a police station down), easier to deal with.

RT: With all due respect to mainstream MSPs, if a client goes offline it's going to cost them money, but if a police station goes offline there's a lot more at stake.

ND: Yes, but they have their policies and procedures in place. We're not just the IT provider, because we know their backup plans. We know who it is that does their dispatching and who their uplink is, because they have processes in place.

For instance, if phone lines go down, it automatically flips over to their uplink provider to handle their dispatch and send out squad cars. They may lose in terms of ticketing, but they're still able to function.

RT: What would you say is the best thing about working in what sounds like a very secure and regulated industry?

ND: The process to do something moves slowly, but the process to stop something also moves slowly. That means you don't do a whole bunch of work and then the client decides to go with someone else.

It's a very different world. If you're looking for a quick buck, you're in the wrong place, because you need to be in it for the long haul. It took five to seven years to cultivate what the processes are.

We still go to city council meetings of cities that aren't our clients, just to see what their pain points are, what their constituents want and if they're a fit for us. One of the reasons why I went out on my own is because I have to have the ability to fire a client.

RT: And what is the biggest challenge you find working in this niche?

ND: Finding people that fit our culture.

RT: And what IS your culture?

ND: Fucked up and weird.

RT: Why so?

ND: You control what you can control, and you ride the wave with the rest, and you can't freak out when you're riding that wave.

RT: Have you brought anyone on board who couldn't get their head round that and freaked out?

ND: Yeah, and they don't last long. But we have our priorities. Everyone I talk to who knows me knows I'm lazy. What do you do when you're lazy? You automate. My step above lazy is calm.

We could implement some high-level systems, but if something goes wrong and it's all automated, you'll get an alarm but by then it's too late. If you're watching and maintaining things, such as server updates where things don't come back online after reboots, you'll find out within five minutes through your polling.

If you have 30 servers or images that reboot at that same time, you don't see what's happening, but if you're actively monitoring it you will. Our clients are happy to pay us to do that, so why wouldn't we do that?

RT: I'm intrigued about some other things. You've been justifiably vague about the tools you use, which I totally understand, but we talked about Autotask. I'm guessing it's more difficult for you to find tools which meet the certification or security requirements that your clients demand. How do you go about assessing tools for use with your clients?

ND: They need to follow CJIS requirements and they need to be secure. The way we write or escalate tickets, there's information in there that needs to be kept confidential. On the flipside, 99% of all information in a municipality is open records.

Municipalities appreciate this disconnect, because that's not within the normal scope for open records that contractors are used to dealing with. When we look at that, it's more to protect the client from frivolous open record requests, but we still have to maintain law enforcement confidentiality.

That means that at the very top, you need to be within a CJIS-compliant data centre, which includes Amazon's FedRAMP, Azure, and a third supplier which is owned by seven law enforcement officers who are still on the job.

Any MSP that would like to deal with municipalities need to know that all the data needs to be in a CJIS-compliant centre. This includes RMM (remote monitoring and management) tools, sync services such as Anchor, file sync utilities, offsite backup and BDR (back-up disaster recovery) units. This is the trouble for me when I attend events in the US, because 90% of the tools which are in the vendor pavilion are things I can't use.

RT: We're here at CEBIT, so what have you spotted? Have you been frustrated when companies don't understand the security requirements you've got?

ND: No, because there are pavilions here that are strictly for the public sector. We look at the different ways that they attack security requirements. Even though there are differences, they're still the same requirements.

We can't use their tools as yet because they're certified in Europe but not in the United States. The companies that we're interested in we ask if they're willing to go through the approval process so the products can be used in the US and in the federal system.

RT: You've talked about how you got into this niche of local government and law enforcement, and you've got a background in it as an individual. Lots of MSPs, IT companies and solutions providers, when we discuss working with governments, run away from it because they say they're too small and it's not worth their time and effort getting into it. What would you say to anybody from the UK or Europe who's considering looking at the public sector side of things? Why would it be a good fit for them?

ND: Receivables. With the private sector, average days to pay were around 180. With municipalities, we're lucky that it's seven to 10 days. On average, it could be 14 days, but if you do your contract right you'll get paid quickly. With our contract (a handshake), they can leave with 30 days' notice. If we need a contract to lock someone in, we're not doing things right.

They need to have patience, because it will pay off. You don't have ups and downs, because with your recurring revenue and other services you provide it's a steady cheque.

I don't know about elsewhere, but in Wisconsin, by law municipalities have to pay their bills. You may take a little less upfront, but you're in for the long haul, not for the quick win so you can leave.

RT: So, it sounds like a slower build-up to it, but once you get into it there's momentum which keeps you going.

ND: It is. As the IT industry becomes more commoditised, you have to keep changing what you do and refining your niche. We've refined ours in major terms seven times in 26 years.

RT: What's been the most surprising change you've seen over your 26 years – in the IT industry as a whole?

ND: The lack by vendors to see the public sector as a viable option.

RT: Elaborate on that? Why does that surprise you so much?

ND: Because they're going after the fast wins to build up their own businesses and they're using MSPs to sell their products instead of having dedicated sales teams. The explosion rate of BDR units means that the industry is commoditising itself.

Vendors are going where they see the money, and it's easier to see it when they're bringing in more MSPs. I've heard channel managers say: "It's a licence to print money" or "You're leaving money on the table."

You have to be able to recognise that you're leaving problems on the table too, and you're walking away from them. That might be the calm portion of it. I've been through it when you're on-call 24 hours a day, and that's a lifestyle choice. If you want to do that, go ahead, but I'm lazy.

RT: I know that's not true! But I'd say you're fairly chilled out and you've got a good work/life balance.

ND: There's no such thing as a work/life balance!
RT: Why do you say that?

ND: My mind is always working. It's a balance if you divide 10 minutes on tasks and 10 minutes on eating, but the whole work/life balance is a crock of shit. You have to find out what you love to do, and then do it.

If you're not happy working for someone, go off on your own and don't just sit there and bitch about it. This industry is saturated with people who see IT as an easy thing to do. We do so many clean-ups where other vendors have left a mess, and then we turn it over to another vendor.

We don't want to do it, but it gets the client up and running and we can then put procedures in place, make it a dictatorship and get another IT company to run it for us.

RT: What does a typical day look like for you, as CEO of Netzbahn?

ND: There isn't one.

RT: Is there any commonality? Routines or things that you do each and every day?

ND: No, because someone calls in sick, someone else is there, someone surprises you with a project. It's not like it's hyperactive, it's just ADD (attention deficit disorder). When you deal with IT it's all ADD. You can think you've got it all under control, which you have to an extent, but it's never going to be the same thing every day. If it is, how boring would that be?

RT: So you get a kick out of it – the dynamic of not knowing what's going to happen?

ND: The hardest part with IT is that half the time you don't see the end result. I think that's why other IT people I know love having a lawn to mow, because you can see something structured and it's cleaned up.

I don't know how to describe it. Most very good, diagnostic people have methodologies that are unlike other people. The problem with this industry is that structure isn't always there, and that's why I like local government.

If you have a solution and the end result for someone's problem, you can reverse engineer it so you know exactly what you're going to do. If you put 10 IT professionals in a room, you're going to get 10 different variants of how to solve that problem.

All 10 are probably correct, *technically,* but what's the best way to do it for the client? Are you doing it to ease their pain point or to take as much money as you can from them? Are you there for the long haul or just in and out and never want to see them again? There are different motivations for how you want to do things.

RT: Let's talk about consistency for a minute. We've talked about what surprised you over the last 25+ years. What's stayed the same, and what was true 25 years ago that's still true today?

ND: Private sector clients don't pay their bills on time.
RT: And that's been a motivating factor in you moving into the public sector?

ND: It actually has, and it's been the number one reason, along with the structure. Most people who are entrepreneurs with Type A personalities have ADD syndrome and are all over the place.

When they're all over the place, they need everything around them to be structured. You're counting on something to be there at the time when you need to work at it, and if that throws you off it throws others off too. Knowing that that happens means I adjust how we do our processes and I remove myself from most of the day to day processes.

RT: That was going to be my next question – how do you prioritise what you do on a day to day basis? On the one hand, it's very consistent because you know what the municipalities require, but on the other hand the type of issues that come up every day are going to be different and you have to react to them dynamically.

How do you prioritise what you do on a day to day basis? How do you resist the urge to jump in and tackle everything yourself, as opposed to delegating to your team?

ND: I'll answer the second question first – I'm lazy, so if I don't have to do it, I'm delegating it.

RT: And you've got that down to a fine art, now?

ND: It's an art, but it's not fine! It's based on personnel, needs and priorities. We'll always work harder on extra tasks, rather than taking on a new employee for the shorter term and get rid of them when the project is over.

Over time is a great way to add people. The industry encourages us to do more with less, but the people are what make the business. It's not the commodity, it's the people behind it. I've said it about vendors too, and that's the part of their business that's disappointed me.

RT: Are there any techniques that you use so you don't get overwhelmed by everything that's thrown at you?

ND: When it comes to IT issues, they come to me last, as we have an escalation policy. If someone can't get a hold of the person they need, I may step in. Our number one thing is documentation.

Whoever starts working for us spends two weeks learning to document properly. We try to have a standard, which may not be *the* standard, but it works for us. We follow that nomenclature so we know where to find the information on a client. It's always a work in progress to be fine-tuned, but we're looking for the path of least resistance.

For our engineers using time entries, I need someone to review these. If that's all you do, though, pretty soon you'll start to approve things without really paying attention, because the work is so boring.

We use Slack for the engineers to track their time and it's shared with the operation supervisor, and she enters them into the system, correcting mistakes as she goes, so it's understandable to the client.

It's also a lot faster, because mobile solutions for PSAs aren't the best, but they can put all the information into Slack. For us, whether a ticket entry is a charge or a time entry, it needs one of two things: a conclusion to show it's finished, or a next step to be taken to resolve the issue.

RT: I'm intrigued to hear that you use Slack, because not many IT companies do. It's fair to say that you're not like most IT companies! What do you get from using the platform? How does that help with keeping the team connected?

ND: Efficiency, because when engineers are working on tickets they can do a quick Slack entry. I know there are PSAs where you can do a time entry with an email, but it requires forms and field delimiters, and I think that's too much.

I don't want my employees worrying that they're not doing the right thing, so they need to be trained to make sure it's second nature. Not everybody learns or works the same, so that's why we don't cookie cutter our employees, either.

We cater to whatever they need, and use Slack and Teamwork for projects. As our work is billable by project rather than by user, we bring in all the other vendors as a project. You can have up to 100 people on it, but you only pay for the project.

My only requirement is that everything we us has to work on every platform: iOS, Android, Windows, Mac, Linux. Anything that we carry has to work.

RT: On the topic of cool tools, we've already mentioned that we're at CEBIT today. What have you seen that's really caught your eye?

ND: It's a big squirrel fest and there's so many shiny lights. I'm mostly here for the food!

RT: We should explain that you're of German descent.

ND: That's right. My parents immigrated in 1963 and I'm first generation born in America.

RT: What's your favourite German food? What should we be looking to eat more of?

ND: All of it!

RT: If anyone wants to get in touch with you, what's the best way?

ND: Well, I'm an antisocial person… The company website is www.netzbahn.com and you can search for me on LinkedIn.