

Alumni Profile: Malcolm McColl Systemlink

by Nicole Lerchen



On a plane ride home from Bali after six months surfing in the South Pacific, Malcolm McColl read an article in *Business Week* magazine that became the defining impetus for his chosen field and his 10-year-old entrepreneurial business.

The article said that one-third of companies' capital budgets went into info-tech infrastructures, and communications was a high-growth area. This insight into the wealth of customers wanting network service propelled McColl on to graduate work in systems design and led him to create SystemLink, a network integrator company that he founded in 1989. SystemLink specializes in network gateway connections from personal computers to IBM mainframes.

While McColl identifies himself as a "proponent pioneer of the technology," he admits that he was still working in sales for a micro-to-mainframe dealer when many of his peers were eagerly converting to new network systems. These early protocols were unreliable, however, and caused problems for industry users that resulted in bad customer relations.

The company that he was working for did not want to invest in the engineers and the service side of the business necessary to make the leap from being a reseller to a network integrator. Faced with this career barrier, in 1988 McColl began planning an entrepreneurial move to create his own network integrator company.

McColl completed his MBA at the Marshall School and saved \$72,000, vowing to implement his business plan. His former boss actually staged a bet on his ability to finance the company. But believing that "simply meeting your commitments" was the key to success, McColl took the bet and set SystemLink into action.

With his own savings, along with a line of credit from his father, he leased office space, hired a purchasing agent and began rounding up business by sending a mailer out to his previous clients who wished to switch to the new network systems.

McColl believes he "jumped into networking with perfect timing," bypassing the early flaws and technological kinks. By November of 1989, networks were becoming a more viable technology with the introduction of the new, more stable protocol called IPX, and it had become obvious that business with the old technology was drying up.

Many businesses immediately began turning to SystemLink after reading published horror stories of companies who had put in networks with the old mainframe connections. These, along with the financial savings of using the gateway approach over mainframe cards, produced the rapid shift in technology. The company proved profitable in the first month.

Today SystemLink remains small. It serves 12 core clients, and only grows at an average of one client a year. SystemLink employs only four people, and subcontracts out to a variety of other companies. Says McColl, "I don't want SystemLink to grow so large that we lose sight of the interest of our customers and our employees."

McColl wears the label 'risk-averse' with something like pride. "I am happy to keep doing what we are doing at the level we are doing it. We focus on serving our customers, and we're profitable."