

BY DAVE RAIFORD
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The drive from the Green Hills area of Nashville to Cool Springs isn't long, but for Kelly Shearin the road is measured in years of determination and diligence.

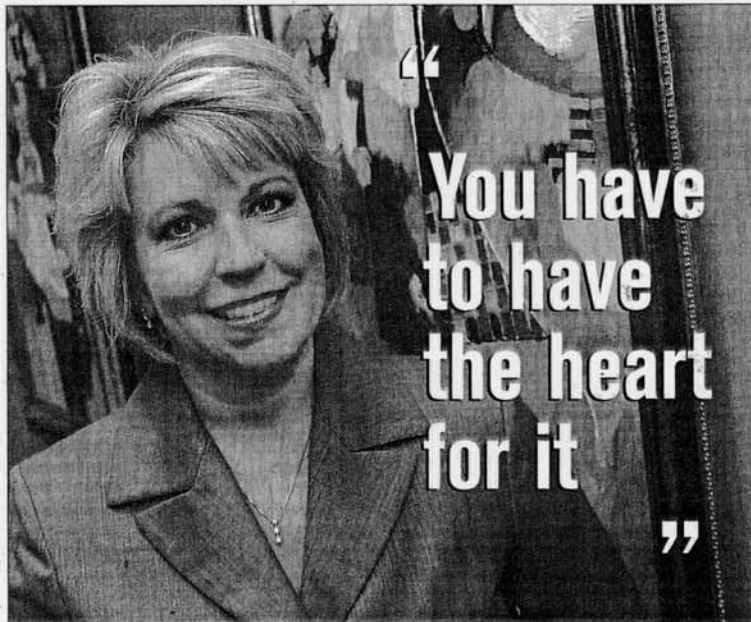
This year, her company, COBRA and flexible spending account administrator Beyond Benefits, moved from its birthplace in the offices of what was formerly Crichton Perry Brandon Jackson & Ward to office space in the Corporate Centre office park. It wasn't a huge move, but for Shearin, it's the latest stop on a trip that started in 1986, not as owner and entrepreneur, but as an administrative assistant.

That was the year Shearin, a native of Dickson County, moved back to Middle Tennessee from Houston, a single mother looking for a fresh start.

"I had worked for Marathon Oil in Houston. And when I moved here, I took a job as an administrative assistant in the property-and-casualty division" of Crichton, she says. "I had worked with people in the benefits area, and I started doing that, sales and service and helped develop COBRA and cafeteria plan services."

More than that, she proved to be adept at benefits management, particularly the development of COBRA and flexible spending account administration, and rose to become the leader of the firm's benefit services division.

COBRA, which was signed into law in 1987, provides con-



Beyond Benefits President Kelly Shearin started out as an administrative assistant.

tinuation of medical benefits when an employee leaves a group health plan provided through their employment.

"I had to set it up (COBRA and FSA business) and figured out how to do it," Shearin says. "Later, I became responsible for sales and services and worked with one of the owners who handled the benefits business. But the day-to-day operation of the division was mine."

When Ron Perry, the partner who headed the benefits operation, left the firm at the beginning of 2001 to join Lat-

timore Black Morgan & Cain, Shearin stayed, becoming president of the division and a partner in the firm.

The other partners of the firm gave her the option of buying the division, but with a short deadline to arrange the financing of such a transaction, she decided to bide her time.

By and large, her partners' focus remained on property and casualty insurance, with the benefits portion as a sideline, she says. Shearin had more in mind for the division than being an add-on service

and saw potential for further growth if it was its own brand and company.

Flexible spending accounts and COBRA administration is a maze best navigated by people who know the lay of the land, says Matt Gloster, vice president of Nashville-based Captain D's, one of Shearin's clients.

"She's made a cafeteria plan or flexible spending plan very simple for Captain D's to do in terms of the administrative issues associated with that. COBRA can be a program when the complexities,

from an ex-employer's standpoint, can be tense. They take all of the tension out of it," he says. "It's a great example of when outsourcing can make all the difference in the world."

Given the complexities of COBRA regulations and cafeteria plans, there's a wide gulf of companies that are potential clients for a firm that specializes in nothing else.

Last year, Shearin stepped onto the ledge and prepared for the entrepreneurial leap. Helped by a friend from church, she put together a business plan and took it to Cumberland Bank, settling into a deal through which her former bosses, Crichton Perry Brandon Jackson & Ward, hold a stake in the new company.

She won't disclose how much she's paying for the company, but she has a business with 25 seasoned employees, roughly \$2 million in revenues and a client list that ranges from companies with 20 workers to HCA Inc. with its 165,000 employees.

"There are not a lot of companies doing what we do, just focusing on COBRA and FSAs. There are companies doing it as an add-on service, but what there was a need for was someone just specializing in it," she says.

In the case of Shearin, who didn't finish college and came up through the ranks, taking the leap meant a firm belief that she was on the right track. "I do think you have to have the heart for it. I just have the heart and the drive."

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The cost of a network outage pricier for small companies

Think disaster recovery and business continuity and are just for billion-dollar enterprises? No so!

When a small business loses its Internet connection or its network for a few hours, it suffers mightily. After all, unlike a large business, there's often no way to make up for the lost revenue.

There are very real costs associated with a network outage – both easily quantifiable and less tangible but very real.

While disaster recovery and business continuity are closely related, they are far from interchangeable. Disaster recovery is just what it sounds like: Getting your business back up after a problem takes it down. The disaster can be anything – a tornado, to a disgruntled employee deleting a critical folder or database, even a virus; the point is that your



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computer or network is inaccessible.

Business continuity planning, on the other hand, is the pre-emptive practice of ensuring that terrible events cause as little disruption as possible.

The term "business interruption" usually describes the disruption of operations as a result of a definable event that is beyond the entity's control. In legal contracts and insurance policies, "business interruption" means the financial impact of such a disruption over a period of time.

There are many ways and reasons by which operations can be interrupted. With so much dependency on networks and computers, a network outage can be the cause of significant business interruption.

A U.S. Department of Labor study asserted that "93 percent of companies that experience a significant data loss will be out of business within five years." Even lesser disruptions can cause significant loss – lost revenue, lost productivity and lost profits.

The standard business interruption (BI) definition and formula used by insurance companies can be used to better understand network outage costs:

$BI = T \times Q \times V$, where: BI = business interruption and T = the number of time units (hours, days) operations are shut down and Q = the quantity of goods normally produced, or sold, per

unit of time used in T and V = the value of each unit of production, usually expressed in profit.

As an example, consider an attorney whose server crashes and requires on week to restore to normal operations. If the attorney bills at \$175.00 per hour and is not able to bill for 40 hours, then the business interruption cost = $BI = T \times Q \times V = 40 \times 1 \times \$175 = \$7,000$ in missed revenue or delayed positive cash flow.

And, of course, there are the other potential adverse effects that are less easily calculated, such as negative publicity, loss of clients and legal liability.

Business continuity planning and disaster recovery are for all businesses of all sizes.

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