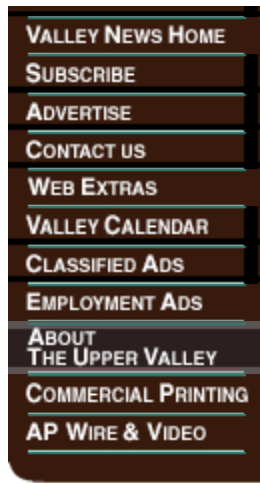


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Warren Loomis: Entrepreneur

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Norwich — On a blackboard on the back wall of Warren Loomis' basement workshop are the chalk scribbles of a man possessed.

Graphs and physics equations are strewn across the board, left from "a discussion" Loomis was having with a friend over the performance of the forward-facing row boat he invented, said Loomis' son, Jason.

In the middle of it all is a grumpy looking cartoon man leaning on crutches, with a quote bubble floating from his down-turned mouth — "Very unsatisfactory," it says.

"If something was really crappy, he would say 'unsatisfactory,'" Jason Loomis said. "It was his characteristic understatement of a situation."

The cartoon expressed Warren's disappointment when he couldn't go rowing after hip surgery. Rowing had become a passion of his, one of many he held until he died from esophageal cancer on Nov. 2. Whether building boats or developing computer software at Logic Associates, the company he founded 37 years ago, Loomis' entrepreneurial ambition was not something age, retirement or illness could extinguish.

"He always said the guy who has the most tries is the one who wins," Jason Loomis said.

A native of Needham, Mass., Loomis arrived in the Upper Valley in the late 1950s as an undergraduate at Dartmouth College, where he would play hockey and eventually discover the emerging world of computer technology that would become his career.

He was an energetic and stocky young man, with a certain mischievous streak that a childhood friend thought resembled a caveman character, named "Zog," who appeared on the back of Wheaties cereal boxes. The name stuck with Loomis all his life, traveling with him through college and his master's degree at Thayer School of Engineering in 1964.

When he was at Thayer, Dartmouth had just two computers on campus — one was used for doing the school's payroll and the other was at the Tuck School of Business, said TR Jackson, who met Loomis then through a

mutual friend.

Jackson, who was not a student, shared Loomis' fascination with computers, and Loomis obliged him, showing Jackson how to pass himself off as a student to gain access to the machine.

"He was interested in this technology and thought that people ought to know about it," Jackson said in a recent interview.

Though he would leave to pursue a doctorate in metallurgy at the University of Michigan, Loomis' fascination with computers would pull him back to the Upper Valley after his graduation in 1969.

He took a position as a software developer with Time Share Corp., a company that leased computer time to schools and other businesses.

Not long after, however, Time Share began to struggle. According to Nick Orem, who joined the company in April 1970, Time Share had "spread themselves too thin trying to do too many things." Later that summer, Time Share had a dramatic layoff, reducing its work force to a small fraction of its former size.

Loomis and Orem were among the departed.

The layoff didn't much affect Orem, who was about to attend graduate school at the Tuck School of Business. Loomis, however, needed to find a job.

Another of his Time Share co-workers, Steve Richardson, was looking for something to do, as well. Both men saw promise in the computer software field and felt it could be profitable under the right circumstances.

"We sat down, Warren and I, and said this has interesting potential," Richardson said in an interview last week.

Thus began Logic Associates.

Richardson's father, a Dartmouth alumnus who'd recently sold the family printing business, bankrolled the enterprise as Richardson and Loomis developed software using Time Share computers.

At the time, Loomis and Richardson had no defined market for their product — anybody with a problem that could be solved using database software was a potential customer.

After one year, Logic had made some progress, but it still wasn't pulling in enough money to cover expenses, Richardson recalled.

Richardson's father started to get cold feet and wanted out. Richardson had doubts, as well, and knew that either he or Loomis would need to leave. Richardson said it became obvious that, if the company were going to survive, Loomis would have to be the one to take it over.

"He was unbelievable," Richardson said. "I looked at his coding compared to mine and said, holy moley, I guess I know who's going to be our

programmer.”

Richardson sold out to Loomis, and then went on to begin Stave Puzzles, which continues to make handcrafted puzzles in Norwich.

For a while, Loomis ran a one-man show, developing software and seeking out customers while paying down his debts.

That should have kept him busy enough, but Loomis’ insatiable curiosity led him to side projects. One of them involved making and selling numerical keypads to work with Teletype machines, a now-obsolete electro-mechanical typewriter. The keypad was organized in a different way to allow for high-speed data entry, solving a problem Loomis and several friends had seen while at Thayer.

The company they set up to make these keyboards was named IDM, a wry reference to the computer giant at the time — IBM — and an acronym they said stood for “It Doesn’t Matter.”

“These guys were all sort of irreverent, definitely not big corporate guys,” Orem said.

Loomis may have been engaged in his work, but he soon realized he was in over his head. After about a year of going it alone with Logic, he began seriously looking for someone to manage its finances.

One candidate was Orem, who was working for a forestry products company in Boise.

Orem didn’t like Idaho, and was looking for something back East. He began talking with Loomis about working together at Logic. In January 1973, the two men began a 27-year partnership.

“From day one, when we joined, we did pretty much everything together,” Orem said.

Trials and Tribulations

Loomis loved the technological challenges, but didn’t much care for the sales side of the business, Orem recalled.

He had an “uncontrolled candor” that those around him respected, but Orem worried that customers might not understand.

Loomis also didn’t much care for appearances, especially when it came to his wardrobe. He had just one suit — a “greenish gold” that was well-worn with lots of shiny spots on it, which he would wear to business meetings with his Mickey Mouse wristwatch.

“I said, ‘Do you really think you should be wearing that when we’re about to see a customer?’ ” Richardson recalled of a time during Logic’s first year. “He said, ‘I don’t care, I like the watch.’ ”

Loomis' unorthodox style appears not to have hurt the company's success. It grew steadily on job-costing software it developed for Reporter Press (now Whitman Communications in Lebanon), reinvesting its earnings and growing slowly with bank loans and financing from government lenders.

"We were pretty conservative about growing the company and spending money," Orem said. "We didn't take a whole lot of big risks."

Logic continued using Time Share computers all that time, developing software to be used in conjunction with Time Share computers. It was a cost-effective arrangement that Orem said was vital to Logic's survival.

Then, in 1974, Logic struck an agreement with Time Share to buy its own computers, which, in effect, would allow Logic to establish its own time-sharing system for its customers.

Soon, the two companies ended up in court, suing each other over differing interpretations of a no-competition clause.

"Warren and I were stupid and confident at that time," Orem said. "That we were right and that people will see through the duplicity of Time Share Corp."

The case languished in court for years before going to trial in 1982, according to court records. Time Share Corp. had hired a Boson law firm, and Orem said the lawyers grilled Loomis mercilessly for days, which left him exhausted and feeling somewhat defeated.

"He was the guy that was getting the first-degree from the attorney," Orem said. "He would come back from days in court and be absolutely miserable. ... He thought he was right, but yet he'd come back from a day in court and the jury would think otherwise."

The fight lasted until 1984, going to the New Hampshire Supreme Court. Both sides won certain points, but in reality, Logic suffered substantially. Logic won its suit to break from Time Share, but had not sought much in the way of damages, satisfied with a "moral victory," Orem said.

Time Share, meanwhile, was granted \$115,541 in damages it felt Logic owed for breaking the contract, according to court records.

Logic ended up using all its retained earnings to pay legal expenses and the damages to Time Share, nearly driving Logic under, Orem said.

"If Warren were alive, I think he'd say that was one of the low points in his life," Orem said.

The Tech Boom

Logic survived that bad time and kept its toehold in the burgeoning software industry in the 1980s and '90s.

Working out of a humble little office by the Dothan Brook School in Wilder, Logic steadily added to its work force and built customers the way it had been all along — through the quality of its products.

The company culture revolved around Loomis' love of investigation and diverse passions.

Clare Holland, a Norwich resident who stayed with Logic for 23 years, still remembers her interview with Loomis in 1982.

“He sat as if he were about to jump out of his chair,” she said. “He had this tremendous energy.”

They talked more about a concert they'd both recently seen than the particulars of the customer service job for which she was applying. She was impressed with Loomis' varied interests, one of which was woodworking (evidenced in the cherry printer stands he made for the office).

“It was exactly what I wanted,” she said. “There were no rules. It was a very interesting place to work.”

The company grew steadily until 1996, when it closed on a deal to buy Covalent Systems, a California competitor, and quadrupling its customer base from 300 to about 1,300.

By 1997, Logic had around \$17 million in sales and 120 employees, 85 of them in Vermont.

Soon, Logic started getting offers to sell out. Orem and Loomis knew that Logic was too small to go public, so selling the business was inevitable. The only question was to whom.

Orem and Loomis had turned down a number of prospective buyers when, in 1999, a Canadian firm came along that Orem and Loomis felt was the right fit. Executives at the company, Constellation Software Inc., clearly understood what Logic was about, Orem said, and proved they'd done their homework.

By the fall of that year, Orem and Loomis agreed to sell three-quarters of their interest.

“Warren and I really liked these guys,” Orem said. “And they really liked us.”

The arrangement didn't last long. Just four months later, CSI sold Logic to printCafe, an e-commerce start-up in Pittsburgh with a very different idea about how to run the business.

It financed itself using a great deal of venture capital money and spent freely, with little regard to the technology Logic had been trying to develop, Orem said.

Loomis, who had never been in favor of selling to printCafe, retired in May 2000.

The company crashed when the tech bubble burst and was eventually purchased by California-based EFI in 2003. Orem stayed on until August 2004.

“PrintCafe was a disaster,” Orem said. “It was hard for both of us to see what we thought were incredible wastes of money, bad technology decisions, bad everything decisions and not be able to do anything about it.”

Moving On

Loomis may have retired, but he didn’t stop working. The year before Logic sold to CSI, Loomis had begun building rowboats.

Although he enjoyed rowing, he’d never been much of a fanatic for it until he had a heart attack in 1998. His doctor told him he needed to exercise, and rowing seemed the most attractive option. But he didn’t like going backward, having to twist himself around to see where he was going.

All of a sudden, Loomis had a problem to solve.

“He just thought it was silly to be going backwards,” Jason Loomis said. “He thought it made sense to be looking in the direction you were going, for safety, for the scenery.”

Loomis set to work, designing a single-person rowboat with a propeller, powered using a series of pulleys that connected to a handlebar the rower would pull.

With the help of some technically astute friends, Loomis spent countless hours performing calculations and built several models before he had something that could work. While continuing to tinker with the design, Loomis launched his next venture — ForwardFace!, the company he began with sons Aaron and Jason to make these boats.

In nine years, it has sold only a handful.

“We didn’t sell many of them,” Jason Loomis said. “People really liked it, but when they found out about the cost (\$5,000 minimum) they sort of balked at that.”

That wasn’t really the point, however, Jason Loomis said. Sure, his father wanted it to be profitable, but he didn’t need the money and was more interested in the technological challenge.

The boats did, however, lead to yet another idea that Jason Loomis believes could be profitable. In building the boats, Loomis’ primary motivation was measuring performance.

Using a series of small computers, the system he developed would collect data on everything the rower was doing, including force of the arms and feet, handle and seat position, balance and heart rate to figure out overall efficiency.

In 2004, he spun that technology off into yet another business called KL Innovations, which he founded with Davy Kitchel, a longtime friend of Jason's.

The company has not sold a single unit to date, Kitchel said.

"We've never tried to sell one yet," Kitchel said. "We were having so much fun doing it, it wasn't necessary to us that it became a profitable business."

No one really knows, just yet, what will happen with these businesses. Jason Loomis plans to continue ForwardFace! in some fashion and Kitchel said he is still figuring out what he wants to do.

In fact, Warren Loomis likely did not have bottom-line goal in mind. Jason suspects he wanted them to be profitable, if not for himself then for the people who would assume them when he died, but their financial success was not his main motivation.

Though certainly calculated, Loomis did not have a long-term plan for his life or any of his ventures, said Holland, the former Logic employee. Mostly, he just saw a problem and went about fixing it.

"Certainly, you don't go to school to be an entrepreneur," Holland said. "Warren would say to me all the time, 'I'm just making it up as I go along.'"

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