

Ernst & Young Entrepreneur Of The Year®

Executive Summary – Ken Stoll



Nominee: Ken Stoll

Company: Entrust America

Entrepreneurial Beginnings

“I was always taught to do the work no one else wanted to do,” Ken told us, “so when I was in college I started a janitorial business.” By 1982, Ken was barely 20 years old and had hired over 50 employees. His reputation as *reliable* and *honest* meant he quickly gained the respect of his employees, many of whom, he began to notice, were spending weekly portions of their paychecks on television rentals. Ken couldn’t help but take notice of this absurdity and decided to do something about it. “Necessity is the mother of invention,” Ken smiled. So he began a TV rent-to-own store, where he did very well. When Ken sold it in 2000 to Rent-a-Center, he had about 200,000 TVs on rent.

Ken soon after began to realize something that would shape the direction of his next venture – he began to realize that the 3 bureaus for credit reporting (Experian, Equifax, and TransUnion) were only reporting on bad credit. “What this means,” Ken told us, “is that 70 million Americans are left out of credit reporting because they don’t have debt.” So in 2005, Ken Stoll set out to start a 4th credit bureau, against much resistance from the Big 3. Undaunted, he started a Fair Credit Petition, and was generating over 1,000 signatures of support per month. The venture, however, soon came to a standstill since the Big 3 wanted 100,000 signatures per month, and Ken just didn’t have the manpower for it. TransUnion wanted to buy Ken’s company, but Ken would not uproot his family, and so passed on the opportunity. Never one to throw in the towel, however, Ken looked “onward and upward,” and decided he needed to change directions.

Always one to keep his eyes and ears open, Ken Stoll soon took a notice to credit monitoring. “Identity theft, the FTC stated, is the fastest-growing crime in the past 8 years,” Ken told us, “And although there are some competitors – like LifeLock – they are spending too much money in the media, and not enough money in solutions. They are making promises to customers they can’t keep.”

And so Ken Stoll began his newest venture: Entrust America.

Entrust’s Approach

“Hackers are all over the world and, in the large majority of cases, cannot be traced,” Ken explained, “And it is expected to grow into a trillion dollar industry.” While Entrust cannot prevent identity theft, what they can do is promise the victim the experience won’t negatively affect their credit scores or their bank accounts. What Entrust America ultimately promises their customers is to be is the

best identity theft recovery system in the nation. And that's not all. While customers of his competitors are paying \$10 - \$20 per month per person on identity protection, Ken's charging \$1 per month. "We want to lead the way in a real commonsense solution that is affordable," Ken says, "And because there were 10 million victims of identity theft in the U.S. last year, it is our goal to have 10 million customers this year."

The company's approach, as opposed to gaining customers via traditional advertising and then overpromising results they can't deliver, is to team up with the key decision-makers. "We have 8 people who form our nucleus and about 150 sub-agents out in the field throughout the country," Ken explains. These sub-agents are what Ken refers to as his *Channel Champions*. *Champions* are garnering support in Medical fields, Government, Education, Auto Dealerships, Credit Unions, Utility Fields, Telecommunications, and beyond. "Part of my success," Ken says, "has always been realizing that I don't know it all, and I better have people around me who do." The goal of each Channel Champion is to establish a relationship with companies who already offer insurance, and then have them add the offering of identity theft protection to their customers. "We currently outsource 90% of our people," Stoll says, "and \$1 in means \$.50 out to each field officer, or marketing partner."

Entrust America's already garnered the support of some local companies, including JTM, whose CEO recently purchased coverage for each of his employees and their families, equaling \$1,000 per month. Rumpke is also on the hook, as are several auto dealerships like McCluskey and Tom Gill.

Another exciting thing is happening at Entrust America, a side project involving the nation's Red Flag Compliance Act. "The FTC," Ken says, "was supposed to enforce this mandate 2 years ago, but it kept getting pushed off and pushed off, due to the multitude of other national issues." The Red Flag Compliance Act, said to go into effect June 2010, is an act whereby a person entering a bank or auto dealership has to answer a series of 3 challenge questions to ensure he/she is not an identity thief. The questions will be provided by Entrust America, who funnels the questions through Lexus Nexus.

"Entrust," Ken notes with exuberance and fortitude in his voice, "has been through a few shifts, but I know we are on the right path now. Once we got 1 message down and 1 mission, everything began to fall into place." Ken cites Jim Collins' Good to Great as a reference for his attitude on the imperativeness of having everyone on the same board and with the right attitude.

When we asked Ken what's next for him, he didn't miss a beat: "The 4th credit bureau," he said, smiling. And I don't think there was one of us in the board room who doubts it.

Written by: Christa Coffaro, Ernst & Young, April 25, 2010