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Thanks to Hugh's help, our business reported its strongest earnings ever – and a 50% revenue increase over the prior year. We also achieved a healthy penetration in the Global 500 with 70 percent of our customers falling within this category; a goal we established and reached.

John Bair
Chairman & CEO
Pinnacle Data Systems, Inc.

Pinnacle Data Systems, Inc. Case Study

The Situation – It was a banner year for Columbus-based Pinnacle Data Systems, Inc. (AMEX: PNS). The publicly-traded company reported record achievements - 50% sales growth, and 87% earnings growth. The previous year, sales grew 46% and the company returned to annual profitability. Over the two year period, the company's customer base more than doubled, as did its technology-partner base that also serves as an important sales channel for the company's services.

But it wasn't always that way. Just three years earlier, the company's management team found itself confronting the effects of a tech industry gone bust. The aggressive spending of the late 90s abruptly halted, negatively impacting the company's sales and employee morale. Investors, board members ... even vendor partners questioned Pinnacle's ability to survive the bankruptcy wave sweeping the industry.

Executive perspective from one who understood the effects of market volatility and, more importantly, had experience guiding business through turbulent economic times was needed. It materialized in the form of Columbus-Partners' principal - Hugh Cathey.

The Challenge – Pinnacle initially engaged Hugh as a member of its Board of Directors, hoping to take advantage of the his vast telecommunications background. However, it was his intimate knowledge of business lifecycles, combined with an ease in addressing Fortune-level companies, and experience working with investors that would prove most valuable to the company.

As the management team became acquainted with Hugh's business depth and versatility, they looked to him for insight on how to:

- Strengthen the sales and marketing program to improve customer acquisition
- Evaluate and implement organic business growth opportunities that would utilize existing company strengths and relationships
- Help mitigate productivity losses, employee turnover and workforce apathy despite uncertainty within the business and across the industry
- Explore merger and acquisition strategies to shore up the company's long-term viability

The Outcome – Pinnacle needed a former Fortune-level president/CEO who had "been there, done that" and could advise it on how to weather the storm ahead. Together Cathey, the rest of the Pinnacle board and the company's executives developed strategies that increased revenues, strengthened the business model and cultivated a management approach for the future.

Today Pinnacle is a profitable and growing company with an expanding technology offering, a strategically aligned sales organization, strong vendor relationships, a broader geographic market scope, new revenue streams and a confidence in its business plan that has employees, shareholders and institutional investors optimistic about its future.

Hugh's experience guiding prominent and successful businesses through dramatic organizational transitions equipped him with an insight into and tolerance for market upheaval that continues to serve Pinnacle well.