

Features

And another thing ...

He's been Budapest correspondent for the Financial Times, co-wrote a best-selling account of the biggest financial scandal of the 1990s and founded First Tuesday.

Nick Denton, founder and chairman of Moreover Technologies, talks to Helen Jezzard about what comes next.



Have you ever cursed a vendor's claims of 'out-of-the-box, seamless integration' as you balefully regard something that seems less integrated than the UK Conservative Party's views on Europe? You have? And did you use this frustration as the inspiration for a VC-attractive start-up business?

No? Nick Denton, co-founder and chairman of information management specialist Moreover Technologies, probably would have done.

If that sounds improbable, listen to what he says about his first steps in the world of news aggregation.

He was working in Budapest for the Financial Times (FT) and had already 'wangled' remote access to the FT Profile database of FT news stories. This resource was 'a godsend' but he was becoming increasingly frustrated with the process of cross-checking the FT Profile content with his personal database of notes and interview comments.

Why, he asked himself, wasn't it possible to bring all the information together into one database?

Many of us would have railed against the inconvenience but lived with the situation. We would have concentrated on the task immediately requiring our attention while thinking, at best, that we would come back to this problem when we had more time.

But Denton decided there must be a solution and that he would find it. He hunted around until he found a piece of software – something called QUED (www.nisus.com/Products/QUEDM, in case you have a similar problem and are Mac-based) that would help him produce a single database. Weeks later, the job was done.

'I remember at the time feeling incredibly guilty,' he says, with an unguilty-sounding laugh. 'I should really have been spending that time writing stories for the FT.'

Nevertheless, he describes the labour as 'a fantastically useful experience', adding, 'a lot of the techniques I was using then are exactly the kinds of things we do now – on a much bigger scale'.

Moreover did not come into being until several years after this Budapest experiment but, in the

meantime, Denton took a different professional frustration as the impulse for another great business.

First Tuesday (www.firsttuesday.com), the self-styled worldwide network for innovation and technology, came about 'as an antidote to professional loneliness'.

In 1998 Denton was working in California for the FT as its US technology correspondent. While there, the idea for an online news service began to form in his head.

His service would help make sense of the vast amount of news content on the internet. His idea was to aggregate headlines – but only from valued sources, sites that had been visited by human editors and chosen for their usefulness and their timeliness. Crucially too, these sites would be revisited frequently – as often as every 15 minutes – to ensure that the only the most up-to-date information is presented to enquirers.

Enthusied with his idea, Denton quickly resigned from the FT and returned to the UK to start building the company that would realise his vision.

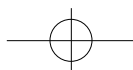
Once back in London, however, he found the atmosphere very unsuited to entrepreneurial internet-based business development. The fizz that was so much a feature of daily life in Silicon Valley was missing. 'I didn't have any soul mates,' he says. 'I didn't have anyone to talk to about this amazing internet thing.'

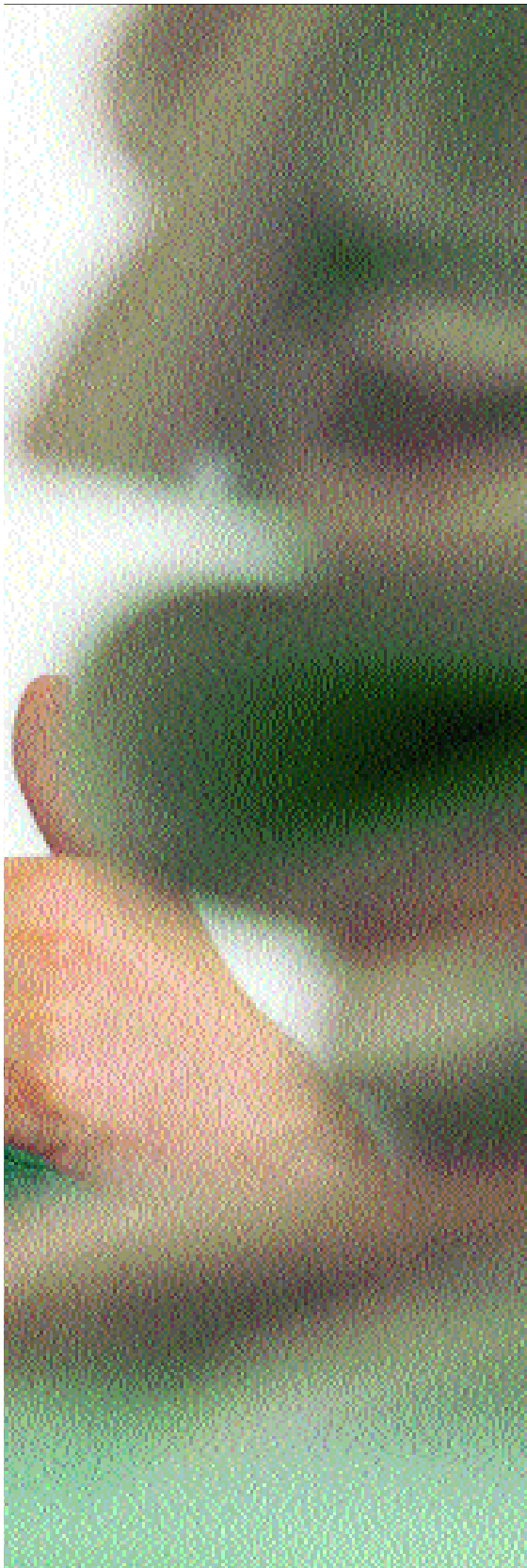
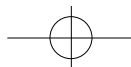
Typically, he felt that he could not be the only person feeling that way. And so he set up an informal group of like-minded people who would meet to talk over the business plans that were keeping them awake at night, the ideas that were setting them alight.

'It was a way to create a little bit of the network, the buzz that Silicon Valley had at the time,' he says. First Tuesday was born.

Denton is proud of the achievements of this accidental company. He believes it was First Tuesday that helped to get the internet off the ground in Europe.

'A large number of the companies that were set up in 1998, 1999 and 2000 found money, found staff, got ideas, were motivated by the First Tuesday phenomenon,' he says. He believes his





networking organisation 'made a significant difference' to the way business runs in Europe.

Denton no longer owns First Tuesday. By June 2000 – by which time he and fellow founder Adam Gold were back in California – it was time to move on, and the company was sold for \$50 million in cash and stocks.

He is clear about the reasons behind the sale. Successful as it was, it was not the company he had wanted to establish and Moreover needed his full attention.

There were also commercial reasons. 'The market was still reasonably robust,' he explains, 'but I think we had the sense that the bloom was fading and then was the time to sell.'

He smiles: 'It was probably one of the best M&A deals – certainly for the sellers – that the Europe internet had seen.'

He reads the times well. He knows how to act at the right moment; timing is everything.

The phrase 'only connect' was introduced to the English language by EM Forster in his 1910 novel, *Howard's End*. It is a phrase much loved by literati-leaning internet commentators – and it can be seen as lying at the heart of many of the achievements of self-confessed information junkie Denton.

Whether he is drawing together information sources or bringing together internet entrepreneurs, Denton is fully aware of a simple fact that seems to escape many businesses. Namely that people do business with people.

Many companies talk about their most valuable asset being their people or the extent to which they rely on dialogue with their customers. But somehow, if you listen, you can tell that those 'people' and those 'customers' are not living, breathing human beings.

Denton works differently. Talk to anyone about him and certain phrases recur. 'He's a good communicator', 'he's a nice guy', 'he's just a nice person to talk to.' It's worth noting that his co-founders at Moreover are people he met at school: his friends stick around.

He is diffident but confident. Relaxed. He is good at interviews – as might be expected of an ex-journalist – listening to questions, digesting them and dealing with points in the order they were asked. As befits someone who earned his living for many years by explaining complexity – be it financial, political or technical – Denton uses words carefully. He uses them to explain and clarify, rather than to hype and hide. He is, in many respects, the antithesis of the popular image of a dotcom entrepreneur.

Although part of the British establishment by schooling, university and jobs with such esteemed organs as the *Financial Times* and the *Economist*, he didn't allow himself the easy route to a comfortable and predictable future that such a background could have brought him.

Denton on ... gossip

People love gossip. It's information that gives you an edge.

... intranets Most

intranets are a complete mess.

A big company can have 200

intranets, 300 intranets, all over

the place, completely fragmented.

... email I think the

proliferation of email is an

indictment of existing

information systems.

It's been left to individuals

to pass around haphazardly in

endless attachments endless

copies of the same document.

He is, he says, 'addicted to change' – the *Financial Times* was certainly amazed when he gave up his job with them – and he mocks his earlier, more conforming self.

He says of his choice of degree subject (politics and economics, at an academically high-ranking Oxford college): 'I think it was my rather stupid English snobbishness. I was better at maths but I despised that in myself at that point.'

So what of Moreover itself? Simply put, the consensus of opinion seems to be that it is a clever idea, cleverly executed.

Danny Sullivan, author of the Search Engine Report (www.searchengine.com) is a fan. 'I've written glowingly about Moreover,' he says, 'and it's with good reason. I have never seen a news search product that offers such comprehensive and quality coverage of current events. When it comes to news, Moreover is unparalleled.'

Martin White, managing director of Intranet Focus (www.intranetfocus.com) agrees. 'Moreover does what it does very well,' he says, simply. 'They don't over sell it. They just deliver the goods.'

US-based information market research and consultancy firm Outsell also approves pointing out that 'the advantage of Moreover's solution is that it allows end users to do what our research tells us they are already doing – accessing vital business information on the open internet.'

At the heart of what Moreover does is the recognition that, while traditional search engines are as thorough as they can be, they cannot possibly visit all the sites they 'spider' frequently enough. They may well index millions of web pages but their record of what is on many sites is likely to be out of date.

Given that these days it's not just bad news travels that fast, it can be assumed that the most useful news sites change very quickly. Denton feels that although the traditional search engines bring back some very interesting pages, when it comes to news you really need a different approach.

Don't get him wrong, the Inktomis and AltaVistas of this world are valued by him – he works with some of the biggest and the best search engines – he just feels that if you are looking for really up-to-date business intelligence, then you need a leaner, faster search agent working on your behalf.

What is the most useful information? Where is it? Those are the questions Moreover addresses. It rejects comprehensiveness in favour of speed and currency.

Denton makes no claim about that he is providing a service to replace Reuters or Lexis-Nexis. He says there will always be a place for news archives and admits that sometimes Moreover misses stories, sometimes the links break.

'But,' he says, 'what we do is good enough. Moreover, is the absolute best at doing good enough.'

'For large numbers of business professionals,' he continues, 'the quick and dirty stuff is often better than the perfect analyst's report that will be ready months after you need to make the decision.'

'The days when information passed from a public relations professional to the *Financial Times* and all you had to do to be properly informed was to read the FT on the way to work and check your Reuters screen when you got there; those days have gone.'

They've been replaced by a world in which 'the information that helps you to do your job better can be found pretty much anywhere'. These days anywhere includes the darker corners of the internet where disgruntled and dismissed employees lurk, spreading gossip and rumour.

Moreover was designed to capture information from these fastest-flowing parts of the internet

Nick Denton: CV

24 Aug 1966

Born in Hampstead, London

Educated at University College School, Hampstead, where met David Galbraith and Angus Bankes, co-founders of Moreover.

September 1985 to June 1988
Oxford University (University College), studied PPE (politics, philosophy and economics); during first term of second year, edited and designed *Isis* magazine.

December 1989 to March 1998
Various investment banking correspondent, Budapest correspondent,

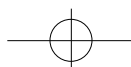
Bucharest correspondent and US technology correspondent for the *Financial Times*

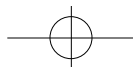
January 1991 to August 1994
Budapest correspondent for *The Economist*

March 1995 to March 1996
Co-wrote *All That Glitters*, an account of the fall of Barings Bank.

August 1998 to July 2000
Founder and director of *First Tuesday*

May 1999 to present
Founder and CEO of *Moreover Technologies* (to August 2001), chairman (from August 2001)





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information river. It was designed to track the postings on weblogs, chat rooms and discussion groups.

Denton is proud to claim that his corporate customers will know within 15 minutes of the first posting if their company is mentioned on the infamous Fucked Company site (www.fucked-company.com).

In other words, company lawyers, public relations departments and company strategists will know what is being said about them in time to do something about it. It may not be nice to hear people bad-mouthing you; it is far more damaging to be unaware.

When Denton says his company is the best at doing 'good enough', it sounds like a modest sort of comment. He does not mean it that way.

He knows that time is the one truly scarce resource in the internet-powered business world. There's never enough of it and its price is consequently high.

His customers have to decide whether to sign the deal on the latest acquisition, whether to agree to a promising-sounding new partnership,

which R&D project to put more money into and which to ditch. They have to act as soon as they possibly can, because everyone wants to know today.

Sometimes a rumour or a whisper is the piece of information that makes the decision easy rather than impossible.

In the Moreover world, t's may not be crossed and i's may not be dotted but the business does move forward. Denton is reading the spirit of the age correctly once again.

I ask Denton what he likes most about Moreover. 'It's a clever idea,' he says. 'It's a clever idea to take the wealth of information on the internet and extract it and categorise it and package it up so that it looks like a news feed or a search result on Lexis. It seems blindingly obvious now but it wasn't obvious at the time. I think it was quite a good insight.'

He is also happy with the revenue model: 'Our costs of acquisition are low but the value that we provide to businesses is high.' Others have also noted the strength of the business model, praising Denton's perceptiveness in not wanting to own content and in avoiding the many-headed monster that is licensing.

He also likes the leanness of his company. He doesn't need a bank of mainframe computers to keep business ticking over. 'The web is our database,' he explains. 'The actual Moreover database, because it just consists of links, could fit

The Next Big Thing

'At the moment there is information management, which is broad and encompasses search, information retrieval, information services and, to some extent, knowledge management. All these are beginning to come together.

'There have been a couple of generations of service.

'The first was everything on different pages in different systems.

'To some extent EIP companies have started to pull all that information together so you have one page with boxes into all the different systems. Unfortunately, their systems lead to extremely complex pages. Instead of page overload, you have box overload.

'The challenge now is to identify what's new and what needs to be reviewed that day. I don't want to have to look for what's new. I want everything presented in one dashboard, prioritised according to time.

'We're not nearly there yet. It's going to be about five years before we get there but people are working towards this.

'Data point one, Lexis-Nexis's number one priority is getting into knowledge management.

'Data point two, Factiva is trying to get Inlight to apply its taxonomy to external information.

'Data point three, Inktomi and AltaVista, who made their names in the public web space, are moving after Autonomy's internal information management business.

'The point we're trying to reach is something like a corporate in-box which contains all the internal and external information, prioritised according to what we need to know today.

'That's going to be the next big thing. That's dynamic information management.'



portrait

on a laptop hard disk. We're an indexer, so we don't have the infrastructure of content acquisition specialists. The model works.'

Finally, he is pleased by the fact that, as a business, Moreover has proceeded steadily and sensibly. 'We didn't go crazy in 1999 or 2000,' he says. 'We resisted the temptation to hire over-expensive and under-qualified people. We were conservative.'

Commentators agree that the company has evolved in a measured way and, although there may be doubts about what lies ahead, the general view is that current prospects are good. As White puts it: 'No, I'm not sure where Moreover is going in the future. But is any one able to say they know where anyone will be in five years' time?'

Denton is expecting Moreover to become profitable in the first quarter of 2002. For an internet company, profitability within 18 months of foundation – especially in the current climate – is not bad at all.

So how did Denton get here? He says he feels like a 'journalist come good', a techie at heart who took a while to get round to technology. What he is most proud of is the fact that, without a business background, he has built a successful company; that from a journalistic, lone-operator start, he has proved to be an effective business manager.

Denton knows all about hype and collapse. He did, after all, co-write a best-selling study of the collapse of Barings under the influence of 'rogue trader' Nick Leeson (*All That Glitters*, a book he wrote with fellow FT journalist John Gapper).

And so he is well suited to the clear daylight that has followed the neon-glare of the first days of dotcom euphoria. It's a calmer world and Denton is moving Moreover forward.

'Part of being a good founder,' he says, 'is knowing the point at which you want to bring in management with 15 or 20 years worth of experience.' Which is why he handed over the CEO title to Susan Atherton earlier this summer (see story page 48).

'Take Dan Wagner,' he says. 'An amazing guy with masses of energy. But there was a point when that company needed to become all about processes and operations and efficiency and focus and HR and performance review and 10 per cent culls and don't hire your buddies. And it didn't do that.'

One gets the sense that Denton knows he wouldn't like that sort of a role anyway and one of the reasons he has given up the CEO position is because he has decided there is more fun to be had doing a bit of rule-bending elsewhere.

As the company he founded prepares to shift up a gear, Denton is again following the zeitgeist. He'll still be close to the business but, loving change, he's looking for something new.

He says he is likely to start writing another book soon. 'I swore I'd never write another book. But sometimes I think that writing a book is a good way to collect your thoughts.'

And collecting thoughts seems to be a particularly fruitful occupation for this man.



Helen Jezzard

Helen Jezzard is editor of Information World Review.

