HANDING OVER THE REINS
by Emily Sopensky

For most founders, there comes a time to let someone else take over the helm. The CEOs and former CEOs from two well-known local startups shared their insights into this process. Bob Fabbio, DAZEL Corporation founder, joined with his successor Bill Bock. Nancy Woodward, founder and chairman of the board, Pervasive Software Inc. joined with Ron Harris, president and CEO.

Fabbio, now with TL Ventures and on the board of several Austin ventures, is the founder and former CEO of DAZEL Corporation, which created a new software category known as client/server output management. In two years it grew from a revenue base of $800,000 to $10 million.

Bill Bock, joined DAZEL Corporation as president and CEO in 1997 after serving as chief operating officer at Tivoli Systems. He was instrumental in bringing both companies to successful IPOs.

Nancy Woodward's involvement with Pervasive Software spans the history of the company's original database technology. She co-founded SoftCraft in 1987 and led the company through its acquisition by Novell. SoftCraft created and marketed database programming tools for software developers, including the highly successful Btrieve database.

Ron Harris, president and CEO of Pervasive Software since its inception in 1994, spearheaded the acquisition of the core business from Novell. In three years, the company has grown 1400%.

In discussing their roles,

Fabbio admitted, "I have to be careful to be extremely supportive of Bill." He added, "It's natural for staff to get confused unless you're really clear about your role in the company, and that you stay out of the way of the new CEO. It's a natural transition if you want to do other things as well."

Bill Bock's insight was that it's a lot different taking over than it is being promoted from within. His simple advice was to really spend time determining what you are going to do. Companies, such as DAZEL, take on the personalities of their founders, which makes it an interesting challenge to assume leadership. Also, it's important not to change things too fast and to first get a sense of the organization.

Between Nancy Woodward and Ron Harris, there was a desire to do business together, but not necessarily with what became Pervasive. Woodward had already relinquished control of the company when Ron came to her with a proposal. While Woodward reviewed Ron's proposal, she was watching the performance of her former company. Knowing it could be run better, she convinced Harris to help her regain control of what would be called Pervasive. And that is where they are today. Harris runs the day to day operations and Woodward stays in the background providing insight and a second opinion when needed. Says Harris, "Chemistry is extremely important."

Each company will have its own problems and challenges but the insights that these four brought are most certainly universal.

MIKE MAPLES SHARES SOFTWARE INDUSTRY INSIGHT
by Karen Jonson

"What you did yesterday doesn't count for much," if you're a software start-up. That was just one of the industry insights shared by Mike Maples, Microsoft ambassador, former vice president of marketing, and Texas Hill Country rancher, when he kicked off ASC's Texas Software Symposium on Managing Hyper Growth Companies. Maples delivered the conference's keynote luncheon address at the Renaissance Austin Hotel on May 28, giving a broad-stroke view of the high-tech industry's trends, issues and drivers to success.

"As technology moves forward there are companies and products that go out of existence everyday," he said. "There is no reason to believe that this trend will stop. It just means that if I'm looking for a new business, any area is ripe for a change in leadership if you have a good idea at the right time and place."

Maples also shared his insight on Microsoft. The company, he says, maintains a very small list of development visions and initiatives. Two of the current driving factors at Microsoft are the "Web lifestyle" and human-computer interfaces.

"Microsoft believes that people will gradually move to the Internet as a means of enhancing their lives with all it has to offer," including information kiosks and e-mail, said Maples.

As Microsoft works to develop a human-computer interface, it is focused on creating a technology that lets "humans interact with the computer on their terms regarding speech, logic, and vision," noted Maples. "Its real power will come when it attains vision and is able to recognize its users, including their moods. There's no reason why the same body language signals you send to another person can't be interpreted by the computer."

Briefly discussing Microsoft's antitrust case, Maples said, "To deal with the perceived problem, the Justice Department has filed an Act

commonly thought of as the 'Netscape Relief Act of 1998'," Maples joked. "The remedies are relatively bizarre" including, for example, exclusionary contracts and features exclusions that "will destroy any company's ability to move forward." The bottom line is that "the case is not very strong" he said, and it's costing the government a lot of money and a lot of time.
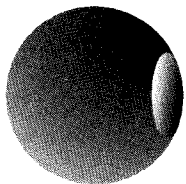
Maples moved from Microsoft to the current high-tech industry's trends, discussing everything from venture capital to the Year 2000 to hiring. "We're in a very interesting time now because there's a huge amount of venture capital, which leads to a lot of opportunity. This will certainly not change before 2000."

Speaking of 2000, Maples joked, "I'm a little bit of an alarmist on the Year 2000. My plan is to take a bunch of money out of the bank, and go live on the ranch for two to three months."

More seriously, he added, "If you depend on credit cards, travel, or interest earned on your investments, there's a reasonable chance that some part of it will be messed up. I don't think it will be tragic, but you'll find yourself inconvenience a lot. Businesses should do what they can to avoid being inconvenienced, especially with regard to customers. A lot of systems talk to each other, and the whole system is no better than the weakest of the links."

When hiring people, Maples presented a dire warning, "If you hire someone not as good as you, you just reduced the average intelligence of the organization. Before long the organization will become an amoeba." His advice? "Find people better than you so that the average intelligence of your company goes up."

Karen Jonson is a marketing communications writer and consultant to many of Austin's most successful high-tech companies and start-ups.