

CHALLENGES OF GROWTH

## How to put a new company on the mind map

Mike Jetter began writing his mind mapping software while battling cancer 12 years ago in Germany. Now based in San Francisco, he and his company are thriving, writes Simon London

When Mike Jetter started writing mind mapping software he was more worried about his body than his mind. The young German programmer was preparing for his second bone marrow transplant, treatment for a recurrence of leukaemia. Writing software was a way to fill the long, lonely weeks in a Munich hospital isolation room.

With his immune system weakened by both disease and treatment, everything in the room had to be scrubbed clean and disinfected, including the grey metal table and personal computer at which he worked. "I knew there was a good chance that I might not make it," recalls Mr Jetter. "I wanted to leave a legacy."

Twelve years on, both programmer and program are thriving. About 500,000 people worldwide use Mind Manager, as Mr Jetter named his software. Mindjet, the company he founded with Bettina, his wife, expects to turn in a decent profit this year on revenues of about \$30m.

Mind mapping was developed in the 1970s by Tony Buzan, the British popular psychologist and self-styled "mind magician". He was convinced that traditional thinking tools – such as writing lists – stifled creativity. Mind mapping uses bubbles, arrows, colours and pictures to construct a graphical representation of a problem or project. In theory, this helps

users tap into both the left (analytical) and right (creative) sides of the brain.

As a pencil-and-paper thinking tool, mind mapping is taught on management training courses the world over. Indeed, this was how Mr Jetter was introduced to the technique. As someone who found drawing difficult, he was fascinated by the idea of writing software that would allow mind maps to be created on a PC.

In those pre-internet days, the idea was simply to replicate two-dimensional maps on the computer screen. Today, computer-based mind maps have an added advantage: they can be linked to supporting material such as

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web pages, internal documents or news services. As a planning and management tool this is powerful stuff. Mindjet customers range from freelance project managers to teachers to the Royal Air Force.

But Mindjet's journey from idea to profitability has been nearly as slow and nerve-racking as Mr Jetter's journey back to health. When he left hospital in 1994, the fledgling company was run evenings and weekends from the couple's apartment in Munich. About 400 licences were sold that first year, helped by a favourable review in a German PC magazine.

In time, Mr Jetter went back to work as a software engineer and his wife continued with her career in marketing. In 1996, the husband and wife team relocated to San Francisco with his employer – a small German software company – and took their part-time business with them.

That was a heady period for the technology industry. Every computer geek in California, it seemed, had a business plan. Venture capital flowed freely. Yet the Jetters



Tenacity: Mindjet, founded by Mike and Bettina Jetter, has weathered the dotcom crash, September 11 and illness to win financial backing for growth

Max Whittaker

had to move slowly. Not long after they arrived in the Golden State, Mr Jetter's employer closed its US operation and the couple had to navigate the complex US immigration system in order to remain in the country.

Then, in 1998, the leukaemia returned, requiring a third bone marrow transplant and another extended hospital stay back in Munich. It was not until 2001 that the Jetters signed a deal with 3i, the UK venture capital group, giving them the financial backing to expand in earnest.

With hindsight, the timing could hardly have been worse. The technology bubble deflated through the first eight months of 2001. Following the terrorist attacks of September 11, business

ground to a halt. Mindjet's payroll – which had grown to 70 – was halved to stem the flow of red ink.

But the Jetters are nothing if not tenacious. Unlike many technology entrepreneurs, they cut costs early and deep enough to conserve cash. In 2003, Mindjet broke

### BETTINA JETTER: MEMORIES OF LEUKAEMIA AND ENTREPRENEURSHIP

"Years ago, when we first began planning our future, Mike and I imagined a life very different from the one we now lead. But strange as it might seem to say, we are in many ways thankful for Mike's disease. How could we not be? It brought our families together in a way that only adversity can. It opened our eyes to strengths we never knew we had. It brought us this

even. Last year, it clawed into the black. Headcount is back up to 130 and rising. A second round of venture capital funding, signed in April, brought in additional financing from 3i and Investor AB, the investment vehicle of Sweden's Wallenberg family.

business. But, most important, it taught us to build a life that reflects our innermost values. "While it is wonderful to see Mindjet grow, our deep satisfaction comes from treasuring family and friends, honouring our bodies and our minds, taking time to relax, and keeping in perspective those things that might have once pushed us into fits of anger,

As every entrepreneur knows, however, growth brings challenges of its own. Many companies fail because they cannot make the transition from small, against-the-odds outfit into a mature organisation. "Mike and Bettina knew

frustration and sorrow. "I guess you could say that all these years after Mike woke up in pain one Christmas morning, we feel like we have finally graduated from an incredibly extensive course in counting one's blessings."

From 'The Cancer Code' (2003), Mike and Bettina Jetter's self-published memoir

they needed someone who had done it before if they were to get to the next level," says Bob Gordon, a big, bluff Canadian hired earlier this year as chief executive.

As a veteran of IBM and Oracle, Mr Gordon is charged with complementing the entrepreneurial drive by providing experience and big-company attention to process.

His view is that his biggest challenge is deciding where Mindjet should focus. While a few big companies use Mind Manager – including BMW, Siemens and Hewlett-Packard – the majority of users are individuals who paid for the software out of their own pockets. The next step is to grow the corporate customer base, especially in

markets outside Germany.

The strategy for achieving this is versioning. Until recently, Mindjet concentrated on building versions of Mind Manager for different technology platforms (Palm organisers, Tablet PCs) and languages (German, English, French). Mr Gordon sees potential for versions tailored for different corporate functions – such as sales, finance and manufacturing. He says: "There are many, many possible applications out there. The issue is deciding where to focus."

Still, there is plenty that could go wrong. Mindjet does not have the mind mapping software sector to itself. It faces competition not only from other commercial software packages – alternatives include MindMapper, Inspiration, Visual Mind, Headcase and MindGenius – but also from the open source community of programmers. Freemind, the open source mind mapping tool, can be downloaded free of charge with the proviso that any changes to the program are shared with other users.

Then there is the question of management. While the Jetters know they need professional managers to help build the business, there is no guarantee that the founders and their CEO will see eye to eye as the company grows. The software industry is littered with examples of companies that struggled to make the transition from organisational adolescence to maturity. Autodesk, the \$10bn computer-aided design software company headquartered close to Mindjet in Marin County, north of San Francisco, famously descended into near-chaos in the early 1990s when its technologist-founder fell out with the company's professional CEO.

For his part, Mr Jetter believes that he has been through too much over the past 15 years – his leukaemia was first diagnosed in 1990 – to let petty arguments or ego get in the way. Who calls the shots at Mindjet is less important, he says, than family, friends, enjoying life and finding better ways to organise information: "If you could present [internet] search results as maps rather than lists, what would that be worth?"

### THE NEXT LEVEL

Technology entrepreneurs Mike and Bettina Jetter kept start-up Mindjet going through the dotcom crash. Now the business faces the challenges of growth:

- The transition from start-up mentality to mature organisation: professional managers are needed and an experienced chief executive has been hired.
- Expanding the business customer base: versions of Mindjet for different corporate functions may be developed.
- Competition: commercial rivals have brought out products and now Freemind, the open source mind-mapping tool, can be downloaded for free.

