

Michael Tinsley

New Systems, NeoSystems, New Success

There's no reason Michael Tinsley's family should have been able to afford a typewriter when he was young, and he still doesn't know how they came to acquire one. But there it sat, neglected and dusty in the corner of the room, with the lesson book his older sister had used when she took a high school typing class. No one in the family paid the machine much attention, but Michael saw it as the bridge to a future that could work for him.

Being able to make a living was something he thought a lot about as a kid. Growing up outside a small, impoverished town in rural Western Kentucky, manual labor was how everyone made a living, and bailing hay was a childhood staple. To earn money in the summertime, children would join farm crews spending long, arduous days in the fields, compiling and tossing the bales onto trucks to be stacked in the haylofts of the barns. But Michael was small as a child—too small to pick up a bale, much less toss it up onto a truck. He was bullied mercilessly by the other kids and told he would never amount to anything. "I realized I had to somehow set a different path for myself because of the cards I had been dealt," he recounts today. "I figured I needed to find a way to work in an office when I grew up."

Michael's older sister had dropped out of high school by the time he took an interest in the typewriter. "It's funny because now, kids learn to type on an iPad or laptop in grade school," he reflects. "It's integral to modern life, but back then, it was such a new thing, and it was really a miracle that my family had a typewriter at all."

Day by day, he used the exercises in the book to teach himself the "QWERTY" skill, and by the time he entered high school, he whizzed through all the typing classes. Of his nine siblings, he became one of four to graduate high school, and the only one to attend college. And now the cofounder, President, and CEO of NeoSystems, a

back office outsourcing and strategic systems consulting firm in the DC metropolitan area, he's an innovative entrepreneur whose solutions and experts help hundreds of client companies be the best they can be. "Through luck of the draw, I had to look inward early on and figure out where my real strengths lay," Michael recalls. "If a traditional notion of success meant I needed to be tall and strong, I had to either resign myself to failure, or I had to find a new kind of success. I was committed to the latter."



Michael's quest to find new success led him to a new approach to essential business functions and back office systems, hence his company's name. Launched in 2000, NeoSystems provides outsourced, managed services in the areas of accounting, finance, HR, contract management, hosting, and IT, delivering world-class solutions that give its customers a strategic advantage in their efforts to enable, run, manage, and grow their companies. "Rather than go through the work of creating those functions themselves—hiring the right people, vetting and selecting the best software applications, and purchasing the infrastructure to support it all—everything is embedded in the service we provide," Michael explains.

Michael began NeoSystems as an individual consultant assisting companies with government contract accounting and system set-up, and he lobbied the most popular government contracting financial management and enterprise resource planning (ERP) software company, Deltek, to use their platform in his business model. Finally, in 2003, Deltek consented. "That was a turning point," Michael says. "With that partnership contract signed, I incorporated and was able to get my first client in 2003, then the business took off."

With an initial focus in managed accounting services, Michael launched the

company alongside his partner and husband, Rob Wilson. At the time, Rob was running portions of AOL's operation center, building and managing IT infrastructure that was scalable to keep pace with the company's rapid growth. When NeoSystems began growing exponentially, Rob left AOL to join the venture full-time and build out its infrastructure, covering the IT aspects of the business while Michael focused on the accounting side.

With time, the company's clients began asking NeoSystems to offer full IT support, since it was already covering a fairly large component of their IT requirements by hosting their ERP software. With that, NeoSystems took on the outsourced management of on-premise IT networks and devices for computing, communication, and printing, while running major applications in their cloud.

Because their work also had an HR nexus through payroll platforms, customers also began asking for the company's help with those services. With that, Michael negotiated a contract with a major human resources information system vendor, Ultimate Software, and brought in their system, UltiPro, as a NeoSystems platform. "It uses the same blueprint I built around our accounting service," Michael explains. "The software runs from a central location. We bring it as a part of our solution set so the customer doesn't have to buy the system at all. We then assign one or more HR professionals to support that company, and we become their HR department, just as we became their accounting department." This is one of NeoSystems's newer services, and among its fastest-growing. They also have a systems consulting practice to assist customers with system implementations, integration, and extensibility, and a Neo cloud hosting service that allows clients to leverage a world-class, highly secure private cloud.

Now a company of nearly 200 employees and 45 contractors, NeoSystems provides managed, consulting services, and hosting to around 700 customers. Because their turnkey solutions are so easily scalable, they serve small companies of less than a million dollars a year, all the way up to large corporations. "Oftentimes, startups and small businesses will come to us thinking they'll just use our services as they get started and then bring it all in-house," Michael says. "But most end up staying with us because

our services scale so well and remain economically advantageous."

True to the company's name, Michael's team is always looking for innovative ways to contribute to the success of the customers that rely on them. "We love when we're working with a customer and we can see, through the growth their company achieves or the gratitude they express to us, that we're making a difference," he says. "It's a tremendous motivator to myself and our employees. When customers send us an email recognizing the work one of our employees has done, I convert that into a 'kudos' email that I send out company-wide to congratulate them on a job well done and let others see the impact. That's what drives us day-in and day-out."

Though they pursued a living in starkly different industries, Michael's work ethic mirrors the strength of his father's. The Tinsley family lived two miles outside of Tolu, a Kentucky town of less than 200 people, on a 50-acre plot of land where his father raised livestock and crops. He was a coal miner and farmer who experienced challenging bouts of unemployment, while Michael's mother stayed at home with the kids.

Michael grew up with five older sisters, one older brother, and two younger brothers. Except for Michael, the boys all still live in the area, where they run a logging business. "We were dirt poor, but that was common in our town," Michael says. "My father eventually became disabled with respiratory problems from his years in the mines. At times, public assistance was the only way for the family to get by."

The home was always full of children, whether it was Michael and his own siblings or the kids of his older sisters when they moved back home after failed marriages. "In a sense it was fun, but in a sense it wasn't," he remembers. "To get myself out of that environment, I always opted to go to summer school, even though it was intended for kids who weren't doing well academically. There were trips to the zoo two hours away, and I just really enjoyed school."

As Michael was going into his eighth grade year, the family moved into a mobile home in the nearby town of Marion, which he was initially excited about. "With 3,500 people, Marion was like a big city to me, and I wanted to see what it was like," he remembers. "But I ended up hating it. I had gone to the same school all my life, and when I was thrown into a bigger environment, it

took me a while to assimilate. The bullying was severe, to the point that I left high school halfway through my freshman year.”

Dropping out of school was not uncommon, and with so many kids in the family, Michael’s parents didn’t have the capacity to grasp the gravity of his wasted potential. They didn’t press him to go back, but over the course of the following summer, he came to terms on his own with the realization that he didn’t want to fall into the same trap that was consuming so many of the people around him. What’s more, he identified with John Walton Jr., the protagonist of the popular TV show *The Waltons*. “The character grows up in a large, poor family living in a rural location, which resonated with me,” Michael remembers. “He goes off to college, and it occurred to me for the first time that maybe I could go to college, too. It was the first time I thought that I could maybe achieve something more than a life in Marion.”

Michael decided to try high school one more time, starting his freshman year over with a new group of classmates. When he was placed in several courses with kids from his previous class, he asked the school counselor to switch his schedule, and she complied without question. A high school English teacher saw his intelligence and recognized him often in class, selecting his papers to read aloud. He also excelled in his business classes, demonstrating a particular affinity for accounting. “I was building confidence, little by little,” he says. He had succeeded in creating an environment that worked for him, and his experience was substantially improved.

If you were a young person in Marion interested in college at that time, you went to Murray State University, a little over an hour’s drive. It was the only school Michael applied to, and he was grateful to receive a partial scholarship from the Rotary Club of \$400 a semester. He qualified for a tuition waiver thanks to his father’s service in the military, and he had modest savings from working as a typist for the local radio station and a nighttime security guard at a factory in town. He was able to cobble together enough money to enroll, securing a job as a typist in the School of Business offices. He later went to work in the Philosophy Department typing manuscripts, and then stocking shelves at a drug store.

As he worked toward his bachelors degree in Business Administration with a major in

Accounting, he spent his summers taking computer courses and earned an associates degree in Business Data Processing. He learned what the “Big 8” accounting firms were at that time, and his grades attracted the attention of recruiters from the Nashville firms who came to campus for interviews. Upon graduating in 1979, he received multiple job offers and moved to Nashville to take a professional accounting position with PriceWaterhouseCoopers, where he spent the next three and a half years on a fast track to a senior accountant position. The company then wanted to promote him to Manager and move him to Charlotte, but he was married with a young child at the time and didn’t want to leave Nashville, so he took a job on the internal audit staff at Northern Telecom.

After a year in that position, the company opened an office in Washington, DC, and Michael was asked to become the accounting manager for the new division. “Ever since that first move from Tolu to Marion, I had really liked the idea of moving to a bigger city,” Michael recounts. “Charlotte had seemed comparable to Nashville in size, so I wasn’t excited about that, but I was eager to move to Washington and experience a major American city, so we decided to go for it.” He spent the next two years learning the world of government contracting and then landed his first controller position at a company called Systems and Applied Sciences.

Eight months into his new role, the company was acquired, and Michael decided to try his hand at starting his own business in the mid-1980s. Although the Internet wasn’t yet on the business scene, lug-able desktop computers were available, and Michael would go to client companies with machine in hand to do the client’s accounting. He grew that company, Accounting Solutions, to six employees, but he was also going through a divorce at that time. “Running a company is a 24/7 job, and it got to be too much with the upheaval in my personal life,” he remembers. “I decided to stop and go to work as a controller for one of my clients, Innovative Systems Solutions.”

Michael later took a job with a government contractor called BTG, and over the course of his tenure there, the company experienced rapid growth, made several acquisitions, and went public. BTG’s CEO, Dr. Ed Bersoff, served as a role model for Michael, giving him a real-world

example of how to build a company. It was a great experience, but when Rob was transferred to Atlanta with AT&T, the couple decided to make the move. It was 1996, and Michael enjoyed volunteering for the summer Olympic games before taking a job as the CFO for Scientific Research Corporation. They then decided to move back to Washington in 1999 when Rob took a job at AOL. Finally, in 2000, after an elegantly uneventful New Year's Eve at AOL on call for Y2K fiascos that never materialized, Michael decided it was time to re-start his business.

As he advanced on his career path and mastered the unique nuance of the government contracting space, he had found himself implementing accounting systems for company after company. "I saw that each one was reinventing the wheel by buying the packages, implementing them, and buying servers to run them," he explains. "I had the vision of doing that once from a central location and then leverage it across a number of different companies, saving them considerable time and resources. And the advent of the internet had changed the terrain by that time, simplifying my model from my first business so that the software could be accessed via a private cloud."

Michael will never forget the day he got his first check in the mail from his first client—a sign of reinforcement that confirmed the merit of his idea and the value of his service. It was a milestone he attributes in large part to Rob, who encouraged the creation of NeoSystems from the start. "He's an incredible person," Michael affirms. "Witnessing the success of AOL, he had seen how startups could work, and was very eager for us to launch a business. And his knowledge base fit in so well with what I was trying to do, quickly becoming integral. A lot of people say they'd have a hard time working with their spouse, but I couldn't imagine running the company without him. His group is now our largest division because there's an IT software or infrastructure component to everything we do. We are very much a tech-enabled business process outsourcer, and he is that tech enablement piece of it that has allowed us to do so much of what we do. I can't say enough about him."

An interactive, team-oriented leader, Michael believes in keeping an open door and an open mind. He also provides a stock option plan to his employees so each one has the opportunity to

own a piece of the company, ensuring that they benefit more directly and more concretely from the hard work they do to make NeoSystems successful. "The back office services of a company are the unsung heroes that don't get much attention because they aren't overtly described in the company's mission statement, though they're absolutely essential," he says. "But at NeoSystems, the back office *is* our mission and our mission statement. Aside from the obvious importance of our clients, our employees are the company's assets—our entire focus—and we celebrate them. I'm very proud of our team and what we're able to do." Thanks to this effort, NeoSystems has had a place on the Inc. 5000 list of Fastest Growing Private Companies in America for the last seven years, and Michael was named as a Finalist for the prestigious EY Entrepreneur of the Year Awards Program in both 2015 and 2016.

Today, NeoSystems supports Suited for Change, a charity that provides economically disadvantaged young women with a path forward by helping them understand the business world and providing them the appropriate attire to begin making their way. "It resonates with me because I had to glean those things from TV," Michael remembers. "It's such important work because these kids who have seen hard times have a certain kind of resourcefulness built into their DNA. They understand that wealth, opportunity, and possibility are not God-given, and that's a really important concept to carry with you as you make your way through the business world. If we can provide a path to get them *into* the business world, I think they have unique skills and perspectives that will help them succeed."

Everyone confronts adversity in life in some form or another. With his own brand of understated grit, Michael met his by looking at the options available, both around and within. In looking around, he found a typewriter. In looking within, he found a mind for business and an extraordinary will. And in looking forward, he found his way.

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