

WOMEN TO WATCH 2005

Updating a Reliable Relic

Beth Bumbarger Breathes New Life Into Nemonix



Beth Bumbarger

If Beth Bumbarger can step in as CEO to help her husband Dan grow Nemonix Engineering Inc. five times over in the last three years – after his business partner essentially closed the company's doors – imagine what she can do going forward.

And this is with a business that maximizes 25-year-old VAX mainframe computers – to which Bumbarger is all too happy to point out, “Do you know how much “Jurassic Park” made on dinosaurs?”

There is nothing prehistoric here. The Holliston-based company, founded in 1985, today provides memory, storage, networking, acceleration and adaptor hardware upgrades to the 175,000 VAXs in the U.S. and upwards of 350,000 worldwide. “We’re taking something that’s already good and increasing the functionality so it’s like you got it in the last year,” Bumbarger says. “Besides, they’re so reliable, nobody wants to get rid of them.”

Since her arrival in 2001, Bumbarger has added parts and service divisions to the core Ethernet and SCSI board production. A brand new product line for the 20-year-old Alpha mainframe debuts this quarter. So take the revenue that’s already grown five times over and times that again by four – in the next 18 months.

And then there’s huge potential to come in the form of the latest generation in the VAX and Alpha open VMS platform, Hewlett-Packard’s Itanium. As HP’s only licensed hardware partner, Nemonix is planning ahead. “By the time those machines start becoming a little bit old,” Bumbarger says, “we’ll be coming in with the steps to make them even better.”

“Brilliant,” then, is the word to describe the Bumbargers’ decision to keep Nemonix going after

the business partner’s surprise Friday lunchtime announcement that he was retiring and closing the doors. “That left us with zero business assets financially, a lot of equipment and a lot of bills to pay.”

That weekend the couple decided to reincorporate and stay open. Since Dan is the engineering whiz, the patents and the rights to the product lines were all in his name, so they weren’t losing the core of the company. Beth began her career training others in sales and marketing, so she had that experience under her belt.

From there, she had become the director of fundraising and product development for the Kennedy Foundation’s Flame of Hope project supporting sheltered workshops. Through the honorary board of directors she formed she met people at Digital Equipment Corp. Ready to move on – “I was approaching 30” – she joined Digital as an instructor, ultimately teaching nine computer languages and 14 operating systems before becoming a systems analyst.

Bumbarger left Digital in 1987 when the couple adopted their son. Until she stepped into Nemonix 14 years later, she would consult in computer literacy, teach piano and organ (if you dined at The Old Mill in Westminster in the early 1970s, that was Beth at the keyboard) and volunteer.

As Nemonix CEO, Bumbarger would bring her understanding of sales, marketing and computers forward while Dan continued to head up engineering. The company of 18 became a company of three, the Bumbargers and Pam King, who has been with the company all along. Together, they would build on the core VAX products and an already excellent reputation.

Nemonix was founded to produce the Ethernet cards and SCSI boards that could improve the VAX’s processing speed 35 to 500 percent, depending on the machine. One customer’s backup time

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was so dramatically reduced, from 14 hours to four, Bumbarger points out, that, stunned, they did a line-by-line comparison to verify the outcome.

"The return on investment is astronomical," she says. "When you're talking \$80,000 and up for a new computer, let alone the software and the licensing so you're already over \$150,000 to \$200,000, and we can extend the VAX's life for under \$7,000, the cost of our most expensive product, customers tend to be a bit thrilled."

Within 12 months of "reopening," the couple was on to adding a new reengineering department and a design engineering department to modify parts or build new ones. Next was the service division, the 24/7 hotline staffed by senior-level repair engineers and the maintenance package, both the result of customer demand. Ever-growing revenue also allowed for R&D on the Alpha, the follow-up generation to the VAX.

Nemonix is addressing two limitations in the Alpha with its pending product launch by adding slots to the slot-bound design to allow for more features and improving on speed, from the original 100 megabytes to two gigabytes and beyond. Like their VAX counterparts, the Alpha boards also permit tying into newer systems.

Nemonix now has seven in house with a battery of consultants on tap, "so at any given time we can be 40 to 50," Bumbarger says. She's in the process of hiring engineers and envisions only more growth to come. "We're looking at other computer brand names so we may add other product lines." A partner European distributor in London is accelerating overseas sales. And a new educational arm is under consideration. "We're just starting to dabble in customized training," she points out.

No longer heading up sales and marketing – she coaxed a former HPer out of retirement for that – Bumbarger is now focused on developing new part-

nerships and other business opportunities. The morning of her interview, a potential partner had called her home at 7:30 to pitch doing something for PCs. "We've never done that and so we'll sit and listen. We always meet with people face to face, and I do a lot of those kinds of meetings."

Bumbarger credits the company's success to "a wonderful staff. We could not do this without them. This is not a business that you grow alone." In return, she's ensured a life/work-friendly environment that includes flexible hours figured around meeting deadlines. "We never let the big business get in the way of the small-business psyche," she says.

As for running a business with a spouse, Bumbarger recommends knowing who's in charge and in which particular areas. She's fully supportive of Dan in his engineering initiatives, down to he's the one who negotiates the parts purchasing. On the other hand, she does the negotiations with the bank and keeps all the pieces of the business running smoothly.

An interesting rule is talking out business disagreements only on their cell phones when driving in their separate cars between the office and home, a disagreement being something like, "Why did you do X while I wasn't in the office?" The practice has kept their 21-year marriage a happy one and the business discussions where they belong. "I have pulled into the driveway and said, 'I'm home. Let's talk about this tomorrow,' even though Dan is only three car-lengths behind me."

And they simply enjoy their differences (Beth: bubbly, can-do anything; Dan: let's-think-about-this) and their similarities. Both grew up with entrepreneurial parents, although it was Beth's father who would say, "When you walk in the door, you work for me." She's updated the saying. "I tell Dan, 'I may walk through the door but I still own 51 percent of the business.' We laugh, and that's what helps us get along."