

ALL GOOD SOFTWARE COMPANIES START IN THE BASEMENT

Lessons and Tips from Rob Tietjen's Entrepreneurial Journey

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Rob Tietjen is the founder of PolicyTech, a policy and procedures management software initially developed for hospitals and later acquired by NAVEX Global in 2012¹. Born and raised in Rexburg, Idaho, Rob continues to reside in the area with his wife, where they have raised their ten children. He currently teaches a variety of business classes at BYU-Idaho.

Although Rob initially planned to pursue a career in teaching, his professional journey began in the healthcare sector, where he identified a need for effective policy and procedure management. Recognizing the challenges hospitals faced in keeping employees informed of current policies, he developed a software solution that addressed this widespread issue. This innovation ultimately led to the creation of a successful business, PolicyTech.



These insights are taken from episode one of "Entrepreneur Voices: The Idaho Entrepreneur Center Podcast" where Rob joined as a guest to share what he had learned in the world of business. The full episode can be listened to on [Spotify](#) or [YouTube](#).

The intended audience for this paper includes entrepreneurs, business students, and professionals seeking insights into startup strategies, business validation, and operational excellence.

It highlights key lessons learned, including product validation, financial management, and building a strong organizational culture, offering actionable advice for aspiring entrepreneurs.

The PolicyTech Journey

While employed at the hospital, Rob was responsible for overseeing marketing, education, and compliance, which included managing the hospital's policies and procedures. This role required maintaining physical binders of policies and procedures across the facility, ensuring they were consistently up to date. Updates involved manually printing changes, replacing the relevant sections in all binders, revising the table of contents, and archiving outdated versions. Additionally, employees faced challenges in accessing and utilizing the policies and procedures, as locating specific information within the binders proved cumbersome. As a result, despite employees signing off on the documents, their practical use remained limited.

Recognizing inefficiencies in the management of hospital policies and procedures, Rob contacted his brother in the late 1990s to propose the development of a software solution. His brother created an early version of the software, which was distributed on CDs to various hospital departments. Although this method was not without its shortcomings, it marked a substantial improvement in the use of physical binders. Through continued use, Rob identified areas for improvement and collaborated with his brother to iteratively enhance the software.

Rob's other brother recognized the potential market demand for the software, noting that if it addressed a critical need at Rob's hospital, it was likely that other hospitals faced similar challenges. Motivated by the opportunity to monetize the software, he proposed taking the product to market. Over the next year, Rob and his brother worked closely to refine the software. Each morning, Rob outlined the necessary features to ensure the software met the needs of hospitals, and his brother spent the day coding and implementing these ideas. In the evenings, Rob reviewed the progress, providing constructive feedback and suggesting improvements. When the software reached the stage of a minimum viable product, the brother advocated for its introduction to the market.

The company encountered an early setback when their first sale turned out to be fraudulent, resulting in the bank withholding their revenue for six months. This restriction strained cash flow and limited resources for marketing and operational investments. During this time, PolicyTech was averaging only one sale per month, with sales prices around \$600. While Rob and his brothers frequently engaged with prospective clients and held promising discussions, they struggled to close deals. Over time, they realized that the sales cycle for large organizations was significantly longer than anticipated. Once they adjusted their expectations and processes, the company began securing larger contracts, which provided the necessary financial momentum. This growth also necessitated frequent collaboration with clients to enhance the software and meet evolving feature demands.

Rob made the pivotal decision to leave his hospital role and focus entirely on PolicyTech. The company was rapidly expanding, hiring additional employees, and securing investments. Recognizing the value of external funding, Rob remarked, "if you can actually convince someone to invest in your company, then there's a lot higher chance it's going to succeed." To support the company's growth, Rob met weekly with a mentor from Salt Lake City, benefiting from strategic advice. PolicyTech achieved major milestones, including securing high-profile clients and expanding into international markets through language localization. As part of the company's development, Rob managed the allocation of equity among board members, investors, and family stakeholders. Over the course of ten years, PolicyTech grew to employ 70 people and ultimately attracted the attention of NAVEX Global. NAVEX acquired PolicyTech alongside three other companies, merging them to form a larger entity. Rob briefly remained with the organization, serving as Vice President during the transition.

Key Takeaways and Tips for Entrepreneurs

✓ MVPs

Mark Zuckerberg emphasizes the value of launching a product early, stating, "When it comes to launching a product, imperfect is perfect. In fact, if you're not embarrassed by your first product release, you've released it too late"². This perspective highlights the importance of introducing a minimum viable product (MVP) rather than waiting to develop a flawless version. Launching an MVP allows entrepreneurs to test market demand and demonstrate viability through early sales. Delaying until the product is perfected may result in missed opportunities, including the possibility of discovering insufficient market demand too late. Moreover, early sales of an MVP can attract potential investors by demonstrating tangible interest in the product.

✓ Understand your Customer

The buying cycle for large companies is completely different from the buying cycle of individual consumers. As defined, the buying cycle typically consists of the stages of awareness, consideration, intent, purchase, and renewal³. For individual consumers, such as someone purchasing a new purse, this entire process can often be completed within a single day. In contrast, for organizations evaluating purchases exceeding \$10,000, the cycle averages 11 months and frequently involves input from multiple decision-makers and teams⁴. This extended timeline reflects the complexity and deliberation inherent in large-scale corporate purchasing decisions.

✓ Put Together a Board for Your Business

I also had wonderful wisdom from one of my interns [who said], "You should get a board". And he lined up a board for me. And I'll tell you, that was one of the wisest decisions. All of them had amazing backgrounds in the software industry, as well as in law and finance. We'd meet and I'd say "Here are the problems we're dealing with." And they'd say, "Well, have you thought of this or that," and it just helped a ton. I always recommend getting a board. It also holds you more accountable. Makes you make wiser decisions because you know you have to go and tell somebody about it.

✓ Gain Experience

Before starting your business, work as an employee in that business setting. This firsthand exposure allows you to identify common challenges and develop a deeper understanding of how to address them effectively, thereby preparing you to navigate the complexities of the industry more successfully.

✓ **Validate your Product with Pre-orders**

Don't waste a bunch of time and money on a product that people are not going to buy, no matter how great you think the product is. Rob shares these three stories of examples on how you can do that:

Example One:

A young entrepreneur approached Rob with an app idea, convinced it would be a success. Rob encouraged him to validate market demand through pre-orders rather than relying on surveys or focus groups. The entrepreneur created mockups, pitched the app to businesses, and secured six signed contracts worth \$150,000 in pre-orders after just a few hours of effort. The process not only proved genuine market interest but also increased the app's perceived value. Armed with this compelling evidence, the entrepreneur gained credibility with investors, reducing their risk and paving the way for further development and growth.

Example Two:

One student employed a creative approach to validate demand for an app idea. He developed a Facebook advertisement, allocating just \$25 for a one-week campaign. The advertisement explained the concept and features of the proposed app, directing interested users to a website with additional details. On the website, users encountered a "Buy Now" button, which, when clicked, led to a message stating that the product was not yet available. However, the message invited users to leave their contact information for future updates. This strategy effectively demonstrated interest in the app by capturing the contact details of potential customers.

Example Three:

Another student adopted a direct approach by standing outside a store and engaging passersby. He introduced them to the product concept and asked if they were interested. If they expressed interest, he requested \$20 as a commitment. Upon receiving payment, he promptly returned the money, explaining that the product was not yet complete but that he was gauging genuine interest. Through this method, he discovered that 43% of people he approached were willing to pay for the product. This compelling evidence of demand helped the student secure an investor for his venture.

✓ **Monitor Your Finances Daily**

Create a budget and a detailed pro forma to track every dollar. Regularly reviewing your spending helps identify opportunities to reallocate funds or cut back, ensuring financial control and reducing the risk of failure.

✓ **Have Policies and Procedures**

You can build a strong culture by clearly communicating roles, procedures, and expectations. Ensure team members understand and follow documented processes and be open to refining them based on feedback. Tracking adherence fosters consistency and improvement.

✓ **Don't Doubt What You Can Do**

For more valuable insights, compelling anecdotes, and practical details, be sure to tune in to the full podcast episode!

Listen on Spotify at https://open.spotify.com/episode/0oX9LvAxYi4QxV8aHpGfLn?si=kKzjp1fqRkip6_y6lme6sA.

View on YouTube at https://youtu.be/qCI_1sHeFFE?si=tnlZ5oP3ovI63d1G.

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