

Steve St. Pierre's One Minute Confidence ("C") Tip

The C Tip is an insight that will inspire, educate and/or make us think about our lives differently. Give yourself a gift of the next minute to enjoy this message. (If you get something out of it...share it by forwarding to someone you care about.)

November 20th, 2014

How They Did It: Billion Dollar Insights from the Heart of America: Ronald Galowichⁱ

Ronald Galowich co-founded First Health, a company that became a large healthcare cost management company with 6,000 employees. In 2005, the company sold to Coventry Health Care for \$1.8 billion. His other company, Initiate Systems, sold to IBM.

Beginnings:

Ronald Galowich is a "reformed lawyer." He practiced law for 20 years, then went into real estate, then founded First Health with Dr. Robert Becker in Joliet, his Illinois hometown. Galowich gained confidence in the company after they found a CEO with a sales and marketing background. "I knew at that point we would be fine," Galowich says. First Health was a leading company in a "yet-to-be-discovered industry"; competitors didn't give the field the significance, while Becker and Galowich gambled on it. They became the leaders in pre-admission certification, which has become a standard procedure for all hospital stays.

Galowich also started a company, Initiate Systems, with his son, Jeff, in 1996. Initiate became the leader in the healthcare industry in identifying medical records, then branched out to government and commercial.

Struggles:

Galowich funded the first \$4 million of Initiate Systems himself and "was choking on it." They didn't have a beta site. After getting the beta site, Galowich was able to raise \$10 million from his friends. Galowich warns not to take money from those you don't know or don't know much about. He recalls a time when he took money from someone who became very difficult and caused the company many headaches. Once investors are involved, it is difficult to detach from them.

Success:

Galowich says his key to success was "having the right people with a strong work ethic in the right places." He comments on the values he holds for those he hires – "you need to find somebody who not only is smart and capable, but who cares about people, shareholders and investors, not just about himself."

Next week: Bill Gantz of *Pathogenesis, Ovation Pharmaceuticals*, Illinois

Quote:

“The best fertilizer for a man’s land is his own footsteps.” – Richard Barr, as told by Ron Galowich

Confidently yours,

Steve

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ⁱ *How They Did It* is a book of inspiration, ideas, and advice from 45 success stories cultivated by Robert Jordan. Jordan has been growing and launching companies for 20 years, and was listed on *Inc. Magazine's* 500 list of fastest growing companies for his first company, *Online Access*. Jordan spent four years gathering and interviewing successful company founders, who describe their failures and reveal their secrets to success. (Northbrook, IL: RedFlash Press, 2010). Robert Jordan is not affiliated with LPL Financial.

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