# How Russ Artzt Built a $4.5B Software Company and Why He's Tackling Domains Next

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The founder of Computer Associates, CA.com — the four and a half billion dollar computer services company — is on today's show sharing secrets of branding he's learned over his career, and tells us about his new venture called Digital Associates. Stay tuned to learn more.

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Michael Cyger: Hey Sherpa Network, my name is Michael Cyger and I'm the publisher of DomainSherpa.com, a website where you can learn how to become a successful domain name investor or entrepreneur directly from the experts. Today's guest helped define and shape the computer industry that we

know today. He's a founder and innovator, and a visionary, and I'm honored to have him on today's show. I'd like to welcome Russ Artzt, founder of CA Technologies, formerly known as Computer Associates, a company he started in 1976 with co-founder Charles Wang. Welcome, Russ!

Russ Artzt: Hi Mike, how are you today?

Michael: Great, it's great to have you here. I want to start off before diving into the questions with you...give a quick shout-out and thank you to Andrew Hazen, a past Domain Sherpa and a person whom I believe you've come to know through the tech and start-up scene in Long Island; is that right?

Russ: That's correct, Andrew and I are friends…close friends and colleagues. Andrew is a shaker here in Long Island. He makes a lot of things happen and he's doing great.

Michael: He is a mover and a shaker and I always look forward to having him back on the show to see what he's been up to since the last time I interviewed him…and it's always a lot.

Russ: Yeah.

Michael: Yeah, I think everyone that's watching this show or listening to this show through our podcast or iTunes has heard of Computer Associates, but probably few can describe exactly what the company does. How do you describe CA to people who have never... who can't define what the company does?

Russ: So, that was always a problem, you know? We grew very quickly and we really focused on a specialized area. We focused on helping companies' data centers, and when I say companies, we really focused on the large enterprise companies. Most of our revenue came from the Fortune 1000, and we focused on creating tools that would help the data center to run more effectively, so we would help them to manage their network, we would help them to manage their identities, manage their workloads, and that kind of thing.

Michael: That makes sense, but back in 1976 when you first founded the company, what was the original idea for Computer Associates? Was it the same?

Russ: Well, similar…in those days everything was a mainframe. I grew up programming on a mainframe, you know? And that was our business, an IBM mainframe, and the idea there was so, you know, I was a user. First I used the mainframe a lot, and in using it I realized there were a lot of deficiencies, there were a lot of holes, so the first product that we developed was a disc space manager that would go and figure out how to protect files and not, you know, not interfere with their activity, you know? Our master files were getting written over, you know, because there was no protection. We would protect these files through this disc space manager that we wrote. So we were really focused on helping to manage the resources in a large mainframe.

Michael: Yeah, and so you started the company, offered products primarily that you experienced while you were working at another company using their mainframes?

Russ: Yeah, before we started CA, Charles and I were consultants, you know, we were kind of independent consultants. We did a lot, we did a lot of services work, you know? We worked with a lot of different companies, and in doing that, you know, we were able to learn what the problems are. Here's what's missing, you know? We had...I had written a symbolic debugger, for COBOL, for an old language COBOL, that programmers...

Michael: Oh yeah, I learned that in college.

Russ: ...On the mainframe used to use, and we got free office space in Manhattan for three years because I helped the programmers there to learn how to debug their COBOL using my tool.

Michael: So even back then...

Russ: You know, so, we did a lot of bartering in those days.

Michael: Yeah, yeah, yeah, yeah, but bartering still happens today, doesn't it?

Russ: It does, it does, but the problem then that doesn't exist today is to get computer, to get a mainframe, you can't just buy it. Today if a start-up wants to go and buy, you know, they buy a Mac, they buy an iPad, they buy an iPhone, you know, they get some time on Amazon and they're ready to go, you know…mainframe was a million dollars, you know, most people can't afford it.

Michael: Yeah, exactly, and so today how big is CA in terms of employees and revenue?

Russ: CA today is about 11,000 people and they do revenue of approximately 4.5 billion.

Michael: Wow. What does it feel like to have started a company that employs, and you know, makes sure that paychecks are going to 11,000 employees around the world and generates four and a half billion dollars in revenue?

Russ: It, you know, it's a great feeling. While you're doing it, you don't really feel it, you really don't think about it, you know, you're building, and we were building like crazy, you know? We ran the company in start-up mode from the beginning for a long, long time. I don't know that it's quite running as a start-up now, but we ran it as a start-up. There was a real sense of urgency, we watched every dollar we spent, time was of the essence, working every weekend was standard, you know? That kind of thing.

Michael: How many years did you operate in start-up mode?

Russ: It's a great feeling having built a company, and now that I'm out of the company I really do appreciate, you know, what we did, you know?

Michael: Yeah.

Russ: And you need a lot, you know? You need hard work, you need passion, you need some luck, you know, the timing was good. We got into the space

when the computer software industry was just beginning. I like to think that Charles and I helped build the software product industry, because it was really a nascent industry when we first started in '76.

Michael: Definitely, and so, you know, looking back, how many years did you operate in start-up mode where you watched every single dollar, where you worked, you know, evenings and weekends building this company? How long did that take?

Russ: It seemed like for a long time.

Michael: Was it like over a decade?

Russ: We had an interesting model, Mike, and that was, you know, so I was building up R&D, I was building the products, and in a start-up though you do a little of everything, you know, when there was a sales call, I'd go with Charles and we'd do a sales call together, but I was in charge of building the product, so my mission was let's build more products that are all integrated and add value to each other, etc., and that was great. Charles, you know, I remember the conversation, so we would have a conversation where we would talk about buying anther company, you know, and I'd say, well you know, I could build that product in six months, and maybe get it into beta and then we'd start selling it in say, nine, ten months, and he said, yeah, but we can buy it next Thursday and be on the streets selling it in two weeks, so we did a combination of things. Our business model was, we're going to do internal development, organic development, we're going to acquire, you know, where it made sense to compliment what we were doing, and then we're going to integrate, and we tried to do that religiously, and for the first, I would say for the first, you know, ten or so years, we really were very focused on that model, and we were focused on integrating the products, and integrating the people that got acquired through all of these M&A acquisitions, and that's sometimes harder than the technology because we wanted to be one company, you know, so we, I can't remember when we ever left a company alone, you know? We bought them for the synergistic value, you know? So we would buy them and figure out, okay, how are we going to make two plus two equal more than four, you know, and how's two plus two

going to equal five or six, and we're going to get the new company to integrate into our culture, because we're the acquirer, you know?

Michael: Right.

Russ: So that's one of the advantages to being acquirer. The disadvantage is you have to spend a lot of money and you take a lot of risk but, you know, you do get to say this is what we want to do, and we would try to keep a common culture across the company, which is as you get larger more and more difficult to do.

Michael: Yeah. So having spent over a decade in Corporate America, and most of it GE Capital where acquisitions was the modus operandi, um, culture, and integrating companies into a company culture is often the most difficult aspect of growing your business…you know, technology, there's always a solution to technology, right? But culture isn't...doesn't necessarily always have a, you know, a plug and play way of getting it to work out. Was that the most difficult part of growing the business through acquisitions?

Russ: It was one of them, yeah, it's difficult. I mean, you know, getting people to work together, you know, you need, you know, you need a lot of strong leadership and you need people leadership, you know, and you know, there are managers, you know, and there are leaders, you know, and we try to hire a combination of both. You know, you need good managers to manage the masses, but you need some leaders who are going to really, you know, evangelize the culture across the company and make sure that that culture gets adopted across. [Phone Ringing]

Michael: Yeah, definitely. Do you want to flip that...did they hang up?

Russ: Yeah, that's my, yeah, okay, we should be okay.

Michael: Sure, so looking back, Russ, what was one of your greatest business accomplishments at CA and why?

Russ: Alright, that's always a tough question, you know? So, in the early days it was all about building products that would sell so we'd have revenue

so we'd be able to grow, you know, little things like that, you know? So, one of the big accomplishments was, you know, just building some of those early products, you know? I would help build them and then I would help get them out to the customers and that really felt good because one of the reasons, and still, that I love the software industry is, you know, unlike other fields, you're doing something very tangible. You're building a software product that people are using so I get a real joy out of building a product and then going to the customers, you know, and making sure they're using your product, and that's a great feeling to see customers actually use your product, you know, and that felt good, so building the early products was certainly a big accomplishment, you know, and then as years went on I got into other areas that were also equally rewarding.

Michael: Yeah, definitely. Let me shift the conversation into more of a branding discussion topic, Russ. Many computer and software companies start with longer names and then eventually shorten to an acronym. International Business Machines shortened to IBM, Hewlett Packard shortened to HP, and Computer Associates shortened to CA. From a branding perspective, did you undergo the change from Computer Associates to CA on purpose?

Russ: Yes, we tried to. Now, so, you know, we felt like we needed, after you know, we had a rough spot in our history. There was an accounting scandal that we had to go through and that's when the new management that came in said, you know, we're going to do some rebranding.

Michael: What year roughly was that?

Russ: That was in the early 2000s...2005, let's say, around then...maybe ten years ago or so, and we said, you know, let's...we're cleaning up the accounting and we're going to clean up the brand and change the brand, etc., and we went through a whole exercise...we brought in branding experts, you know, we'd go to New York City and get the best brand people and pay a lot of money, and this is what they came up with, that you should call it...you're a technology company, so it should be something technologies and Computer Associates is too long, let's just call it CA, so CA Technologies, and we did it, and it cost a lot of money and I don't know that it really was successful and

I'll tell you why. You know, I go to, and I always did, you know, go to see a lot of customers, I'd go to a lot of conferences in my field, and you know, we'd...I used to go to these big conferences and you meet people and you introduce yourself and you say, my name is Russ Artzt from, you know, from CA, CA Technologies, and I'd get this blank look and I'd say, you know, Computer Associates...oh yeah! So the light would go on when they'd hear the term Computer Associates, not CA. Most people knew us, even today, knew the company as Computer Associates, and not CA Technologies, you know, now maybe CA more, you know, but certainly not CA...CA Technologies would throw them off, if I said I'm from CA Technologies. I always had to say Computer Associates and then the light went on. Did it really help the branding? I don't know. We went through a lot, it was a real marketing exercise. We didn't have in those days that the company that much branding and marketing expertise, so we would go and buy it, you know, we'd go to the fancy agencies, mostly in New York City, right? Where you've got the agencies, and we'd hire people to help us, you know? And...I don't know, did it help? I think we came up with some nice logos, you know, I think the logos are pretty nice...they come in all different colors, you know, and the CA's really slick. Did it really help in terms of the name? I'm not sure.

Michael: Yeah.

Russ: I'm really not sure, you know? I think some of the branding going on today, uh, the new CEO, Michael Gregoire, brought in his marketing branding person from his previous company where he worked. He was at, you know, he was at Taleo, and then Oracle bought them, and his new marketing lady is doing a good job of branding, you know? CA's strength was never branding really, you know, and I think they're doing a better job now. If you, you know, if you watch the debates, you know, this past summer, you know, on CNN, a lot of CA was on there, a lot of branding for CA was there.

Michael: That's interesting...I don't remember seeing that. I do remember watching the debates and if I saw CA, you know, that...the logo, the stylized letters CA over your left-hand shoulder there is very recognizable, especially

to me because I'm online, in computers, but you know, what CA does exactly I'm not sure.

Russ: Yeah, that was always a problem, and it's still I'm sure a problem at CA, you know, what do you do, you know? Everyone thinks in terms of, oh, Oracle Database, right, even though they have a million other products...Oracle Database, you know...Microsoft Windows, you know...CA? you know? For people, for our customers, it's easy, you know? Customers say, yeah we know, CA, they do IT management, they help us manage our data center, you know, but outside of data center folks, very difficult, because it's very technical, you know, it's kind of esoteric, and, you know, so that's what, you know, CA today is spending a lot of money on branding to let the masses know, and let business people know, you know, who CA is, and that's why you'll see a lot of signage, you know, when you've traveled, you know? I know you go on British Air, or you go on American Airlines, especially international travel, there's a lot of CA branding going on with signage mostly.

Michael: Yeah, if I go onto DomainTools, or Domain IQ I see that there's hundreds of domains registered to CA, like nine hundred, maybe more than a thousand...when did you first...when the internet was first being commercialized back in the mid 90s and large companies like yours were realizing, hey, we need to move onto the web, we need to register our domain name, our company name as a domain name, do you remember back to those days when you first registered computerassociates.com or ca.com, and which came first?

Russ: I don't remember which came first. I know we registered a few of them. It was probably around 2000, you know, that's when the internet bubble burst and, you know, it was probably around 2000. I don't recall that. Our marketing department would have done that and I wasn't too close to that.

Michael: Yeah, and when CA, you know, launches new products and services, let's say you do an acquistion, you want to rebrand it a new name under CA, you know, so you can move away from the old branding that they had, or maybe you launch a brand new product, and you want to name that, what's typically the process at CA for doing that? Would you buy, would you

name it and then buy the matching domain name and redirect it to a portion of the ca.com website, or how would that work?

Russ: So, marketing would drive that. The marketing department would drive that. They would have certain branding in mind. CA has thousands of products.

Michael: Yeah.

Russ: The marketing group spent a lot of time through branding, categorizing all those products into one of four or five big brands, so when we'd build a new product, if it was part of those brands it would stick to those domains, you know, related to those brands. If it was a new company they would have their own domains, and we would try to integrate it in. If it was a brand new area we would, you know, like for example, we bought a company named Nimsoft, it was a successful acquisition, they had their own domains and we probably still, CA today probably still has nimsoft.com and other sub-domains using Nimsoft as the major domain, you know, I'm sure they still have it that way, you know? If we were to buy a, you know, another company, you know, I don't remember but I don't think CA ever really got into this fancy, you know, .info, .biz, you know, and to me there are advantages and disadvantages to that strategy, you know? I don't think CA has done that yet and I haven't seen that in a lot of large companies like, I haven't seen that with Oracle or IBM very much, although I guess there are some .ibm's, but it's an interesting area, you know, I would certainly, if I was the marketing person at CA I would consider it, you know? I think that there's some advantages and disadvantages to using those top level domains, you know? I know Accenture, I was looking at Accenture, they have a lot of .accenture, you know, and they register, they're in control of all the domains that are .accenture, you know, and there's some good things to that, you know? People get to know that Accenture has their own set of domains and they're easy to find and it helps you with branding, and helps you with control, so there's a lot of good advantages to it. The disadvantage is, if you kind of mix it up, and some of your domains are .com and some of your domains are .net and some of your domains are .biz and some of them are .info, it kind of gets confusing and how do you find the site?

Michael: Right.

Russ: You know? I know today if I look for a sight, generally if I do, you know, name .com I'm going to find it, you know, generally it's .com, and that's why people have stayed with .com because when you go and do a search that's what you look for, you know, or you try .com and if that doesn't work you try .org or .net and you generally find what you want, so I think there's a lot of advantages to going with the .accenture type model for branding, I think it's kind of cool, but it's not always so practical when you're trying to search for a given company, for a company who wants people to find them easily, you know, and you've changed all your domains to dot something else other than .com or .net...could be problematic.

Michael: Yeah.

Russ: So I think there's advantages and disadvantages. I could see both sides.

Michael: Yeah. Which do you think is heavier...the advantages or the disadvantages, today, 2016?

Russ: I think it depends on the company, you know? I think Accenture seems to have done it well, because they just kind of, you know, they bite the bullet and they say, no, we're going with .accenture, and they publicize it, you know, and it works, you know? So I think it depends on the company. I haven't seen the really big companies like Oracle do it, you know, and which way is better? I think it depends on the company, you know? I think Oracle may say, or CA may say, nah, too risky, we want people to find us.

Michael: Yeah.

Russ: You know, we don't want them to go through all kinds of machinations to find us. .com is fine, everybody knows it and they'll find us easily and we'll come up in, you know, in the searches, in the Google searches, etc., but for some companies that really want to do some slick branding it's perfect.

Michael: Yeah.

Russ: It's perfect. It's very advantageous.

Michael: When you were back with CA, and I should have mentioned this earlier, you just retired as of last year, is that correct?

Russ: About a year ago.

Michael: About a year ago. So when you were back with CA full-time, did you consider about five, eight years ago, applying for your own top level domain? You know, .ca you clearly can't have because it's the country code for Canada, but something similar to that, would that have been...is that something you'd consider?

Russ: I don't recall that, no, I don't recall that. You know, I am sure though that the marketing people there, who are there now, are very capable and I'm sure they're looking at it.

Michael: Yeah.

Russ: You know? And in fact I'm going to have a meeting with the CEO, Michael Gregoire, in a few weeks...I'll ask him, you know?

Michael: Yeah.

Russ: I'm sure they're looking at it. They're very...the new marketing group is much more opportunistic and innovative in terms of marketing and branding.

Michael: Yeah.

Russ: CA, you know, CA was built really with products and a lot of technical prowess, you know, and we had the mainframe days, then we had the days of client server, we had this hit product Unicenter, so Unicenter was selling, you know, managing client server data centers and we had the mainframe, you know, and we didn't need that much marketing.

Michael: Yeah.

Russ: You know? We just had a lot of good technical products, you know? Today it's a different world, you know, and branding really counts, and that's one of reasons, I guess we'll get to it, one of the reasons I got into the digital marketing space is I thought there was a need for good software in that space because it's such an important area.

Michael: Yeah, definitely, and we're going to get into that.

Russ: Okay.

Michael: Let me ask you, Russ...when you hear about all these new gTLDs such as .vip, .attorney, .blog, .shop, do you personally feel like they add more supply to the dearth of good .com domain names that are available?

Russ: I guess in some cases they do...in some cases they just confuse things, you know?

Michael: Yeah.

Russ: You know, I could see the problem of, you know, at some point you run out of names, you know, and you need some uniqueness, you know, so I can see company...they want to sharpen their brand and maybe they want to do it for a particular brand, for a particular set of products, so you do that, but in some cases it can be confusing, and I think companies should be careful if they mix it all up and some products are .com and some are .biz, and some...it could be confusing.

Michael: Yeah.

Russ: You know, I'd be careful. I would though, I think there's an opportunity to use it opportunistically for certain brands. Maybe some of your new brands, you know, and you want to get some real pizzazz out of it, so we'll call this, you know, dot, say the new product Nimsoft, so everything's going to be for that product line is going to be .nimsoft, you know? Something like that.

Michael: Yeah, yeah, that makes sense. So you retired last year from CA, one of the most successful companies in the world. Why aren't you sitting on a beach someplace in Hawaii sipping Mai Tai's and enjoying retirement, Russ?

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Michael: Why aren't you sitting on a beach someplace in Hawaii sipping Mai Tai's and enjoying retirement, Russ?

Russ: Sometimes that sounds great. Yeah, I'll tell you, you know, I'm the kind of person, I need to be productive, you know, I need to feel, you know, that I have a purpose in what I do, you know, I like to produce, you know, I like to be a contributor, you know, to society, you know, I'm involved in also a lot of outside companies, in charities, you know, I keep myself busy. I'm that kind of person, you know? Hobbies? I love sports, you know, I'm an avid, you know, sports fan, and I play tennis several times a week and, you know, and keep active that way, you know, so I love it, as hobbies, you know, but not to do full-time. First of all if I did it full-time, I think my, you know, my knees would start falling apart, but, you know, so I enjoy sports as a hobby. I enjoy sports as, you know, as watching it as a fan but it's not, I...I need to have to feel like I have a purpose. I want to feel I'm contributing and producing, and I

do it with more than just working at Digital Associates, you know, I've also made investments in other companies, you know, that I've gotten involved in. I've...I'm on several charitable boards, you know, that are involved in, for example, in the Northwell...Northwell is the big healthcare system in New York...they're based in Long Island, they were called North Shore-LIJ, you know, I'm on...I'm involved with Northwell, you know, I'm involved with different charities, I'm involved with Angel Networks, you know?

Michael: Well, I'm tired just listening to all the things you're involved in.

Russ: I believe in being productive, you know...in being active.

Michael: But do you play singles or doubles in tennis?

Russ: Excuse me?

Michael: Do you play singles or doubles in tennis?

Russ: Both.

Michael: Both...which do you prefer?

Russ: I prefer singles, but when my knee hurts I play doubles.

Michael: Yeah, yeah, yeah, and has your tennis club set up Pickleball at all? Have you ever heard of Pickleball?

Russ: No, what is it?

Michael: Oh, Pickleball. Next time you're in Seattle you need to come over to Bainbridge Island. It was invented a few doors down from where I live and it's a little bit smaller than a tennis court...you use a wooden paddle that's a little bit larger than a Ping Pong paddle....and a Wiffle ball, and it basically gives you, it takes away the power game of tennis, and it's a game of strategy and placement but you're still running around a court so it's a very interesting game.

Russ: What kind of court is it? Is it a tennis court?

Michael: It's a little bit smaller than a tennis court.

Russ: What's the surface?

Michael: Like a tennis court.

Russ: Oh, hard, or clay, or?

Michael: Well, ours is just concrete.

Russ: Concrete?

Michael: Yeah, yeah, yeah, yeah.

Russ: No, I play on clay courts, Har-Tru. It's a lot easier on the body.

Michael: Yeah, I've never played on one of those...that would be interesting.

Russ: Yeah, it's fun.

Michael: Alright, Russ, you told us that you're now, instead of lying on the beach, you're working in digital marketing, because of, you know, a lot of the experiences that you've had with CA in the past and understood from a lot of the companies you've worked with that these digital assets that they have are very important to them. You've mentioned also the name of the company is Digital Associates, and people can go to digitalassociates.com. What is Digital Associates?

Russ: Okay, so what our mission is, is, you know, today, companies have a hard time keeping track of their digital assets and their digital environment and, you know, doing well with your digital assets really has a great effect on the performance of your company, you know, and so we're, my idea is to build products that will help companies to understand and discover and analyze their digital environments, automatically, through software, and give them recommendations on how to improve their digital environment. So the

first product we built was a product that would go out and discover all of your domains. Every company has domains on the web, right? And they typically register it in lots of different ways, you know, and they register it using different people. As the registrar, you know, sometimes they'll use a subsidiary name, sometimes they'll use the parent name, sometimes they'll register through a Sales Manager, who knows, you know, we've seen all kinds of cases.

Michael: Right.

Russ: And it's very difficult for companies to really keep track of their domain portfolio, so what we do, is we go and automatically, all through software, all in the cloud, and you can buy this through our website, you can, we'll go and discover for...you tell us the name of the company, and we'll find every domain that that company, either that parent company, or any of its subsidiaries, all the domains that were registered, and we have a database of over 88 million companies telling us their corporate structures, so we'll look for, hey, has any of your executives registered this domain, you know, did your subsidiary register it? Now your subsidiary may have registered it but really the domain is still owned by the parent.

Michael: Right.

Russ: So, we give you, we think, the most complete exhaustive list of every domain that you own, whether it's a subsidiary domain or parent, or however you might have registered it. So that's our first product and we're selling it over the web. I've sold a few here locally. It's a low-ticket item, you know, it's, we'll compete with DomainTool and Domain IQ. Because of our knowledge of corporate structure we think we can find more domains. We're a little more accurate, you know, and more comprehensive. But that's our first product. That's our start, but our vision really is to go out and to start to understand and digest our company's large digital footprint, and understand what are their key concepts, what are their key keywords, you know, and how are they resonating over time? Is the sentiment good or bad, you know, are they popular, you know, are their websites consistent in nature, you know, these kinds of things. So, we do a lot of digital discovery and analysis, and scoring, this is what we're building, that's not out yet, the domain product is

out...so we're building a project that's really a digital intelligence product to help a company be able to figure out how they're doing, what they have, how they're doing, how are they scoring, and over time are they getting better or worse, and in what areas are they getting better and what areas are they getting worse, you know, and maybe some remediation. Here are some suggestions for how to get better, so that it becomes a product that you can use over time and you always need it because it gives you kind of a process or methodology for measuring your company.

Michael: So that makes sense to me because I think a lot of large corporations, you know, sort of allow their product managers to go out and control that and they don't have one good analysis. When you said digital assets I was a bit confused earlier because I think of mainly domain names but really you're thinking of everything online that is related to a company, so...

Russ: That's right.

Michael: It could be a Twitter account or a Facebook account...

Russ: Yes.

Michael: It could be a website and whether it has accessibility, it could be, you know, a PDF that you're offering out, and basically, analyzing those and helping to understand if they're consistent, how they're judged, and helping those companies understand what they are and then working to bring them all together.

Russ: Exactly...so we'll look at yeah, but the domains help because the domains tell us, okay, which domains do we need to crawl to find more detailed data? And when I say crawl, for any given domain there are many web pages under a given domain, and we'll crawl those web pages to get the real detail.

Michael: Yeah, that makes sense.

Russ: You know?

Michael: Who's going to buy this, Russ?

Russ: I think that unlike my former company that focused on the data center, the Chief Marketing Officers and the Chief Digital Officers are going to be interested in this product, you know, and I'm going to be socializing these ideas...I'm going to a conference of...digital marketing conference in a few weeks out in Las Vegas...I'm going to socialize it with a bunch of Chief Marketing Officers...I'm finding that those are the people who would look at this kind of product.

Michael: Yeah, definitely, and, what's the order of magnitude for just the domain discovery product that you have right now? Is it a thousand dollar, a ten thousand dollar, a hundred thousand dollar report?

Russ: Yeah, the way we sell, the one we have today, it's just under a thousand dollars, and it's per company, so, we had one...our first company bought it here is Long Island and they wanted three copies...four copies, one to analyze themselves, and three other companies. So we charge about a thousand dollars per copy, you know, and we're coming out with another domain name product shortly that's more like DomainTools that will not go through all the corporate structure stuff and will let you just search and find the domains you want, and that will be cheaper, you know, we'll sell faster.

Michael: Yeah. It will be more expensive to have a full analysis of the online, you know?

Russ: We'll charge more for that.

Michael: And companies would probably want to do that every single year as sort of, you know, here's where we are, what's our remediation plan, as you mentioned, and then next year, analyzing it again, and every year it changes so really they need to monitor it, because...

Russ: They need to monitor it every year, no you're right, you know, and we're also going to provide a bulk option where, let's say you want to be able to look at up to a hundred companies a year, we'll give you an option for that,

you know, we'll track, okay...you can scan a hundred companies, after a hundred in a given year, that's it.

Michael: Right, because I would anticipate if I buy one for my Global 2000 company I'd probably want to buy my competitor's as well and do like an analysis against them.

Russ: That's what we're hoping, that's what we're hoping for, yeah, and yeah...and so I'm going after, I'm going to market to the CMOs and the Chief Digital Officers.

Michael: Yeah.

Russ: And there's more and more Chief Digital Officers these days, you know? It's kind of a new title and a new role, but I'm finding more and more companies are creating Digital Officers just so there's a focus by somebody in the company to look after their digital environment.

Michael: Now how does that shake out typically that you've seen...the CMO versus the CDO?

Russ: Most companies have CMOs, a CDO is kind of newer. The companies that put the Chief Digital Officers in, typically they may not have the same breadth of power that the CMO would have, but they have their own influence, so they're kind of known as the experts on digital, so people go to them for expertise, you know, whereas the CMO has more the authority to buy or not buy, you know?

Michael: Is it similar to sort of a CIO and CTO, the Chief Information Officer that has sort of...

Russ: It's similar, yeah. So the CIO will typically make the decision, but the CTO will have the technical details.

Michael: Right.

Russ: So, I think that's a pretty good analogy. The Chief Digital Officer is going to be very knowledgeable and is going to go into depth on what's needed for the digital environment and what tools are really appropriate, you know, and the CMO is typically going to be part of that decision.

Michael: Yeah.

Russ: As to whether to buy or not.

Michael: Yeah, excellent...I'll need to go onto LinkedIn and search for how many Chief Digital Officers I see listed on there because it's an interesting switch.

Russ: There's quite a few.

Michael: Yeah.

Russ: But they switch around, you're right, there's a lot of change...it moves around quite a bit.

Michael: Yeah, fantastic, Russ. And when should we expect to see the next iteration, the next product, coming out from Digital Associates?

Russ: So we're going to have the second Discovery product coming out in the next month or two. We're hoping that early next year we'll start to have some of these digital intelligence products I'm talking about.

Michael: Okay.

Russ: Where you'll be able to analyze, you know, keywords, and the most important concepts and where they're being used and benchmarking them and giving you a feeling for how they're performing versus other brands, that kind of thing.

Michael: Yeah.

Russ: And it's a difficult thing, you know, it's not easy to say, okay, I want to analyze a company's brand, or how do you find their brands...it's not a simple process, you know, so there are a lot of tools out there that go and analyze websites to go figure out, what are the key concepts you're talking about here on your website? We pick up those concepts and report on them, and show how they perform.

Michael: Yeah, definitely. My last question for you, Russ, has to do with the branding of digitalassociates.com. Did you own that domain name before you decided to start this business?

Russ: We did it right away. So we had some luck with Computer Associates and I started the company with my partner, Vince Ray, who's from CA, he was at CA for thirty years, not a founder, but thirty years, and we had a lot of luck with Computer Associates so we said let's call it Digital Associates, and as soon as we did that we got the domain, and I've got to tell you, it cost us some money...more than I thought, because...

Michael: Are you willing to say how much you paid for it?

Russ: Network Solutions thought it was a really specialized type of domain and then they charged extra for it.

Michael: Wait a second, so you bought it at Network Solutions? Was it part of their warehouse domains, or did you buy it from an individual user?

Russ: No, it was part of their warehouse.

Michael: Oh, are you willing to say how much you spent on digitalassociates.com?

Russ: I probably shouldn't.

Michael: Was it over ten thousand dollars?

Russ: No.

Michael: Okay.

Russ: No, less than that.

Michael: So, it seems like a pretty easy investment in the grand scheme of things considering you, you know, just left your four and a half billion dollar company and you're starting your next adventure to spend, you know, four figures on a domain name...seems reasonable.

Russ: Not bad, not bad at all.

Michael: Yeah.

Russ: Now we need to sell more products.

Michael: Exactly. Well, and so, okay, so this is going to be the last question. In the Global 2000 it's about relationships, right? It's not taking out ads on Google and trying to sell mainframe maintenance, or, you know, maintenance of computer systems across multi-national corporations and tying them all together. You are...you have a sales team, they're responsible for certain areas, they call on those companies, they get in the door, they go to conferences and they schmooze potential customers, they talk about the benefits of their products, business is done at CA by relationships.

Russ: That's correct.

Michael: Are you planning to do something similar with Digital Associates?

Russ: CA's model is more of what I'd call a direct sales model, you know, where they always focused on the Fortune 1000 let's say, and they'd have a salesperson for each one, and that works for CA, it works very well, but it is an expensive model, you know? I'm looking to look at other channels. I'm looking to be able to sell through an ecommerce model over a website, okay? When you're selling a product, you know...at CA we sold a product for, you know, six figures, seven figures, you know? When you're selling a thousand dollar item you have to devalue, you know, so you've got to be able to sell it through an ecommerce model, through a website, you need partnerships, I'm

looking at partnerships in the field, there's a lot of companies in the digital space that are more into consulting and less product, and we're more product and less consulting, so I think that's a good partnership, you know? So I'm looking to explore different models, you know? I'm looking for a partnership model, I'm looking for more business development relationships, but I'm not looking to recreate a direct sales model, no. That's a model that works for CA and IBM, you know, and others...that wouldn't work here, you know?

Michael: Got it. Alright, this is the part of the show where I ask the audience if you have questions please post them in the comments below this video on DomainSherpa and I'll ask Russ to come back and answer as many as he can. Russ, if someone does want to reach out to you directly, because maybe they do consulting and branding and they want to partner with you to sell your software, your product, product type software as part of their package, what's the best way that they can reach out to you personally?

Russ: Either email or my mobile phone.

Michael: Okay, and what's your email?

Russ: Email is russ@digitalassociates.com.

Michael: Okay, and do you want to say your phone number?

Russ: Cell phone is 516-554-1624.

Michael: Fantastic.

Russ: Those are the two best ways to get me.

Michael: Alright, if you received benefit from today's show, learned something new...helped you think through branding from a Global 2000, Fortune 1000 company perspective, please take a moment to thank today's Sherpa. I'm going to be the first to say thanks to Russ. Russ Artzt, thank you for coming on the Domain Sherpa show, sharing your experiences in starting and building one of the most successful software companies in the world, and thanks for being a Domain Sherpa for others.

Russ: Thank you, Mike...thanks for the opportunity, I appreciate it.

Michael: We're going to be watching what's going on with digitalassociates.com. Good luck to you.

Russ: I will keep you posted, personally.

Michael: Thank you all for watching. We'll see you next time.

Russ: Thank you.

**Watch the full video at:**
http://www.domainsherpa.com/russ-artzt-digitalassociates/