



Santa Cruz Operation alumni pose for a picture during the SCO Reunion Gala and Follies Saturday.

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'It was a family'

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Software company's spirit still going strong a decade after closing doors

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SANTA CRUZ — More than 500 people from around the world gathered at the Cocoanut Grove on Saturday for a reunion.

It wasn't a high school or college reunion, but a high-energy gathering of engineers, accountants and others who had once worked for Santa Cruz Operation, a former software company started in 1979 by a father-son duo who grew the business to nearly 2,000 employees worldwide.

SCO, known for hot tub parties and serving beer in the office, was a powerhouse of the computer industry until a sharp drop in sales in the late 1990s led to selling the key component of its Unix business to Caldera in 2001.

The company, which went public in 1993, closed for good around 2006.

"We knew how to code, we knew how to market and sell, and we knew how to party," said founder Doug Michels who created SCO with his father, the late Larry Michels. "We were growing like crazy and didn't know quite when to stop."

SCO was said to be the next Microsoft in its heyday.

Michels, 58, a graduate of UC Santa Cruz, created a version of the Unix operating system that quickly became the industry



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Susan Moren, center, points to a photo in an album as Richard Robinson, left, and another Santa Cruz Operation alumnus look on at the SCO Reunion Gala and Follies in Santa Cruz Saturday.

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standard among open-system users.

It created open-system standards that allowed personal computer users choices in hardware and software.

The company made a number of cutting-edge developments, including the first live-music broadcast over the Internet and the first online ordering system, the result of a partnership with Pizza Hut in 1994 that allowed customers to order pizza electronically.

Michels — who lives in the Happy Valley area of Santa Cruz and is currently involved in a number of

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LORIE GOUDIE, engineer at SCO from 1984 to 2001



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Santa Cruz Operation alumni and friends mingle at the SCO Reunion Gala and Follies at Cocoanut Grove in Santa Cruz Saturday.

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tech companies, including Catbird in Scotts Valley — said SCO's downfall began around the new millennium.

Leading up to 2000, sales were through the roof as SCO customers were buying new products in preparation for the new decade that would pose the challenge of how to deal with zeros in the dates.

The company added more employees only to see the business tank shortly after.

"The growth spurt was fake, and the reality of it was we were stealing from our future," Michels said Saturday before the reunion. "After Y2K, sales dropped

like a rock. Customers were done upgrading.

"We had to cut staff. The stock dropped."

Former employees have fond memories of their time at SCO.

It was a place they learned the tech industry and formed close friendships.

Sixty-hour workweeks were normal and 80-hour weeks weren't unheard of.

Still, there was a lot of fun and camaraderie in the office.

Employees had a tradition of holding end-of-the-day meetings on the roof, and the company hot tub was often used during work hours.

Santa Cruz resident Lorie Goudie, 58, was an engineer at SCO from 1984 to 2001. She now works at Oracle.

"It was a family," Goudie said. "We played hard, but we also worked hard. I don't think I've worked anywhere since that's had that kind of feel."

Tina Hunt, a Ben Lomond resident who now works at Cisco, served as Michels' executive assistant for three years.

She said SCO was a "very creative, very driven" place to work.

"If SCO were still here, I'd still be working for Doug. It was awesome," Hunt, 56, said. "Everyone was so smart and so funny."

Old company advertisements on display in the Cocoanut Grove said "Instant mainframe, just add SCO."

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