CRN Eric Schmidt profile 1997

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ERIC SCHMIDT, Novell

By Stuart Glascock

With the deftness and prowess of an emergency-room medic, Novell Inc.'s new chairman and chief executive officer is countering the many challenges facing him and the company he has been chosen to resuscitate.

As turnaround doctor, technology visionary and corporate chief, Eric Schmidt operates at Internet speed. He manages in a state of accelerated but surgically precise action, dividing his attention between Novell's offices in Provo, Utah, and San Jose, Calif., and a myriad of other places.

Most days, the suit-and-tie-clad executive blazes an ambitious and far-flung trail, calling on customers from Boston to London to China. He promotes Novell at a parade of shows and conferences and orchestrates product launches around the country.

The urgency within Novell is as real and dramatic as in any emergency room. Schmidt is being called upon to perform true battlefield triage. Resellers, corporate clients and Novell employees are counting on his skills to return the company to its former glory.

Schmidt inherits a beleaguered giant, fraught with internal disarray, besieged by powerful external competition and teetering on what could be either the brink of a return to glory or complete collapse. Schmidt applied CPR with one hand and waves the flag of a renewed company with the other.

One day he dispels takeover rumors, trying to convince Wall Street of Novell's stable pulse. Another day he fights internal hemorrhaging that would be fatal to lesser companies.

As the former chief technology officer of Sun Microsystems, Inc., Schmidt understands the network-operating-system lifeblood that courses through Novell's history, and he knows the technical language of Novell's future: The Internet.

Speaking at a Novell VAR conference shortly after he was named to his new post, Schmidt impressed resellers with his technical prowess. A dozen VARs lingered afterwards to have pictures taken with him.

"He is one of the few people in this industry who has the vision and technical knowledge to understand what is happening and communicate it to people," says Bill

Towey, president of VAR Powerscourt LLP, Tacoma, Wash. and co-chair of Novell's Platinum resellers council.

Larry Phelps, Certified NetWare Engineer at Minneapolis-based Software Tailors, adds: "He doesn't think of just what is, but what could be."

During his internship in Novell's trauma ward, Schmidt reacted quickly. After worse-than-expected earnings were announced in May, he laid off 18 percent of the workforce, including several top managers. He has condensed operations in Provo, relocating company headquarters to Oren, Utah.

After another bad quarter, Schmidt promised that Novell would not stuff the channel with product again. He supported those words with checks, balances and sales incentives to prevent future channel stuffing. These measures came after Novell posted a 35 cent-per-share loss on sales of $90 million for its fiscal third quarter, ended July 31.

"The most challenging part was sorting through all of the internal issues accompanying the now-complete restructuring," Schmidt says.

Former Sun colleague Kim Polese, now chief executive of Silicon Valley Internet start-up Marimba Inc., also is confident that Schmidt will save his patient.

"He is absolutely the right person for the job, because he knows what he needs to bring in. He has the technical vision that company desperately needed, and he is assembling a great team," she says. "I think he is going to pull it off."

On the product front, Schmidt has overseen the delivery of Internet and intranet products, including Novell Directory Services for Windows NT, Border Manager, GroupWise 5.2 and IntranetWare.

"He is an awesome technologist, committed to advancing network computing," says Sun Chief Executive Scott McNealy.

Schmidt held management and technology positions for 14years at Sun. Before Sun, he was a member of the research staff at the computer-science lab at Xerox Corp. Palo Alto Research Center and also held positions at Bell Laboratories.

But today, the Internet is giving the entire industry and the whole world a new life force. In fact, the Internet is propelling the "first real new paradigm in computing in the last 15 years," Schmidt says.

"Clearly, Java will play a central role in Novell's strategy, particularly on the server-side. Up until now, Java has been discussed at great length on the client side, but Novell see the opportunity on the server side, "Schmidt said.

Quick to share his technological vision, Schmidt is a private man, jealous and protective of his non-office time. After all, a person who spends his day performing life-saving surgery and preventative care deserves some R&R away from the E.R.