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## Executing a turnaround

**Mylle Mangum, a Jack Welch "graduate," has turned an anemic company into a profit machine**

Atlanta Business Chronicle - December 16, 2005 by [Tom Barry](#) Contributing writer

When Mylle Mangum took the reins of IBT Enterprises in October 2003, the company was, in her words, "an underperforming asset in a great market."

The Norcross firm, which designs and builds bank branches and other workspaces for companies, simply wasn't hitting on all cylinders, said Mangum, who has extensive top-level executive experience at major corporations.

"Clients loved the quality of the work, and the company had never paid a late fee," said Mangum, IBT's owner and CEO. "But it was in debt and barely paying its bills. And the company hadn't really adapted to some of the newer, more growth-oriented markets out there."

Growth and adaptation are watchwords at IBT today. Since taking over the private company, Mangum has boosted revenue, made an acquisition and is looking to make more.

"And we've done it all with the same number of employees (in the 45-to-50 range)," Mangum said.

Growing a small company, making it profitable and more competitive, can be a big challenge. Often a small firm's work force is already operating at full speed, yet struggling to keep afloat and lacking the resources that larger organizations can readily tap.

Mangum believes the same business principles apply to any company, whether it's a massive corporation or a small entity looking to get bigger. "Absolutely, they do," she said.

A native of Thomson, Ga., Mangum is no stranger to mega-operations. Fresh out of Emory University, she received her early training at [General Electric Co.](#), where she eventually came to run a \$4 billion marketing segment. In 1985, she became the first president of BellSouth International.

Mangum also has held senior management positions at Holiday Inn Worldwide and [Carlson Wagonlit Travel Inc.](#), and served CEO stints at True Marketing Services and MMS Incentives. She sits on a number of corporate boards, including those of [Scientific-Atlanta Inc.](#), [Payless ShoeSource Inc.](#), [Respironics](#), [Emageon](#) and [Haverty Furniture Companies Inc.](#)

"Lots of people start small and go to big companies," laughed Mangum. "I've kinda done the opposite."

The secret to IBT's turnaround, she said, came courtesy of General Electric, which under business legend Jack Welch became the gold standard for the managerial sciences.

"It's really a very simple formula," said Mangum, 57. "You grow the top lines, squish the middle and the revenue falls to the bottom line. We grew our revenue and kept the middle flat by increasing the productivity of employees. So the top-line growth has fallen to the bottom line."  
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EBITDA (earnings before interest, taxes, depreciation and amortization) grew 65 percent in 2004 and is projected to grow by 73 percent in 2005. (Since it is a private company, IBT declines to release dollar figures.)

Other bedrock principles apply as well, she said. "There are three legs to any company. You have to have a market. You have to get the right people on board. And you have to have a great financial foundation."

To that end, Mangum brought in some new executives, paid off 60 percent of the debt in three months, and broadened IBT's market while boosting revenue. Her recipe? "Positive attitude and perseverance," she said.

Founded in 1985, IBT is heavily focused on the financial services industry, designing and building branches for banks and credit unions, maybe an operation within a grocery store or in a strip shopping center. IBT also does largely design work for freestanding branches.

Under Mangum, IBT has expanded into specialty retail outlets, such as coffeehouses and stores within stores (e.g. a name-brand retail outlet within a larger department store), a hot trend in today's market.

Mangum ratcheted up marketing efforts and retooled IBT's sales operation, which now consists of five salespeople and two telemarketers. IBT operates nationwide, with what Mangum calls "a high penetration of clients in high-growth states such as Florida, Texas and California."

Before, IBT's salespeople spent much of their time cold-calling to generate leads. No more. "We increased the intensity of our outreach, specifically through telemarketing," Mangum said. "Success there has enabled us to reach more customers with the same resources."

Chris Smith, IBT's executive vice president of sales and marketing, said the new strategy was relatively easy to map out.

"There's something like 12,000 to 15,000 banks and credit unions out there, and when you get below the top 50, they get real small real fast," Smith said. "A lot of them have between two and 10 branches.

"The economy is good today, and the vast majority of them have expansion plans," Smith said. "What we do is find a territory where we know there's a good in-store location available. We'll do demographic analysis around the site, and then find all the banks within 50 miles and start calling them."

In other words, there's the potential for a lot of cold calls to be made.

When it comes to developing leads, Smith adds, it also doesn't hurt that Mangum herself "knows a ton of people at executive levels."

"At the end of the day, most businesses are about sales and marketing," he said. "And it's always a numbers game. To get one sale, how many proposals do I have to do? ... To get a sales call, how many conversations do I have to have? You just have to figure out the right formula for your own company."

IBT also strengthened its relationship with trade associations, to leverage its reputation in the industry and generate additional business. Tradeshows once ignored are now attended. Once low, IBT's profile is on an upward arc.

"The banking community is a small world," Smith said. "It's a very relationship-based business, and you have to take advantage of that."

One customer was Allegacy Federal Credit Union in Winston-Salem, N.C., which brought in IBT to

put a 2,800-square-foot store in a strip shopping mall. The branch, which opened in 2003, includes an interactive lounge with recessed TV and a coffee station, teller "pods" arranged in a semicircle, and wall-mounted, flat-screen TVs for branding and promotions.

"IBT was able to help us bring to fruition the idea of going beyond traditional ways of conducting financial business and take it to the next level," said Cheryl Swaim, advertising and communications manager for Allegacy.

IBT also has grown by acquisition. This past August it acquired a division of [First Data Corp.](#) that manages the licensing arrangements between retailers and in-store financial institutions.

"It was a natural extension of our business," said Mangum, adding that other acquisitions are now being eyed.

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