NEW GIG

With one startup behind him, will former CIO Arthur Tisi make it on his own? PAGE 76

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See where the potholes and speed bumps are lurking
down
STARTUP STREET

Dotcom startups have been, and remain, potential paths paved in gold and glory, beckoning everyone—from junior programmers to CIOs. But the fickle stock market has warned dotcom hitchhikers that they’re in for a rough ride. The demise of Toysmart.com this past spring shows that even well-publicized companies with capable CIOs like John Puckett can crash and burn.

In our April 1, 2000, cover story, “Wheel of Misfortune?” we warned you to look before you leap to a dotcom. We also made it clear in our June 1, 2000, feature “How I Survived My IPO” that things don’t necessarily get any easier after a startup goes public, despite the Wall Street fuel injection.

In this special report on startups, we urge you to hit the city streets of New York with CIO Arthur Tisi, as he leaves the safe environs of the Metropolitan Museum of Art and heads downtown to dotcom startup Circline. He’ll share his thrills, chills and disappointments and leave you pondering the sagacity of his ultimate career decision.

Next, hop in the backseat as former eBay IT hero Bob Quinn and Mintu Bachann, new CIO of Equalfooting.com, tour the byways of startup IT leadership, swapping questions and answers on fast growth and high-torque resistance to change.

Finally, take a closer look at the Mighty Quinn’s newest ride, startup Portera, and tell us what you think of the company’s chances—will it cruise or crack up on the mean streets of the e-metropolis?

—Richard Pastore, senior executive editor
This is the world according to Tisi: frenetic, impulsive, driven, hyperproductive and fun. With his mop of corn-colored hair and his hobby of writing, recording and producing music, the 37-year-old seems more equipped to catch a wave than he does to program SQL. Still, Tisi delivers. For seven years as CIO at The Metropolitan Museum of Art, he directed technological innovations that changed the staid institution forever, establishing the organization’s first-ever network, developing a collections management system and launching the museum into cyberspace. Then, this January, Tisi changed gears completely and moved to Circline, a for-profit dotcom where he built an IT team from scratch, shaped the company’s e-commerce website and honed proprietary technologies that enable dealers to buy or sell art from anywhere in the world.

In moving to Circline, Tisi seized an opportunity to build an IT team the way he wanted and to work with new people, technologies and challenges. Over time, however, he realized that the vaunted culture of flat hierarchies and breakneck work ethic wasn’t all it was cracked up to be. Tisi wanted a more creative environment, a atmosphere he could shape in his own image and a culture to call his own. Ultimately, with perseverance, motivation and an entrepreneurial spirit, he achieved his goals. What a long, strange trip it’s been.

A Job Dreams Are Made Of
Tisi began working in nonprofit IT in 1993, when he was hired as CIO at the Met, the largest art museum in the Western Hemisphere. After several years of running IT in health care, the position at the Met was literally a dream come true. As a child growing up in the Bronx, Tisi had visited the museum frequently and says he had always been in awe of the amount of creative genius amassed in one place. When the museum’s search firm contacted him about the CIO job, he says, he “nearly yelped in excitement.” Eight weeks and 14 interviews later, the CIO job was his, complete with a spacious office that was located in the mezzanine of the Michael C. Rockefeller wing.

Tisi inherited an IT staff of about 30, and as he began to add fresh blood he launched a broad, multimillion-dollar platform of initiatives to modernize the museum’s IT depart-

"The notion of a FLAT STRUCTURE is admirable, but I think you’ll find that it DOESN’T ALWAYS WORK, and I think startups can be particularly prone to this sort of challenge.” —Arthur Tisi

curators track the millions of artifacts the museum owns. Perhaps his most extensive achievement of all, however, was the organization’s website (w w w. m e t m u s e u m . o r g ), a virtual exhibit hall where users can log on and view 3,500 of the institution’s most popular pieces from the privacy of their own homes. To date, the site registers hundreds of thousands of visitors every month.

“He really put us into the modern age,” says Daniel Berger, a consultant to the museum’s sales division, who was a manager of merchandising during Tisi’s tenure. “He convinced the executive area of the institution that the future would be better served by going cautiously but steadily forward in the areas of data processing and computing. [Tisi] changed this place forever.”

As with any organization as prestigious as the Met, many of the museum’s leadership structures were complex, and Tisi quickly learned that this culture required special handling. Instead of simply going off and purchasing new technology on his own, Tisi had to build a consensus, obtaining approval from numerous groups first. He says this turned ordinary procurement efforts into structured transactions and notes that while these processes were usually rewarding, many of them ran for months at a time.

Like any good leader, Tisi learned to work within the confines of this environment, adjusting his professional expectations accordingly. But after seven years, the everyday became banal, and Tisi was ready for something new. He began to wonder what
It's been a busy year for Arthur Tisi, former CIO at the Met who went on to try his hand at startup life. See why he is charged and raring to go.

**START ME up**

**Arthur Tisi lays big bear hugs** on first-time visitors, disarming them to the point of laughter. Over the course of a normal 10-hour day, he slams back half a dozen bottles of neon-blue Powerade, eats three (sometimes four) containers of fruit salad and checks his e-mail at least 40 times. During meetings, he treats the conference table like a set of drums, thumping the floor with his feet while tapping the tabletop in syncopated rhythm. At lunch, he blows off steam with what he calls “retail therapy,” impromptu jaunts to the designer stores that line Madison Avenue, in search of stuff he says every self-respecting man should buy—shirts, slacks, Mont Blanc pens and the occasional ring for the missus.

This kind of psychological release is important during a stressful day,” he offers with a swipe of the plastic, attempting to justify his typical hour-long shopping extravaganzas. “You’d be amazed at how critical it can be to productivity and overall state of mind.”

Reader ROI

- Learn how the CTO role differs at a startup
- Discover what it takes to thrive in a startup environment
- See what can happen when you follow your dreams
else was out there, and last summer he started interviewing at some dotcoms to get a feel for how the industry had evolved. At the same time, the Met unveiled its new website, and Tisi felt it was a logical jumping-off point for a new opportunity. He didn’t know where he wanted to go, only that it was time for a new job where he could have a different yet positive impact.

"Where are you going to go after you work at the Met?" he asks rhetorically. "You can’t get much better, that’s for sure. I was pretty much prepared to accept the fact that no matter where I went, it would be an entirely different experience. On every level, in every sense of the word, I was ready for something new. It was just a question of finding it."

Tisi lands at Circline in November 1999, after being considered for CIO positions at Sotheby’s and Christie’s, Tisi stumbled on Circline, a 2-year-old startup that brokers hard-to-find artifacts and accessories online. He liked the company right away, particularly because it eschewed the trendy online auction model in favor of a unique, community-oriented medium for commerce. He says that with a bright group of leaders and seemingly committed investors, the company piqued his professional interest because “it was trying to change the marketplace for the better” and was not doing something that he considered to be “emotionally shallow.” What’s more, he was intrigued by CEO Sean Mast’s promise of equality, a flattened business atmosphere where everyone was on level ground. This was a culture that Tisi had always admired, and he was curious to see if it could exist.

Mast offered Tisi the job of vice president and CTO, and Tisi made the switch in January 2000, becoming the first to join Circline’s IT department. On the second Monday of the month, he came in to the company’s Park Avenue office, set up his desk—a folding table in the corner—and jotted down a basic plan for building the department. First on the list was hiring a brand-new team of IT employees, and Tisi met this challenge with abandon, recruiting 10 staffers by May 1. Tisi secured these new employees desks just like his, clustered the workstations in the corner near his spot, then kicked off a multimillion-dollar plan to build out the company’s e-commerce website (www.circline.com) and to release an intranet for members. Tisi also began to implement a strategy for a massive database project staged over multiple clustered servers. He was so optimistic about these programs that he scheduled both facets for completion by Sept. 1. Mast and the investors were delighted.

During those early months, Tisi embraced
"At the Met, Tisi was an MTV mind in a PBS world," she says. "At Circline, he was much more in his element in terms of professional freedoms."

Tisi’s plan for the website and the intranet was just the beginning. He and his team members were literally building Circline’s IT department from nothing, and every day they met with vendors that claimed to sell software that would augment different aspects of the business. On a brilliantly bright day in early spring, team members discussed content management software with salespeople from Austin, Texas-based Vignette Corp. and customer relationship management software with representatives from Siebel Systems of San Mateo, Calif. The meetings were long and tedious, but Tisi remained focused. By noon, he was ready for some retail therapy and a stroll around midtown Manhattan.

"For me, being chief technologist is wonderfully rewarding and incredibly challenging at the same time," he explains. "On the one hand, I’ve got my hands in everything, and I can pick and choose the technologies that I like, building this department the way I want to build it. On the other hand, since there’s so little margin for error, it’s my credibility on the line if something goes awry. That degree of accountability and scrutiny can have quite an impact."

**On to Bigger Dreams**

Eventually, observations such as this one compelled Tisi to seriously consider starting his own company. Tisi had dreamed of running his own business for years, and his father, always a huge influence, was encouraging him to become an “employer, a teacher, a creator” of his own. These thoughts of something more did not exist in a vacuum; the longer Tisi worked at Circline, the more committed he became to developing his own corporate culture. At the Met, he says, officials gave him leeway on projects and expenditures because they trusted that implicitly he knew more about IT than they did. At Circline, however, Tisi hints that there are times when the complexity of the tasks at hand call for many opinions, sometimes preventing a clear strategy. He adds that traditional organizations generally display more respect for technology executives, noting that “new media companies see us more as utilitarian figures who happen to know a little IT.”

When asked to explain why he hired Tisi, Mast says he was looking for “a technologist who could partner to develop the strategic vision of the business.” He says he chose Tisi because of his “tech savvy and strategic know-how” and insists that he recognizes the IT department as not just a “way to get stuff done without a typewriter” but instead as a valuable and equal part of the business. “Technology is a core fundamental part of making a business successful in the short and long term,” Mast says. “You can’t hand that off to someone who’s not a thought partner on the senior management team. We feel [Tisi] is a perfect fit.”

Tisi appreciates the notion of being a perfect fit, saying the laid-back and nurturing leadership style that he prefers is only now being adopted by many startups burned out on a breakneck and sometimes rudderless pace. Sure, some CIOs might see the fast-
paced life at a fledgling company as
enthralling, challenging and exciting. Even
Tisi admits that he likes to get things done
quickly and seamlessly, without hesitation.
But he suggests that startups such as Circline
can often push too hard, resulting in orga-
nizational stress. “Certainly, organiza-
tions mean well, but there is a need today for a
personalized management style based on
the best way to get each team member to
respond,” he says.

**Keys to a Company’s Success**

Tisi believes that creating an engaging culture
and clear lines of communication is also very
important to a company's success. At the

Met, every job from CEO down to pro-
grammer came with a published job descrip-
tion—employees were expected to perform
only the tasks in that description, and those
who went above and beyond were rewarded
for their efforts. At Circline, Tisi says that
because the company is growing so quickly,
few of the jobs have descriptions. He says
these jobs need to be better defined in order
to create an environment where expectations
are understood across the board.

As Circline exists today, this arrangement
can sometimes foster a sense of ownership,
encouraging employees to share opinions
with management, extending and amplifying
the entrepreneurial nature of a startup. On
other occasions, however, Tisi says that cre-
ing a sense of ownership for one person
can create conflicts with another. In other
words, when employees are expected to do
something they don’t feel comfortable doing,
Tisi says the lack of defined responsibilities
sometimes creates tension and awkwardness.
“*In Animal Farm*, all animals are equal,
but some animals are more equal than oth-
ers,” he says. “I think that applies to all com-
panies, too, because you need structure.
Some people are natural leaders. Others are
natural followers. Putting everyone on equal
ground conflicts with human nature. The
notion of a flat structure is admirable, but I
think you’ll find that it doesn’t always work,
and I think startups can be particularly prone
to this sort of challenge.”

At Circline, nowhere is this problem more
evident than in the area of procurement. On
another spring afternoon, members of Tisi’s
IT team were discussing the merits of a ven-
dor Mast had selected some time ago, and
someone listed four or five legitimate rea-
sons why Circline should drop it. Tisi agreed
with this staffer’s reasoning and encouraged
her to take her findings to Mast, explain
them and present him with a list of viable
alternatives. At the mere suggestion of this,
the staffer clammed up, refusing because she
said she didn’t feel comfortable going directly
to Mast. She asked Tisi to do it instead.

“The mere fact that this person didn’t feel
comfortable working directly with the CEO
indicates that a deeper perspective on the
notion of equality needs to be developed,” he
says. “At any startup, there are competing
interests for a CEO’s time. One of them is the
issue of developing a culture, the second is
the product and the customer, and the third
is financing. It’s difficult to make sure these
requirements get equal time and commit-
ment. Sometimes, some of them fall by the
wayside through nobody’s fault.”

Based on these reservations, Tisi decided
to give notice to Mast and COO Rachel
Meyer earlier this summer. The duo was
shocked. To this day, neither Mast nor
Meyer will comment on Tisi’s decision to
leave. His staff took the news a bit better; Del
Percio says that for the most part, “everyone realizes [Tisi]
would be happiest doing his own thing.” Del Percio herself
also has given notice, saying she’d follow him wherever he
goes and that he’s the greatest boss she’s ever had.

Still, Del Percio insists that
despite Tisi’s feelings about the
startup culture, which he expe-
rrienced at Circline, the startup
environment is still the right fit.
Donna Duca, who’s worked
with Tisi since 1994, adds that
the real-time atmosphere of a
startup suits him well because
there’s nothing to slow him down and
because “he can be himself, without all of the
politics.” Duca, who helped Tisi switch from
mainframe to client/server at the Met, says
that when he left the Met, “the [IT] depart-
ment got really stale.” She adds that when
she arrived at Circline as database manager,
“it seemed as if [Tisi] had made himself at
home right away, [and] the lack of an over-
arching bureaucracy, provided him with a
freedom” it appeared he hadn’t felt in years.

Tisi agrees. “There was a lot about Cir-
cline that I admired and enjoyed. In fact, I
believe it is an excellent company with
incredible potential and good leadership. In
the end, I didn’t leave Circline because of
Circline. I left because the only way for me to
be truly happy was to do something more entrepreneurial. I came in one day and realized that if I was going to work to create a certain culture with my team, I didn’t want to create it on someone else’s terms. I wanted to start over and go at it on my own.”

A Company to Call His Own
Empowered by this epiphany, Tisi began writing a business plan for @Thought Technologies (www.atthought.com), a company he first envisioned during his days at the Met. In it, he outlined an application service provider and strategy company that would serve nonprofits—organizations that historically have not been able to afford sophisticated technology on their own. With a proprietary, Web-based technology called PublicSeat, which Tisi has already built, @Thought will enable organizations of all shapes and sizes to integrate front-end and back-end IT to get more out of their data.

Tisi foresees the service empowering organizations to answer questions such as, How many members also buy things in the gift shop? How many Web visitors also attend monthly events?

Like King Solomon, with significant first-round funding and more than 1.3 million nonprofit organizations in desperate need of new technology, Tisi is sitting on a veritable gold mine. Yet in his inimitable style, this father of three cares as much about creating an environment and business processes that make @Thought a place where people love to work as he does about the potential revenue. After more than 15 years of working in someone else’s corporate culture, he is most excited about the opportunity to shape a business environment in his image—a place where “creative people can come together, think and thrive” as both individuals and professionals.

“I didn’t start this to build a place for people to just get rich quick; it’s deeper than that,” he declares. “I did it because I have great respect and admiration for the public sector, and I want to create the kind of corporate culture I’ve wanted my whole life, a place that does good things for good people and enables everyone involved to grow. Startups try to offer all that, but inevitably, they fall short. It shouldn’t have to be that way.”

Tisi plans to be CEO and CTO of this new endeavor and envisions creating an entity with a distinct line of command, flexible work schedules and, perhaps most important, a process that ensures technology will always be an important part of the overarching business strategy. “I know [@Thought is a wonderful opportunity to get things right],” he says. “I’ve spent my whole career working for other people, recognizing what works, what doesn’t work and how I can make things different. All of those experiences, all of my ideas, all of it adds up to this. I had to make it happen.”

Since he left Circline, Tisi has been working on @Thought full time, lining up funding and securing deals, so that he can jump right in to life as a CEO. When asked how he’ll endure the transition from CTO, Tisi acknowledges that although the roles are similar, they’re different enough to present some challenges (see “A CEO’s To Do List,” this page). He knows, for instance, that he’ll have to spend dozens of hours raising money every week, diverting attention from both
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IT and the new culture he hopes to create. He understands he'll have to worry about human resources, marketing and even the occasional customer pitch. Tisi insists he can handle these responsibilities with aplomb and says he's prepared to invest his heart and soul into making @Thought a place "where people grow as professionals and love to work." Still, experts warn that not every CTO is cut out for the top leadership role.

"The transition can be tough for even the brightest people," says David Foote, managing partner at Foote Partners, a research and advisory company in New Canaan, Conn. "Sure, CTO and CEO are similar, but they're different enough to create quite a learning curve."

So far, though, Tisi seems to be handling the switch well. He says he's received verbal commitments from a number of large nonprofit organizations to sign on as clients and written agreements from a bevy of vendors to help provide best-of-breed relational systems for the back end. The funding has also gone well; Tisi says there are ample financial resources available for his

Looking Back
On an overcast Friday, finishing up some last-minute errands before meeting his wife for dinner, Tisi reflects on his journey from the Met to the land of startups, both Circline and his own. He calls the experience challenging and awesome and likens the transition to the 1999-2000 New York Yankees—"exhausting, exciting and unforgettable." He wonders aloud about his obsession with workplace culture, admitting that he cares more about how people like their jobs than any other single employment issue. When asked what other CIOs might learn from his experiences, Tisi waxes philosophical, pausing dramatically before ripping into an answer that makes his voice crack and his face turn red.

"I think a lot of CIOs wish they could change their situations, but they just don't know how," he says. "It's no big secret, just get motivated. There's not that much difference between somebody who does something about their situation and somebody who does not, except that the person who acts has the courage and conviction to do what he thinks is right. CIOs don't have to settle for the status quo. They don't have to settle for some sort of secondary role in the business. If you want new technology, if you want a change in culture, heck, if you just want something different, make it happen. The days of IT as an understudy are over. It's time to make a difference."

With that, Tisi peers out the window of his Lincoln Town Car and watches the shops of Madison Avenue zoom by. He fiddles with a Mont Blanc pen he's just bought for his 8-year-old daughter. He tugs on the power locks. Then, in typical Tisi fashion, he launches into a discussion on topics varying from Microsoft and the Justice Department to a recent article in The Chronicle of Philanthropy, then finally delivers a personal history of the upper Bronx from 1965 until the present. I, sitting quietly next to him and furiously scribbling notes, think to myself that in many more ways than one, this has been quite a ride.

What's keeping you from following your dreams?
Let us know at letters@cio.com. Matt Villano, a freelance writer based in New York City, can be reached at mv@whitehead.com. (For a first-person account from the writer's perspective, see "Reporter Dispatch," Page 203.)

"CIOs DON'T HAVE TO SETTLE for the status quo. They don't have to settle for some sort of secondary role in the business. The days of IT as an understudy are over. It's TIME TO MAKE A DIFFERENCE."

-Arthur Tisi

fledgling concern. It's too soon to tell whether @Thought will be a success, but already, in Tisi's eyes, the simple acts of setting it in motion have been fulfilling.