

BACK TO THE FUTURE

TOM JENKINS STEPPED BACK
TO KICK IT UP A NOTCH

BY PAUL KNOWLES

The question caught Tom Jenkins completely off guard. He had just made a presentation to a group of venture capitalists and corporate representatives who were visiting Waterloo Region, when he sat down for a one-on-one interview with Exchange Magazine.

Jenkins, the long-time CEO of Open Text, stepped down from that post in 2005. So we asked him what he is doing with his time, now that he is not longer Chief Executive Officer.

He laughed, then paused, then laughed again, admitting that this is not a question he faces very often – usually, he deals with questions about stock prices and corporate growth. It's not like he moved into semi-retirement, he says. While Jenkins is no longer CEO, his time is still entirely taken up with Open Text, a company that has been hugely active in growth and acquisitions.

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The biggest such move involved the acquisition of Hummingbird Ltd., a deal which was finalized in October, 2006. "That's been taking all my time," said Jenkins, shortly after the final announcement. Jenkins sums up the deal succinctly: "We bought one of our rivals."

Officially, according to an Open Text release at the time, "Open Text Corporation... and Hummingbird Ltd.... have closed the transaction pursuant to which all of Hummingbird's common

shares were acquired by a wholly-owned subsidiary of Open Text.

"Open Text, through its wholly owned subsidiary 6575064 Canada Inc. acquired all of the issued and outstanding common shares of Hummingbird at a cash price of US\$27.85 per common share which, together with the 764,850 common shares of Hummingbird owned by Open Text prior to the transaction, represent all of the issued and outstanding shares of Hummingbird. The transaction is valued at

approximately US\$489 million."

That's the official language behind one of the most significant high-tech deals last year. It was only one of several significant announcements made by Open Text during 2006, though, as the company – now led by CEO John Shackleton – continues to position itself as a key industry leader. Important acquisitions also took place in the European market.

On its corporate website, Open Text is described as "a leading provider of Enterprise Content Management (ECM) software solutions that bring together people, processes and information in global organizations. Today, the Company supports approximately 20 million seats across 13,000 deployments in 114 countries and 12 languages worldwide."

The company was founded in 1991, "with the successful deployment of the world's first search engine technology for the Internet." Since then, Open Text has followed a path of aggressive growth through research and development, partnerships and acquisitions. The company's "flagship product" is Livelink, the leading collaboration and content management software for global organizations.

The company is known for its self-described "evolution", from a provider of search technology, to document management and collaboration, to its current incarnation in the ECM sector. Open Text has proven itself highly flex-

Open Text has followed a path of aggressive growth through research and development, partnerships and acquisitions.

ible, changing almost continuously in response to market changes, customer demands, and new technologies.

Tom Jenkins has been a director of the company since December, 1994; he came to Open Text from DALSA; from 1997 until July 2005, he was CEO of

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Open Text. Jenkins then took the unusual step of moving to the position of "Executive Chairman and Chief Strategy Officer", as Shackleton assumed the CEO post, having been a director since 1999, and President since November, 1998.

Jenkins is based in Waterloo; according to an Open Text spokesperson, Shackleton continues to divide his time between Waterloo and Chicago.

"I'm an engineer"

Jenkins stressed to Exchange that his first "passion" lies in developing new products. "I'm an engineer by profession," he said. "I like to work on new things."

His is quoted in company literature as saying, "At Open Text, we believe that the next great idea, the next breakthrough, the next innovation, resides within the collective knowledge of connected people." He clearly loves playing a role inside those connections; he prefers taking on new challenges to day to day management, and his move away from the CEO's office

was, in his opinion, a move exactly in the right direction.

Jenkins did not change posts in order to move into semi-retirement. After a decade as CEO, he says, "I stepped down so I could focus on the things I enjoy doing with Open Text."

He has nothing but praise for his successor in the post: "It's good to have new blood," he says. "It's been great for the company." He describes Shackleton as bringing "a fresh view to the way the company should be organized."

Jenkins is also candid about the challenges of running an enormous, multi-national business like Open Text. "When the millions get up into hundreds of millions of dollars, it gets harder."

Continuing vitality and new vision is essential in any business involved in software development, says Jenkins. Change is inevitable: "The software sector will be in consolidation for many years to come."

Consolidation

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to thrive, he says. The company has field offices in Canada, Australia, Europe, Japan, Latin America, Singapore and the United States. The history of Open Text shows and aggressive pattern of acquisition, and an unparalleled list of business partners and clients.

Jenkins describes Open Text's history as one of "hyper-growth". The company's "market share has grown," he says. It is now over 20% in its market sector.

Acquisitions have included: Odesta, Intunix, the business unit of Internet Anywhere, Softcore, InfoDesign, NIRV, NSG, Campbell Services, Information Dimensions, LAVA Systems, Microstar Software Ltd., Bluebird Systems, the product businesses of LeadingSide Inc., Centrinity, Corechange, Eloquent, Gauss, SER eGovernment Deutschland GmbH (based in Berlin, Germany), SER Solutions Software GmbH, (based in Salzburg), and, of course, Hummingbird.

The corporate client and partners' list is a platinum business record, including Infodata, Booz-Allan, Blue

Cross/Blue Shield of Oregon, the Ontario Legislative Assembly (Hansard), Caterpillar, General Dynamics, Grolier Publishing, Computer Sciences Corporation, Motorola, Molson

"Technology, financing, infrastructure, people... and of all of these, people are the most important."

Breweries, TMA, Nortel Networks, BPB Gypsum, Sprint, Lucent Technologies, Hewlett Packard, Research in Motion, KPNQwest, CARE Canada, the United States Navy, the US Air Force, Swissair, Ericsson Telecom Mexico,



Jenkins has helped launch Communtech and the IGLOO program at the Centre for International Governance Innovation.

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Open Text states it is "the largest, most profitable, and fastest growing company in the Enterprise Content Management (ECM) sector." Jenkins adds, "In our sector, the next five companies together are not as big as Open Text."

"An entrepreneur"

Jenkins may describe himself as an engineer, but in the next breath he also proudly lays claims to being "an entrepreneur." He sees Waterloo as the ideal breeding ground for high tech business, and is quick to point out that it was "possible to do all this from a farmer's field in northern Waterloo."

While he loves technological chal-

lenge, Jenkins, perhaps surprisingly, insists that the technology is not at the centre of Open Text's success. "When you're building a company," he says, "you have to focus on so many things." He ticks them off: "technology, financ-

"In IT circles, the software area... the biggest companies in the world... know where Waterloo region is."

ing, infrastructure, people... and of all of these, people are the most important."

And he warns business colleagues and budding entrepreneurs: "There is not time to rest on your laurels in a world-wide competitive environment."

In the community

Tom Jenkins has long been noted for the larger role he has played in the high tech community that has grown to become a powerhouse in Waterloo and area. He has high praise for the city and the region: "As an entrepreneur, when I came here, I was very welcomed."

He has said, "In IT circles, the software area... the biggest companies in the world... know where Waterloo region is." He adds, "for the past decade, this region has been on the mark, on focus."

He was involved in the formation of Communitech, and continues to speak for that organization. He is proud of its success: "Communitech is unique in that it was started by the tech companies, to provide self-help to each other." At its inception, a decade ago, the companies involved employed a total of 300 people; today, Communitech members have payrolls totalling an astonishing 30,000.

Tom Jenkin's Open Text is one of the major reasons for those phenomenal growth figures.



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