

*“Visionary, leader and pragmatist”*

**Attorney Yudi Levy**

*“Catalyst of creativity”*

**Danny Arazi**

*“A man of intelligence with his own ethos”*

**Michele Arazi**

*“A visionary, an opportunist who knows how to take advantage of fortuities”*

**Efi Arazi about himself**

*“An actor, I believe that he is an actor. A marvelous actor. An actor who identifies himself so totally with the character he plays that it is difficult to distinguish between them.”*

**Attorney William Goldfarb**

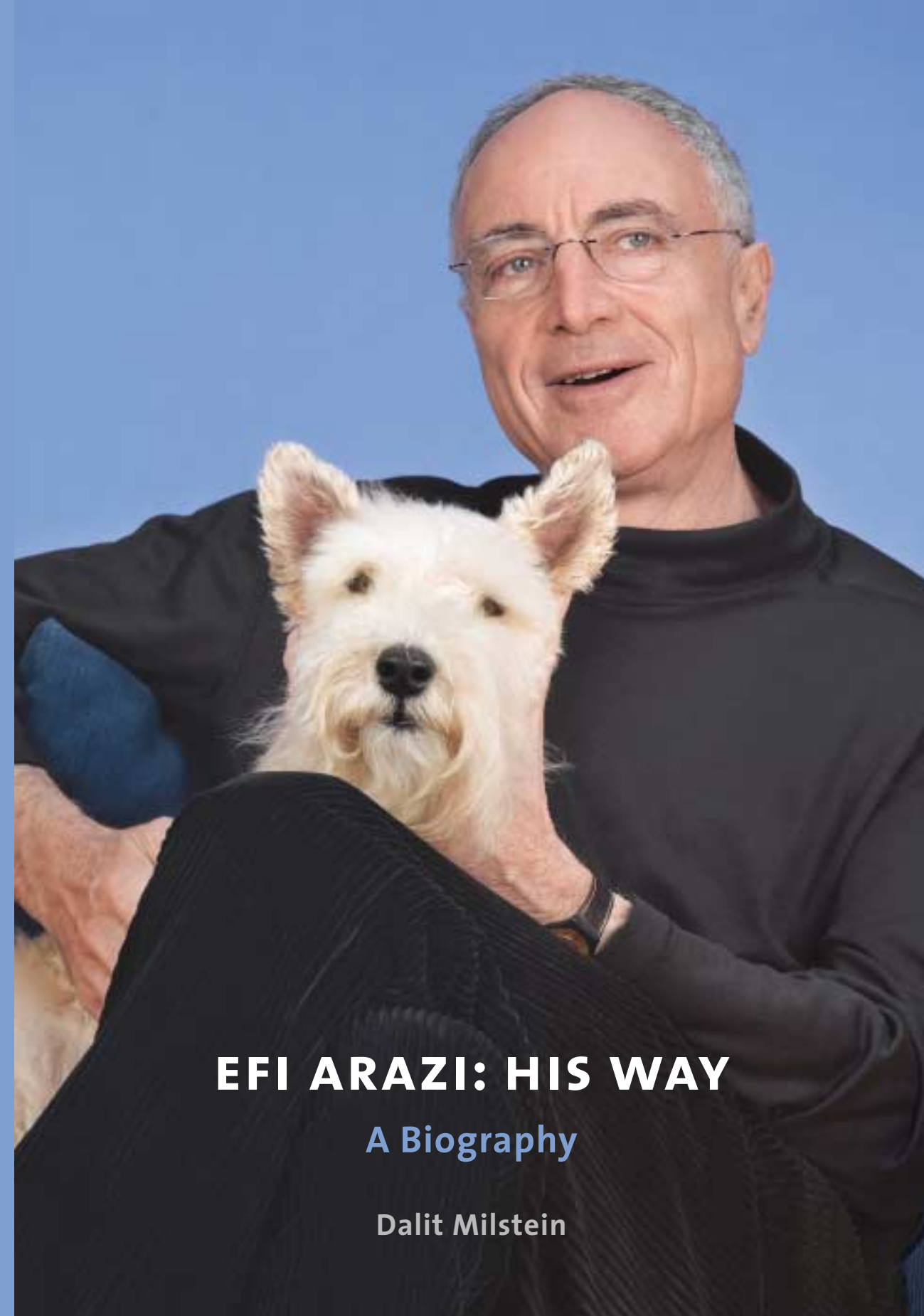


**Dalit Milstein** **EFI ARAZI: HIS WAY** | **A Biography**



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**EFI ARAZI: HIS WAY**

**A Biography**

**Dalit Milstein**

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**EFI ARAZI: HIS WAY**  
A Biography

Translated from the Hebrew by  
Arlene and Jerry Aviram

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Efi Arazi is certainly not the only high-tech entrepreneur in Israel, nor even the most successful in economic terms. Some have achieved more, others have achieved less. Among the entrepreneurs of his generation, as well as those who came after him, he is seen as both exceptional, and as an outsider who arouses an attitude of ambivalence, of admiration mixed with skepticism. Arazi is particularly distinguished by the path he chose, a path that many young people strive to follow to this very day. Arazi, whose life story seems to have been taken from a book by Ayn Rand – the high priestess of American capitalist culture and entrepreneurial philosophy, unconsciously realizes in his own beliefs Rand's creed: "...Man is Man. Man cannot survive except by gaining knowledge, and reason is his only means to gain it. Reason is the faculty that perceives, identifies and integrates the material provided by his senses...If I were to speak your kind of language, I would say that man's only moral commandment is: Thou shalt think...."

With marked speech difficulty and memory gaps, but with admirable stubbornness and persistence, Efi told Dalit Milstein the story of his life, a life which intertwined with the beginnings of the Israel high-tech industry. 'Efi Arazi assumed his rightful place in the pantheon of Israel's industrial knights: Uzia Galil, Eli Hurvitz, Dan Tolkovsky and Stef Wertheimer. Yet unlike them, he remained a strange bird, a "wild thinking" youth, in the sense of the term coined by the Jewish-French anthropologist and philosopher Claude Levi-Strauss. It was this trait that led him to become the spiritual father of the start-up revolution that burst onto the world scene nearly two decades after he positioned himself and Scitex above all the other Israeli industrial companies that had attained international recognition.

I often asked myself whether our joint ambition (mine and his) to draft a document that would define his heritage and help preserve it was indeed a realistic task. Efi Arazi's personal stamp of almost obsessive determination really left no room for doubt. "This book will be published," he constantly repeated, drawing everyone around him into a long and exciting, but often exhausting journey. This was a journey that recorded the birth of the Israeli high-tech industry, while traversing many major junctions in the epic story of global high technology.

Dalit Milstein, Tel Aviv, 2005

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(in alphabetical order)

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**The greatest thanks of all go to Efi Arazi**, who gave me the privilege of being his publisher and endowed me with the necessary means and freedom to act and create without any limitations or prescriptions.

Daniella De-Nur

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*There are thousands to tell you it cannot be done,  
There are thousands to prophesy failure,  
There are thousands to point out to you one by one,  
The dangers that wait to assail you.*

*Somebody scoffed: "Oh you'll never do that;  
At least no one ever has done it."  
He started to sing as he tackled the thing  
That couldn't be done, and he did it.\**

\* Excerpts from *It Couldn't Be Done*, Edgar A. Guest, *Breakfast Table Chat*  
(Detroit, 1914) NBI New York Public Library

# PROLOGUE

*Germany, May 1982*

The normally tranquil city of Düsseldorf is bestirred by a sudden influx of hundreds of thousands of people converging on it from every corner of the globe. Weeks of arduous preparation culminate in the opening of DRUPA<sup>1</sup>, the greatest printing trade fair in the world. The intense crowd has come to see and be seen, to hear and be heard but, most of all, to buy and sell.

Every four years the movers and shakers of the world of paper and ink flock to this international exhibition, hoping to be the first with the most innovative and enterprising accomplishments. Four years of painstaking labor are compressed into just a few purposeful days that determine which companies will rise and which will fall, which will bask in glory and which will not.

Behind a temporary amphitheater stage, which just hours before had been completed by local workers supervised by Israeli engineers, stood a tall and erect man in his early forties. His assured smile and somewhat bemused look masked a restlessness that was betrayed only by the nervous tapping of his fingers. He was set for the launch. Rumors of

<sup>1</sup> Acronym for “Druck und Papier” (Print and Paper)

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what was about to transpire had been circulating for months. The hall filled with a large audience.

Vivid recollections of another international trade fair (GEC) held some two years previously in Milan loomed over the official representatives of the concerned giant printing companies, who also had well-placed industrial spies in the hall. Everything in the arena was ready for the entrance of the matador: Efi Arazi, the young and promising CEO of Scitex.

For the three hundred thousand participants the Israeli competitors seemed like a breath of fresh air. For Scitex, the world exhibition was the climax of seven intensive years of development. As early as 1975, Arazi sent four of his top Scitex engineers on an educational tour to one of the largest printing outfits in Chicago. In 1979 the Response-300 pre-printing system was completed. After another three years of all-out effort, Scitex was ready to penetrate the old-guard printing industry, launching its Vista computerized graphic design system to worldwide astonishment.

In the slow-moving competition between the three leading printing giants – Hell (subsidiary of Siemens of Germany), Crossfield Electronics of England (a subsidiary of De La Rue) and Dai Nippon Printing (DNP of Japan) to develop print and graphics computer systems, a brash and virtually unknown Israeli company had suddenly overtaken them and swerved into the fast lane.

The event was subsequently described by the editor of the prestigious *Graphic Communications World* magazine as the “only presentation at DRUPA-’82 that dramatically displayed innovative technology, a work of art.”



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Failure had no place in Efi Arazi's lexicon. His one-man show was preceded by detailed and meticulous preparation. Nothing was left to chance. While Vista and Response-300 could never have been created without complex and elaborate teamwork, Arazi believed that he alone had the knowledge and ability to market the products. He spent the hours before the planned demonstration visiting stands of other companies at the exhibition, studying their strengths and weaknesses, listening carefully to their customers' questions, and listening even more carefully to the answers of company representatives.

Arazi didn't delegate this work to Scitex employees, not even to its sales people. This task he shouldered alone, and he alone harvested the glory.

*The show begins.*

***Arazi easily deflects skeptical questions from the floor and the audience is captivated by his charm. Scitex rockets overnight to the pinnacle of the world printing industry.***

Four years later, Scitex attempts to repeat its dazzling performance, but without success. The poor results of DRUPA 1986 came at the lowest point of the greatest crisis in the history of Scitex, a crisis that forced Arazi to fire long-time companions, make business and strategic moves contrary to his world outlook and ultimately led to his brokenhearted departure and a new start in San Francisco. Just like Napoleon Bonaparte, highly esteemed by Arazi and studied by him with a diligence worthy of a professional historian, he proved that his ability to successfully extricate himself from crises only improved with the years. In fact, the EFI (Electronics For Imaging) company, as well as other initiatives that followed, made the second phase of Arazi's career no less successful than the first.

Efi Arazi lived all his life as one of the heroes of Ayn Rand, the American author and philosopher who championed a free economy. In his best

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as well as in his hardest times, he came across like John Galt, a self-focused giant, although one who was at the same time a source of inspiration and creativity. However, while Rand's heroes in "*Atlas Shrugged*<sup>2</sup>" ultimately gave up on the "ordinary people" and established an independent and perfect state, Arazi was forced again and again to depend on his close associates and old friends. Dependency was an unbearable frustration for this very independent and proud man, tormenting him even more than the speech failure with which he had to cope in later life. The struggle to overcome memory and language lapses which appeared when he was only sixty was one of the factors which impacted on the third phase of his life, a phase devoted to educating the young generation of Israeli high-tech entrepreneurs.

With marked speech difficulty and memory gaps, but with admirable stubbornness and persistence, Efi told me the story of his life, a life which intertwined with the beginnings of the Israel high-tech industry. Efi Arazi assumed his rightful place in the pantheon of Israel's industrial knights: Uzia Galil, Eli Hurvitz, Dan Tolkovsky and Stef Wertheimer. Yet unlike them, he remained a strange bird, a "wild thinking" youth, in the sense of the term coined by the Jewish-French anthropologist and philosopher Claude Levi-Strauss<sup>3</sup>. Yet more than any of Efi's traits, this led him to become the spiritual father of the start-up revolution that burst onto the world scene nearly two decades after he positioned himself and Scitex above all the other Israeli industrial companies that had attained international recognition.

Can we learn from or repeat Efi Arazi's success?

Arazi believes that his theories can be taught and his heritage carried on. Today he invests most of his energy in nurturing promising talents at the Efi Arazi School for Computer Sciences in the Interdisciplinary Center Herzliya. As our meetings together multiplied, our conversations

<sup>2</sup> Ayn Rand, *Atlas Shrugged*

<sup>3</sup> Claude Levi-Strauss, French anthropologist, one of the most important of the 20th century and an outstanding proponent of structuralism – which views culture as an external reflection of mental patterns.

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intensified, and as I spent more and more time talking with those who knew him in all aspects of his life, my impression of Efi Arazi as a unique phenomenon was reinforced. He is a person gifted with not only intuition and a brilliant ability to identify developments and ideas of business potential, but also with exceptional leadership qualities.

I often asked myself whether our joint ambition to draft a document that would define his heritage and help preserve it was a realistic task. Efi Arazi's personal trademark of almost obsessive determination left no room for doubt. "This book will be published," he constantly repeated, towing all those around him into a long and exciting, but often exhausting journey. This journey not only revealed the story of the birth of Israeli high-tech industry, but also crossed more than a few major junctions in the epic story of the global high technology industry.

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