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Innovative Business – Small**

Turning a crisis corner

Infoglide Software Corp. changes its name, product and outlook in less than two years, thank to investors, a new CEO and the will to develop a new culture

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In just 18 months, Infoglide Corp. turned a corner away from a crisis. Its big picture looked bleak as it couldn't readily define its product, market or customers. Then investors infused hope, direction and support and a new president and CEO arrived – Michael Shultz. Shultz was a catalyst.

“We had to overcome that negative momentum and get to ground zero before we could start building,” Shultz says. “In our particular case, the company didn't believe in itself. We had to develop a new culture and ethic of what the company is about.”

With an advanced product and a new corporate culture, the company also changed its name to Infoglide Software Corp. and is now one of the most innovative tech companies in Austin.

Infoglide's patented search technology can help find similarities and relationships in data that others are unable to spot. The software can find near matches in addition to exact matches by seeing connections in data. The software is primarily used to detect fraud and false aliases, and it will likely be useful in determining national security threats.

“This technology allows an organization to unlock the knowledge that exists in their databases,” Shultz says.

While the company's main market is the insurance sector, the company is making waves in the government sector. Infoglide Software's strides in similarity search technology – as well as several other innovations that have not yet been released publicly – have given the company the opportunity to participate in a homeland security/nation security pilot project for the federal government.

With its staff of just 31 employees, Infoglide Software is a “David in the land of Goliaths,” competing with companies such as IBM Corp. and Electronic Data Systems Corp. on the information technology contract for the government. The classified contract is set to be awarded this year and involves risk assessment for airports, airplanes, airport and airline personnel and passengers.

Shultz is very excited about the company's prospects for the future. Innovation has been the key to Infoglide Software's turnaround, Shultz says, and applied to every area of the

company. Many of the changes made in the turnaround process were simple and basic, but he says they were critical in the process of moving the company to where it is today.

“Some of the changes were not particularly significant in obvious ways,” he says. “One thing was the name change. When you answer the phone, you need to tell the person what business you are in. Adding software to our name clearly states what we do.”

The name change was small and so was the redesign of the company’s logo and changing the color to purple.

“It’s sort of ‘out there.’ There are not many corporations with purple in their color scheme,” Shultz says. “Purple is a very unusual color and [using it] was our way of saying ‘We are here. Pay attention to us.’”

These strategies and others began to work, Shultz says. The core change in the turnaround was that the employee team adopted a very basic standard of behavior in terms of performance. Shultz sums up this new standard as: “We do what we say we are going to do.”

While that doesn’t sound very innovative, Shultz says it has been the crux of the innovation process at the company.

After re-establishing the company’s corporate culture and business processes, the employees got down to the business of developing software – strengthening the company’s technology offering.

In the past, Infoglide has focused on point solutions that were desktop oriented. The company’s product could be used by two or three people in an organization, and it was clearly a desktop solution. The average selling price was about \$100,000.

When Shultz took over, he challenged the software developers to take the technology to a new level, to become an enterprise product with a high value to the user, one that would run on the “big iron” in a professional MIS environment.

Today, the company’s products have an average selling price of \$1.2 million. Shultz says 95 percent of what they now produce is a result of new development and design.

“The company had been building a product based on technologies developed in the early 1990’s,” Shultz says. “It was a good product and a good team, but the technology had transitioned dramatically over the last decade. We had some adjustments to make.”

John Gilluly, a senior associate attorney at Gray Cary Ware & Freidenrich LLP, has provided legal advice to the management team at Infoglide since 1999. He witnessed the company’s turnaround and says he continues to be impressed.

“The company was on the brink [of failure] with the fallout in the tech sector generally,” Gilluly says. “But with the increased demand for security and security related services, it’s become one of the most interesting companies in town.”

And he thinks “the sky’s the limit” for the small company.

“At any rate, it makes a great deal of sense for a company to really understand what business they are in,” Shultz says. “We are not in the professional solutions business. We are not in the sales and market business. We are in the software business. We build advanced, sound software for specific sorts of uses.”

And since the restructure, not one employee has left the company, a testament to the corporate culture turnaround, Shultz says.