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Building Companies to Last

By ADAM ARONSON

MY parents divorced when I was 5. When I was 9, my mother and my future stepfather decided to start organic farming in South Washington, Vt. We cleared land and built a house with a post-and-beam style of construction. I'd help skin bark off trees and chisel mortises in the timber we used. The experience has served me well in starting companies. I understand the effort to build something that lasts.

As a teenager, I worked in a fruit and vegetable store. My job was to make orange juice in the basement. Whenever the longtime employees walked down, I'd pepper them with questions about how everything worked. It was my introduction to business.

In sixth grade, I moved to Boston to live with my father, a physician, then returned to Vermont for college. I graduated from the University of Vermont in 1990 with a bachelor's degree in economics and history.

During college, I developed a relationship with a financial adviser who worked at what was then Dean Witter Reynolds and was involved in technical trading analysis. He introduced me to a Japanese trading method called candlestick charting. I took the charts along with me on a summer vacation in Greece and continued to study with him for a few months after I graduated.

In 1991, I got a job on Wall Street at what was then CS First Boston as a currency trader, and in 1993 I moved to Paine Webber for a year. I had about 10 bosses in that time, so it didn't seem like a stable industry. I hoped to start my own trading company. From 1994 to 1999, I was a co-founder of two money management firms that traded currency. When the euro was adopted in 1999, I thought that currency trading would become less profitable, so it was time for another career change.

Around 1997, my wife, Alison, and I watched a television program that included a day care center with a worker who possibly abused drugs. Putting cameras in these centers, enabling parents to see their children in real time by logging into a Web site, seemed like a good idea, and in 1999 I started [ParentWatch](#), the precursor of [Arrowsight](#). ParentWatch is now a division of Arrowsight.

I felt that the beef production industry, with its need for safety, offered greater potential for using video cameras. I thought of how sports teams use game films to improve, and I wondered why businesses weren't doing something similar.

For three years while running ParentWatch, I studied the beef industry and raised capital for my idea, starting Arrowsight in 2002. My finance background helped me find start-up funding, and I met a senior executive in the meat industry who gave me a fast-track education in the field. I spent hours in meat processing plants.

Using cameras, sensors and remote video software, we started out checking [food safety](#) and animal welfare in meat processing plants. In 2004, a beef industry consultant introduced me to Temple Grandin, an expert in the humane treatment of animals. Temple endorsed our operations, which use auditing methods she developed, and she became one of our advisers.

Our customers include [Cargill](#) and the [OSI Group](#), and, since we expanded our monitoring services into the health care industry, the [North Shore-LIJ Health System](#) and the [medical center](#) of the University of California, San Francisco.

When I started Arrowsight, I underestimated how difficult it is to convince potential customers to buy a system that doesn't currently exist in their budget. I'd advise other entrepreneurs to look for investors who have a long-term view, and to forget their ego and choose colleagues who are smarter than they are.

As told to Patricia R. Olsen.