



Rich Fennessy

CEO of Trace3

Editor's Note: Rich Fennessy is the CEO of Trace3, Inc., a leading IT services provider. Fennessy has a proven track record as the CEO of numerous leading international IT businesses and has 30+ years of experience in the IT industry. Most recently, he was the CEO at Switzerland-based [Kudelski Security](#) and prior to that he served as the CEO of [Fishnet Security](#), where he managed Fishnet's sale to private equity giant Blackstone. Before that, he served as CEO of Insight Enterprises. He started his career at IBM and held multiple roles there for 17 years.

How does your role at Trace3 differ from your previous roles?

I am very excited about my role as CEO of Trace3. In my last role as CEO of Kudelski Security, my focus was on transforming a Switzerland-based startup into an international provider of cybersecurity solutions and award-winning managed security services. Over my four-year tenure, we accomplished our objective and built a very special company. In the case of Trace3, the company is already very special and has reached a level of scale that is more mature and a level of differentiation that is more recognized by the market. My focus will be to work with the leadership team and all of my Trace3 teammates to build on that momentum. This includes an expansion of the core solution areas most valued by our clients and an expansion of our business model geographically across the United States.

Trace3 and Data Strategy announced a merger last year. Is ensuring successful integration one of your top priorities as you take over Trace3's strategic operations?

Trace3 and Data Strategy merged in August 2018 and overnight the two companies became a national advanced technology solutions provider. This past year, a majority of the integration activities have been completed and the remaining open items are scheduled to be wrapped up by the end of this year. So, as we go into 2020, we will truly be operating as One Company, with One Vision. Given this, my top priorities will be less focused on integration and more focused externally toward the market. As such, we will be making enhancements to our business model to ensure that our account teams are structured in a way that best serve our clients' business

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needs and that our engineering resources are aligned as close as possible to our clients in market.

What are your top priorities as you transition into your role as CEO?

As you join any organization as a new member of the senior leadership team, the first 90 to 120 days are all about listening. Listening to my Trace3 teammates, listening to our clients, and listening to our partners. The focus is on learning what makes the company special and developing ideas to amplify that secret sauce. At the same time, all companies have areas that are not working as efficiently as desired. The focus here is to identify these pain points and quickly develop improvement plans. This is where I am currently focused as I transition into the role and company.

How do you stay on top of trends in the IT services space?

One of the great things about the IT industry is that it is continually evolving, with a constant flow of new technologies and new requirements from our clients. To stay on top of these trends, I try to spend a lot of time with our clients and partners to gather their perspectives on which trends are most relevant to their businesses. In addition, I have a new “luxury” at Trace3, and that is the Research division. We have a team of researchers focused on studying new technology trends and sharing these insights with our clients and teammates. This internal Research teams acts as an unbiased consultant, much in the way a Gartner would. The team’s work has become especially appreciated by clients who are seeking innovative solutions to complex business problems and do not have the time to vet new technologies on their own.

Have your last two roles as CEO of Fishnet Security and Kudelski Security influenced how you’ve tackled your role at Trace3?

Clearly the cybersecurity marketplace is an extremely interesting segment of the overall IT industry. Trace3’s historic roots have been focused on helping our clients improve their core IT infrastructure. Over the last few years, the company has invested in the additional solution sets of Security, Data Intelligence, and Cloud. As a result, these practices now represent a meaningful share of the overall business. I am excited about working with the team to continue this capability expansion, so we are in position to better address the needs of our clients. And, yes, the need for expansion may be most

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acute in the area of Security, which aligns nicely with my two last roles. Establishing the right Security solution set is a priority for us in early 2020 and it is something I'm eager to see us bring to market.

How has IT security evolved since we last spoke in 2017? What should companies in the space be aware of?

Client investment in cybersecurity continues to grow at a fast pace, while at the same time the number of high-impact breaches continue to increase. Clearly the industry's approach to the security problem is not working. Within Trace3, we are continually looking to innovate and find new ways to help our clients address the cybersecurity challenge. In fact, we recently hired a new VP of Security to help oversee development of the practice area. He previously held a CISO role at a large healthcare organization, so he has walked a mile in our clients' shoes. We expect to leverage his experience and the insights of our Research team to ensure our clients stay ahead of the cybersecurity curve.

Who are Trace3's competitors? Are they the same as they were at Kudelski and Fishnet?

The IT industry competitive landscape is expansive, so it is critical to identify ways to differentiate in the eyes of your clients. At Trace3, we offer a very differentiated value proposition, leveraging the depth of our engineering talent and consulting focus on introducing our clients to new ideas, new solutions, and emerging technologies to address their most complex business challenges. Given this differentiation, we operate in a very interesting place between management consultants and VARs because that's what we believe our clients, our partners, and the market value the most. Our clients are seeking a true end-to-end partner focused on helping them to achieve their desired business outcomes, and that is what we at Trace3 are committed to delivering for our clients.

What's the difference between being a CEO of a Swiss publicly-traded company, vs. a US publicly-traded company, vs. a US PE-owned company like Trace 3?

The reality is that there are more things in common versus different. That said, I do enjoy running a PE owned company more. When running a publicly traded company, there is sometimes too much focus on delivering short-term results. In my experience, with the right PE partner, the focus changes toward developing strategies and plans to grow and strengthen the business for the long-term. This expanded timeframe of focus allows the CEO and the management team to

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have a more strategic perspective on driving initiatives across the company.

What is your M&A philosophy at Trace3?

As we look toward the future, Trace3 will be active from an M&A perspective. We are in the process of evaluating how best to expand our capabilities and geographic coverage.

Experts and investors are worried that there is an impending recession. Do you think this is the case? If so, how will Trace3 be impacted and how do you mitigate the impact?

The IT industry like all industries goes through cycles, and as such you have to assume that a slowdown will hit us at some point. To help offset the impact, an IT solutions provider needs to ensure that its capabilities align to client challenges that are less optional, like cybersecurity and improving IT cost efficiency by successfully migrating workloads, where possible, to the cloud as an example.

Tell us how the 2019 RF is different than the 2017 RF when you were last profiled.

A couple of years older and hopefully a couple years wiser. The last four years running a European based company was truly a great learning experience, one that has helped me to become a better leader. Through this experience, I was able to get involved as a member of the cybersecurity advisory panel for the World Economic Forum (WEF). This experience gave me great insights into geopolitical issues as well as the complexities of the global business landscape. Again, I think these insights will help me to be a better leader for Trace3.

What are customers asking for most? What are the three biggest solutions Trace3 provides?

At Trace3, our core solution areas are focused on helping our clients within their strategies around Cloud, Infrastructure, Security, and Data Intelligence. Each of these areas and the associated engineering expertise are in high demand by our clients. Over the years, Trace3 has created an expertise in hi-tech innovation through partnerships within Silicon Valley venture capital firms and startups. This expertise focuses on evaluating emerging technologies and introducing new innovation to our clients. This is very unique in the market and

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appreciated by our clients as they look for new solutions for their most complex challenges.

What have you learned throughout your career that you’d like to pass along to our readers?

As I am now enjoying my 33rd year in the IT industry, the one thing that I have learned is that to be successful you have to be a life-long learner. Our industry is continually evolving and to be relevant you need to always be learning and staying current on emerging trends. This commitment to learning fuels success and makes our industry fun and interesting.