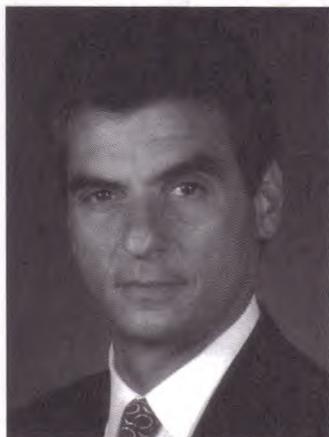


TWO SHIPS IN THE NIGHT

By Ed Taylor



Ed Taylor

To a great extent, the University of Texas and the burgeoning Austin software community have been like ships that pass in the night—both on individual courses and neither aware of the other's presence. At least, that was the case until the ASC decided to tackle the problem—head on.

Two years ago, the ASC formed a CEO Committee comprising top executives from several of Austin's leading technology firms. The concept was to build a platform for discussing common challenges to understanding how, as a group, we might seek shared solutions.

In our first meeting, we asked each CEO where they faced their greatest challenge. Each responded with one answer: recruiting. The continual search for the best talent was foremost in everyone's mind. Naturally, the conversation turned to UT-Austin. We were amazed to discover how ineffective we'd been at establishing a university recruiting program. Certainly, companies the size of Dell or IBM had mastered this game, but Austin's growing software and start-up companies don't have the resources to compete against the Microsofts and Andersens of the world. The resultant "brain drain" was forcing the relocation of hundreds of UT

students who might otherwise prefer to stay in Austin. The most striking statistic was that 86% of UT's graduating population wanted to remain in Austin, but only 12% had the chance to do so!

Thus was born the first action item: To establish and cultivate a useful relationship with the university that would result in hiring UT grads into Austin's high-tech marketplace.

Several members of the CEO Committee—Dick Moeller (VTEL), Bill Bock (Dazel), Ron Harris (Pervasive), and I (Collective Technologies)—volunteered to lead the charge. In typical CEO fashion, I think we all believed we'd swoop in, make our pitch, and "cut a deal" before handing the details over to others. That was our first mistake!

Instead, we quickly realized that rather than dealing with a single entity, each school within the university had a great deal of autonomy and little communication with other schools. This necessitated individual visits to each college and meetings with several deans and professors from each school.

Early discussions centered on how to raise student awareness of Austin's technology market. What could we do to compete against the Fortune 100 companies who had long cultivated a recruiting presence with the students?

Our answer was the "UT/Austin Entrepreneurial Career Day" co-sponsored by the Austin Software Council and the Greater Austin Chamber of Commerce with the Chamber providing resources to assist in its on-going administration and organization. This event would provide an efficient way to bring together Austin's emerging high-tech companies with interested students. Kicked-off in the spring of '98, about 25 companies and 600 students participated; over 30 companies and

almost 800 students participated in the spring '99 event. Career Day now maintains an on-going schedule of two times per year, once in the fall and once in the spring. To participate, contact Annette Argall (322-5675) at the Chamber of Commerce.

Building on the success of Career Day, several companies have begun to offer internships, co-ops, and practica for UT students and professors. The ASC has offered the university access to area CEOs as guest speakers and consulted with UT on curriculum development while working together to build "executive" seminars.

At this point, we're seeing our early groundwork pay off. Information is flowing and new initiatives are being discussed almost daily. The 360.Alpha conference brought many issues into sharper focus, and both the University and the high-tech community have shown great willingness to remove remaining barriers.

Recently, I received an unsolicited correspondence from a UT student organization attempting its own outreach to the Austin technology community. I took this as a sign that real progress has been made.

There is still more to be done, but it's important to look back and recognize what we have accomplished thus far. The door is open and UT students are recognizing what most of the country already knows: Austin is where it's happening; why go elsewhere?

Ed Taylor is President and CEO of Collective Technologies, a firm that specializes in supplying systems management services, consultants, and solutions to the high technology industry. Taylor has long been a friend to the Austin Software Council.

EMPLOYEE BENEFITS AND YOUR COMPANY'S FUTURE

By Emily Sopensky and Anne Hebert

You've heard it before: Investing in your employees is investing in your company. But what to offer to recruit and retain the best and the brightest employees is not an easy solution.

For many companies in high technology industries, recruiting is a constant process. Whether the job to be filled is for a junior programmer or for a CEO, a potential recruit is ultimately interested in the compensation package being offered.

The size and age of the company often dictate the type of compensation package. For a young, small company, "Outsourcing each of these functions is the perfect way to provide employee benefits at reasonable rates," says Linda Haines, president of People Solutions and chair of Austin Software Council's Human Resources Peer Group. ASC's new Virtual Benefits package offered to members is one such solution.

Then again, a new startup may be guided by a different strategy. Becky Gates, Director of Primus Associates, an executive recruitment firm in Austin, related how one of her clients, a 2-year-old, early-stage company, wanted benefits comparable to their previous employer's so that they could recruit experienced top-notch talent. Benefits, which include health insurance and a 401K plan, do not yet extend to matching 401K contributions, but do allow for the statutory limits.

She says, "One prospect told us that the startup's benefits plan was better than what his current employer, a \$2 billion company, offered."

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EMPLOYEE BENEFITS AND YOUR COMPANY'S FUTURE

Continued from previous page

Separating employee compensation from the company's overall long-term financial plan is not advisable. Joe McCall (Prudential Securities) and Joe Higdon (Higdon and Higdon) are ASC members who specialize in providing advice on insurance and investments. Similarly, Brent Davis (New England Financial), a financial representative and chair of ASC's Membership Committee, helps individuals design financial strategies and often encourages them to take advantage of their employee benefits package to accomplish that goal. At the same time, he helps businesses design benefit packages that allow them to attract and retain employees without jeopardizing the corporate

budget or sabotaging ownership equity.

"There are those companies," he observes, "that think that they can do it themselves and just hit the home run. They emphasize employee stock options and neglect investing outside of the company. That's one solution. But it puts all of your eggs in one basket. I always recommend diversification for a well-balanced portfolio to accomplish long-term investment objectives. My best customers are those who were in Austin during the downside of the mid-80s."

"For an employer that doesn't have the staff or doesn't want to do everything in-house, the Virtual Benefits package is the ideal

solution," says Haines. "It saves the company's money and staff time." But it's not the only solution.

Whether you choose a do-it-yourself solution, a low support solution, or a fully counseled answer, the employee benefits package is an important part of your company's investment strategy.

Emily Sopensky, who writes for and about companies in high technology, can be reached at emily@iriscompany.com or 452.2448. She is also ASC's Publicity Chair. Anne Hebert, a freelance business communication writer, can be reached at annehebert@aol.com.

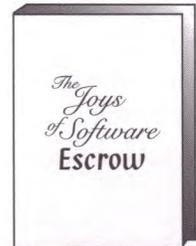
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