

Jack Messman

The First 100 Days

When Jack Messman became president and CEO of Novell approximately 100 days ago, his first task was clear: successfully merge a software company with a consulting company—with emphasis on “successfully.” In this interview, Messman takes a break from his hectic schedule to benchmark the progress both he and the newly merged company have made.

Q: You’ve been CEO of Novell for 100 days. What successes have you had so far?

A: My first 100 days as CEO of Novell have been productive and very positive. As a company, we have been aggressive in clearly communicating with our key constituencies—customers, investors, partners, press, analysts, and employees—and these publics have responded very well. They have shown that the Novell-Cambridge merger is, indeed, a victory. Our mission is clear, and our focus is unyielding: Novell is leading the convergence of technology services and products toward delivering the business and product solutions that customers are looking for today. We are moving ahead toward realizing our vision of Novell as the networked business solution expert, and of that, I am proud.

We have also made rapid and significant headway in creating the organizational and functional framework for the new Novell. We have a strong, new management team in place. We have taken great strides integrating our operations, our facilities, and our human capital. We’re launching new solutions, what we’re calling our Jump Start solutions, that combine Novell’s technology with Cambridge’s expertise, and there are more to follow. We have recommitted the company to the channel and are defining the value delivery paths and rules of engagement that will solidify our relationship with our channel partners. And we’ve confirmed our commitment to NetWare and launched a great new product, NetWare 6, that has gotten great reviews and holds great promise for the future.

We’ve made a lot of progress in my first 100 days as CEO in a tough business environment. And we have a lot more ground to cover, but I remain enthusiastic and optimistic that the new Novell is on the right track.

Q: What makes the Cambridge acquisition a success?

A: The acquisition of Cambridge is an important step in Novell’s transformation to being a solutions-focused company. It was a highly favorable acquisition of an e-business services company. The timing was right; the value of Cambridge to Novell was very high. Cambridge addressed an immediate need at Novell. We weren’t able to satisfy customer demand for solutions that use our new Net services products.

Cambridge made sound strategic sense, as well. It expands Novell’s ability to deliver one Net solutions to customers and



partners. Cambridge heightens what is a shared strategic focus around e-solutions. Cambridge will vertically integrate Novell into solutions that will improve our access, and take us closer to customers. Our recently announced Employee Provisioning Solution is the first step in this direction. Others will follow shortly. Cambridge will also bring back information from clients to aid in our product development efforts. As a management team, we are committed to making the combination of Novell and Cambridge effective. For all these reasons, we are very confident of success.

Q: Other companies have tried to combine software and consulting services and have failed. How is Novell succeeding?

A: We’re addressing a long-term growth opportunity that we are determined to capture. Novell is a leading provider of Net services software—the necessary foundation for e-business. Cambridge has a privileged perspective into the complex business problems that clients are facing today. Together, we are uniquely positioned to deliver the solutions that customers are looking for. Where previous software-consulting combinations have failed, we will succeed because of the customer’s demand for solutions, and not just products and services.

There is gratifying and growing market recognition of the capabilities our solutions provide, from e-provisioning through to web-based access and security control. We’re hard at work to move Novell to a solid e-business solutions model. We’re committed to delivering incremental progress with each quarter. E-business solutions built with Novell products upon Cambridge expertise represent a long-term growth opportunity that we are determined to capture.

Q: When can we expect to see revenue and cost synergies from the Cambridge acquisition?

A: We intend to quickly gain business advantage with Cambridge. Novell, with Cambridge, makes us a stronger solutions-oriented company. Our plan is to achieve better business performance in 2002. With an improving IT marketplace in 2002, Novell will be well positioned to achieve revenue growth across all of our businesses—Novell software, Cambridge services, and Volera content management—in the second half of 2002.

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Q: How do Novell customers benefit from the Cambridge acquisition?

A: The Cambridge Technology Partners acquisition quickly takes Novell to the new ISV business profile that combines services with software offerings. Novell gains a very strong services complement to its software product offerings. This is what's required—today and in the future—by customers and partners. Through Cambridge, Novell quickly adapts. The model combines the strengths of software licensing with the ability to support rich solutions and necessary relationships between other ISVs and IT service organizations.

The value of this change is in engaging customers and partners around a "business solutions discussion" that is more important to them than the individual products that contribute to the solution. Cambridge is helping Novell transform how business is done around one Net solutions.

Q: How does this affect Novell's IT Services partners? Will they be replaced?

A: No, not at all. In fact, far from it. Introducing a strong IT services offering makes Novell a better software vendor partner for customers, other ISVs, and IT service providers.

Over the last two years, Novell has been developing relationships with leading IT services companies, including Cap Gemini Ernst & Young, Computer Sciences Corp., Deloitte & Touche, and PriceWaterhouseCoopers. These relationships are very important to Novell. Novell is committed to ensuring support for their ability to bring clients the best in one Net solutions.

Leading software vendors support customer choices. Novell has also been building its own consulting organization—now with over 300 consultants. Through Cambridge, Novell will offer a wide range of eBusiness-related consulting services that address vertical industries and broad systems integration requirements. But the resources and capabilities of other IT service providers are also important to customers across the large market that Novell is addressing.

Q: What key assets has Cambridge brought to Novell?

A: Cambridge has consultants worldwide with deep experience in building eSolutions that provide a wide array of end-

to-end services: digital business strategy; e-commerce; e-supply chain management including e-procurement, e-customer relationship management, e-enterprise resource management, and web design; and technology services including IT strategy, systems integration, data warehousing, and custom application software development.

Cambridge has worked with 725 clients around the globe, predominantly in the financial services, communications, and energy vertical markets. Cambridge brings Novell front-line access to CEOs, COOs, business unit managers, as well as CIOs.

Q: What is Novell's new competitive advantage?

A: Through Cambridge, Novell offers a wide range of e-business related consulting services that address vertical industries and broad systems integration requirements. Cambridge brings depth and focus to customer business issues and e-solutions—a strong complement to Novell-based one Net solutions.

Q: How does a services business fit into Novell's existing business?

A: Consulting services have become associated with virtually every major deployment of Novell eDirectory and Net services products. Directory services are becoming the centerpiece in the deployment of business processes to the Internet and one Net solutions.

Q: Will Novell be introducing any new technology or products in the coming months?

A: Novell is continually innovating and will make announcements as products or technologies are ready for public debut. As I said earlier, we have developed a series of Jump Start solutions to leverage the strengths of the two companies. We recently announced Novell Employee Provisioning, a solution aimed at getting employees up and productive as quickly possible. We're working on additional Jump Start solutions around rapid-technology optimization, access and security, and enterprise information portals—all build on existing Novell technologies and Cambridge expertise. We'll be rolling these out in the near future.

Q: NetWare 6 shipped in October. How are sales so far?

A: There is a tremendous interest in NetWare 6, and it is doing extremely well. *InfoWorld* recently ran NetWare 6 through its test center. We received high marks at every level, starting with ease-of-installation through to scalability, and then finishing, most importantly, with strong return on investment. We blanketed the world with nearly 400,000 beta CDs and 23,000 downloads in a two-week period. Our upgrade promotion has been a huge success, and our channel is excited and seeing real money-making potential today.

Q: What role will NetWare play as Novell moves forward?

A: NetWare 6 is the first version of NetWare that fulfills the one Net vision and is a prime example of where Novell's Net services are headed. NetWare 6 delivers true anytime, anywhere access to information from various network platforms, desktop operating systems, and wireless devices, making the one Net vision a reality for customers.

Q: NetWare remains the operating system of choice for enterprise companies. What is Novell doing to recapture small businesses?

A: In November we are releasing Novell Small Business Suite 6, bringing small businesses non-stop access to their networked information from any location whether they are using their local network, the Internet, or wireless devices. This newest release demonstrates Novell's commitment to delivering quality solutions for the small business market. It builds on the solid foundation of NetWare 6 and includes everything a small business network needs, including GroupWise for collaboration and calendaring, BorderManager for network security, ZENworks for Desktops for desktop imaging and management, and partner products such as Network Associates' anti-virus solutions.

In September, we also relaunched the Novell Small Business Specialist program to train and motivate resellers who are interested in Novell solutions for the small business market. Through this program Novell delivers training over the web and locally, sales materials, competitive information, and leads generated from Novell marketing activities. We plan to aggressively expand this program beginning in January 2002. ●