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## THIS JUST IN

### Henry Ford Health picks No. 2 to become new CEO

Departing **Henry Ford Health System** CEO Gail Warden wanted the system to hire the best health care executive in the country to succeed him.

Last Friday, he endorsed the board's selection of



Schlichting

Henry Ford's No. 2 executive, Nancy Schlichting, as a way to do just that. Warden said Schlichting's appointment would benefit not only the health system and Detroit health care but health policy nationwide.

Warden said he wasn't involved in the selection process for a year while a search committee vetted 25 top health care executives, including at least three Henry Ford Health employees.

"But when it came down to (Schlichting) and an external candidate, when it got down to the point to push for her to be the one, I did it," Warden said.

Schlichting, 48, of Dearborn will replace Warden as CEO on June 2. She'll be the first woman to serve in that role.

Warden is retiring but said he is considering invitations to teach and expects to remain active in health care policy discussions.

Before he leaves, he'll work with Schlichting as she moves into her new role. Immediately, she said, she'll begin the search to fill her current posts. She has been executive vice president and COO of Henry Ford Health since 1999 and president and CEO of Detroit's **Henry Ford Hospital** since 2001.

Schlichting is looking at the responsibilities that need filling and may reorganize the positions or divide the jobs of hospital CEO and COO, she said.

—Katie Merx

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# Detroiters eye Iraq contracts

## Companies hope to be part of rebuilding

BY JENNETTE SMITH  
AND BRENT SNAVELY  
CRAIN'S DETROIT BUSINESS

As U.S. Rep. John Dingell questions the decision-making behind recently awarded government contracts to rebuild Iraq, many metro Detroit companies are looking for ways to win business.

Dingell, D-Dea- born and a ranking member of the House Committee on Energy and Commerce, and another member of the committee are calling for the **General Accounting Office** to investigate the process of awarding contracts.

If successful, Dingell's efforts may provide more clarity on how local companies, ranging from ar-

chitectural firms to marketing and trading companies, could try to claim a piece of the billions of dollars of short- and long-term business prospects in postwar Iraq.

Among the companies interested in pursuing business in Iraq are Dearborn-based **Ghafari Associates L.L.C.**, Rochester Hills-based **Minoru Yamasaki Associates Inc.**, Troy-

based **Intraco Corp.** and Ayres, Lewis, Norris and May Inc., an Ann Arbor-based civil-engineering company specializing in water and wastewater facilities, road and bridge design and other infrastructure.

The newly formed **Chaldean American Chamber of Commerce** also will be organizing a committee on trade and business with Iraq, said Martin Manna, managing partner of West Bloomfield Township-

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# Linux gaining admirers, users

## Fans at Detroit area companies say it's cheaper, more stable; Microsoft disagrees

BY ANDREW DIETDERICH  
CRAIN'S DETROIT BUSINESS

Taylor Bond had a choice in 1996: Start **Online Technologies Inc.** using **Microsoft Corp.** products or take another, riskier route.

That route was Linux, an operating-system alternative to Microsoft's Windows or Solaris, the system sold by **Sun Microsystems Inc.** (Nasdaq: SUN). The operating system is the basic set of programs and utilities that makes your computer run.

Bond picked Linux as the operating system for 30 servers, which today run more than 500 Web sites, among other things.

Online Technologies (Nasdaq: MSFT) isn't alone in walking with Linux hand-in-flipper — the system's logo is a goofy penguin.

Two reasons:

It's cheaper and thought to be more stable.

Because Linux isn't a commercial product sold or controlled by one company, the majority of applications developed for it are free and built by true believers of Linux

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### WHAT DOES 'OPEN SOURCE' MEAN?

"Open source" allows anyone to take the base program and build on it as needs dictate — no one company owns or controls Linux.

Any individual or organization can obtain and distribute Linux for free, although businesses typically buy it as part of a larger package that includes service.

Some Linux-based programs similar to commercial programs in common use have been developed. For example, the free program **OpenOffice** offers features comparable to Microsoft Office, minus the licensing fees.

HIROSHI YOSHII/GETTY IMAGES

An "open source" interpretation of the Linux mascot.



## Cabela's reels in local developer to Dundee

BY JENNETTE SMITH  
CRAIN'S DETROIT BUSINESS

Giant outdoor outfitter **Cabela's** may have put Dundee on the map as a travel destination, but a Farmington Hills developer is betting that people want to live there.

Cabela's opened its hunting, fishing and outdoor-gear store in the fall of 2000. Since then it has grown into what the store says is the most visited destination in Michigan, with more than 6 million visitors last year.

The village of Dundee and the surrounding area, meanwhile, have attracted hotels, restaurants and a new **DaimlerChrysler AG** plant, announced in February.

Andrew Milia, president of **Franklin Property Corp.**, plans to add to Dundee's draw with a \$150 million housing development about a mile from Cabela's. Franklin Property, which is working through the approval process with the village, assembled the land and plans to sell lots to builders.

The project is called **Arbor Chase**. Franklin is the lead developer, but Farmington Hills-based **Noble Realty** is a partner on the

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# Linux: Number of users of open-source operating system grows

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for use by anyone. Linux software products that aren't free cost far less than those of competitors.

For these reasons, Linux continues to gain ground on Microsoft, steal customers from Sun and give the industry a kick in the pants like it hasn't felt since the Y2K bug.

"The time for Linux to have the capabilities to do real work has arrived, and it will continue to grow at a rapid pace," said John Sarsgard, IBM Corp. vice president of worldwide Linux sales. "Linux reflects the best thinking of very smart people in all different organizations."

There's no doubt IBM is trying to sell Linux products — the company has retrofitted all its servers to be able to run the operating system, Sarsgard said. In the fourth quarter alone, the company sold \$160 million worth of Linux-based servers.

Sun also is buying in. "Linux is an integral part of our overall strategy," said Souheil Saliba, vice president of marketing volume systems products. "We have hundreds and hundreds of engineers working on Linux-related hardware and software."

Although Linux competes with some Sun products such as its Solaris operating system, Sun views Linux as an opportunity.

Last August it launched LX50, a server that can run Solaris and Linux. Many more products are coming down its pipeline.

That IBM, Sun and other large technology companies spend so much time, money and effort on Linux-related products and services lends credibility to the system, developed in 1991 by Finnish programmer Linus Torvalds.

Spending on Linux is expected to grow from \$80 million in 2001 to \$280 million in 2006, according to Framingham, Mass.-based IDC, a technology research and analysis firm. The spending will be on Linux-based products and services developed by companies such as Raleigh, N.C.-based Red Hat Inc. and Tokyo-based Turbolinux Inc.

Linux market share in the server sector is expected to rise from 10 percent in 2001 to about 25 percent in 2006, according to IDC. That's compared with Windows, which will see its share drop from 60 percent to about 57 percent, and Unix-based systems, which will drop to about 10 percent.

Linux users say it's because the system is cheaper, safer — and a lot of people hate Microsoft.

"You can't divorce yourself from Microsoft because there's obviously a huge community there, and there's a lot of appli-

cations that require it," Bond said. "But when it comes to good, solid stability and what makes the most sense and what's the most affordable to operate day in and day out, you can't lose with Linux."

Says Sarsgard, "Linux can't do everything ... yet. But if you have a particular job to do and have the choice of three operating systems and Linux is one of them, Linux will just about always be the best choice in the long run."

## There are potential downsides

Finding where Linux might fit into your business can be daunting. And because no one company controls Linux, no one company is responsible if something goes wrong.

And it might not be as cheap as you think. A 2002 IDC study commissioned by Microsoft indicates that in four of five areas, the cost of ownership for Microsoft products was less than Linux at 104 U.S. companies. The cost of ownership includes hardware, software, training, downtime and staffing.

The study points out that although software acquisition costs are low, the costs associated with staffing, training and hardware actually made Linux more expensive in network infrastructure, print serving, file serving and security.

"For Microsoft, the findings show that our investment in resources to engineer products that are comprehensive, easy to use and deliver value out of the box for key IT scenarios is paying off for customers in the form of lower total cost of ownership," said Peter Houston, senior director in Microsoft's Windows server product-management group.

Dale Mansour, president of Bloomfield Hills-based NuSoft Solutions Inc., said he has yet to recommend Linux for mission-critical applications to any of his more than 300 customers. Mission-critical applications are those that keep the business running.

That's despite increased interest in Linux from those customers.

"We like our customers to be on the leading edge, not the bleeding edge," Mansour said.

He said mainstream operating systems like Microsoft provide the latest and greatest products along with strong product support. The best use for Linux, he said, is back-office

operations such as e-mail management.

"Linux is good for keeping costs down and keeping creativity up," he said. "But if something happens, the onus is not on one company to make sure the problem is fixed."

## Local companies switching

Still, many local companies in a range of industries have migrated at least part of their information-technology infrastructure — and they love the savings and stability.

Most companies haven't moved their entire information-technology departments to Linux, opting instead to try it on a project-by-project basis.

## ON THE LINUX TRAIN

Local companies using Linux include:

- Online Technologies Inc.
- Atwell-Hicks Inc.
- Campbell & Co.
- Icon Multimedia Publishing Inc.
- Cummings, McClorey, Davis & Acho plc
- General Motors Corp.
- Ford Motor Co.
- DaimlerChrysler AG.

Consider

Brighton-based Atwell-Hicks Inc.: The surveying and environmental-services company hired Shane Harsch as group leader of information technology in 2001.

Harsch said one of his first tasks was to organize the department and make sure all Microsoft licenses were up to date.

"It was total sticker shock when I went before the management team and said: 'This is what we have to pay. This is what it costs to do business,'" Harsch said. "They were blown away."

To cope, Atwell-Hicks has been moving more of its information-technology department functions to Linux.

Atwell-Hicks moved its intranet servers to Linux, using a combination of programs, a Linux-based database and in-house programming for a cheaper and more stable system.

The result? No crashes since 2001, and Atwell-Hicks has saved more than \$100,000 on licenses.

Ann Arbor-based Icon Multimedia Publishing Inc. has 16 servers, 15 with Linux. The one server that isn't is at a customer's request, said Adam Bultman, systems administrator.

Bultman said it's hard to quantify the benefits, but he's reminded of how glad he is every time he sees reports about worms or viruses spreading on Microsoft systems.

Added benefits, Bultman said, include not having to spend \$700 for license fees to update servers or being forced to upgrade, and having instant access to a huge support base.

"It's more than worth it," Bultman said.

## Some remain cautious

Joe Vandervest, information-systems director at the Dearborn-based marketing and communications firm Campbell & Co., said Campbell uses Linux for numerous back-office operations, such as its intranet.

By using Linux on older computers, Vandervest said, he can stretch the life of a unit to five years from three. That's because Linux is less demanding on hardware.

Vandervest said Campbell & Co. is steadily increasing its use of Linux but is cautious in its approach.

"The prevalence and ubiquitous nature of Microsoft products still make it a lot easier to use," he said.

Still, Vandervest said, he will weigh heavily the pros and cons of switching to Linux as the need for upgrades continues.

Joseph Seward, a partner at the Livonia-based law firm Cummings, McClorey, Davis & Acho plc, said all company operations are based on Linux.

The benefits, Seward said, have been stability and cost savings, although he couldn't put a figure on those savings.

"Use a company that is familiar with everything about Linux," Seward said.

Because companies such as his are interested, so are bigger companies such as Microsoft and IBM.

NuSoft Solutions' Mansour, whose company builds programs on the Microsoft platform, said Microsoft has given vendors like him the freedom to negotiate deals, especially if competing against Linux.

Sarsgard said all new IBM servers will be Linux-compatible.

The trickle effect will be a boon for companies such as Southfield-based iSysTek Inc., an information-technology services company.

About 75 percent of iSysTek's revenue comes from Linux projects. The company expects revenue to jump to \$4.4 million this year from \$2.4 million in 2002, said Ilya Sterin, president and CEO.

"That's just the tip of the iceberg when you consider how quickly the technology is advancing and the benefits companies that make the switch receive," he said.

Andrew Dietrich: (313) 446-0315, adietrich@crain.com



Houston

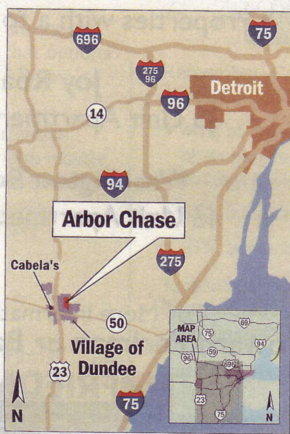
# Dundee: Giant outdoor outfitter Cabela's reels in local developer

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deal, Milia said.

Milia said he has been tracking the Dundee market and acquired a former farm parcel of 300 acres late last year. Part of the land, about 65 acres, was sold for the engine plant that DaimlerChrysler began building last week. The plant is expected to provide 400 jobs and is part of a joint venture with Hyundai and Mitsubishi called Global Engine Alliance L.L.C.

Plans for the rest of Franklin Property's site call for a 750 single-family homes and condominiums priced from \$150,000 to \$300,000. Pending approvals, construction would begin next year. Two national builders and four large local builders already are interested in buying lots, Milia said, although he declined to name them. The project likely would be built over five years.



STEVE WILLIAMS/CDB

The biggest draw of Dundee is its geography, Milia said. Close to U.S. 23, the Monroe County loca-

tion is easily accessible to Washtenaw and Wayne counties, as well as northern Ohio, he said. Jobs are also coming to Dundee with Cabela's, the DaimlerChrysler plant and other manufacturers.

Cabela's, in particular, helped raise awareness of the area, Milia said. He said he expects the Ann Arbor area will be the strongest in terms of marketing Dundee as a place to live.

Tim Holland, director of retail for Sidney, Neb.-based Cabela's, said it's not unusual for its stores to start a wave of development in an area. Hotels and restaurants in Dundee can be linked more directly to the retailer. Residential growth is more indirect.

"Maybe we just found it first," Holland said.

Holland said the Dundee store attracts visitors mostly from a 150-mile circle. The 225,000-square-foot

store attracts shoppers with elaborate wildlife-education displays and aquariums, along with the equipment and clothing the store sells.

Dundee Councilman Ed Craft said Cabela's has been a major driver for development without interfering with the quality of life. Most residents have a positive view about the commercial and residential investment, he said.

Arbor Chase's preliminary site plan was just recently reviewed by the village's Planning Commission, of which Craft is a member. He said he does not know when the council will review the project, but the village is not discouraging Arbor Chase or other residential projects.

"We're happy to see the single-family-type homes," Craft said.

Kirsten Tava, media-relations specialist for Travel Michigan, said

tourism magnets such as Cabela's and other economic development such as plants and residential development go hand in hand. Travel Michigan is a division of the Michigan Economic Development Corp.

"We feed off each other," she said, calling Cabela's a wonderful asset for the state.

Defining Cabela's as the top "tourist" destination in the state gets a little dicey because of the way Travel Michigan defines a tourist. Its definition of a visitor is someone who travels at least 50 miles or stays overnight at a hotel. It's hard to say exactly how far all shoppers travel to Cabela's.

Cabela's, however, claims the title in its marketing materials and keeps a counter on its door.

Jennette Smith: (313) 446-0414, jhsmith@crain.com