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Hands on the Keyboard

# Heads in *the Clouds*

**Generations of college graduates—past and to come—will master business by mastering technology.**

**On a midsummer afternoon, Tim Hackbarth ('07 Marketing)** sits in a coffee shop across the street from Drake University in Des Moines. The 24-year-old is dressed for success: t-shirt, jeans, iPhone—and a laptop with a sweet network card.

Hackbarth is at work. Conducting business. *Internationally.*

“My office is in my bag. I have files on my laptop, but most of my work is online,” says the online ad consultant and broker of Web design services. He takes a quick sip of his drink.

“Stop me if I go too long, but you’ve touched on my passion.”

## “WE MAKE MAGIC”

You might dismiss Hackbarth as a dreamer, another twenty-something laptop jockey who eventually will drop the act, pick up a nice suit for interviews, and channel some of that passion toward getting a “real” job.

First, though, consider touching as well the passion of Dale Renner. A 1978 grad, Renner bought the interview suit—and promptly turned down a \$35,000 salary from International Harvester to work instead for Arthur Andersen at \$14,800 a year. “I took that job because I thought it would give me the best first experience,” Renner says, “lots of exposure to lots of different situations.”

Renner went to work building Andersen’s customer relations management operation (CRM) from the ground up. By the time Andersen Consulting split from its parent company in 1989, Renner had become a partner, growing his office into the top CRM operation in the world.

Challenge met, in 1999 Renner hung up the “suit” and walked out the door. “I wanted to run a company,” he says.

It was the end of the dot.com boom, so Renner picked up an operation with 110 people and no revenue, at a fire sale price, and rebranded it as Seisint, Inc. He strung together clusters of in-memory computers, built a database of 20 billion records of Americans,



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and added proprietary linking logic to create profiles of individuals comprised of virtually all their public and financial information.

Renner then allowed subscribers to run instant credit and criminal checks at a quarter a click with a \$3.75 maximum, making standard credit bureau inquiries instantly obsolete. After 9/11, his team created a set of “terrorist factor scores” that turned up six of the 9/11 hijackers. The feds were impressed, and so was Nexis-Lexis, which bought Seisint in 2004 for a tidy \$775 million.

Next, Renner bought part of a British firm that was doing analytical CRM, relocated it to the United States, built it up and, in early 2006, flipped it to global credit giant Experian for \$160 million. Always restless, Renner went back to work and started RedPoint, a new data management enterprise—at his dining room table.

“We make magic out of data,” Renner says of his concept-driven, software-as-service database model. “We’ve created our own cloud environment aimed at compiling and managing data for our clients in both the structured and unstructured data worlds.”



## WHAT IS ENTREPRENEURSHIP?

Renner could be Tim Hackbarth's father. Despite being a generation apart, though, the men are spiritual brothers, fiercely independent and using their entrepreneurial energy to ride an ever-accelerating wave of technological innovation that not only has changed how business is done, but increasingly informs the very essence of business itself in the 21st century.

Nowhere is this wave more evident than at the Pappajohn Center for Entrepreneurship, whose director, Steve Carter, is also president of the ISU Research Park, a self-described “technology community and incubator of new and expanding businesses.” Carter helps innovators and entrepreneurs—the titles are increasingly interchangeable—ride the wave every day.

That wasn't the case as recently as the early 1990s. Entrepreneurship was, at best, a quasi-exotic subspecies of a business curriculum still designed primarily to produce workers for the nation's mainline industries. And, Carter notes, it wasn't even on the radar of the non-business community.

“When we first talked with faculty, it was like, ‘Entrepreneurship? What the hell is that?’” Carter chuckles. “That's not the case now. Faculty are interested.”

And not just faculty. That interest in entrepreneurship has risen steeply with the explosion in information technology since the college's founding in 1984 is hardly a coincidence. The Internet is a profoundly democratic means of communication, and its commercial side in the World Wide Web has significantly expanded the value of intellectual capital, not just for the well-heeled and established, but for the young and creative as well.

“The Internet continues to have a significant impact on our economy and way of life,” Carter observes. “I see a compressing of the waves of innovation, and a recognition that real opportunity for future growth and quality jobs is being generated by the entrepreneurial sector, not the large corporate sector as it was 15 years ago.”

## EYES OPEN TO THE WORLD

It should be no surprise, then, that college leaders should stress the importance of entrepreneurship and technological innovation—especially information technology—to a quality business education over the next 25 years.

Newly appointed chair of logistics, operations, and management information systems Qing Hu embodies the transformative power of technological awareness. Trained

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originally as a mechanical engineer in heavy equipment manufacturing, Hu’s life changed dramatically when he left China to visit Europe on a tech transfer tour in 1986.

“That opened my eyes to the world,” Hu acknowledges. “It seemed to me the world and technology was changing, and what I had learned was actually very little.”

By 1989 Hu found himself in a PhD program in computer information systems at the University of Miami, where he studied artificial intelligence as a prelude to specializing in management information systems and IT security issues. Today, the former heavy equipment engineer is a rising figure in MIS, and a vigorous advocate for the mastery of information technology by students in any field of study in the college.

“IT has merged with every business function,” Hu stresses. “It’s the backbone of every organization. And IT is going to continue to lead innovation in business, with new uses we never imagined.”

Hu points to the so-called “Web 2.0”—including the “cloud” entrepreneurs such as Renner and Hackbarth exploit—as one means over the next 10 to 15 years by which the Internet will organize society, including the business sector. Web 2.0 emerged not as a top-down movement, Hu reminds, but from the grassroots: MySpace and Facebook expanded almost overnight, and in a couple of years changed from a college social network into a global social network.

### **“IT’S ABOUT UNDERSTANDING THE TECHNOLOGIES”**

With the rise of the Internet, the application of information technology in business has become less a technical than a managerial tool, Hu says. So whether they strike out on their own like Renner and Hackbarth, or sign on with a giant multinational, he believes that students who leave Iowa State without a solid grounding in IT will be no better prepared for success in business than he was as an engineer of heavy equipment in the 1980s.

“We’re a business school, and we’re supposed to educate our students to have more managerial skills and knowledge,” Hu reminds. “So we want our students to be technically competent, but at the same time more managerially savvy.”

As an innovator who has successfully worked both sides of the entrepreneurial-corporate divide, Dale Renner supports Hu’s distinction between a technical and a managerial understanding of the surging waves of technological innovation—and its importance to an Iowa State business education over the college’s next 25 years.

“It isn’t about a given technology,” Renner says. “It’s about understanding the technologies—how to use them, how to apply them, how to make them work for you. Everybody may not be a technologist, but, at least in the business world, you’ve got to understand how to use technology to make yourself efficient.”

Tim Hackbarth understands. In 25 years, he says, he’ll still be totally virtual and working his global network of clients and freelancers.

“The interactivity we’ll have will be stronger, and our collaboration will be better than it is now in an office sitting right next to someone,” he insists as he scrolls through messages on his iPhone.

Payments from clients, invoices from vendors, project files from freelancers in Venezuela, India, and the Philippines—all wait to be downloaded. It may be a sunny day in July, but Hackbarth’s head is in that worldwide business “cloud.”

And why not? Like Renner before him, the man is a born rainmaker. ■

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Jan Van Ekeren