Algorithm

SUCCESS STORY

BROTHERS & BLOCKBUSTER BUSINESSES: THE RISE OF TELESIS INC.

Welcome to Telesis Inc., where every day is a captivating adventure. With a rich history of surprising strategic pivots, they've woven a unique narrative of success, making them a company that grew with and defined their hometown.

THE HISTORY

From humble beginnings to an innovative journey that empowered a community, fueled growth, and inspired others with a remarkable tale of triumph and business diversity.

THE PARTNERSHIP

An envisioned future of continued expansion, modernization, and community involvement with Algorithm Inc. and Acumatica ERP at the center of its operations.

THE HISTORY

Telesis Inc. is a remarkable company that built its success on a foundation of growth in Lincoln, Nebraska. With a rich history spanning almost 40 years, Telesis has evolved from humble beginnings to become a leading player in data security, restaurants, food and beverage, real estate, and urban farming, all while staying true to their roots as a family-owned business.

And yet, Telesis's story goes beyond business expansion. The company is deeply rooted in the Lincoln community, driven by a genuine desire to give back and contribute to their hometown. As they expanded operations and grew their reputation, one key factor played a pivotal role in their journey: the adoption of innovative Acumatica ERP software and their strong partnership with Algorithm Inc. Recognizing the need for streamlined processes, enhanced efficiency, and real-time data management, Telesis continued to make strategic software updates. The advancements enabled them to stay at the forefront of technology, improve their internal operations and effectively meet the evolving needs of their customers.

Degausser machines at Data Security Inc.® Degaussers magnetically randomize the 0's and 1's so that data cannot be put back together and deciphered.

From Argo to Advancement: How It Started

Telesis Inc.'s winding history officially began in 1985, with the establishment of Data Security Inc.®, after Brian Boles, one of five brothers, learned of the US Department of Defense's need for erasing classified information stored on next gen magnetic tape. Convinced of the potential, Brian approached his long-time friend and running partner, sparking the birth of a groundbreaking business. Watch the first 10 minutes of the movie *Argo* and let your imagination take you from emergency paper shredding to urgency tape destruction. Telesis Inc. was born. However, as with any Cinderella story, challenges arose. The product, initially an easy sell, became a harder one when the DoD shifted its funding priorities from computer security to physical security.

Fast forward to the present day, where data creation has reached unprecedented levels. Alarming statistics reveal that more than 56% of data breaches (excluding hacking) are caused by physical theft or improper disposal. Foreign nations have discovered that it is cheaper to steal data than to invest in research and development, resulting in billions of dollars lost due to compromised trust. These global shifts have played a significant role in Data Security Inc.'s success. Today, the company thrives in a spacious manufacturing and office facility spanning over 50,000 square feet, producing a comprehensive range of Digital Data Destruction Products and distributing them to more than 15 countries.

Fear, Loathing and Adding Food to Data Destruction

Alongside data security, another industry deeply influenced the family since the late 1970s. Brian, his older brother Scott Boles, and their lifelong friend Jay Jarvis forged an unbreakable bond while working in various restaurants during their young adult lives. Anthony Bourdain said it best, 'You can always tell when a person has worked in a restaurant. There's an empathy that can only be cultivated by those who've stood between a hungry mouth and a $28 pork chop, a special understanding of the way a bunch of motley misfits can be a family." In the late 1980s, Lincoln's restaurant scene no longer held sway over Scott, as he contemplated leaving town in search of greener pastures. However, Brian (while running Data Security Inc.®) posed a game-changing question: "Why don't we open our own restaurant?"

Scott then proposed the idea of establishing Nebraska's first brewpub, inspired by the emerging funky cottage industry in Colorado and Washington. Nebraska's laws prohibited brewing within a bar, but the brothers saw potential in combining brewing with a restaurant concept. Scott and Brian reached out to Jay and convinced him to return from Kansas City and oversee the culinary aspect of their operation. Despite facing resistance from major beer producers and navigating a challenging legislative session, the trio persevered, and in 1991, Lazlo's Brewery & Grill opened its doors in Lincoln's Historic Haymarket District. Taking a page (and a name) out of Hunter S. Thompson's book, they embraced the notion that when faced with unusual circumstances, the unconventional can become professional. Lazlo's became Nebraska's inaugural restaurant-and-brewery, featuring from-scratch cooking, hand-crafted ales, and a teamwork-driven service model. The establishment achieved immediate success.

Beerfest, Side Business & Another Brother

Starting in 1983, Brian was mentoring Eric Schafer, he and Scott's younger brother, at his original side business, Lancaster Dermatologics. Eric gained experience in production, packaging, procurement, inventory management, order fulfillment, and delivery while balancing full-time work, management responsibilities, and studies. In 1990, Eric who was midway through college, approached Brian with a request to join Data Security Inc.® as a sales representative.

Then in 1997, Empyrean Brewing Co.® was founded to produce Lazlo's beers for distribution at other retail locations. Operating within the legal framework of the three-tier system, Empyrean collaborated with K & Z Distributing of Lincoln and Miller Brands of Omaha to introduce Empyrean beer to the market. Today, the brewery partners with over 26 distributors across nine states.

Eric Schaffer in front of Lazlo's Brewery & Grill, Haymarket. (Lincoln, NE)

If You Build it, They Will Come

In 1998, Lazlo's acquired a restaurant from a failed investor group that had attempted to replicate their success. This acquisition marked Lazlo's second location, strategically situated in the heart of suburbia. The triumph of this venture also shed light on the true cost of energy and inspired the family to invest in renewable energy solutions.

With expanding business and new ventures, Telesis Inc. was founded in 1999, to not only serve as the umbrella organization for Data Security Inc.®, Lazlo's & Empyrean Brewing Co.®, but also to propel the family's strategy of owning their companies' real estate. Presently, Telesis owns the largest private geothermal well fields and solar array in Nebraska, which is integral to their strategy of achieving Net Zero.

Within the Telesis corporate family, Telesis Holdings (a division of Telesis Inc.) spearheads the real estate division. Armed with expertise in valuing property assets, the division focuses on acquiring, developing, and rehabilitating sustainable properties that can be maintained or extended periods without harming the environment. By leveraging government stimulus funds, they formulated a successful strategy that yields solid financial results while safeguarding the prosperity of future generations.

Continuing to recognize the challenges posed by the world's growing population and depleting natural resources, Telesis also set its sights on urban farming. Their innovative approach allows for the repurposing of large buildings, year-round crop cultivation, reduced water usage, and support for traditional farming methods. Avert Vertical Cultivations emerged from this vision, serving as a vehicle to achieve sustainable goals and leave a legacy for future generations of the Telesis family.

Lettuce in an Avert Vertical Cultivations salad growing tower.

Originally home of the Beatrice Creamery, the Dairy House complex on a block in the South Haymarket district of Lincoln was built between 1904 and 1980. Current location of Data Security Inc.® offices.

THE PARTNERSHIP

I'm Going to Make Them a Software Offer They Can't Refuse

Early on, Telesis made everything run by working with Algorithm Inc. to implement and update the Macola enterprise resource planning (ERP) platform. They considered Macola to be a robust system and were contemplating an upgrade to the next version when a significant change occurred. Macola was acquired by ECI, a company with notably different business practices that made Telesis uneasy. The acquisition resulted in a considerable increase in license fees, with support costs nearly doubling. Concerns began to arise about the compatibility of the new business practices with the existing platform.

Complicating matters further, Telesis had incorporated third-party additions to Macola and had developed customizations to tailor the system to their specific requirements. It was crucial for them to ensure a smooth transition to another platform, one that could understand and accommodate their unique processes and customizations while minimizing disruptions. The question that arose was which platform would best fit their needs.

Fortunately, Telesis' management team recognized the value of their long-standing partnership with Algorithm, the firm that had implemented Macola. Algorithm had consistently proven to be a trustworthy and effective partner over the years. Consequently, Telesis turned to Algorithm for guidance and assistance in their quest to migrate to a more modern and growth-oriented solution.

Algorithm's team recommended Acumatica as the new ERP platform and provided Telesis with a comprehensive demonstration, showcasing its capabilities. Impressed by what they saw, Telesis immediately recognized that Acumatica would be an excellent fit for all their companies' operations. The decision to switch to Acumatica was bolstered by the confidence Telesis had in Algorithm, their trusted advisor with extensive knowledge of their business.

> *The partnership between Telesis and Algorithm was instrumental in guiding us through the process of selecting a new ERP platform. Their recommendation of Acumatica and their deep understanding of our business needs has proven invaluable. -Eric Schaffer, President, Telesis Inc.*

Efficiency Unleashed: The Innovators' Blockbuster

Many members of the Telesis team were not involved in the initial implementation of Macola and, therefore, did not have preconceived notions about how things should be done. This renewed perspective brought a significant advantage to the project. But it was also met with challenges. The necessity of a new ERP coincided with the COVID-19 pandemic and presented exceptional challenges that demanded immediate action. Recognizing the need for remote work capabilities and enhanced collaboration, implementation of Acumatica began - remotely. By working with Algorithm and leveraging Acumatica's robust features and flexibility, Telesis and all its subsidiary businesses at that time ensured uninterrupted operations and streamlined workflows, even with a distributed workforce. With strategic decision to adapt the system to the new reality, they not only navigated through the turbulent times successfully but also emerged stronger and more resilient.

An important element of implementation success was eliminating the need for add-on systems and reporting that had been necessary with Macola. The redesigned manufacturing process aligned with the capabilities of the new Acumatica architecture. As a result, Telesis experienced a far more efficient and simplified workflow.

With Acumatica, Telesis users discovered that they could quickly access critical information such as their sales pipeline and make informed decisions on what products to build accordingly. The reporting capabilities offered a new level of insight, including detailed analytics on credit card sales and expense reporting, significantly reducing reliance on Excel spreadsheets. Gone are the days of siloed information and the errors that stemmed from using workarounds like Excel. Acumatica's functionality replaced these inefficiencies, enabling Telesis to operate with greater accuracy and reliability. In the end, Acumatica's consumption-based license proved superior over the traditional user-based licensing.

The elimination of manual workarounds and the integration of all our processes into a single, cohesive platform has revolutionized our efficiency. We can now rely on Acumatica's capabilities to drive our success and eliminate errors, ensuring smooth operations across our company. -Eric Schaffer, President, Telesis Inc.

A Business Transformation Feature

In the ever-evolving landscape of business operations, staying ahead of the curve is crucial for success. As we look ahead to the future, it becomes increasingly clear that welcoming improvement is no longer an option but a necessity. Telesis understood this best because of a visionary leader, Renee Schafer, Director of Operations at Data Security Inc.®

Renee Schafer never looked back after moving away from Macola and recognized the transformative potential of new ERP technology in revolutionizing her business operations. "Moving to Acumatica allows us to streamline our processes, enhance accessibility, and optimize scalability," Renee explained. By adopting Acumatica, Data Security Inc.® leverages the system's infrastructure to seamlessly integrate and centralize their data, enabling real-time visibility, collaboration, and improved decision-making across departments and locations. The shift to ultramodern software empowered them to scale efficiently, adapt to market changes, and respond swiftly to customer demands.

Renee's focus on operational efficiency is at the forefront of her modernization strategy. Acumatica's robust functionality enabled Data Security Inc.® to automate workflows, optimize inventory management, and streamline financial processes. This automation and integration of ancillary systems now allows for faster order processing, accurate inventory tracking, and seamless financial reporting, driving operational efficiency throughout the organization.

"We are family, whether we're blood or not, I love the people I work with."
-Renee Schafer, Director of Operations, Data Security Inc.®

As Data Security Inc.® envisions growth and expansion, Schafer believes that adaptability and futureproofing are critical factors to consider. She claims that flexible architecture and scalability provides her company with the foundation they need to adapt to evolving business requirements while seizing new opportunities. With Acumatica, Data Security Inc.® can easily add new users, incorporate additional functionalities, and expand into new markets without disruption. This scalability ensures that the organization remains agile, responsive, and well-positioned for future growth.

A Remarkable Tale of Partnership, Community & Growth

With all the makings of a Hollywood movie —the stage is set for Telesis Inc. as they embark on their innovation journey, empowering their community, fueling growth, and inspiring others with their remarkable tale of triumph. Their efforts will continue to focus on preserving historic buildings and providing sustainable solutions for these properties. Their proven track record, combined with their family-centric ethos and unwavering hometown spirit, positions them as a driving force in the realms of data security, restaurants, food and beverage, real estate, and urban farming. Looking forward, Telesis Inc. envisions a future of continued expansion, modernization, and community involvement with Algorithm and Acumatica at the center of operations. By wholeheartedly embracing cutting-edge technologies, adapting to evolving customer needs, and staying true to their core values and partnerships; Telesis Inc. is poised to script the next captivating act of their success story.

Algorithm's 30 years of serving America's finest manufacturers, distributors & wholesalers:

Customers value Algorithm's deep industry and software knowledge and their experienced team of advisors, consultants, engineers, and business professionals, each with the highest-level partner certifications for Acumatica. They are the algorithm, the winning approach combining best practices and documented implementation methodology for the planning and deployment of cloud services, the network and devices used to access them, improvement and customization services, and all the support needed to maximize customer success.