

Making IT work: I.T. Worx determined to grow service, clients no matter the economy

The Business Journal of the Greater Triad Area - by [Matt Evans](#) Staff writer



Julie Knight

Jeffrey Loy, right, president of I.T. Worx in High Point, stands with Joe Michael, the company's vice president.

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It was the middle of January 2002 and Jeffrey Loy was opening the sunroof of this car. Sure it was cold, but he wanted to look up to the sky. He had some thinking to do.

Loy had just been laid off from his job as an IT manager at Greensboro publishing firm Pace Communications, a victim of the post-9/11 economic plunge. It was a pretty dreary time for everybody, but there was a saving grace for Loy, one he thought of as he sat alone in his car and pondered his future: his part-time computer service firm, Mac After Hours.

It was a nice side income, and he'd heard from some customers and friends that he ought to think about doing more with it, "but I was scared," Loy admits. Faced with a sudden abundance of free time and a major drop in income, there was nothing more to fear.

"It was a defining moment. I'd been looking for that sign," Loy says. "I looked up and said, 'OK, God, I got it.'"

It was a good sign. Loy promptly relaunched his business as I.T. Worx and dove into it full time. Seven years later, against another scary economic backdrop that has plenty of others in the business retrenching, Loy has taken on a partner and is expanding with the launch of a new division, WebWorx, to round out his firms' service menu.

"We're investing and growing, in spite of everything," says Joe Michel, Loy's long-time friend and colleague and new partner in the business, who is overseeing the WebWorx launch. "We're in a period where most of what you hear about is about pulling back, but we're pushing forward with investments in areas that make sense."

That hasn't always been easy to do, as Loy and every other small business owner can attest. But Loy has benefited from starting small and growing steadily.

Mac After Hours started as just what you would think from the name — fixing Macintosh computers for clients after normal business hours. The name not only described a good niche, but also the time of day when Loy could do the the work.

That part-time business evolved to regular hours, a few employees and even working on PCs.

A lot of Loy's current clients have been with him for years (including this newspaper) and they say that while Mac After Hours and then I.T. Worx have grown, Loy's approach hasn't. Steve Pond, CEO of Winston-Salem publishing firm Education Center is one such long-time client, and in fact a former employer of both Loy and Michel in the 1990s.

“I think from the very beginning Jeffrey had the level of independence that I thought would lead him in an entrepreneurial direction,” Pond says, adding that Loy has succeeded largely because his service philosophy hasn’t changed.

“He provides solutions, and right now,” Pond adds. “When you need him he’s there, or one of his staff. I think he recognizes, given the various kinds of environments he’s worked in, how ‘mission-critical’ IT is to business.”

Ups and downs

I.T. Worx’ history to date includes two economic slowdowns or recessions and Loy says it’s been challenging to navigate turbulent waters and keep growing.

In the early years, he did what many new entrepreneurs do — work cheap. As he got better and provided more value, he says, he raised his rates, but he consciously avoided the upper end of the market range, which he calls “exorbitant” in the Triad.

Instead, he kept his fees below what he thought they were worth on the theory that his customers would see that value and refer him to others. That paid off, he says, and it’s also proven an especially helpful strategy in the current economic environment.

“In this market, there’s more supply (of IT services) than demand, and some of the companies that have been eating their clients alive are having to backtrack on pricing now,” Loy says. “Our clients are seeing that what we’ve always been charging is fair.”

Of course, that strategy also has drawbacks in terms of limiting cash flow. Loy says he’s had to be careful with spending to stay in balance. That’s particularly challenging because he prefers to invest in resources before the business demands them, so that he’s not making clients wait for him to be able to perform.

He’s been burned that way. He once went out and spent a bundle recruiting and equipping a technician skilled in a particular operating system based on the promise of an extended contract.

Loy found a good technician, he says, but the customer ended up poaching him away. In essence, Loy lost not just the business but the resources that had gone into hiring the employee. That’s made him more careful, he says.

“I just have to chalk that up as a valuable lesson,” he says. “Now we get stronger commitments, more on paper. It was just naiveté.”

One strategic step Loy hadn’t taken with I.T. Worx was branching fully into Web development. That is happening now, with the launch of WebWorx.

Loy and Michel, his new partner, go back a long way professionally, and Michel shares Loy’s entrepreneurial instincts. He ran his own Web development and hosting firm, Pixels Inc., for years before selling that company to Pace Communications in 2006.

Michel stayed on to lead the new Pace Interactive division that Pixels became, but he wanted to send his other clients to somebody he could trust to handle their IT needs and also help them with continuing Web development projects, he says. He chose I.T. Worx.

Careful transitions

If it’s always a little harrowing to trust long-time clients to someone new, it’s no less so for those clients themselves who face breaking in a new service provider. But Mary Smith, financial administrator of High Point product sample maker Swatchcraft, said it was handled well. She’s remained a loyal customer.

“It was very smooth,” she says. “They’ve worked with us and grown with us and really helped us with what we need so we can help our own clients. I like that I can just tell them what I want to have happen, and they find a way to make it happen.”

Maintaining that reputation and focus on service and value will be a primary strategy for the new WebWorx division, Michel says. The money that he invested to become ownership partners with Loy after leaving Pace this summer will all go toward that launch and the overall growth of the business, including an increased marketing budget and eventual geographic expansion.

Michel says he’s usually suspicious when IT firms get into Web development, because often it means existing employees get double duties that may not be their specialties. That’s cheaper, he says, but often doesn’t result in good quality Web sites.

“We’re going to avoid that by having this separate brand and a separate staff who will be specialists in doing Web development particularly well,” Michel says.

He’ll have to charge more to do it that way, but he’s not concerned about that, Michel says. He expects WebWorx will even price itself slightly above where I.T. Worx is, but it will also be able to pursue work nationwide. He’s confident clients will pay more for quality, custom work, he says.

Loy, who remains the majority owner of the firm, says the new partnership is going well so far, and he doesn’t expect any major leadership issues to arise because he and Michel have known each other for so long.

The big challenge, he says, will be in stepping away somewhat from the role he has enjoyed since the Mac After Hours days of getting into his customers’ computers and fixing their problems himself, to focus on supervising and leading his growing company.

“We’ve got a lot of the same challenges we’ve always had, we’re just bigger,” Loy says. “I’m going to have to trust people to make more of the decisions.”

Company Profile

Name: I.T. Worx

Address: 4101-C Piedmont Parkway, Greensboro 27410

Phone: (336) 869-9679

Web site: www.itworxonline.com

No. of employees: 14

Year established: 2002

Biggest problem: Wanting to invest in employees and resources in anticipation of rather than in reaction to demand.

Solution: Careful spending, and being willing as the owner to take personal reductions in income when necessary

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