

Ethan Assal

Take the Baton and Run

Ethan Assal wasn't necessarily the fastest runner on his high school track team, but he had something else—vision.

That vision translated into strategy, commitment, and leadership. It's a vision that took a group of moderately talented young men who, individually, wouldn't have been able to achieve athletic excellence, and taught them how to perfect the handoff of a baton that occurs in relay races. It's a vision that allowed that group of young men to work together and win several state championships, going on to finish second on the east coast in the Junior Olympics in the 400-meter relay. "I wasn't the fastest runner, but I was the glue," Ethan remembers. "I helped the team pull together and work technically, showing that we could still have excellent results with the talent we were given. We had it down to a science, and we were very successful."

Now the founder, chairman and CEO of Verasolve, a marketing, public relations, and branding firm focused on Building Stakeholder Value™, Ethan's aptitude for utilizing the best parts of a group to achieve remarkable results has only improved since the days he spent running relay races.

Verasolve is the solution to a variety of challenges Ethan has encountered over his years in business. From 1989 to 2001, he built and ran Multi-Media Holdings, Inc. (MHI), the largest advertising agency in the Washington, D.C. metropolitan area. MHI achieved its size through organic growth and through the acquisition of more than 20 smaller companies. With \$400 million in capitalized billings, 400 employees in D.C., and another 200 staff spread between Atlanta and Boston, its success was certainly remarkable. But Ethan found himself frustrated that the company's size made it hard to deliver the personalized service he felt its clients deserved. "With that many employees and that much

overhead, you have to feed the machine," he remarks. "I was responsible for going out and bringing the work in, without necessarily doing the work I really enjoyed. Everything wasn't as aligned as it could have been."

Indeed, MHI allocated a third of its costs to labor and over half to overhead and the cost of sales. Thus, when Ethan founded Verasolve, he took a more virtual approach that has allowed the company to cut out overhead costs altogether, allocating instead approximately 80 percent of its costs to labor. "This means our clients get 2 to 2.5 times the labor at no extra cost to them," Ethan explains.



Another Verasolve differentiator is the length of its client contracts. Most advertising or PR agencies typically sign client contracts for a minimum of six months, resulting in a concentration of work at the beginning and end of the period with intervening months of scant activity. To keep its team in synch with clients' needs, Verasolve instead signs open-ended engagement agreements that can be terminated with two weeks' notice. "This helps ensure our team is actively engaged with our clients, focused on meeting their goals and needs," he explains. "If we do not deliver valuable, useful services that have a measurable return on investment for the clients, they can—and should—let us go. It keeps us highly involved and interactive with them. Verasolve is aimed at building stakeholder value—meaningful benefits that extend to its clients' vendors, employees, and customers."

Verasolve was launched as a consulting business in 2003 and was formally named in 2005. Today, it works primarily with business-to-business and business-to-government clients, predominantly in financial services, government contracting, professional services, and business oriented around commercial real estate.

Verasolve's target demographic is companies that would benefit from having a VP of Marketing, but that do not necessarily want the expense of having one. While these companies tend to have more than ten employees and less than a couple hundred, substantially larger companies have also utilized Verasolve's public relations expertise. Whether clients are looking to expand brand recognition, find more qualified prospects, or increase closing ratios, the efforts of Ethan and his team translate into tangible, meaningful results – more prospects and significantly higher percentages of deals closed.

Ethan began learning the science and art of good business as a boy. He was born in Brooklyn, New York, shortly after his mother, a teacher, returned from Israel, where she met his father. His father grew up in Tunisia, but fled to Israel when war broke out in 1948. There, he found work as a farmer, but knew no English and had not finished high school. Once he arrived in the U.S., Ethan's father earned his high school equivalent, eventually becoming the first person in his family to attend college. He went on to a career as a successful electrical engineer. "When I was young, I remember my father studying all the time, going through college while simultaneously learning English," Ethan reminisces. "This taught me at a young age what could be accomplished through hard work, strong focus, and a desire to make a better life for your family."

When the young family moved to the D.C. metropolitan area, Ethan would shovel snow from walkways and cut lawns to earn money. And just as he never cut corners in his work, his parents made sure he did not cut corners on the balance sheet either. Ethan had to purchase his own shovels for the walkways and gas for the lawnmower, which taught him the importance of running a profitable business that covered its own costs.

These early lessons in business combined with another defining moment in Ethan's childhood to help chart his course along the path of entrepreneurship. In 1972, an elementary school class project assigned students a historical presidential candidate for whom they had to organize a mock campaign. Ethan was assigned George Wallace. "Each student received buttons and bumper stickers from the various campaigns, and I began to collect political memorabilia—a hobby that continued for the next seven years," he

remembers.

In 1977, when Jimmy Carter was inaugurated, Ethan purchased a stock of inauguration buttons wholesale and then organized a group of classmates to sell them at the event, earning several thousand dollars. At subsequent inaugurations, that team grew to more than 100 people, each of whom would keep a percentage of the revenues. Ethan would rent a hotel suite on Pennsylvania Avenue, which was used as an operations base where he could manage the supplies and cash.

Ethan graduated from high school in 1979 and went on to attend college at Brandeis University. In 1980, while at a political memorabilia trading convention, a friend mentioned to Ethan in passing that rock and roll buttons would be the wave of the future. "Something in my mind clicked, and I knew I wanted to ride that wave," he recalls.

Ethan began researching the industry, learning how rock and roll buttons were made and where they were being sold. Using this knowledge and leveraging his experience selling political buttons, he began running a music merchandising business out of his college dorm room. After running the business from the dorms for a year, Ethan began renting a large house off campus to run sales and ordering functions. He designed the buttons and then shipped them to a third party manufacturer who would assemble them. The manufacturer then sent the merchandise to Ethan's mother, who handled the distribution of the buttons out of her garage. She hired kids who would come over after school, sort the buttons, fill bags, and ship them.

"In the midst of the venture's development, my parents still insisted I work as a busboy at O'Donnell's Sea Food because they thought the business wouldn't work out," he laughs. "I was working for six dollars an hour there, while the business was earning five to ten thousand a month. Finally I put my foot down and said I wasn't going to continue at the restaurant." While his Bar Mitzvah money and a student loan paid for his first semester of college, Ethan was able to use his button business to pay for each semester thereafter as he became the largest distributor and manufacturer of rock and roll buttons in the United States.

Though his assembly workforce included a number of autistic and handicapped workers, he

never applied for the tax credit he qualified for because it was too much paperwork. “It was a win-win for both the workers and their parents,” Ethan recalls. “We gave them an opportunity and were able to help improve lives, and they provided valuable work in return.”

When he started college, Ethan was focused on obtaining a political science and economics degree with the expectation of attending law school following his undergraduate studies; however, he soon found himself putting his formal education on the backburner so he could focus on what really drove him—running on the track team and leading his highly successful business. By his senior year, Ethan’s rock and roll button company was generating \$3 million in annual revenue. It was at that time that Ethan decided to move the business to his home state of Maryland, finishing his final two classes at the University of Maryland.

In Maryland, at the age of 22, Ethan decided to build a warehouse for the company. He purchased some property in Gaithersburg and obtained an Industrial Revenue Bond from the state to expand the business and build a 40,000 square foot warehouse for production and distribution. The property included an office space for sales and space for a printing plant and manufacturing equipment, with the remainder of the space designed to be leased out to tenants.

Unfortunately, in a setback during the course of construction, his architect and a builder were both caught up in the savings and loan scandal and filed for bankruptcy. This prompted the bank to pull its funding until Ethan got an occupancy permit and the building was fully leased.

This turn of events gave Ethan the opportunity to assume the role of general contractor tasked with bringing the project to completion. Yet it proved a more complicated task than he imagined, as the original subcontractors sought to file mechanics liens because the bankrupted builder had not yet paid them. Though the circumstances were dire, over the course of six or seven months, and with a lot of hard work, Ethan pulled it all together and completed construction of the building. He was then able to lease space to an automotive repair firm and a company that installed a glass tempering furnace for glass work. The bank then funded the rest of the money, ensuring all the

original subcontractors were paid in full.

Its early difficulties behind it, the business hummed along until the end of 1985, when jean jackets fell out of fashion, replaced by leather jackets that couldn’t withstand the pinprick of a button. Though Ethan had been shipping over a million buttons each month, the demand suddenly disappeared. “Being 24 years old, it wasn’t much fun anymore, and the business wasn’t growing,” he recalls. “Someone expressed interest in purchasing the building, and another party was interested in buying the inventory and assets of the building, so I sold both and went into semi-retirement for a while, trading index options in my own account.”

In order to track his options, Ethan bought an early Macintosh computer. He also began using a software package called PixelPaint, a predecessor to Photoshop. Although he had done a lot of graphics work in the music merchandising business, he was amazed that technology had evolved such that he could get a color print directly from a computer. Ethan contacted a local distributor who owned or had access to equipment like color printers, scanners, and film recorders that would shoot a 35 mm slide from a computer file. As the equipment sat unused 90 percent of the time, he convinced the distributor to go into business scanning files or shooting slides for clients. “It was a very early graphics service bureau,” he recalls.

From 1989 to 2001, this modest idea grew into a company called Executive Presentations, which then evolved into two divisions, EPI Systems and EPI Communications. These divisions then became MHI, ranked in 2001 by the *Washington Business Journal* as the largest advertising agency in D.C. Starting with work primarily with 35 mm slides, the company expanded to open a photo lab, and later began making large posters. It then dove into the trade show business, hired designers, infiltrated the events staging industry, and made a name for itself in advertising, marketing, video production, multimedia, and web presence. The company raised mezzanine capital and venture capital, and continued to expand through acquisitions.

Eventually, the sheer size of the company took too much time away from Ethan’s personal life and allowed for less personalized attention for clients. He sold MHI in 2001 and created Verasolve, a smaller company focused on building

teams to help clients realize their unique visions. Evoking the tenets that brought him success as a relay runner on the track team, Ethan recognized teamwork as a primary ingredient in his success. "I'm a big believer in delegating," he affirms. "You can't accomplish a significant number of things unless you delegate. I like to keep reports low, and it's important to have people on the team who are self-starters and can get things done on their own. Let them run with things and let them come to you for significant decisions or when there are situations where they need some help and mentoring."

This mentoring philosophy has played an important role in his leadership style through the years, and many of his employees have gone on to start their own thriving businesses. For Ethan, this highlights one of the most important lessons of business—that life isn't all about business. "It's about community," he says. "It's about sharing, teaching, being on boards of different organizations, and helping people less fortunate. It's about working as a team to build a network of positive impacts that extend long after you're gone." Ethan, himself, sits on the boards of the Montgomery County Community Foundation and Imagination Stage, a children's theater organization. The combined impact of his professional and philanthropic efforts has earned Ethan the Entrepreneur of the Year Award from Ernst & Young, and *Washingtonian Magazine's* Forty Under Forty award, among others.

In advising young adults entering the workforce today, Ethan reminds us that risk-taking

is easiest when you're young. "The opportunity is now," he urges. "It helps to look at your life as a value stream, with respective rates of return. In your teens and 20s, if you make a mistake, you're not giving a lot up. You're not at the top of your earning potential, and you don't have a family or a lot of fixed costs. This is the time you can really go out there, take some chances, make a mark for yourself, and see if you can latch onto something that's really exciting and that really takes off. This is the time." Indeed, whether it's your leg of the race, or your moment to start a new entrepreneurial journey, this is the time to take the baton and run.

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About Gordon J. Bernhardt

President and founder of Bernhardt Wealth Management and author of Profiles in Success: Inspiration from Executive Leaders in the Washington D.C. Area, Gordon provides financial planning and wealth management services to affluent individuals, families and business-owners throughout the Washington, DC area. Since establishing his firm in 1994, he and his team have been focused on providing high-quality service and independent financial advice to help clients make informed decisions about their money. For more information, visit www.BernhardtWealth.com and [Gordon's Blog](#).



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