

When the Web is better than sex

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BY MICHAEL KRAUSS

What would Hugh Hefner think? That thought dominated my brain as I watched David Lennie and Denise Olson present at last week's "Delivering the Customer Centric Organization" conference at the Palmer House.

Lennie, 31, is manager of business intelligence at Playboy.com. Olson, 38, is director of solutions architecture at Chicago-based Acquity Group, a technology consultancy. Olson is Lennie's adviser. Together they described how Playboy.com is awash in data from the 2.5 million-plus unique visitors who hit the site each month.

Olson described how her company helped Lennie bring discipline to Playboy.com. They created a data warehouse, report formats and scorecards, so that management can respond lithely to changes in Web traffic. She spoke confidently about the opportunity to cross-sell Playboy's product offerings.

"Hef," I kept thinking, "it's a brave new world. It's not about the great articles and reviews, or dare I say, the photo layouts. It's about how you manage the Web traffic."

Earlier this month Playboy Enterprises reported strong 2004 fourth-quarter results and a return to earnings-per-share profitability, with good prospects for 2005. The company credited "strength in such businesses as television and on-line" for the improvement.

I'm sure there were many hands involved in the turnaround. I just think about Hefner. Could he have imagined the power of the Internet?

"I don't think anybody could have forecast the importance of the Web," says Scott Stephen, executive vice president operations at Playboy Enterprises, who oversees such things. "We use cutting-edge technology to better serve our customers. Playboy.com is the on-line ambassador to Playboy. It's an integral part of our strategy."

He also praised Acquity's work, noting that the Web site is adding customers for the magazine and Playboy's TV properties.

What about the Playboy Clubs I asked Stephen? "Playboy.com is more important than the clubs were 20 years ago," he says. "It's much more dynamic."

Chris Dalton, 37, co-founder and CEO of Acquity Group, says the technology consulting business is "phenomenal. It's really raging out there."

That's quite a turnaround for Dalton, who launched Acquity in April 2001, in the midst of the dot-com bust.

"It was the most challenging time for a services business in the technology space," says Dalton, whose financial advisers almost dissuaded him from the venture. Dalton went ahead anyway. He quotes investor Sam Zell: "The best time to buy things is when they are distressed."

Dalton recruited an outstanding team during the downturn, and this year he expects to exceed \$20 million in fees. His company employs more than 100 professionals.

A loss for Illinois

While Illini basketball is leading the nation, the University of Illinois at Urbana/Champaign suffered a major defeat off the hard court. David Daniel, dean of the school's nationally ranked college of engineering, announced he's headed to Texas. Daniel's been named president of the University of Texas at Dallas.

"Illinois is a great university," Daniel says. "The engineering deanship is one of the best jobs around."

So what lured him away? The state of Texas committed \$300 million to the UT Dallas engineering school. It's part of a public-private partnership supported by Texas Instruments.

I can't blame Daniel, a native Texan for returning home, but I wonder when the state of Illinois will announce those \$100-million-plus tech partnerships.

Bits & Bytes

Chicago Nanotech entrepreneur **Lewis Gruber**, CEO of Arryx, was one of 29 technology pioneers honored at the World Economic Forum in Davos, Switzerland. Gruber's company makes so-called nano-scale tweezers, sophisticated machines that allow technicians to rearrange materials at the molecular level. "It was very exciting," Gruber says. "It allowed us to connect with business leaders from around the world." Gruber thinks it raised the profile of Chicago's tech community. "It's an indication the Chicago tech community is striving to be world class."

Further evidence Motorola CEO **Ed Zander** is turning the company around. He named Procter & Gamble global marketing officer James Stengel to the Motorola board. More marketing muscle is what traditionally engineering savvy Motorola needs to prosper. It's a good move by Zander.

Michael Krauss is a Chicago area tech writer and consultant.