

THE NEWS & OBSERVER

# Work & Money

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## INSIDER TRAINING



Inmates Antonio Snow, center, and Travis Sauls, right, listen as Sageworks CEO Brian Hamilton drives home a point while leading a class on entrepreneurship at Eastern Correctional Institution in Maury in Greene County.

PHOTOS BY TRAVIS LONG - tlong@newsobserver.com

### CEO's business savvy is just the break inmates need

By JOHN MURAWSKI  
STAFF WRITER

MAURY

**B**rian Hamilton, a CEO in sport coat and natty slacks, strides into the harsh gleam of industrial lighting to give his two-hour crash course on starting your own business.

His pupils: murderers, robbers, rapists, drug dealers and other aspiring entre-

#### THE BASIC MESSAGE

Brian Hamilton's crash course on starting and running your own business is designed for prison inmates but could benefit anyone with entrepreneurial ambitions but no experience.



preneurs residing at the Eastern Correctional Institution in Maury, a medium-security facility about 80 miles east of Raleigh. As he sets up, 65 convicts dressed in their prison-issued uniforms wait politely in a room built like an armored truck.

Hamilton, 46, got his start running his own landscaping business and today leads Sageworks, a financial data analysis firm in Raleigh. Over the years, he has taught this class more than a hundred times at chambers of commerce and small business centers.

During the past two years, however, this evangelist for entrepreneurship has focused on prisons. He dispenses business tips to men and women who would consider themselves lucky to get a job interview, let alone run a company.

He has now taught 30 classes at 15 prisons in the state, and as word of his popular course spreads, Hamilton is invited to teach in prison once a month. His belief in business ownership as a form of personal freedom resonates as deeply with middle managers trapped in desk jobs as it does with convicts trapped behind razor wire.

"The first thing that struck me is they're so much like us," Hamilton later said of the inmates. "If I talk to 100 guys, maybe I'll reach one."

Most of Hamilton's students enter the prison system as high school dropouts. Once in the system, they can earn high school equivalency diplomas and follow up with vocational courses in horticulture, culinary arts, computers, electronics, air conditioner repair and the like. Still, many can't break the cycle of failure. Within three years of getting released, half are arrested, and more than a third are back behind bars.

Hamilton's presentation covers the basics – getting a license, insurance, business card, e-mail address, references and advertising – mixed with a sobering dose of reality. He advises the inmates to aim low and start a one-man business that can be started with



less than \$1,000.

The business should provide the dirty, physical work others need but don't want to do themselves, such as cleaning, window washing, car detailing, painting, yardwork and tree removal.

### Walk out, start business

"You should be able to walk out of here and start a small service business," he tells the class. "The most important thing is how you present yourselves."

He also tells them: Don't hire an employee for at least one year so you can thoroughly learn the business instead of paying someone else to learn a trade. And: For every customer, expect lots of rejections.

The prisoners keep the discussion lively by asking pointed questions:

When should you get wise to the fact that you have a flawed business model and it's time to move on to something else?

Is the customer always right, even when the customer is being difficult and unreasonable?

Is it good business sense to turn down paying jobs for a year just to keep from hiring an employee?

After the class the men – dressed in identical white shirts and brown pants – form a long line for the opportunity to introduce themselves.

"Did you see their expressions?" said Robert Aiken, the assistant superintendent for programs at Eastern Correctional. "You could see it in their eyes: Those people were hungry."

There's intense interest in

SEE INMATES, PAGE 3E

Hamilton says that a one-person, small service business should cost less than \$1,000 to launch, and in the beginning may require leasing tools or buying used equipment.

### Hamilton's 2-hour presentation can be boiled down to a few essentials:

1. Find something that remotely interests you.

2. Find something that is needed, not discretionary.

3. Get a business license and the proper insurance.

4. Invest in a computer for word processing, e-mail and spreadsheets. At first you can rely on a public library's Internet connection.

5. Line up some references, even if you have to provide your service for free to several people.

6. Market the business in fliers, grocery stores, online and by directly contacting prospective customers.

7. As soon as you develop a steady income, hire a bookkeeper or accountant.

### HAMILTON'S DON'TS

1. Don't hire an employee for the first year.

2. Don't borrow money in the beginning.

3. Don't rely on government programs and handouts.

### USEFUL REFERENCES

'Think and Grow Rich' by Napoleon Hill  
'How to Win Friends and Influence People' by Dale Carnegie

'How I Raised Myself from Failure to Success in Selling' by Frank Bettger

'Growing a Business' by Paul Hawken

## HOW SAGEWORKS WAS STARTED

Sageworks was born of serendipity.

CEO Brian Hamilton had been doing business consulting for about seven years, but he still hadn't run any business other than his landscaping service and his consulting firm. By this time he had two children, and it was becoming clear that his consulting business "was not scalable."

One of the sessions Hamilton was teaching covered reading financial statements. A student in the class suggested that if Hamilton could figure out a way to automate the process of deciphering documents, she could write the computer program. Thus a partnership was forged.

Hamilton co-founded the company in 1998. Its first sale: a \$14 report to The Bank of Asheville. Today the Raleigh-based company has more than 100 employees and 7,000 banks, accounting firms and other customers that buy its data and analysis of industry trends, private companies' financial health and more.

Sageworks has positioned itself as a risk management resource that sells fraud-proofing data to audit firms, banks and other industries. The private company doesn't disclose financial results, but it is making money, Hamilton said. Sageworks added more than 15 employees in the past year.





Former convict and business owner Lawrence Carpenter, left, and Brian Hamilton lead an entrepreneurship class at Eastern Correctional Institution in Maury. Carpenter owns a janitorial service with 53 employees.

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## INMATES

CONTINUED FROM PAGE 1E

Hamilton's presentations, and Eastern Correctional authorities had to turn away a few lifers who had hoped to sit in. The sessions are generally intended for inmates who have release dates approaching.

"A lot of times inmates have the seed; they can be an entrepreneur because so many have been illegal entrepreneurs," said Roshanna Parker, director of transition services for the N.C. Department of Correction. "If they put that energy into a legal business, they could potentially do well.

"They have the skills and they have business sense. It's all about making money to them."

### Life after Duke

Hamilton became a public speaker shortly after graduating from Duke University with his MBA. At the time, he already knew he didn't want anything to do with a corporate job in finance or banking. He had toiled at a bank in his early 20s, doing "credit analysis in a cube," and quit that stifling job to start his own

### WANT TO VOLUNTEER?

Sageworks CEO Brian Hamilton is looking for people with entrepreneurial or business experience who would be willing to mentor newly released inmates about starting a business.

Mentors will work individually with an ex-offender to answer basic questions and provide support and guidance.

For more information, contact Jackie Peluso at [volunteer@sageworksinc.com](mailto:volunteer@sageworksinc.com).

landscaping business.

So Hamilton took another path MBAs often follow: He became a business consultant. He founded Hamilton & Associates, a one-man operation that had no associates except in name, and found his first client: a sandwich shop in Durham. That line of work demanded constant self-promotion in the form of public speaking and writing advice articles.

In 1992, when he was 29 years old, he made a presentation at the Orange County Correctional Facility, an experience that left a lasting impression.

"I never forgot the reception from the inmates," he said.

Fast-forward 15 years. Hamilton is the CEO of a thriving data analysis company whose client roster includes 500 banks and 6,000 accountants. He's at that stage in his career when it's obligatory to give back to the community. One option: Funnel money to charities. His pick: prison outreach.

Hamilton has three presentations scheduled next year, one of them in February at the Butner Federal Correctional Complex, the new home of Bernard Madoff, who was recently busted for running the biggest Ponzi scheme in this country's history.

After every class, Hamilton says, he is inundated with letters of thanks from the inmates he has taught, some of them writing multiple times. But now, two years into his jailhouse presentations, Hamilton is facing a novel predicament: The prisoners are starting to get released and they're contacting him at his company, Sageworks, to follow up on the class.

To help these would-be entrepreneurs, Hamilton is trying to recruit a stable of mentors who could advise newly released inmates on getting business licenses, printing

business cards, creating Web sites and taking other first steps.

### An inmate who did it

During his visit this month to Eastern Correctional, Hamilton used the standard props: an overhead projector, photocopied handouts, notes jotted on a whiteboard. A Christmas tree, strung with festive lights, glowed in the corner.

Hamilton also brought some hard-to-beat street cred. He invited a guest, Lawrence Carpenter, a 35-year-old convicted felon who did time for armed robbery and drug dealing. Today he runs a janitorial services company with 53 employees and provides services for banks, restaurants and retail stores in several states.

Hearing a former inmate made a big impression on Anthony Cannon, who is serving a 20-year sentence for first-degree murder.

"By the time I get out, I'll be 40 years old," Cannon said. "He's living proof that things can be what we want them to be."

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