



# HIP, HOT, 'N' HAPPENING

**FORTUNE VISITS TWENTY-FIVE VERY COOL COMPANIES**

■ In the first three years of putting together this act, we identified **Avid Technologies**, **Cisco Systems**, and **Netscape** as cool companies. We also gave the nod to **Thinking Machines**, a maker of supercomputers that then went into Chapter 11 for a while. That's okay—their stuff was indubitably cool at the time.

The thing about coolness is that it's hard to define, but you know it when you see it. For example: Shuffling through your briefcase before an audience with your biggest customer, you realize that you've forgotten a crucial file. You pull out a cellular phone with a tiny pop-up window and dial in to your office computer network. Floating before your eyes is a full-screen image of your PC display. But the perfect, crisp picture isn't really in the tiny window. It's being painted by a laser directly on your retina.

Or home alone after a rat-race day, you log on to a video chat room. The person you're talking to happens to be sitting at a table with an orange on it. You insert your fingers into stimulative thimbles connected to your computer, and suddenly you think you can manipulate all the objects on the screen. Every stipple on that orange skin is yours.

Cool? Absolutely. Real—as in, Will **Microvision's** eye painter or **SensAble Technology's** finger feelers ever make a dime? Guessing yea or nay is all the sport. Investors will have plenty of opportunity to bet, as **CheckFree**, **Cascade Communications**, **CNET**, and dozens of others angle for revenues by crafting Internet products for business types.

Don't clink glasses about the electronic liberation of the individual just yet. **Algorithm** sells software that lets your boss check which Web pages you download when you use your PC. Like a Venus flytrap, scary things can be cool too. — **Andrew Kupfer**

# ALGORITHM

Interactive 3-D graphics software

**SUWANEE, GA.**

Founded 1982

Revenues: \$1.2 million

Employees: 6

Private

[www.algorithm.com](http://www.algorithm.com)

Big Brother may not be a sinister old megalomaniac hiding behind a wall of monitors after all. He may just be a bunch of

well-meaning nerds listening to rock music while they change their shirts.

Last January, Algorithm released the Internet WatchDog, which enables a second party—like your boss—to keep a log of every program running on your computer. Originally conceived as a device to help parents know if their kids were sneaking glances at pornography on the Internet, WatchDog has become a tool for businesses. According to Charles River Media in Rockland, Massachusetts, which markets the product, at least 25 FORTUNE 500 companies use WatchDog to keep an eye on what their workers are doing on their PCs.

WatchDog's a strange product to come from Algorithm, whose CEO, Chris Watkins, defines his vision as trying to foster a "nerd farm where the best minds freely create [technology] to benefit society." Changing jobs at Algorithm is as easy as changing shirts. If one of the company's six employees wants to manage, he puts on a white shirt. If he wishes to be an engineer, he wears green. An operations professional dons blue. "It's about self-governing, accountability, and initiative," says Watkins.

Besides WatchDog, the Algorithm homestead has created an odd mix of 3-D graphics software. One program, called CompuCeph, allows orthodontists to meld photos and X-rays to give patients a visual preview of the expected results of dental work. The company also developed an immersive arcade system, called Venturer S2. In one Venturer program, players sit in a fully enclosed capsule and get treated to a simulated ride on a roller coaster. It's good stuff, though this reporter almost got motion sick.

Watkins hopes his software can be applied outside the game world—for instance, in simulation training for the military. But even if his plans succeed, he has no desire to take his beloved "N-farm" public. Instead he plans to grow autonomous "bubbles," like a business-monitoring group and a motion-based trainer division, that could eventually be spun off.

— Joe McGowan