

Dendy Young

In the Arena

In a speech given in Paris in 1910, Theodore Roosevelt taught the world what it meant to be in the arena.

“It is not the critic who counts: not the man who points out how the strong man stumbles or where the doer of deeds could have done better,” Roosevelt explained. “The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly, who errs and comes up short again and again, because there is no effort without error or shortcoming, but who knows the great enthusiasms, the great devotions, who spends himself for a worthy cause; who, at the best, knows, in the end, the triumph of high achievement, and who, at the worst, if he fails, at least he fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat.”

Though they were spoken over a hundred years ago, Dendy Young has used them as the guiding principle of his life, maintaining a steadfast commitment to always remain in the arena, where real life is lived. He honored them even as a young man growing up in the 1960s in Rhodesia, now Zimbabwe. While in high school there, the United States Agency for International Development (USAID) sponsored their first science fair ever to be held outside the U.S. At the insistence of one of his teachers, Dendy set about preparing a submission. He built the circuitry for a rudimentary computer by hand, equipping it with buttons and flashing lights and entering it in the contest. “In typical American largess, everyone who entered was awarded a prize, but the first place award was an all-expenses-paid scholarship to a university of one’s choice in the United States,” Dendy remembers. “I won that scholarship, and it changed the course of my life.”

The young man arrived in the U.S. bright-

eyed and bushy-tailed, knowing nothing of the world but eager to learn as a new member of MIT’s freshman class.

Today, Dendy is the founder and CEO of McLean Capital, a private equity firm that allows him to take risks on companies he believes in, as well as the co-founder of a cutting-edge healthcare company called Personalized Cancer Therapy Inc., that aims to change the way cancer care is administered. As the nature of these endeavors would suggest, Dendy isn’t happy unless his days are spent in the arena, covered in the dust and sweat and blood that show he is working for a better future with all he’s got.



This inherent drive to address today’s problems in order to shape tomorrow’s future was a foundational element of Dendy’s upbringing. “Growing up in Rhodesia was very much like being in the American Midwest,” he remembers. His father was a well-read and thoughtful lawyer, and judge in the Rhodesian High Court.

His mother was a homemaker, looking after Dendy and his three younger siblings. Although considered among the elite in their society, they lived not extravagantly, but comfortably. Rhodesia was founded as recently as 1896 by pioneers, and a pioneering spirit similar to that found in the United States influenced the Young children. “Going through school, it was heavily pressed upon us that we had to work harder because we were responsible for taking the country into the future,” he recalls. “There was certainly that sense of destiny in the schools, and that was very exciting.”

Rhodesia’s educational system was tied to Britain’s in terms of testing for high school graduation and university admission, so Dendy benefited from a world-class education that prepared him well for college in the U.S. “I wanted to take Rhodesia to the next level,” he

recalls. "I came to the States to prepare for that role."

When he first applied to college, he had aspirations to be a physicist, but once he got to MIT, he realized that engineering was more up his alley. He studied computer science and was in the university's first class to graduate in both electrical engineering and computer science. He also watched closely as an entrepreneurial friend of his got involved in a young business, leading Dendy to conclude that he would one day start his own company. "Back in those days, there were no courses in entrepreneurship," he remembers. "It wasn't an easy time to start a company, so for me to take that position was somewhat radical, but from that moment on, every incremental decision I made supported that goal."

By the time he graduated from MIT, Dendy's parents had been forced, for political reasons, to leave Rhodesia, so he took a job in South Africa with Computer Sciences Corporation. Two years later, having met the U.S. Immigration requirements, he returned to the States to attend business school at Harvard University. "I was under the impression that I'd really learn the essence of business there," he remembers. "Then, at a cocktail party after finishing the program, I was asked what I had learned. That's when I realized that the greatest lesson I had picked up was the fact that, when it comes to business decisions, nobody else knows the answer either! Somehow, I had built up the self-confidence to say, 'I've done my homework, I know better than anyone else the shape of this elephant, and, when it is time to make the decision, I need to make the decision now.' It taught me to really have confidence in my gut instinct when it came to business. That didn't, however, stop me from making a lot of mistakes during my career!"

Fresh out of school, Dendy had the choice to work for Boston Consulting Group for a nice salary, or at a smaller company. "I knew I'd have the chance to learn much more with the smaller company, so I took the lower salary," he explains. "It was part of my grand plan." That move proved serendipitous as well. The small company of 50 employees had just gone through what they thought was a rapid-growth, break-even year, and Dendy came onboard to open their West Coast office. Three months after he joined the company, however, an audit revealed that it had actually had a "disastrous loss" year. "The bank called the

loan, vendors started halting their shipments, and all hell broke loose," he details. "The CEO immediately fired half the company and called me into the office, giving me the choice to either get fired or to work with him in finance and accounting to try and get the company righted."

Dendy accepted the challenge. "It was one of the best experiences I've ever had," he says. "I learned the CFO role inside and out. I learned how to work with vendors, with the bank, and all the balancing acts you have to go through to stay afloat. We went from 50 employees to 23, but we stabilized."

Before long, Dendy happened to be introduced to Bob Hanley in Washington, D.C., who captured his imagination immediately. Bob's three-person technology company, Federal Data Corporation, was doing multimillion-dollar deals with the federal government. Dendy came onboard in 1975 as the VP of Sales, and over the next six years, they grew rapidly.

In the spring of 1981, Dendy left to realize his dream of opening a business of his own. "I had learned a lot, and I had stored up six months' worth of living expenses," he recalls. "Though my wife and I had a one-year-old daughter at the time, she supported the leap of faith a hundred percent and jumped in to help start up our new venture. Luckily, we went cash-flow-positive in time."

Dendy's first company, Falcon Systems, Inc., provided large-computer hardware, software, and services to the government, which, at the time, was interested in buying complete solutions. The company grew to \$48 million in revenue. Then, one day in 1988, an Oracle representative offered to acquire the company. Although Dendy had no plans to sell at the time, one of his board members, Lee Johnson, pointed out that, when you get an unsolicited offer like that, it's time to take some cash off the table. Dendy sold Falcon Systems, Inc. and immediately poured most of the resulting cash into another company he had spun off, Falcon Microsystems, Inc. Microsystems sold and leased turn-key microcomputer solutions, and its major coup was the negotiation of an exclusive relationship with Apple Computer representing them on the GSA Schedule.

Dendy grew and streamlined that business until one week in May 1994, when he received three calls from three different companies interested in acquiring Microsystems. Again, a board member advised that it was the right time to

sell, so with great reluctance, he sold the company to GTSI, where it greatly exceeded its projections in the subsequent months—a rare triumph for an acquired asset.

Dendy had no job and no plans at that point, and spent 15 months enjoying his young family and looking for the next opportunity. An effort to buy a software company was called off a couple of days before the closing. Then, in December of 1995, the Chairman of the board at GTSI called him to ask if he would sign on as the company's fourth president in the span of 12 months. The enterprise was in turmoil, and Dendy, anxious to get back in the arena, was interested in trying his hand at running a public company. With that, he became President of GTSI and served in that capacity for ten years.

He spent the first 18 months putting the company back on solid footing. The feat was rendered difficult, in part, by an investigation by the Department of Justice, which was costing the company over \$1 million per year in legal fees. In the end, Dendy hired a more aggressive law firm, which helped GTSI demonstrate to Justice that every allegation was unfounded. "All in all, it was a tremendous personal education," he affirms. "I was there, covered in dust and sweat and blood and having fun! The only thing that really disappointed me was how difficult it was to change the culture of GTSI. We had built such wonderful cultures at my two earlier companies, but it took a long time to transform such a large company into a more aggressive, pristine, well-run atmosphere. In retrospect, I'm sure there were things I could have done to make that change faster, but at the time I didn't know what they were."

Dendy ended his tenure as CEO of GTSI, by then a billion-dollar company, in 2006. He wasn't interested in returning to the public world or big corporations. Instead, he wanted to find useful places for capital to be put to work. "I've been bumping around town ever since, looking for opportunity, working with entrepreneurs and other interesting people, and putting capital to work on a constructive basis," he explains. "Some of those investments have been successful, and others less so, but that's just what it is to operate in the arena. My definition of happiness is to be involved and constantly feeling the edges of the envelope, so that's what I do. I want to know where those edges are, what I'm good at, what I'm

not good at, how I can improve, and how I can press the limits. With that goal in mind, McLean Capital allows me to work with CEOs who need the help, and to lend some value."

Today, McLean's typical investment ranges from a few hundred thousand dollars to six million, with an expertise in government IT, but a close eye on opportunities in other fields as well. Dendy spends time with each one of the CEOs he has invested in, understanding that each has a unique story to tell. He came across one such unique story in 2011, when a friend, Alan Merten, the past President of George Mason University, arranged for him to tour their Prince William Campus. On that tour, he met two professors who are world experts in the field of proteomics, the study of proteins within cells. "I learned that scientists can now tell which proteins are active in a cell and which chemo drugs will work for a particular cancer patient," Dendy explains. "Currently, oncologists follow a prescribed formula of treatment, using statistical probabilities to select one type of chemo and then another to find what works. But each round of chemo costs between \$30 and \$100 thousand, which doesn't even compare to the pain and suffering it incurs in the patient and their loved ones. Through the use of proteomics, we can tell which chemo a particular patient will respond to."

Changing the way oncologists approach cancer treatment will be an extremely long and arduous journey, riddled with challenges left and right. Dendy began meeting with the scientists once a week for several months, developing messaging strategies and a business plan and ultimately co-founding Personalized Cancer Therapy, Inc. in 2012. By the end of 2012, the company began serving its first patients.

Looking toward the future and the work ahead, Dendy remains just as committed as ever to his top priority—his family. "My wife, Andrea, has been an absolutely critical component to my success because not only is she smart and constructive, she was willing to trust me," he explains. "She always encouraged me not to wait, but to pursue my dreams immediately. For the first few years after starting my first company, we worked shoulder to shoulder. She would do anything that needed doing, including the heavy lifting of proposal writing, and she developed wonderful, close relationships with government contracting officers. She really stepped up and

helped me make it happen.”

Having raised four talented children, the Youngs are just beginning to enjoy grandparenthood. By working tirelessly for the sake of their ideals, they have taught their children to get into the arena and get covered in dust, sweat, and blood of their own.

In advising young entrepreneurs entering the business world today, Dendy recommends they learn from action, not observation. “Jump into the deep end and swim like hell,” he says. “Get in the arena, because if you’re not, you don’t know where reality is. It’s the people who are doing it, and learning from the raw experience, that matter. Focus on revenue, because if you have that, everything else can take care of itself. It’s all about getting that revenue stream, because that means you have customers, a product, and a basis for existence. Then it’s just a question of how much revenue, and of how you control your expenses.” Indeed, to know the great enthusiasms,

the great devotions, and the high achievements in life, there is only one place to be: in the arena.

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