

Promoting the use of automated technologies and applications by providers and users to effectively integrate geographically referenced spatial and management data throughout the plan, design, build, operate and maintenance phases of our natural and built environments.

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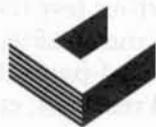
# Automation NEWSLETTER

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## INSIDE

### SPECIAL REPRINT

This is a special reprint from the January/February 1994 issue of the A-E-C Automation Newsletter featuring a CAD company that's getting a lot of attention.



CADKEY

## A-E-C AUTOMATION NEWSLETTER

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## Cadkey: A Renewed Force

Since **Malcolm Davies, PhD** and registered architect took over as president and CEO of **Cadkey Inc** (see NEWSLETTER Nov'92), the third largest, desktop-CAD software company headquartered in Windsor, Conn, nothing's been the same. And that's good.

This is one twelve year old company with founders (**Livingston Davies** and **Peter Smith**) who recognized that no matter how good their technology or how technically strong their company, their success — perhaps even their survival — was dependent upon a marketing presence that was even stronger.

Countless studies show: most small companies stay small or worse because of insufficient capital or inadequate marketing. We've seen lots of optimism and opportunity washed away for just these reasons. Indeed, Venture Capitalists express a view common in their trade with the statement: "Shoot the owners!" The Cadkey owners were much smarter than that and are being handsomely and appropriately rewarded today. In Davies, Cadkey has a proven leader with an excellent track record — most recently with **Autodesk**.

## INDUSTRY NEWS

1993 was a busy year for Malcolm Davies and a continuation of an on-going restructuring of Cadkey Inc. In Davies words, "We are changing our business model rapidly to out-source many of our activities and focus on our two top priorities." These are:

- Developing great software
- Creating demand for their software

With two strategic thrusts — mechanical engineering and architecture — Davies and his team have made lots of news.

In the summer, they formed two new companies based on technology, markets, personnel and financial support from Cadkey. They refer to these ventures as "intrapreneurial technology spin offs," a form of company creation said to be pioneered by the likes of **3M Company**, **Hewlett-Packard** and **Microsoft**. The first, heir to the former Manufacturing Systems Group at Cadkey, is **Cutting Edge Technologies Inc**. President

Livingston Davies has the mission of extending Cadkey's leading work in manufacturing software systems software. The second, **CAD/CAE Technologies Inc.**, managed by Peter Smith, will work in the development of software products for computer-aided engineering and initially concentrate on expanding analysis technologies.

In the fall, Cadkey announced a major achievement with the capture of both money and experience compliments of Autodesk. **Rudolf Kunzli**, one of thirteen original Autodesk founders and responsible for Autodesk's European operations until retiring from the company in 1990, has invested \$2 million in Cadkey. Kunzli has become a member of the Cadkey Board of Directors, and SKW, one of his companies, has been capitalized and merged with Cadkey to become Cadkey Europe AG, based in Switzerland.

Kunzli said of the investment, "After reviewing Cadkey's technologies and future plans, I believe the company is ready to take a leadership position in the CAD market worldwide. The winners will be those companies which bring new technologies to market fast, break the price-performance barriers of mainstream CAD products, and offer integrated suites of quality software systems customized for local markets," he concluded. Whereas the emphasis of Kunzli and Cadkey is on the winning companies, your editor thinks there will be plenty of users in this

"Winner's Circle" as well.

The intrapreneurial ventures will have the greatest impact on the mechanical engineering market. The Kunzli investment and expanded effort in Europe, although benefitting both markets, could have a major impact on Cadkey's penetration into Europe's architectural market. To further bolster its position in the AEC market, Cadkey has taken a very aggressive position in the marketing and pricing of **DataCAD 5**, its premier product for the architect.

Not to be outdone by **Vince Everts'** Cyco International and a deeply discounted price of \$25.00 for **AutoManager Classic for Windows** (see NEWSLETTER Dec'93), Cadkey is offering incredible pricing to the architectural community, the target for its DataCAD 5 product line:

- **Starter Edition** - \$49.95 plus 9.95 S/H—limited to 256K; includes 430 built-in symbols.
- **Plus Edition** - \$99.95 plus 9.95 S/H—Starter Edition and extended file size to 8 meg.
- **Professional Edition** - \$149.95 plus 9.95 S/H—Plus Edition and 1,650 built-in symbols.

All editions include the "Beginning DataCAD" manual plus on-line documentation.

This is the same software that retailed for \$1,995 until Septem-

ber, 1993 when it was discounted to \$495. The current promotion, originally scheduled to lapse at the end of February, has been extended through May, 1994. Why this approach?

According to Davies, "... promotion is proving to be wildly successful; we have sold an additional 5,000 copies of DataCAD 5 in less than three months, and it is proving to be highly profitable." This marketing promotion seems to be bringing about a major resurgence of a fine product. The company also reports that third party developers are enthusiastic with their support and Cadkey expects to offer add-on products, also at a low-price/high-value rate in the very near future.

With Cadkey reporting a total of more than 110,000 installations before the promotion versus 900,000 AutoCAD users, will this be felt in Sausalito, the home of industry leader Autodesk? What is the likely impact on **Intergraph's MicroStation**, with its No 2 ranking and acknowledged strength in the architectural community? Could this launch a new round of price cuts and further test the financial strength of the desktop-CAD industry, its third-party developers, value-added resellers, etc? We will follow and report.

To order DataCAD 5 for as little as \$49.95: Cadkey Inc, 4 Griffen Road North, Windsor, CT 06095-1511. Tel: 800/394-2231, fax: 203/298-6484. ▲



**CADKEY**