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Who's the University of Dayton's $11 Million Man? John McHale is a Young Engineer with Old-Fashioned Values

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WHO'S THE UNIVERSITY OF DAYTON'S $11 MILLION MAN?
JOHN MCHALE IS A YOUNG ENGINEER WITH OLD-FASHIONED VALUES

DAYTON, Ohio — i-opener.
That’s a lowercase device with an uppercase description (IPAD or Internet Personal Access Device) and a high-profile scheduled kickoff.

One of the latest ventures of 1978 University of Dayton alumnus John McHale — the man making the largest gift to the University of Dayton in its history — i-opener will be pitched to a nationwide audience during this season’s Super Bowl. McHale’s road to the Super Bowl included the founding, growth and sale of two companies. On his way to the big game, McHale has mastered the technology of high-speed Internet service, broadband and networking to the point where he’s labeled “visionary.”

McHale has pledged $11.4 million to The Call to Lead Campaign to support UD’s “New Engineer” curriculum, minority scholarships and various technology initiatives. His single $10 million pledge is UD’s largest gift in the $150 million drive.

The vision of i-opener is simplicity: Plug it in. Turn it on. And you have e-mail and the Internet. All for $199 and a $19.95 monthly service charge. For another $99.95, they throw in a printer. Everybody will want one.

Or will consumers prefer a competitor’s product?
Probably not. For as an electrical engineering major at UD, McHale paid close attention to Distinguished Service Professor Bernhard Schmidt’s advice that designing and building the perfect product wasn’t good enough if the cost was too high.

When in 1985 McHale founded his first company, NetWorth, he remembered Schmidt’s advice to find the market and the correct balance between price and performance. Of NetWorth, McHale said, “We were the value leader in high-speed networking.”


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The work of founding and running those two businesses was, McHale says, "demanding. It took a lot of hours. With such a job, the work is always with you."

McHale's current life in Austin, Texas, with his wife, Chris, and three children (Ryan, 6; Caitlin, 3, and Casey, 1), has more leisure, he says. "With three small kids," he says, "that's what dominates my life. I have a flexible schedule, so I can spend a lot of time at home. I can get the kids ready for school or get home early. I'm one of the luckiest people in the world — to spend that much time with my children."

He also had enough leisure to attend a Halloween party in 1998 and talk with a neighbor who said, "I have some ideas." Interesting words to a twice-successful entrepreneur. The neighbor and a friend, McHale says, "had an idea for an inexpensive Internet device for the home."

McHale clearly points out, "I didn't originate the idea."

He did, however, apply the business knowledge gained from NetWorth and NetSpeed. "I helped shape the business, helped build the management team, introduced them to people, invested money. That was in January. Now we have 75 people and have raised $40 million."

McHale serves as chairman of the board of the company, named Netpliance, maker of i-opener. He's also chairman of Panja, which can marshall the forces of the Internet, a home intranet and household appliances to let you turn on your oven from work (or monitor the safety of your business or your family). A recent Panja development allows you to use your home audio components, and not a computer, to listen to Internet music.

McHale is also able to interrupt his leisure long enough to take an active interest in several other companies. BroadJump, founded by several NetSpeed veterans, is making the world of broadband more affordable by making installation cheaper and more effective. Global Converging Technologies with its cordless phones extends both telephone and PC capabilities to any room in your house or any part of your office. Everstream is developing the world of streaming media. Austin Ventures works in partnership with emerging entrepreneurs.

McHale's own road to becoming a technological entrepreneur began early in life. "From the time I was 6 or 7 years old," he says, "I was fascinated with technology. I had a train set. I wondered why it worked." His interest and ability to work on his own have roots in his days of shoveling snow and cutting lawns.

When he was a student at UD, his roommates — mostly business majors — asked him why he was in engineering. He told them, "I want my own technology business someday." His advice on how to succeed is both simple and complex. He says, "The key to success: When you want something, go out and execute it as aggressively as you can."

To be able to execute well demands preparation. McHale sees two sets of skills.
necessary for engineers of the future. "Engineers need to be exposed to a curriculum," he says, "relevant to major trends. They certainly need technical skills for emerging markets related to the Internet and computers."

But, he also points out, "companies are depending now on engineers being more well-rounded. Engineers need to learn about making a decision in the context of a business priority, not just making a product they like. So they need to understand markets and marketing."

A particular skill, McHale says, that is "universal among successful people is the ability to communicate, to stand up at a meeting and be clear, and — when a question comes up — to answer it. Being able to sell separates people who develop their own ideas from those who just implement ideas."

He remembers that at UD he avoided speech class for a long time. "But I realized I couldn't and be successful."

Speech wasn't all at UD that McHale sees as contributing to his success. "Reflecting on my career and the good things that have come my way," he says, "it was the coming-of-age experience at UD — educationally, spiritually, emotionally. As I entered the outside world, I found I was a little better equipped to be a contributor in a team environment. I had a good mix in my non-engineering curriculum: liberal arts, theology and philosophy, marketing and economics were all very helpful, more so than my calculus class.

"I guess that's blasphemy for an engineer."