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Spurned by feds, GTGI offers its NetDisc to software firms

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By [Michael Hardy](#)

When Global Technologies Group Inc. discovered that Uncle Sam wasn't interested in its content management system that lets Internet users build customized data discs rather than download bulky files, the firm promptly began to look elsewhere.

Now, the Arlington, Va.-based company, which has a history of selling to government agencies, is beefing up its marketing effort and is eyeing private software companies as potential customers.

The U.S. Census Bureau bought the product, called NetDisc, last summer when it was first released, said GTGI founder and owner George Allen. Since then, no government agency has bitten, a fact Allen found a little surprising, and Census suspended its LandView project in late January.

The Department of Commerce halted the Census project, which involved correlating maps with database information from other agencies and making the resulting information available to the public. The department cited national security concerns, a claim that the Census Bureau is challenging, the company added.

Allen blames last September's terrorist attacks, along with government budgetary concerns and uncertainties as the fiscal year changed last fall, for the government's overall reluctance to buy NetDisc.

But the truth may be simpler, said Larry Davis, the president of Aronson Capital Partners in Rockville, Md., an investment firm that focuses on government contractors.

"I don't think it's any different than the commercial market in that there's spending priorities," Davis said.

"If your product or service isn't in the priorities, you're going to experience that result. Some of it is in response to a change in priorities [following the attacks], but in some cases, the demand's not there to make it a priority," he said.


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Although many technology companies see the federal government as a new market for technology, Global's experience shows that not all products are going to find homes there, Davis said.

"We do a lot of work with the federal government, and we felt that this product is very applicable to the federal government, because one of its missions is to disseminate information," Allen said.

"We're not de-emphasizing government by any means," he said. "We're expanding our focus beyond the federal government. We feel there are a lot of opportunities in the software industry."

NetDisc is an alternative for entities with large blocks of data to distribute. A user can log on to an agency or company Web site, select the desired files, and the system will automatically transfer them to a CD-ROM or DVD-ROM and mail the disc to the customer. It can be used for data files, such as maps or slide shows, or for products like software programs.

Small software companies could sidestep the costs of pressing and warehousing discs, and also keep the flexibility to revise the code, while giving consumers an alternative to Internet downloads, Allen said. "It makes good business sense to be able to diversify your customer base, and we think there's an opportunity to boot."

To reach the new market, Allen plans to use direct mail and telemarketing, in addition to the trade shows the company already attends. Allen foresees his marketing department growing from one person to three in the next few months.

A former computer re-seller, Allen launched the company in 1991 after completing an encryption project for the Central Intelligence Agency.

Global's other business is encryption accelerators, chips that encrypt data and leave the computer's main processor free for other tasks.

The chips run faster because they're dedicated to encryption, Allen explained. Adding that the company has just released a new product, XL-Crypt, which may ultimately supersede the older PowerCrypt.

Although it began as a product for the spy agency, GTGI's encryption business has long been a commercial venture.

"We feel comfortable in both worlds," he said. "The major clientele for that product line is other companies. We become a subcontractor to somebody like AT&T or IBM."

Allen launched the company with his own funds and operated it alone for the first five years. The company turned profitable about three years after inception, and has been ever since. Allen said he has never taken outside capital.

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