

## Episode 5: Going with the Flow. The Spirit of Innovation. One Man's Journey

We were never told financial security is achieved by lawsuits. An American dream success through a lawsuit? What a weird concept. Or was it?

SALT LAKE CITY, UTAH, USA, May 17, 2023 /EINPresswire.com/ -- The American dream is a path lined with hard knocks. We were never told financial security is achieved by lawsuits. John F Cruz was unprepared for this next opportunity for wealth. American dream success through a lawsuit? What a weird concept. Or was it?



The Spirit of Innovation. One Man's Journey. Episode 5: Going with the Flow

The project in Colorado Springs was a hard lesson for <u>Cruz</u>. He delivered one of the most successful point-of-sale computer systems as reported by the Wall Street Journal, but he only made his employer executives rich. Next time Cruz would work for his own company.



My hard work only made my employer rich. This time, I would work for my own company."

John F Cruz

The year was 1988. Cruz traveled back to Salt Lake City. He registered a one-man computer consulting company called Digital Performance. Cruz heard the government always pays its bills. He started knocking on doors and submitting proposals for government contracts.

One afternoon between prospecting, Cruz toured the new downtown mall. He sat in the food court and saw a new

unused fully equipped fast food café. Wow, Cruz thought. This is perfect for his USA vision of the creperie cafés he enjoyed while traveling in Europe. He wrote a proposal and presented it to the mall manager, who loved the idea. It was a turnkey business and the manager only required Cruz pay a percentage of his revenue. Cruz was on his way to become a restaurateur, which he now understood well from the Pizza Hut project.

However, fate had other intentions for John Cruz. One week later, Cruz found all the café equipment gone. The mall manager explained everything was repossessed. However, in that same afternoon, Cruz received notice that Digital Performance received a computer consulting contract from the State. Cruz was back in the computer business.

Cruz's contract was to analyze data flow bottlenecks throughout the seven divisions at the Department of Business Regulation with Executive Director, Bill Dunn and Deputy Director Peter Van Alstyne.

Cruz found significant issues and Departmental high costs. He proposed developing two computer systems for the Division of Occupation and Professional Licensing as a top priority. He didn't get approval, but proceeded to design a system with the support of two other States. Cruz hired his university classmate Clark Whitehead, a brilliant programmer to write the software. When the Department asked Cruz what would it cost to develop a system, Cruz showed them his prototype of the License Manager and Enforcer systems.

Cruz sold the Department a license to use the software at a low cost, but the ownership remained with Cruz. Everyone was happy with the results. DOPL Division Director, David Robinson claimed the new system the best in the country. Only the Information Systems Division at the Utah Capitol building had a problem with Cruz. The IS Division was previously providing computer services to the Department. Cruz's system replaced their service resulting in \$480,000 in lost revenue, but a savings for Utah tax payers.

Cruz started pitching his software to other States. Washington DC was in desperate need of such a system. Cruz negotiated a license deal for \$600,000. DC agreed and started filing a purchase agreement. Cruz now believed he could offer a partnership with Whitehead, and working together license the software across the country. The American dream was again within reach.

Then his luck ran out. The Executive Administrator in the Washington DC office was accused of giving his friends government contracts. All new DC contracts were suspended. This included Cruz's purchase agreement.

Next, Bill Dunn, the Executive Director, who issued Cruz his contract, retired. The new Executive Director was from the Capitol's Information Systems Division. He immediately canceled Cruz's contract and replaced Cruz with his former associate from Nixdorf Computers. Cruz's system was not one year old, but the new Executive Director issued a \$1 million contract to Nixdorf to replace Cruz's system. Nixdorf was given all of Cruz's proprietary source code and intellectual property to support their effort.

This was a clear legal breach of contract and intellectual property violation. Cruz could have been awarded millions in a lawsuit. But Cruz had never been in a lawsuit. He had no mentor. He simply walked away from the conflict. It was a mistake that cost Cruz his financial security from this unfamiliar path for the American dream wealth.

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