

Business
The Dallas Morning News Wednesday, February 27, 2002
DallasNews.com II+ Section D

ALAN GOLDSTEIN **Entrust chief an evangelist for network security**



Computer security didn't rank too high on the list of worries of executives in the days when the threat was perceived by malicious lone hackers. But since Sept. 11, fears about what a cyberterrorism attack might look like have prompted executives to pay attention. The global software security market is expected to grow 40 percent this year to \$4.5 billion, according to research firm Gartner Inc., despite generally tight technology budgets.

Bill Conner, chief executive of Entrust Inc., an Internet security firm, has acted on the opportunity with all the passion he can muster. In recent months, he's sought to merge himself into a prominent evangelist for protecting the planet's computer systems, now made all the more vulnerable by the interconnection of the Internet. He's spoken at meetings on Capitol Hill and at a NATO summit, and dined with political leaders in Canada, the United Kingdom and Japan, spreading the message that compliance about security no longer will cut it.

"How many chances do you get to do something you believe in that's as important as this is?" said the visible Mr. Conner, during a visit to his new office in Addison, Texas.

They've got and intuition knows that something's afoot. "There's a lot of people out there who know that the networks aren't secure. Now, it's not just your credit card information at risk. It's business as it's government. Plus it's, it's the free world. I want to protect our freedoms. I know that's empty, but it's true."

Mr. Conner, 42, took the job as president and CEO of Entrust last April, after stepping down from his post as Intel Security Corp.'s top executive in Redwood City, Calif. He'd been a board member since July 1997, a few months after Intel, the California telecommunications giant, spun off its young security unit as an independent company. Mr. Conner was given the additional title of chairman two weeks ago.

Changed with turning around the company, he began his tenure by slashing costs. In June, the company eliminated 400 jobs, or 30 percent of its workforce.

Mr. Conner then committed to expanding the company's product offerings. Entrust has traditionally sold certain technology, such as "public key" software for managing digital keys and certificates. Now, the company wants to help corporate and government customers in such areas as setting privacy policies and controlling where users are authorized to go on a website.

A marketing guy at heart, Mr. Conner also has been focused on promoting the Entrust brand. Its bright red logo is now visible on the side of a building along the Dallas North Tollway. The company has even put its name on a billboard outside Texas Stadium.

"It's beating the Entrust drum pretty loudly," said Craig Nankovik, a research analyst at First Analysis Securities Corp. in Chicago.

Mr. Conner really admits his work is far from done. "There was a lot more reengineering to do than I thought coming in," he said.

That's Wall Street's perception, too. For all the promise of the Internet security sector, for all the warnings from Washington about the growing cyberthreat, Entrust hasn't yet shown the growth and profitability that analysts look for. Last year, Entrust reported a loss of \$543.7 million on revenue of \$118 million. The company's stock price is down 22 percent since the beginning of the year, closing Tuesday at \$4.90.

"There's still an 'institutional mode,'" said Edward Hershauer, an analyst at Lehman Brothers Inc. "Public key technology is a relatively low priority in most technology budgets, compared with antivirus programs that involve electronic mail approvals and malicious programs and firewalls that protect the perimeter of a computer network from intruders," Mr. Nankovik said.

The good news is Entrust has had some success selling public key technology to governments, which already have some of the infrastructure in place, so they're not starting from scratch.

Mr. Hershauer said the government business will take years to gain critical mass.

"Am I disappointed in our stock price? Oh, to what we're doing and how we're performing? Absolutely not," Mr. Conner said. "Everything is relative. We're doing the right thing."

By ENTHUST Page A01

Raising Awareness of Cyber Security

THE APPROACH:

- Establish thought leadership for Entrust in the Internet security space
- Leverage the client's Federal Government experience in cyber security and threat mitigation areas
- Position CEO as expert in message encryption, public key infrastructure and security planning
- Create a national PR program to reach top government, banking and utility IT executives with the security message

RESULTS:

- Over an 18-month contract we landed more than 75 articles positioning Entrust as a leader in Internet security and data encryption
- Headlines such as the one above were noticed by government IT influencers in Washington D.C. who invited the Entrust CEO to be a keynote speaker at a Cyber Security Forum post-9/11
- The success of the PR program in the U.S. was leveraged globally by the Entrust marketing team to support sales efforts and the PR effort internationally