

An Interview with Rick Obadiah

How did you hook up with Jacquard?

I was asked to join a helmet start-up company (Late 1995-early 1996). As I researched helmet companies, I went to my attorney, Ken Levin, who happened to know David, owner of Jacquard Associates. He suggested I take my business plan to Jacquard and get their ideas on it as he said that David is the smartest man he knows. I thought that was a pretty impressive thing to say, so I set up a breakfast meeting with David specifically for two reasons:

- To get his opinion on my project
- To get Jacquard's advice without paying. My plan was to ask David to sit on my board so I could benefit from his knowledge.

When we met for breakfast, David had already reviewed my business plan. After a brief discussion he announced that he was going to invest in the project. I was taken by surprise and then asked him if I could use him for advice and he responded that "as a start-up company you guys can't afford me. Why don't you put me on your board?"

Why was Jacquard so interested in your project?

I think what intrigued Jacquard was the opportunity to work with a start up company and apply their knowledge and projects on Day 1 of a business. After a detailed review of my business plan Jacquard quickly took out approximately 30% of my original overhead costs.

How did they do that?

I was trying to transfer a lot of concepts from my past career of publishing, which is very labor and overhead heavy to this new project. Jacquard taught me differently. I was still under the impression you wanted your management to be housed in the same office ... they asked *why*? Jacquard suggested I allow people to work from where they were currently located, and we utilize the Internet, & virtual office concepts. In one simple conversation with Jacquard, I was able to eliminate 15% of the overhead in my business plan by adapting alternative ways to just structure the management. What was also impressive was that by making this decision I was able to recruit two of the top people in our industry by saying they didn't have to go to Chicago. One is the QA/RM in southern Illinois and the other is our Director of Manufacturing, in San Diego. Jacquard continued to eliminate the other 15% of the overhead costs within the next 2 meetings. Because of the eliminated overhead costs, I only had to raise about \$2M, instead of \$3.2M for the start-up.

Can you describe the value Jacquard provided?

We had ups & downs, but when we had down periods, we didn't have a heavy overhead expense to cover ... the nut to crack wasn't so huge that we couldn't do it, it was really a minimal nut. For example, the first year during development, we underestimated our cost significantly. We had proven our concept and orders were pouring in, and we needed to lower our costs. If it wasn't for Jacquard's insight, we would not have been able to weather the storm. As it was, we were able to buy more time to raise more money and make the necessary changes to lower our costs quickly.

I attended Jacquard's Differentiate Sessions for Business Owners. I actually learned & saw examples of how we should tier our customer bases, how to negotiate terms to extend dollars ... this was all new to me. Jacquard showed me how to develop quicker, introduce to market quicker. Maybe I knew it intrinsically, but I sure didn't know how to apply it. Within 2 years, [Businessweek](#) identified our first product as the best new product of the year. We have been written up as perhaps the safest helmet ever made which is a major part of our business – safety. Jacquard was there with us from Day 1.

