

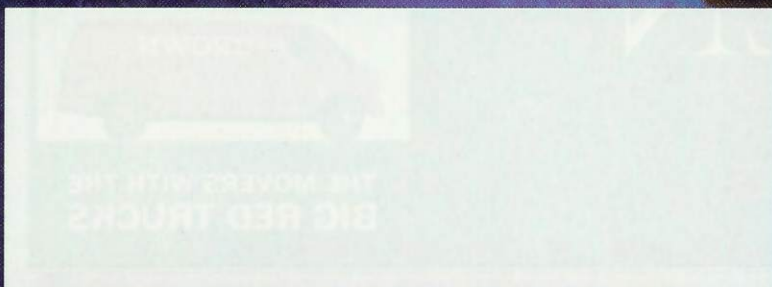
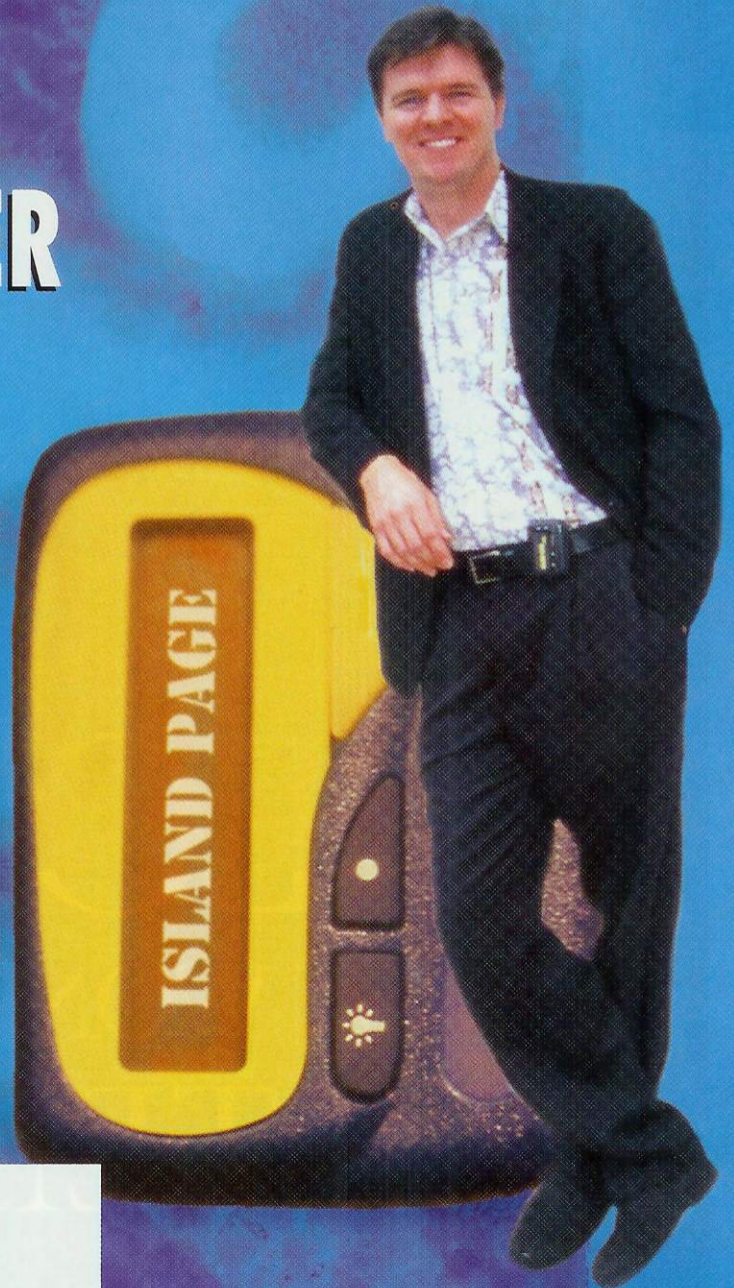
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HAWAII'S CHARLES FORTNER National SBA Young Entrepreneur of the Year



Captain **BEEP BEEP**



Armed with a dream, solid business skills and a talent for working with people, 24-year-old Charlie Fortner moved to Hawaii in 1994 and established one of Hawaii's leading full-service telecommunications companies

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BY LUCY JOKIEL

hat does it take to succeed? Charles "Charlie" Fortner, 28, did not inherit, marry or get lucky with money. Instead, he started a small business in Hawaii in 1995 and now he's on the fast track to financial success. Fortner is the president of Island Page Inc., a telecommunications business that specializes in selling, servicing and maintaining portable paging equipment.

In January, the U.S. Small Business Administration (SBA) told him he had been selected as the Young Entrepreneur of the Year for the city and county of Honolulu. The first thing Fortner did was call his parents in his hometown of Ashville, Ohio. "I'm not one to get very emotional about things, but inside it was a tremendous honor."

Fortner went on to win the state of Hawaii SBA award, followed by the regional award, competing against other winners from California, Arizona, Nevada and Guam. "I was in total shock," says the lanky, soft-spoken business whiz.

A short time later, he received a phone call from Andy Poepoe, district director of the Honolulu SBA. "Charlie, we have a problem," said Poepoe. "Can you and Bruce Luxton [manager of the Waikale branch of the Bank of Hawaii on Maui, who nominated Fortner for the award] meet me at my office today?" When they arrived in Poepoe's office, the director sat back in his chair and calmly announced, "It seems like Charlie has won the national SBA Young Entrepreneur of the Year Award."

The shy entrepreneur still has to pinch himself to believe it's not a dream. He will be traveling to Washington, D.C., at the end of the month to join a celebration during National Small Business Week from May 31 through June 6. Part of a 35-year-old tradition established by the president of the United States, the SBA awards are among the most prestigious honors in the small-business community. Fortner is one of several dozen other Hawaii winners, including Warren K.K. Luke, president and CEO of Hawaii National Bank, who won this year's SBA regional award for Financial Services Advocate of the Year (see the April issue of ISLAND BUSINESS).

Hawaii had a record number of SBA winners this year, and Fortner's award is only the second such national honor given to a Hawaii businessperson in recent years. "In the face of our current economic problems, this annual SBA event is encouraging and inspirational for all of us," says Jane Sawyer, assistant district director for business development at the SBA's Honolulu district office. "These businessowners have encountered obstacles and, with skill and creativity, met those challenges and succeeded."

Even before winning the SBA awards, Fortner had achieved a modicum of

fame. Island Page radio ads designed by radio personality Jeff Kineau on station 1-94 and KCCN feature a popular animated character called "Capt. Beep Beep." The clever mascot has created a strong company identity. When Fortner lays out his company deposit slips at the bank, the tellers frequently ask if he is Capt. Beep Beep. "It tells me that our advertising is working," says Fortner.

But any kind of special attention "makes me nervous," he explains. In fact, when Luxton first suggested his nomination for the SBA award, Fortner said he had to think about it. Eventually a friend talked him into it, pointing out that winning an SBA award would be good publicity for Island Page.

Fortner had an idyllic childhood growing up in the close-knit Ashville community, population 2,500. His father, Chester, is a 31-year veteran of the town's volunteer fire department, retiring a few years ago as assistant chief. His mother, Arlene, is also a fire fighter and a paramedic, who has been with the local fire department for the last 15 years. The Fortner family home is still located adjacent to the fire station. "Today, I can sleep through anything because the siren was only 50 feet away from my bedroom," says Fortner.

As a third grader, Fortner earned a little pocket money trading baseball cards. The next year, he began making his own version of novelty pencils that were popular at the time. He purchased materials from the local drug store, assembled them at home and sold the pencils to his friends at school. In later years, two-way radios and other electronic communication devices occupied his spare time.

Fortner's grandfather, owner of

a family auto supply business, gave young Charlie his first job and later served as a mentor and the inspiration for his entry into the business world. "I really looked up to my grandfather, but never had an interest in taking over his business," he recalls.

While attending Teays Valley High School, Fortner worked as a photographer on the staff of the school newspaper. His fascination with cameras eventually landed him a job at a local photo studio, where he ran the one hour photo machine and worked as a photographer, taking portrait photos and printing them in a custom lab.

After graduating from high school, Fortner attended Ohio State University. While his parents paid his college tuition, he earned his own spending money as a self-employed "broker," buying and selling items purchased at commercial and state or federal auctions. "I bought special electronics and communication equipment that nobody else wanted. I didn't even know what some of it was, but I spent a dollar or two hoping it was something important." Fortner's buddy, Steven Shirk, who owned a small paging company, frequently bought auction items from Fortner. The money he earned paid for school books and his first car.

During Fortner's last semester in college, Shirk asked him to fill in for a few weeks after his technician suddenly quit. "It turned into months, and then I began installing computers and software, handling collections and managing some of his resellers." Six months later, Shirk and his business partner, Martin Dixon, a physician, joked about moving to Hawaii to escape the frozen Ohio winters.

The joke turned real when they saw an ad in a national

communication trade magazine placed by a company with which they were already affiliated in three states through their nationwide paging frequency. The company was seeking someone interested in carrying its nationwide paging traffic to Hawaii.

The two talked with Fortner about this new opportunity and decided to do some market research. In February 1994, the three friends arrived in Honolulu. After driving around Oahu and checking out existing paging services, they stopped at a restaurant for dinner. The tone of the conversation became serious when Shirk and Dixon asked Fortner if he would be willing to move to Hawaii and start a new paging business for their company, SPS Communications.

After much deliberation, Fortner, who had just turned 24, decided to

accept the offer. He was named a full partner in the new Hawaii paging venture. Six months later, Fortner returned to Honolulu and took up residence at the Ala Moana Hotel while searching for an office space. He pinpointed Central and West Oahu as the areas offering the best growth potential, and eventually found a suitable 1,900-square-foot space available for rent between Computer City and Sack 'n Save Foods in Waikale Center.

Fortner was soon forced to learn how to do things he had never done before, such as negotiating the lease for the store and hiring contractors. About that time, Fortner met Jay Cambra, a dentist in Mililani, through a mutual friend. The two hit it off immediately, and Fortner was eager to learn from his new friend everything he could about Hawaii's economy, culture and business practices. "He and his

family took me in, treating me like family," says Fortner. "If there was an SBA award for aloha, it would go to Dr. Cambra."

After drawing up rough plans on the back of a napkin, Fortner went to an architect recommended by Cambra. When the architect added up the construction costs, the total came to nearly \$100,000. "I almost fell out of my chair," says Fortner. "That's a lot of money for a 24-year-old to spend."

After some negotiation, he was able to bring the price down and receive reassurance from his Mainland partners, who told him that it takes money to start a new business. "It was intimidating at the beginning. There was so much risk and money involved, and the pressure of living up to my partners' expectations was tough."

During construction, Fortner purchased office furniture, showcases and paging equipment. He also installed the office telephone and computer lines himself. After negotiating the leases for various transmitter sites around Oahu, he created a telecommunications web by personally installing each transmitter that carries the paging signals. He also field-tested the equipment by driving and walking all over the island. One of the sites, located on Wili Wili Nui Ridge, above Waialae Iki, could only be accessed by helicopter. "We pulled the transmitter out and the helicopter went back to the airport while we did the installing on the ridge of the mountain," he says.

Eager to test the paging system, Fortner used the bathroom of the store where the network's main switch was installed, which was the only room that was constructed at the time. The system worked perfectly, and Island Page Inc. opened its doors for business on March 29, 1995. "It was truly fascinating to see how Charlie

micromanaged the entire endeavor," Cambra recalls. "He answered the telephone, programmed and repaired pagers, set up inventory, cleaned up the store, paid the bills and handled customer concerns by himself, often working 20-hour days."

"You name it and I did it," says Fortner. "I'm very conservative and I don't like to waste money, so I tried to do everything myself." After four months, Fortner began to feel the stress and hired a part-time employee. "In the very beginning, Dr. Dixon had warned me not to do too much and to take time to step away from the business and look at the whole picture." For a year-and-a-half Fortner never left Oahu, and all of his activities revolved around the business.

Shortly after the Waialele store opened, Fortner realized he had the whole island covered to transmit his paging signals, except the North Shore. So he successfully negotiated with landowner James Campbell Estate to secure two sites to install his equipment, but then realized he had to actually get the equipment to the location. He loaded the apparatus into a Jeep in order to get it to the remote location, only to discover that the road had washed out. The only solution was to hand-carry the equipment up the mountain.

During the first two months of operation, Fortner was Island Page's sole employee, opening and closing the store seven days a week. 1996 proved to be a year of rapid growth for Island Page. In May, the company hired its first technician and began to run out of room at the Waialele office. In November, Fortner opened a second store near downtown Honolulu, at the Kokea Center in Kapalama. In the second year, the operation expanded to a dozen

employees.

One day, Fortner looked at the zip codes for the customers coming to his Waialele store. He was amazed to discover how many people drove to Waialele from East Oahu, which convinced him it to open a third paging outlet in Hawaii Kai in September 1997.

The company's financial performance has been phenomenal, far exceeding its original sales volume projections. By the end of 1996, Island Page's revenues had quadrupled, hitting the million-dollar mark. In addition to increased sales, the operation has steadily increased its profitability each year. The company achieved a 12 percent profit in 1996 and a 25 percent return for 1997.

Island Page now has 18 employees, including store managers, technicians, office and customer support staffers and a team of sales associates. (Included as part of Island Page's sales strategy is a group of contract resellers who purchase pager numbers and airtime at wholesale prices and then market them to customers.) Today, Island Page ranks among the state's top three paging companies, based on market share of subscribers. At the end of last year Island Page created a corporate sales division. Along with paging equipment, services and accessories, the company recently entered the island's competitive cellular and PCS telephone market.

As Island Page has built up its work force, Fortner's management style has become apparent. Says operations manager Jose Dydasco, who joined Island Page in May 1997: "The atmosphere at this company is great. It's really an ohana environment." Dydasco had previously worked at the local operation for Mobile Media Corp., a company then in serious

financial straights that later filed for bankruptcy. His biggest frustration was feeling unrewarded and never getting a straight answer from his superiors. Before accepting the offer at Island Page, Dydasco asked one of the company's managers if it was accepted policy to direct all problems to a corporate office. The manager told him, "No, we just go to Charlie, and he says yes or no." Dydasco took the job.

Even though he's the boss, Fortner is very open-minded and encourages everybody to jump in and share their ideas, according to Dydasco. "That's why we go home feeling good about our jobs. Sometimes at 8 or 9 in the evening, I get a page from Charlie thanking me for something I've done during the day. It really makes me feel appreciated."

The NO.1 trait Fortner looks for in an employee is honesty. "I also look for people with general common sense who can fit in with everyone else," he adds. "It's important to me that my employees are comfortable with each other. I always tell them that if they get up in the morning and don't feel like going to work, something's wrong and we need to talk."

Not content to rest on his laurels, Fortner is currently building a statewide communications network. The system is controlled by a satellite uplink in which signals are transmitted from the company's paging switch to a satellite and then back out to each transmitter around the island. The high cost of renting space on a satellite has come down enough that Island Page can now afford to employ the sophisticated technology. "It was important for me to find the most efficient and most economical way to control our transmitters throughout the entire state," he

says. "Most of the larger Mainland carriers control their nationwide networks with satellites, which provides a single feed to send signals up and then back down."

In Hawaii, with its mountainous terrain, a lot more transmitters are needed than those installed by Mainland companies on largely flat terrain. "It's very difficult to reach all those transmitters with only one radio frequency. It's a lot easier when all the transmitters can be controlled by a satellite."

Although there are dozens of paging carriers operating in Hawaii, only a handful (RAM Paging, GTE and Pager One) actually transmit messages to pagers. "The other guys just buy wholesale numbers from the carriers and then they resell them," says Fortner. "We have thousands of phone numbers that come into a switch that takes the calls, figures out the pager number on that line and then sends it out to the paging system."

Fortner has formed joint ventures with other paging companies across the country to allow his customers access to national service. Mainland travelers can pass through Hawaii and use Island Page's network, and local subscribers can travel anywhere in the country and receive a page from Hawaii.

Island Page's primary marketing focus has always been on retail sales. The company has relied on a well planned, consistent advertising program, including an innovative multilevel marketing "Free Pager Gift Certificate" program. Fortner has used creative advertising methods, including radiothons and radio advertising to bring his paging business to the attention of his target market-the 18- to 34-year-old market. He understands the fascination that the younger, active

and mobile market has with pagers, and he stocks flashy, multicolored pagers that appeal to this age group. "When I first started the company, my goal was to get just a little share of this market, but now I plan to be more aggressive and go after other markets like businesses."

Last year, Fortner enrolled in a Dale Carnegie course which "has done me a world of good," he says. Before starting the course, he was asked what he wanted to achieve. When Fortner replied that he wanted to develop more self-confidence, the instructor was baffled, pointing out that Fortner had already built a successful company. "What he didn't understand is that I didn't go out networking and looking for business," he explains. "I opened the company and waited for people to come in the door. I do have self-confidence, but I want to be able to speak in front of a group and to improve my leadership skills."

The challenges, stresses and opportunities of opening a small business are far greater today than several decades ago, according to Cambra. "And Charlie has illustrated that, with great perseverance and hard work, a young entrepreneur can be successful by adhering to basic values, possessing organizational expertise and maintaining a caring and committed team that shares a common mission. Those of us who know Charlie consider him the model of the new business mentor for the next millennium."

"Charlie Fortner has used an appeal to young people to carve out a niche in an industry that is dominated by titans," says Bank of Hawaii's Bruce Luxton. "And he has literally climbed up mountains to stick his small transmission boxes next to the systems of the giants."