

# Semantic Arts' Secret Sauce

An organization founded by an individual or small group is deeply shaped by the priorities and capabilities of its founder(s), as well as the market and industry it enters. The baseline requirement for any startup is to identify and meet the needs of specific types of customer or clients to sustain and grow financially. How an organization chooses to do that, how it responds to feedback that validates or challenges its value proposition, and how it adapts over time, each could be the subject of a thesis on its own.

To understand an organization, you might take what is written in a business plan at face value, consult the company charter to understand its aspirations, or evaluate performance through public-facing news, press releases, and financial reports to get a sense of its real-world impact. But we are not here to get lost in all that, or to bore you with the generic, hollow promises often engraved inside generic institutions.

In this paper, we want to turn our house into glass to share what makes this professional services firm so darn special to us and our clients. We will start by sharing some background on our newly minted employee-governance operating structure, why it matters for our culture and growth, the organizational foundations behind it, and a few internal practices that foster trust, knowledge-sharing, and organizational alignment in our day-to-day work.

## Our New Employee-Governance Model

As of 2025, Semantic Arts is an employee governed company.

It is not employee owned, as enlightened as that might sound, as that is still a risk factor for premature death. We have watched that situation unfold right here in our own backyard (Fort Collins, Colorado). The New Belgium Brewing Company, of the famous Fat Tire Ale, became employee owned in 2012. For several years it was one of the darlings of the ESOP movement. But by 2019 the employees succumbed to the same temptation that traditional owners face: the lure of the exit, when they sold to the Kirin company.

Semantic Arts is now owned by a perpetual benefit trust. The company pays a small royalty to the trust in exchange for the privilege of continuing the execution of a company that has great people, proven methodology, and an excellent reputation.

As part of the transition to self-governance, Mark Wallace, a long-time senior consultant with the firm stepped up to the role of President, while Dave transitioned to CEO.

## Employee-Governance Supports Culture and Growth

There are some interesting and subtle things that our structure does to provide alignment.

The first, that has been in place for over a decade, helps align the incentives of the company with the incentives of the employee.

The second, which is just being implemented, more closely aligns the interests of our clients with the interests of Semantic Arts.

## Employee and Semantic Arts Alignment

Most companies, at some level, are at odds, to some degree with their employees. If they can pay the employees less, they will make more profit. If they can outsource the work, it improves their margins. And when it comes to promotions, there are a limited number of boxes in the upper rungs of the org chart.

At Semantic Arts we have created an incentive pay system that aligns the company's goals with the employees. As employees become more skilled, we can charge more for those skills in the marketplace. The incentive system continually adjusts their pay without any negotiation. The company also makes more money from the upskilled employees. As a result, the company is continually investing in training and coaching. And while there are positions, there is no limit to how many people can be in any of them.

## Client and Semantic Arts Alignment

In a comparable way, most consulting firms, really most types of firms, have some degree of inherent conflict with their clients. If they can charge a bit more for an engagement, it goes to the bottom line.

Because of our employee alignment, we often do something that other consulting firms would not think of doing, and if they did think of it, they would not do it. When we take on a fixed price engagement and finish ahead of budget, most firms would pocket the difference, indeed that is the reward for taking the risk. But because of our employee incentives, in those cases the employee did not have the opportunity to earn the full amount of the contract. As standard practice, we try to find additional work that we can do for the client, to produce meaningful results within the original budget.

Additionally, our new trust arrangement adds another level of alignment. Professional Services firms make money off the difference between what they charge for their consultants and what they pay them. The owner of a professional services firm is incented to maximize this difference, not just to provide distributions to the owners, but also it is the main factor in determining the ultimate sale price of the firm, on exit.

Clients know this. They know most consultants list price fees that are inflated and negotiate aggressively accordingly. They believe the reduction in fees comes out of the margin. We have shared with our clients that it does not work that way here. At Semantic Arts, the reduction in fees comes from the consultants pay (not immediately and directly, but it factors strongly).

Now we have further increased our alignment. The perpetual trust cannot be sold. We do not inflate our rates to try to boost our profits. As a result, there is no incentive to increase the margin to increase the final sale value. And the trust is receiving its payment off the top line not the bottom line, so the trust would rather see growth than profit.

Besides, there is no real mechanism for distributing profit. Any profit we gain through client engagements is retained to tide us over through lean times. From a practical point of view, the firm will operate like a non-profit. That is because we deeply value and protect the reputation we have built as honest brokers.

You might ask, “Why go through the trouble of creating a money management mechanism within the organization instead of simply maximizing profitability?”

While most firms aim to maximize profits and then exit, our philosophy is a little different, as you will find it is reflected in our vision, mission, and values.

## Semantic Arts Organizational Foundations

At Semantic Arts, the cultural line between management and employees is nearly invisible in day-to-day activities, thanks to the high degree of autonomy and transparency built into the organization’s operational framework.

### Our Vision:

We want to be a part of a world where any employee of an organization has easy access to all the information they need to do their job, subject to authorization. Data is not siloed away in hundreds or thousands of application-specific systems but is presented in a data-centric fashion. We have

built methodology, tools, and quality assurance processes to make sure we continue to deliver the highest possible quality outcome.

## Our Mission:

Our motivation when we get out of bed is to transform as many organizations as possible.

## Our Shared Values are:

- **Create value:** All our projects should create value for our clients. We are not trying to set up situations where our clients pay us because we have coerced them or made them dependent on us.
- **One voice:** We can disagree violently in the office but will present our best consensus when we are with the client.
- **Share equitably:** We focus on ways to share the results of our efforts with clients, partners, and employees. Equitable sharing is based on contributions.
- **Lifetime learning:** We value continual study and research to look for better ways, and to stay current in our discipline, rather than milking whatever expertise we have.
- **Show respect:** While focusing on results, we remain mindful of the contribution, options, and rights of others. In all our dealings, we need to be humble.
- **Have fun:** We are not here to suffer for the sake of the company. We can accomplish all we set out to, stay true to our values, have a good time, and take time to enjoy our lives.

## 6 Semantic Arts Organizational Practices

A critical component of our core competencies and strategic advantage in implementing data-centric transformations is rooted in the internal practices we have embedded into our culture. These practices enable us to blend the experience, skills, and strengths of our collective into a cohesive unit, allowing us to act like a stick of dynamite for our clients' toughest problems.

1. **Weekly Staff Meetings:** Twice a week, we hold company-wide staff meetings to report on active project work, discuss ways to deliver more value to our clients, and address any technical or operational challenges that arise. These meetings offer everyone an opportunity to engage meaningfully in current and future activities, while also serving as a vehicle for learning through osmosis.
2. **Knowledge Exchange:** Once a week, we hold open Q&A sessions where employees are encouraged to share challenges they are facing or present new ideas. These sessions

quickly become a rich forum for collective problem solving, offering a fast and effective way to get up to speed on a variety of issues, and the solutions that address them.

3. **gist Development Meeting:** One of our most valuable internal resources and core competencies is the continuous use and refinement of [gist](#), our open-source upper ontology, in client projects. Over the past decade, we've leveraged [gist](#) in more than 100 engagements to accelerate time-to-value and deliver impactful results. With each project, we have applied [gist](#) across diverse domains (such as pharma, manufacturing, cyber security, and finance), allowing us to iteratively refine our knowledge and approach. Each month, we actively evolve [gist](#) based on our collective learnings and community feedback.
4. **Friday Sessions:** We reserve a weekly session on Friday for our consultants or select invited guests to deliver a prepared presentation on a topic of their choice and expertise. The goal is to infuse our team with insights on cutting-edge technologies, whether from technical vendors, consultants in complementary areas, or internal projects we want to share with the broader company.
5. **Heavy Investments into R&D:** We have superb technical talent with deep expertise in ontology modeling, software engineering, and the end-to-end development of enterprise knowledge graphs, from design through to live production environments. This core differentiator of technical excellence is shared openly and cross-pollinated across a wide range of interests and domains. Individual curiosity, combined with the resolution of new or recurring technical challenges, results in reusable scripts, design patterns, operational strategies, and innovative ways to deliver greater value in less time.
6. **Drinking our Champagne:** A natural consequence of our heavy investment in R&D activities and projects is that we have had the opportunity to make, and drink, our own champagne throughout the entire lifespan of Semantic Arts. Our focus on reducing the effort required to deliver value to clients, combined with a commitment to continuously elevating our practice, has fostered a culture of ongoing innovation, for our people, processes, and tooling.

## The Secret Sauce

The people who make up this organization, our ongoing practices, and the incredibly rich and stimulating client work we engage in are part of what makes working at Semantic Arts feel like you have stepped back in time to the intellectually rigorous forums of ancient Greece.

Iron sharpens iron; that's our way of life.

At Semantic Arts, you do not need to wear a toga to feel like a philosopher, nor a lab coat to feel like a research scientist. But you will need to get used to Hawaiian shirts on Fridays, and spending hours wrestling with deeply stimulating intellectual challenges.

Both our clients and our people are better because of them.

And if you want to get an inside scoop into some of the history, origin story of our founder Dave McComb, as well as learn the top 3 lessons that have kept us surviving and thriving, visit our about us page here: <https://www.semanticarts.com/about-us/>

## Stay in Touch with Us

We have an open-door policy here at Semantic Arts, with our staff and clients.

If you'd like to stay in the loop or engage with us in a more formal discussion, we'll always make time to talk; see below to find out how!

### For general interest, we have a newsletter:

Sign up for the newsletter: <https://lp.constantcontactpages.com/sl/gS1gQlf/newslettersignup>

### For practitioners and information seekers, we have community events:

Sign up to take part in the Estes Park Group, a non-commercial monthly review of topics around data-centric architecture: <https://lp.constantcontactpages.com/sl/fe6usRp/EstesParkGroup>

Sign up to take part in the gist Forum, a monthly discussion around [gist](#) related developments and presentations: <https://lp.constantcontactpages.com/sl/e1DBewb/gistForum>

### For prospective employees, we have a recruitment process:

1. Review the job description to make sure you are a fit: [Ontologist Job Description](#)
2. Complete our job application found here: [Semantic Arts Ontologist Application](#)
3. Email your resume to [hr@semanticarts.com](mailto:hr@semanticarts.com) (after completion of the application)

### For clients, we have our contact information:

Contact JT Metcalf, Chief Administrative Officer at [info@semanticarts.com](mailto:info@semanticarts.com) to provide us with context and more information around your priorities, roadmap, and any efforts that your organization has already conducted. We'll find a suitable time to have a conversation and shape out a clear path forward.

Should you have any other inquiries, you can call us at (970) 490-2224