Jade Software: Getting Ready to Tackle America

Sir Gilbert Simpson
Founder and CEO

*S*ir Gil Simpson is one of New Zealand's pioneers in software development, having started in the field in 1967. He holds steadfast to his dream that one day his approach to software programming will take hold around the world. Simpson has just opened up the company's first office in the United States; he expects his first significant foray into this country will be a successful one.

NEJE: It must be daunting to be in the same competitive arena with companies like Microsoft, Linux, Oracle, and Sun Microsystems.
Sir Gil: It certainly is and, I must say, a bit frustrating because very little progress has been made within the software industry in the past 30 years.

NEJE: That sounds a bit like hyperbole. Computers seem to be able to do more and more with far smaller hardware components and at ever increasing speeds.
Sir Gil: Yes, your perceptions are accurate, but it is in the hardware end of the business where the gains have been made, not the language that computers use to "speak" to one another. The pace of computer language development has languished compared to the breakthroughs in hardware. Not much new has been developed and made available since around 1965.

NEJE: Why is that?
Sir Gil: I don't want to lay this all at Microsoft's door; but suffice it to say, a distinct lack of competition in many areas of software development explains most of the situation. Once commercial and individual users get used to an operating system, they tend to stay with it even if the system itself is inefficient or has serious limitations.

I've been aware of this situation since 1973 when software packages were just being developed in large volume as commercial use of computers started to soar. I believed then, as I do now, that programming languages were fundamentally flawed and much too difficult for the average person to understand or to use comfortably. It seemed there had to be a better approach, and that's why I started my own software company.

Our competitors are entrenched, but I think we can best them. I would estimate that only 2 percent of Microsoft's entire staff is made up of program engineers. The rest are in new product development, marketing, sales, production, and finance. With just 370 on our payroll, we don't compete at the same level; but we have a lot of extraordinarily bright folks who are well trained as engineers and can perform competitively against anyone else in terms of product performance.

NEJE: What makes Jade Software so much better?
Sir Gil: Our software gives the user the ability to adapt it to his or her own business needs. In a way, we are genetically related to Excel. Excel is a financial spreadsheet package that you program to sort, calculate, and present data for your specific needs. It's a transitional system. Operators first learn how to relate it to their business, then they program our platform accordingly. Once this is accomplished they have pretty much customized the software to do whatever the requirements dictate.

For instance, Peoplesoft is a popular student enrollment program used by many colleges and universities. However, it is someone else's idea of how you should run your business. There's little to no flexibility built into the program language. In contrast, Jade Software provides users with enormous flexibility and opportunities to customize our programs to their specific needs. All operators have to do is provide a few simple statements in answer to the program's queries, and they are ready to go.

NEJE: Well, if your software is good, how come . . . ?
Sir Gil: . . . we haven't knocked the socks off everyone?

NEJE: Yes, exactly.
Sir Gil: Changing an industry that is so resistant to new ideas is an awfully big challenge. We have taken on that challenge; and, hopefully, we will succeed. We've just entered the U.S. market by opening up our first marketing and sales office in Atlanta in May 2002. I think that once customers see how competitive our products are to Linux, Unix, and Macintosh that we will do very, very well.

NEJE: Why did you wait so long?
Sir Gil: We've worked closely with several U.S. companies for some time now, but we needed to build enough

momentum behind our products to rationalize having a physical presence in America. We now have that presence, and things should really start moving ahead rapidly for Jade. Don't forget, compared to Microsoft and Oracle, we are small potatoes. Opening up a branch office in Atlanta is a big step for us.

NEJE: Are your sales mostly in New Zealand?
Sir Gil: No, for the year just completed in 2002, our overseas revenue was greater than domestic revenue. We are making great strides in the United Kingdom where we have had enormous success recently with the country's railroad system. I don't know if you've been following transportation news in England, but part of its commercial rail system was a shambles. On-time performance had slipped precipitously, particularly in the electrical generating industry that depends so much on fossil fuel plants that burn coal. Power outages were becoming a real threat, and the electric utility owners were desperately trying to find a way to get coal in the right amounts to the right plants at the right time. It was a logistical nightmare for them.

After considerable efforts using other systems, the electrical utility managers came to us and challenged Jade to provide solutions to their myriad problems. We came in, beat the time they gave us to get on top of the learning curve, and within the first full operating month using our software, the utility companies' management saw a 40 percent increase in operating efficiencies. Why? Because each fossil fuel plant manager could decide for himself or herself how much coal was needed, when it was needed, then order the coal from the mine provider, authorize the rail shipments, and finally track these shipments from the time they left the mine to the time they reached the electrical generating facility. Our software provided total information at all times with complete transparency.

We have had other successes in fields as diverse as healthcare management, container terminal operations, payroll management, and student enrollment management. We're confident we can duplicate those positive developments in many other arenas.

NEJE: Are companies that sell Linux, Unix, and other software programs aware of you? Or will Jade Software be a big surprise?
Sir Gil: No, we won't be able to use surprise as a tactical tool. We've had a history of coming up against Linux and Unix users for some 20 years and having to prove, time and time again, why our system is better. It's like getting an elephant to move. It takes a lot of hard work and energy at the beginning; but once you get the elephant moving,

it can build up a lot of forward momentum. The U.S. software market is just like that elephant; only many times larger in terms of the energy required to get it to start moving in our direction. We're ready now to put the energy and money necessary to do what we need to in order to be successful.

NEJE: It sounds risky.
Sir Gil: It absolutely is. I'm personally putting a lot on the line financially, but it's been my life-long dream to change the industry. I can't do that from New Zealand. I have to do it in the United States.

NEJE: Are you planning to do this alone?
Sir Gil: It probably is unrealistic; we'll need to find a U.S. partner. If we can find the right fit with an American company, we can put our plan into motion.

—L.W.

Addendum
The writer attempted to communicate numerous times with Sir Simpson after the interview was completed, but no response has been forthcoming. According to a local Christchurch newspaper, *The Press*, the company has been hit hard by the recent downdraft in Information Technology spending. About 25 percent of the worldwide workforce of 373 lost their positions with the company in August 2003. Further, several Jade corporate properties around Christchurch have been put up for sale to help raise between $10 to $25 million N.Z. (roughly $6 to $15 million U.S.) in order to maintain a positive cash flow for the company. Further investment from current shareholders is also being sought.