

# Marshall Micheals III

## Leading through Legacy

On the back of Marshall Micheals's pocket watch are four names with four birthdays: his grandfather, the original Marshall Micheals; his father, the second Marshall Micheals; his name, Marshall Micheals III; and his son, Marshall Micheals IV. More than a record of the watch's owners through time, the inscriptions symbolize a line of legacy that has not been broken for generations, and that the third Marshall Micheals understood the moment he was given the heirloom by his own father. "He told me it was my job to carry the family forward," he says. "My grandfather had been a coal miner, coming from very little money but providing a comfortable upbringing for his family. My father did a little better, earning an MBA and owning his own lime plant. He told me that when I got older, it didn't matter what I did, as long as I was pushing the family forward with integrity and hard work."

For a young child, such a sweeping sense of responsibility can be daunting, but Marshall came to understand the pocket watch as a reminder that real mission is being an agent of change and showing true compassion to others along the way. "My dad taught me to always treat everyone the same, whether they are a receptionist, a garbage collector, or a CEO," he says. "Everyone plays a part in the bigger picture, and you can never treat someone differently because of their station in life."

Today, Marshall has done his part to move the Micheals family legacy forward by founding Corporate Network Services (CNS), an IT consulting firm based in Maryland that specializes in managed services and technology. He started the company in his basement in Montgomery Village in 1993, with nothing more than a business plan to offer low voltage cabling and a \$10,000 investment from his father to help get him started. "I remember training my first employee on the

first day at my dining room table, and we had to talk over the sound of workers in the basement laying carpet for the office," he recalls with a laugh. In 1994, the office moved into a larger basement in another residence as they made do with what they had until they had earned enough to move into a professional space.

The company experienced immediate, sustained success for its first decade, morphing into an IT management service and offering remote IT support—a rare trade at the time. The company, however, was derailed in 2003 by the suffering economy, bringing to light that their heavy focus on low voltage cabling was in fact costing them significant amounts of money. "We had grown from the marketing method of mouth-to-mouth referrals to bid-and-chase, but we didn't have the people we needed to take the next step," he recalls. "I kept telling the banks and the accountant that it was going to get better next month, and then the next month, but eventually they just had to tell me I needed to face the reality that it wasn't going to get better." The only solution to save the company was to downsize from forty to twenty employees, halving their revenue and focusing solely on IT consulting, application development, and federal contracts for medical IT integration.

The company has since come back from the brink, experiencing sustained success and a steady growth rate as it's climbed back to its original number of 48 employees. "I like to think it's because we operate on that legacy of integrity passed down by my father and grandfather," Marshall says. "When I can, I negotiate and play with our clients' invoices to help them. If they're doing well, we have them pay more upfront. If they're in their slow season, we understand that and let them pay less. We have the ability to help our clients, and we believe in doing so."

Recently, CNS launched an in-house



program called Community Counts, in which their employees join in activities that reach out in some way. Some have chosen to work in soup kitchens, for instance, while others have opted to help with local charity events. This is just one manifestation of Marshall's efforts to cultivate the company culture toward meaningful initiatives and an enjoyable, family-like office environment—efforts that have won CNS a Best Place to Work Award every year since 2006. "I really feel honored by that award because that comes solely from employee feedback," he says. "There's no way a company can secure that award other than making their employees happy, which means the world to me."

Marshall was born in Akron, Ohio, where he and his two older sisters lived for a short period before multiple moves that led to his family settling down in Vermilion, Ohio. His father, an engineer, had been struggling to find work, and the constant moves had been his attempt to stay ahead of layoffs plaguing his industry. When the family arrived in Vermilion, his father found work at a lime plant owned by US Steel. After several years, US Steel wanted to sell the plant, and his father, along with four other partners, purchased it. "He was always very private with his money, but he recently showed me the balance sheets from those early days, and I was blown away by how resourceful he had been to get that plant up and running," Marshall explains. "He'd had enough moving around, so he resigned his suit and tie for steal-toed work boots and provided for his family with brute force."

While his father worked for most of the day, Marshall's mother stayed home with the children. His parents had an exceptionally happy marriage, working well together to make the best of what they had and always putting the family first. "My father worked extremely hard, but he always made time for us," Marshall recalls. "He would do anything for his family. I remember standing in pouring rain waiting for him to change a flat tire in the driveway so that we could go on an Indian Guides camping trip together. He's just that kind of a guy." His mother eventually worked for a bank when the children were older, putting all her savings away to pay for their college tuition.

By the time the Micheals family moved to Vermilion, Marshall was just entering the fifth grade and had learned from his various moves what to expect from his classmates. "By that time I

had figured out how the little groups of kids developed because the pattern was always the same at every school I went to: there was the group you met first that was always trying to test you, and then the group you met later who actually became your friends," he recalls. He had come to anticipate the more aggressive children coming to him early on, taunting him and throwing fists, but with each new school, he was able to patiently wait out their games and recognize real friends when they appeared. "It was tough when I was a kid, but I think the moving around was a good thing because it pushed me out of my comfort zone. In business and in life, I'm a big believer in being uncomfortable because it helps you grow. You'll be better for it," he says.

When Marshall was thirteen, he landed his first job as a dishwasher at the restaurant where his sister worked as a cook. He worked two summers there before leaving to work as a stock boy in a liquor store, unloading boxes from trucks and keeping the store organized. His boss was a Vietnam veteran and quite a character, grabbing bottles off the racks for customers with war-burned hands and tossing them across the store to Marshall at the cash register, who did his best to keep the liquor from smashing on the ground. "It was like a circus," he recalls. "Bottles were flying all over the place. He taught me how to catch bottles with my feet to keep them from breaking. Only once did I throw a bottle back at him, and he gave me an earful for it."

While working at the liquor store constantly kept him on his toes, Marshall recalls the many instances he took the time to make sure he was honoring his father's advice to always treat all people equally. The nature of the store brought customers from all walks of life through its doors, from professionals looking to throw a party, to alcoholics showing up at 10:00 AM with shaking hands to get their next fix. "We once had a woman come in and joke around about robbing the place. She seemed a little strange, and we couldn't tell if she was being serious or not," he recalls. "My boss just calmly looked at me, pointed under the counter, and asked if I had cleaned the shotgun that day. I said yes, even though we only had straws behind the counter. Anything could come through that door—it was a kaleidoscope of humanity, and the experience taught me how to deal with each and every person."

Marshall worked hard in school but found

his real passion lay in playing basketball, and he played on the team until his sophomore year of high school. "We have this weird basketball gene in my family, and I managed to catch it," he laughs. "Unfortunately, I didn't have the confidence to really pursue the sport and didn't try out my junior year, which I really regretted for most of my young adult life. That taught me a lot about the consequences of decisions and their lasting impact."

Toward the end of high school, Marshall's parents bought a TI-99 computer that hooked up to the television, and he was instantly hooked to the world of technology. "I'd sit in the dining room and play on that thing for hours," he recalls. "Back then, if you wanted to play a game, you had to write it first, and then your only hope of saving it was to load it onto a cassette, with only a 50/50 chance that you'd get it back."

After graduating high school, Marshall attended Ohio University, where he further pursued his interest in computers by earning a degree in Computer Science. "I wanted to make the most money I could by doing the least amount of work," he jokes. Many students within his field were being recruited by the Secret Service for their skills in cyber security, so Marshall began looking for opportunities in Washington, DC. Shortly after graduating, he was recruited to work for a company called Falcon Microsystems. "I received a better offer from a company in Dayton, but I felt like Falcon would provide me with more mentorship starting out my career," he recalls.

Marshall started his career at Falcon working as a network engineer, focusing primarily on installing networks and programs on clients' computers. Shortly into his time with the company, however, the sales department recognized his charisma and began dragging him to sales meetings to serve as the technical expert when speaking with clients. "My favorite sales rep would talk to the clients, and then kick me under the table when it was my turn to talk about the technical details," he laughs. "She taught me how to communicate with clients, as well as all the strategy you need to help your customer make a sound and informed decision."

In 1991, Marshall left for a new company to serve as the Vice President of Network Services. While there, he made his first significant sale—a deal re-cabling a company's infrastructure. He worked up the cost of the installation on the back

of a 'While You Were Out' pink memo, which Marshall has had framed and hanging in his office ever since. He stayed with the company for another two years, but ultimately felt he was not accomplishing the work he felt destined to do. He began imagining what his ideal company might look like, and realized that, at the age of 28, he had created a viable business model that he could put into action.

With his business plan in mind, Marshall turned to his father for financial help to set his fledgling company in motion. "It was very hard for me to ask for that much help from him, but he gave me the money without blinking an eye," Marshall recalls. "I wanted to be able to do it on my own, but my parents really believed in me. His only question was whether I wanted the check made out to me or to the future company, and I'm extremely appreciative for the unwavering support they gave."

Nearly twenty years later, CNS has truly hit its stride—a stride that has helped it weather storms that have crumbled many other companies. And while Marshall credits the integrity and chemistry of his team for this success, he also stresses the value he has found in seeking advice from the two peer groups that he has been a member of for the past four years. Initially, he resisted the idea, having turned down an invitation to join a premiere group because he felt too embarrassed to share his profit and loss statements. A few years later, however, he began hearing about more and more groups and about how helpful the advice of other business professionals could be, so he decided to join a group that seemed to fit his personality. "I had come to the point where I was stubbornly pulling levers at my company and trying to figure everything out on my own," he explains. "But after joining a peer group, I was able to consult a sounding board and finally stop reinventing the wheel. It really helped me feel in control of my company, rather than hanging onto its tail and seeing where it went."

Since utilizing these sounding boards, Marshall has seen a significant improvement within the company, as well as in his own style of leadership. Never one to micromanage, he strives to surround himself and his company with trustworthy people who accomplish the job they were hired to do. When he does interfere, he tries to do so by helping his employees make the most

of their career. CNS's current President, for example, started out at his neighbor, having given up her previous job at QVC to focus on her young children. When her kids started school, Marshall began pursuing her to work on his team, promising her any schedule she needed to keep her family the priority. "Once she finally came on board, it took me some adjusting to sit back and pass the reigns over to her completely," he recalls. "I have the instinct to try and do everything on my own, but now I send everyone her way so she can do her job and I can do mine."

Now that he has the peer groups in his life to guide him through tough business decisions, Marshall only wishes he had found mentor figures earlier in his journey with CNS. Because he was only 28 when he first launched the company, he had to learn most business lessons through painful experience. "My advice to young business people and entrepreneurs is to slow down and find that mentor, or at least take a job where you can learn from the people around you," he explains. "If I had put more focus on that, I think I could have avoided a lot of bumps in the road early on with the company."

Today, Marshall has an extension of his office set up in his basement to allow him to work from home from time to time, bringing back memories of the basements where the company spent its infancy. "Working from home can be a challenge, but I make sure I stay on task so I don't come off as lazy to my kids," he says. "I'm not motivated by money. I'm much more inspired to work hard when I think about carrying on my parents' legacy and passing that torch on to my kids, and when I think about what it means to be a good role model for them."

Marshall has already begun the process of passing the torch on to his son, Marshall Micheals IV, who is currently studying business at Virginia Tech. The youngest Marshall, who is next in line to

receive the pocket watch, has already expressed mild interest in joining his father at CNS—perhaps his own way of pushing the family forward. Marshall often told his young son about the message his father had told him, until one day, when his son was in 7<sup>th</sup> grade, he began crying at the dinner table.

"He said he didn't know how he was going to start his own company, and it just cracked me up," Marshall laughs. "I explained to him and my other two children, Niko and Georgia, that it's not about the pressure to succeed or make a lot of money. Rather, it's about building off of what the last generation left for you and living a life of integrity, hard work, and ethical soundness. Whether they become a janitor, a schoolteacher, a CEO, or something in between, all they need to do is focus on being the best they can be. It's about making something of your life that you and your loved ones can be proud of. To me, that's the best legacy anyone can leave."

© October 2013 Gordon J. Bernhardt. All rights reserved. Reprinted by permission.

— By **Gordon J. Bernhardt, CPA, PFS, CFP®, AIF®**

*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](http://www.BernhardtWealth.com) and [Gordon's Blog](#).*