



## **Former NFL Player and Serial Entrepreneur Rafe Wilkinson Shares His Game Plan for Building a Winning Business**

Steve Sanduski:

Hi everybody, and welcome to another episode of On Your Mark, Get Set, Grow! This is the podcast of CEO Coaching International, where we talk to the world's leading entrepreneurs, CEOs, and coaches who are looking to make big happen. I'm your host, Steve Sanduski, and our guest today is Rafe Wilkinson. Rafe is a serial entrepreneur with over 30 years of experience leading organizations to great success, including a very significant exit that he recently completed.

Prior to his business career, Rafe played in the NFL for the Denver Broncos, and was a member of the 1987 Super Bowl team. Rafe is also an active member in YPO, and most recently he bought a company a number of years ago that started out with 30 employees. Over time, he built it to more than one thousand employees spread across multiple states, and then he led the successful sale of that company to a two billion dollar strategic buyer, which resulted in a 23 times multiple on his initial investment.

In today's conversation, we talk about what he learned in his successful football career and how that applies to building successful business teams. We also discuss the biggest lesson he learned in growing his company from 30 employees to more than a thousand. I'm going to give you a hint here; it's something that has tripped up many other entrepreneurs. He also shares the best advice he ever received from one of his football coaches, and it is completely applicable to what we do as entrepreneurs and CEOs. I want you to be sure that you listen to the end because Rafe shares the leaders that have had the most impact on him. I can guarantee you, you're going to be very surprised by his answer. Rafe is also a coach here at CEO Coaching International and we are thrilled to have him on the team. Please enjoy our conversation with Rafe Wilkinson. Rafe, welcome to the show.

Rafe Wilkinson:

Thank you, Steve. Great to be here. Thanks.

Steve Sanduski: Well, it's exciting to have you here, and I think this is going to be a first for the podcast, and that is we have a former NFL football player on the show. I'm anxious to hear a little bit about your background, your football career, and you were with the Denver Broncos in 1987 when they were in the Super Bowl. If you could start off, why don't you tell us a little bit about your experience in football, playing in the pros, and has any of that carried over to your fabulous business career.

Rafe Wilkinson: Oh, sure, sure. With great pleasure. First of all, I do have the cache of having an NFL background. I also have the cache of not being there tremendously long enough to also have a great deal of the injuries and some of the other physical ailments that some of the other pros do. I only was in Denver for just a handful of years, played my college football at the University of Richmond, and grew up in Florida, which was obviously a hotbed for college football. I think in Florida kind of the common thing was there's three sports; high school, college, and professional football, and those are the only three sports that existed.

For me to leave the state of Florida and say no to some pretty significant scholarship opportunities at some SEC schools and to come up to a small liberal arts school in Richmond, and then ultimately get drafted out of a small liberal arts school kind of all worked out well. Then obviously my rookie year at the ripe young age of 21, having the fortunate ability with a lot of very good teammates to have ended up participating in Super Bowl XXI against the Washington Redskins in San Diego was quite a thrill for somebody ... I'm 21 years of age and literally just graduating college.

Steve Sanduski: As you exited your pro football career, how did you then get into the business world?

Rafe Wilkinson: Like anything, one is coming from the NFL arena and then kind of psychologically repositioning yourself to then enter the business world, frankly it's not something that's easy. It takes some time, it takes some soul searching, it takes a great deal of humility to get back into things. I graduated from the University of Richmond, I actually came back here to the Richmond area afterwards. I had a good connection of alumni as well as friends, and that's where I started.

I began to figure out where I was good at and what I was wanting to do. Unfortunately, what I learned, Steve, is that I didn't have the classical background that HR directors saw that fit nicely into a square peg, to that square hole. I became a little disillusioned and within about six months of returning and kind of unfortunately, or fortunately, getting told "no" a number of times, I recognized that I need to kind of craft my own destiny here and not rely on an HR manager willing to take a risk, which is generally out of their characteristics mold there. That's really how I started in the business world, is recognizing that an HR director wasn't going to hire me, thus I needed to create my own future.

Steve Sanduski: Yeah. Well, and we all know that athletes, obviously you've got to have tremendous discipline in order to succeed at the level that you did in professional football. A lot of those types of characteristics play really well in terms of becoming an entrepreneur and having that discipline to do the kind of work that's necessary to build a business. Let's talk about how did you actually become an entrepreneur and what was maybe one of the first one or two businesses that you ended up starting and building over time?

Rafe Wilkinson: Yeah. Actually, when I first got back, I recognized that one, I needed to understand much better than I currently did what the circles of influence were within the city that I decided to land in, in Richmond. What I mean by circles of influence is any city has multiple or a number of groups of individuals that from the legal, the accounting committee, community, the business world as well as high net worth individuals that kind of circle and generally know what's going on or have at least a pulse on what's taking place.

Quickly I recognized that I needed to attach myself to a few of those circles of influence; at least just make myself aware and be known in that group. That's really where I started off first. Then from there, began to really just learn how to ask and listen during a Q&A process, and from there, one of my first ventures was literally jumping into buying one gas station convenience store for lack of a better description, and then slowly acquiring and building that portfolio up to a half a dozen or so. That was really my first entree after my athletic ... coming back from Denver.

Steve Sanduski: Now, you talked about this circle of influence. You surveyed the landscape there, I think in Richmond, and tried to identify who were some of the movers and shakers. I'm really curious, how did you go about getting yourself inside those circles of influence? Did you just flat out reach out to them, a cold reach out? Or how did you actually start getting yourself into those circles?

Rafe Wilkinson: Yeah. I guess I took advantage of what LinkedIn is doing now, but didn't exist 25, 30 years ago. Which meant simply a little more phone calls, a little more face to face, and actually just asking people to refer me to people that they thought might be able to help facilitate some of the topics and conversation that we had a little bit further down. It was really just me kind of sticking my neck out. In all fairness and honesty, that's where the NFL moniker did help, but it was just temporary. Having played in the NFL was a unique talking point to at least get the conversation going, but after a while, I had to really begin to follow up with some substance and some meaningful, and just convince them I wasn't an athlete that was looking to sell Coca-Cola products. I really wanted to do something different.

Steve Sanduski: Right. Yeah. So, the NFL maybe got you in the door, but then it's your skills and results that are going to take you from there.

Rafe Wilkinson: Yeah, and it's good to be stubborn and able to take no for an answer and continue to move on and get up the next day. You bet.

Steve Sanduski: Yep. So, you've got these gas stations, convenience stores, you ended up getting a few of those, building a few of those. Did you ultimately sell that business or roll it into something else? What happened from there?

Rafe Wilkinson: Yeah. Ultimately sold it to a larger competitor that was coming into the market. Back then, that was ... it was almost 30 years ago now, which is alarming to think. There was a, at least for those who were familiar with kind of the east coast of the US, there was two large private players coming into their own at that stage. One of them went by the name of Sheetz and another one by the name of Wawa, and they were effectively approaching the convenience, petroleum market, much like Walmart and Starbucks were approaching their market and have been very successful. I saw that trend coming and recognized the resources that they had that was not going to be a market that I was going to be long-term successful in, and decided to exit. So, yes, I did sell it to a strategic at that time, too.

Steve Sanduski: Going back to that period of time, can you think about maybe one or two lessons that you learned about that business? You mentioned that you really saw the trend coming and that with these bigger competitors, that you may not have had the capital or the wherewithal to compete against them, so you ended up selling out to the strategic buyer. What are maybe another one or two insights that you learned during that period of your entrepreneurial career?

Rafe Wilkinson: Yeah. Just being incredibly self-aware of what my own skillset was, as well as the voids that I needed to add to it. Frankly, my athletic behaviors from when I was young on up through my NFL career always centered around the ability to build a team, and nothing worthwhile in my view really gets done without having a solid team around you and those skills and team building. Knowing that and knowing that team building's more of an art and not necessarily a science, leveraging that team for operational insight, but also that operational insight gave me the flexibility to attend a variety of trade shows and just see what was coming down the pike.

And then a little bit is just some good instinct as well; seeing what can be done, knowing what my limitations were from a resource standpoint, and having a clear optic into what their resource capabilities were on those fronts. That was really the first lesson for me was the ability to lean on some key leaders, to manage operational aspects that allowed me to free up and look above the treeline to at least be aware of what was coming and where we needed to go to sidestep and or to provide some strategy to accomplish our objectives.

Steve Sanduski: You mentioned this idea of team building, and obviously we know if you're going to build a successful company, you've got to have a great team around you. I'm really curious, with your football career and obviously we've got a

football team, what do you see as the similarities between building a team of football players that work cohesively together versus building a team of senior leaders within a fast growing company? What are some of the similarities between those kinds of teams and maybe what are some of the differences between those kinds of teams?

Rafe Wilkinson:

Yeah. Great question, Steve. I think there's, without question, there's more similarities than there are differences. Those similarities are ... I was a defensive player, so those similarities are whether you're a cornerback, you're a linebacker, whether you're a defensive line, or whether you're a specialty player as a rush end, each one of those groups had their separate coach. Each one of their groups had their own unique strategy to approach each game week in and week out, but all of those strategies from those unique groups all funneled up to one overarching strategy for that week. And then those weekly strategies obviously formed up to the annual strategy, which as any team, is to how can we get to the Super Bowl and what are some of our defensive goals and objectives to make sure we get ourselves there, and what do we need to do game by game?

Some of the other commonalities are, frankly, just the open, clear dialogue that needs to take place or literally play by play you can be getting a performance review. Definitely on a weekly basis in a film room, you're getting a performance review. At half time, you're going through adjustments and making key critical ... even personnel changes or realignments or reassignments. The ongoing fluidity of how a game and the week leading up to the game unfolds is very emblematic of how a business operates weekly or quarterly or annually to achieve its goals and objectives.

I think the one key different would be the frequency of new personalities or new talent inserted into that overall teammate model. What I mean by that is through injuries or through a trade or through player cuts. Literally on a week by week basis, the ability to adjust and immerse yourself with a new teammate and or immerse yourself with being not necessarily on the field for the significance you were the week prior to the coming week, just based on the type of team in which you're playing. That's probably the thing that's least likely to be representative in the business world. Not that we shouldn't, in the business arena, change players to make sure we've got all the best players. It's just we wouldn't do it week by week, scenario by scenario necessarily.

Steve Sanduski:

One of the things we talk about frequently at CEO Coaching International is this idea that we really want to get the absolute best people possible on the team. I'm curious, when it comes to any sports team, we could have the team made up of several individual superstars who may not work well together as a team, or we could have a team that consists of good players who work exceptionally well together as a team. And maybe thinking about that in the business world as well with a bunch of individual superstar business people at one company who may not necessarily be working great as a team. In your experience, what would

you rather have? Would you rather have good players working exceptionally well as a team or superstars individually who may not work as well as a team?

Rafe Wilkinson: Without question, the former. The ability to have a group of team members who understand how to work well with one another almost instinctively know where their teammate will be or won't be based on the play that's forming or the play that's called. Without question, that's the ingredients of a working team. Hands down. And I think you see that time and time again no matter what the sport is. You can take college football as a perfect example of that in why can a small school that might have 20 less conversations beat a large Division I school with 20 additional scholarships, plus a higher caliber of player. Why should a smaller school ever be able to compete against a larger school and win? It's because they've got a group of players that are well-defined, they know their strengths, they play well, and they brush off bad plays and they move onto the next one because they know there's going to be a next play.

Steve Sanduski: And then in the business world, as a leader, you've built multiple companies, you've sold multiple companies. How do you foster that team environment within your senior leadership team? What are maybe some specific things that you can do as the leader that fosters that team environment, gets everyone moving in the same direction. Not just doing "Hey, what's in it for me" kind of thing, but really pulling for the whole team. How do you do that as the leader?

Rafe Wilkinson: Yeah. Without question, I think it's finding individuals who understand that they can't do it by themselves. I can't overstate the importance of what a great team is to the success of business and their at least general acknowledgement around those ideas. Having a clear plan, focusing on that clear plan with clear measureables, and being able to clearly articulate how to accomplish that. Not only from my level, but from their level down. It's having a shared scoreboard that is very simple, creates shared goals. It offsets the tendency for people to identify themselves as a smaller group, but a group that is comprised of small groups that lead into the larger overall purpose.

Really for me, Steve, it really just came down to absolutely crystal clear conversations, crystal clear objectives, not being afraid to address and have uncomfortable conversations, but know that they were intended for the betterment of the group and the betterment of the team. Having leaders on that team that were willing to make decisions that were best for the group; not necessarily a particular individual within their group. And then collectively moving through and seeing that we can celebrate in successes small and large as we go through the process to achieve our goals.

Steve Sanduski: I really enjoy reading books written by coaches and I did a little bit of athletics back in my day, but nowhere near to the level that you did, so I always appreciate the value of athletics and the value of coaching, and that's why we're all in the coaching business right now. But I'm curious, as you think about all the different coaches that you've had in your career, what's maybe one piece of

advice that really has stuck with you over the years that you heard from one of your coaches?

Rafe Wilkinson: Wow. Great question. I would honestly have to say some of the best advice came from a linebacker coach out in Denver, Myrel Moore`. Simply said, "There's always a next play. So, no matter what happened on that particular play, whether you gave up a touchdown or you missed a sack or you missed a tackle, you're there to make the next play." Effectively what that means is stuff happens and the ability to shake it off and let it go, don't get emotionally wrapped up into it, don't let it bring you and or your other teammates down, but focus on what you can do next, because what has just happened is called history, and you can't change the past, but you can affect the future.

Steve Sanduski: I think that's excellent advice. All right. Let's fast forward here and let's talk about ODS Security Solutions, which is a company that you built to a significant size and then you ended up having a great exit with that. Tell us a little bit about that company.

Rafe Wilkinson: Sure. ODS Security Solutions, when I got involved with it and then purchased it, literally had 30 employees, and by the time of an exit was over a thousand. That company's focus was uniquely within the healthcare silo for hospitals, large healthcare systems and university healthcare systems where we provided a variety of solutions for them. One of them was obviously the outsourcing of security personnel, behavioral health and clinical staff within the behavioral health facility, and in some instances literally company police. But what we began doing is then wrapping in large scale consulting projects to really help those healthcare partners begin to look around the corner with some trends and things that were taking place within their industry to get ahead of the curve. That consulting led us into projects from Utah to New York down to Florida and all kind of all points in between.

It was a company that started off really with the singular focus of outsourcing staff and at the conclusion it had morphed into something very different where a significant percentage of our revenue was coming from consulting as well as behavioral health management, which was something very different than which we started from. The value of that organization for me was again, purely the benefit of listening to what our customers' needs were, what our customers were asking for, what I thought the market was telling us, and being somewhat fearless to jump in and provide them some solutions they were looking for and ignore some solutions that we just weren't going to be successful with long term, nor did I think the trend would be value added to focus on those.

Steve Sanduski: You don't go from 30 employees to more than a thousand in a straight line. As you look back on that time, what was a challenge that you faced during that period and how did you overcome it?

Rafe Wilkinson: Without question, it was cashflow management. Growth is a wonderful thing as they say, but it eats cash. Growth also hides a significant amount of operational inefficiencies in my view. Without question, the number one thing that I learned through that was that the importance of managing cash and the predictability of where one's cash would be based on certain things taking place over the course of a four week look forward, if you would. I would definitely have to say managing cash, Steve.

Steve Sanduski: Okay. How did you actually manage cash? I know some firms actually look at it on a daily basis. They know what their cash balance is each day and they're doing some pro form of projection. How did you go about managing the cash?

Rafe Wilkinson: Yeah. Did it very similar, too. We literally knew where we stood cash wise. Day by day we had a cash model set up with various scenarios that if certain things were to happen that we either expected or didn't expect, we could implement those and see how they affected our cash. We actually began focusing on cash and really looking at how we could make sure we could price our services and understanding clearly where our pricing levels were, to what extent we needed to be incredibly competitive. We knew where our floor was that we just had to walk away from the competitive market, as well as we knew the make up of clients where our margins were the greatest for us.

We actually moved our cash modeling needs actually into our portfolio of RFP quoting and new business quoting where we knew exactly where we needed to be on our net margins based on size and volume as well as time for ramping up. Just because we acquired a new client doesn't mean we instantaneously were able to build. It took us 22 weeks before we'd get cash even once we acquired a new client, so we had to be very, very aware of that. If we brought on too many clients too quick or we underestimated the expense of onboarding a new client ...

Our expenses onboarding a new client ranged from several thousand, 50 or 60 thousand, up to almost a million dollars in some cases in onboarding clients. We really needed to know where those were, so we need to have a very clear view of what it took us to operate our business, not just through the normal days and weeks of operation, but during our onboarding and bidding process of operation. We really looked at it in two ways; the daily cash management as well as the cost of bringing on new accounts and what that cost meant to us and how long was it before we were able to see the revenue come back through the door to begin to equalize the cash out.

Steve Sanduski: If someone listening to this is going through a cashflow crunch, in your experience, is there any areas that are what we might say, low hanging fruit in terms of speeding up that cash conversion cycle?

Rafe Wilkinson: Yeah. Without question. The first thing that I would look at it, were the aging accounts receivable. What I learned in having lived this, there's times where you



as the CEO can benefit by getting on the phone and helping make some calls; one to reach out to your customer base, but also to make sure that they understand the critical nature of the terms and conditions in which were agreed to contractually, and figuring out a way to make sure that they can live by that. Because having been in business through 2008 and 2010, incredibly challenging economic times. With that, the ability to make sure your customers understand that their delay on cash by 30, 60, 90 days, the meaning that has for you ... It's of value to focus on the number of days outstanding receivables exist. That would be my first focus and begin working with those notorious vendors or clients who continue to push you out, but develop a relationship with them to clearly convey why it's important and get them to maintain a cycle that they agreed to in the initial contractual stages.

Steve Sanduski: Okay. We've talked about one of the important lessons that you learned in growing a fast growing business. Let's look at the other side, which is as you think back in building the company, what was one of the genius decisions that you made that was maybe a turning point for the company where you'd say, "Man, I'm pretty smart. That was a great decision that I made" and maybe set some of the framework around it. And is there any lesson that you can draw out from one of the great business decisions that you made in the past?

Rafe Wilkinson: Yeah. Probably one of the best business decisions we made as a group and I led, was simply the fact that in our industry, all of our competitors effectively would work for 30 days and then bill for the last 30 days that they worked, send that bill to their customers, and then wait another 30 or 45 or 60 days for payment. Because I spent so much time with other industries understanding how they worked with the same type of clients that we had, I made a decision to turn that on its head. What I mean by that is we moved from a 30 days billing in arrears to a 30 day billing in advance.

That simple mechanism of billing on the first of the month verse on the 30th of the month or the 28th or the 31st, significantly helped us manage our cash as well as get us the necessary cashflow to manage the incredible growth we were going through. I recognized really quick that there was other large players in these healthcare market that healthcare providers were accustomed to being billed in advance. I looked at that and I said, "Hmm. We are no different, and in fact our annual billings equal and in some cases exceed what they were able to do. Why shouldn't we move to that model?" And that's exactly what we did. That simple, effectively flipping upside down how our industry had typically done it to how others in other industries doing it and applying it to ours, Steve, made a significant injection of cash to us on a more timely basis that allowed us to continue to grow without seeking outside capital.

Steve Sanduski: Yeah. I'm hearing a theme here; just the importance of focusing on the cash, making sure you're not running out of it, and trying to speed up that cash conversion cycle, so I think some great insights there. All right. Let's talk about what you're doing today. You now joined CEO Coaching International as a coach.

At this point in your career, what made you make the decision to join CEO coaching?

Rafe Wilkinson: Yeah. Honestly, everything that I have done as a leader within my own enterprises is really reflected in what CEO Coaching International is doing to their existing clients and future clients. I've spent the last two months, if you would, working with Mark, working with his team, shadowing his team, and just came away really more and more impressed with how they conducted themselves, the quality of their clients, the meaningful effect they had with their clients, the relationships they had with their clients. Without question, it was an easy decision because that's exactly how I approached my management team, my leaders, my various divisions, and challenged them to be successful.

It was a very surprising and great fit once I got to see kind of underneath the hood a little bit and very thankful that Mark and I kind of randomly ran into one another at a conference in January of this year. We just started chatting literally in the cocktail hour and then communicated further and very, very happy this worked out. It aligns incredibly nicely with my skillset and what I've always enjoyed doing, but also what Mark and the other coaches of CEO International are doing and what they desire to do in the future as an organization. I'm incredibly pleased, very fortunate.

Steve Sanduski: Yeah, well we're very excited to have you here on the team. All right. Two other things here. One is, is there anything else that you want to share that we haven't talked about yet?

Rafe Wilkinson: No. I think you've done a good job covering the basics here.

Steve Sanduski: All right. Okay. Well, let's jump into a few rapid fire questions here. The first one is who has had the greatest impact on you as a leader?

Rafe Wilkinson: Yeah, wow. Through my life, I've had a number of very influential people, so Steve, I can't say one. Without question, my father. Unfortunately, I lost my father in 2002. Because of that loss, I had to lean on some others from that. I've had various people throughout my life who've had a big impact on me as a leader. This may sound odd, but right now and really for the last five to seven years, and I can see it in the foreseeable future ... Believe it or not, Steve, my children have a lasting impact on me.

Steve Sanduski: In what way?

Rafe Wilkinson: I was raised an only child, I was adopted at a young age, so for me, my kids are my first genetic link, if you would, that I've seen. I have reconnected with a birth father and I've got some half siblings. But my kids, I want them to look at me as somebody that can be a mentor, a friend, but also a confidante. It's very important for me to lead a life that they find to be proud of me.

Steve Sanduski: Well, I appreciate that. Thank you very much for sharing that. That's very insightful, so thank you for that. All right. How about what are your favorite business books?

Rafe Wilkinson: I'm a big fan of biographies of business books. I have to say one of my favorite is "Shoe Dog" by Phil Knight.

Steve Sanduski: Yep, for sure. All right. And then I'm going to start a couple sentences and I'd like you to finish the sentence for me. The first sentence is, what I know to be true is ...

Rafe Wilkinson: What I know to be true is change always happens. Change is constant.

Steve Sanduski: Yeah, whether you like it or not. It's coming. Okay. And the second sentence is, the best way to accelerate personal growth is ...

Rafe Wilkinson: Move to learn. Learning doesn't happen at a standstill.

Steve Sanduski: Excellent. All right. Well, Rafe, we're going to wrap it up there. Great conversation. I really appreciate all the insights. Congratulations on all your tremendous success in the past and all the great things that you're going to be doing here as a coach with CEO Coaching International.

Rafe Wilkinson: My pleasure. Thank you, Steve.

To inquire about our coaching services and programs, please call **1-866-622-9583**.

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