



# CEO

SHATTERING MANY  
PRECONCEIVED NOTIONS  
AND CONVENTIONS, HANITA  
FRIEDMAN IS NOT YOUR  
TYPICAL ENTREPRENEUR

# in a *Tichel*

**W**hen I spoke to Hanita Friedman over the phone from her home in Karmiel, in the Upper Galilee in Israel, I was delighted to find that she speaks English remarkably well.

Soft-spoken, thoughtful and displaying a wry sense of humor, the 50-year-old fiercely proud *chozeret bi'teshuvah* and mother of five was reluctant to discuss her accomplishments as the founder of KarmiSoft, a Galil-based software service provider. Encouraged to do so, however, by Karmiel's Chief Rabbi, Harav Avraham Tzvi Margalit, who explained that the more people know about the company the more business it will hopefully generate, she graciously granted me an interview.

Indeed, much to her astonishment, since going public there has been a flurry of requests for interviews from media outlets fascinated with the idea of an ultra-Orthodox woman successfully asserting herself in the exalted realm of Israeli high-tech start-ups. Even more importantly, much-needed investment capital has also started to come in, mainly from the US.

"I was born in Neot Mordechai in the Upper Galil and studied mechanical engi-

neering at the Technion in Haifa," Hanita begins. "My first job was in Gothenburg in Sweden, where I worked for the Volvo automobile company. When I returned to Israel I married my husband, Ori Yosef Friedman, who was working at the time as an IT manager, and we had three sons."

It was shortly afterward that the Friedmans became religious. Hanita was strongly inspired by *shiurim* she heard over the radio. "Working in marketing, I traveled a lot. The radio was constantly turned to Channel Ten. I wouldn't let anyone move it." A Shabbaton the family attended in Jerusalem marked the turning point in their spiritual evolution. With a laugh, the now *tichel*-clad Hanita recalled walking into the dining hall and seeing a roomful of *chareidim* for the first time in her life. "I was shocked. Everyone was dressed in black and white," she says. Nonetheless, the spiritual atmosphere and message conveyed there hit home. "Without either of us discussing it, my husband and I both left determined to take one *mitzvah* upon ourselves." Six months later they began to keep Shabbat. At that point, needing a religious environment in which to raise their sons, the Friedmans moved to Karmiel. In time, Hanita gave birth to

BY  
MACHLA  
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two daughters. “My husband, *baruch Hashem*, has the *zechut* of being able to learn full-time in *kollel* for the last 13 years,” she proudly states. The move to Karmiel would not only prove auspicious for the Friedmans but for the city itself.

Karmiel, a modern residential town of 55,000 dividing the Upper and Lower Galilee, is situated only a short drive from Tzefat and Akko. Until recently, *chareidim* comprised but a small percentage of its population, and there seemed little hope of attracting more. “About 50 percent of *chareidim* study high tech or accounting, but it was senseless to bring them to the Galil because there weren’t any jobs available for them,” Hanita says. So when Harav Margalit approached her with the prospect of founding and running a high-tech start-up for the purpose of resolving this problem, it spoke directly to her entrepreneurial and socially-conscious heart. “I always dreamed of doing that,” she says. On numerous occasions, Hanita had tried founding her own start-up, but was unable to get it off the ground. “Harav Margalit provided me with a social vision toward which I could work.”

On an interpersonal level, it proved very challenging: Hanita often needed to tap into inner resources she didn’t know she had. “I always saw myself more as a salesperson who worked alone rather than a manager. I had to learn how to become more assertive, but in a nonconfrontational way. It was very hard. Because I am a *chozeret bi’teshuvah*, I am often afraid to pressure my employees. I’m afraid I might be accused of not understanding their situation adequately... I’m still learning when to exert my authority and when not to do so.”

She also needed to become more professionally agile, shifting away from her professional area of expertise to what the market demanded. “I am trained as a mechanical engineer. I assumed KarmiSoft would focus on those applications I was familiar with.” But because smartphones had already begun to take over, they decided to focus on expanding their usage. “It’s interesting to see *chareidim* developing and testing smartphone applications while their own ‘kosher’ phones don’t have access to any of these,” she says.

Because KarmiSoft’s ideological objective is to help *chareidim* work, Hanita acutely feels the weight of that responsibility, knowing that its decisions will directly affect people’s livelihoods

and possibly Karmiel’s future direction. Still, “Sometimes I make decisions based on my feelings rather than my brain,” she admits. Yet despite these sensibilities, as a *chareidi* woman, Hanita is leaving her distinctive mark on an industry known for its bottom-line mentality as well as its innovation.

Hanita’s spunk and reputation were legendary even before taking over the helm of KarmiSoft. When she was only 26 years old she proposed an idea to Israeli business magnate Stef Wertheimer, whose precision cutting tool company Iscar would later be sold to Warren Buffett for billions of dollars. Indeed, it was an idea that would radically change the complexion of high-tech industries in the Galil.

Several months before, she had sent Wertheimer a letter regarding some economics-related matters. Impressed by her insights, he asked to meet with her and offered her a job on the spot. Already committed elsewhere she declined, but responded with a counterproposal: that Wertheimer build a high-tech industrial park in the Galil to attract high-tech companies. Doing that had certainly not been on Wertheimer’s agenda. While he was already committed to building such parks in Jerusalem and Omer, near Be’er Sheva, the Galil wasn’t central enough, he told her.

Undeterred, Hanita and a friend gathered signatures from owners of companies—400 in all—who committed themselves to relocating to this industrial park, should it ever come to pass. When the signatures were presented to Wertheimer he responded quickly. Not long afterward, Hanita was thrilled to see Wertheimer’s helicopter landing on a hill in Tel Chai in the Upper Galilee, with Wertheimer himself on board. He designated the site as the soon-to-be-built industrial park. That was 24 years ago. Today, the Tel Chai industrial park remains a catalyst for the establishment of multitudes of high-tech start-ups in the area.

It was hoped that Hanita would exert the same kind of magic with KarmiSoft. However, despite Hanita’s vast experience in high-tech and marketing, she found this venture much more challenging than she had anticipated. So many external factors were working against its success. “We thought everybody would buy into our vision of providing work for *chareidim*. But apparently, many didn’t,” she said.

Even among those who applauded KarmiSoft’s efforts and goals, few were ready to invest or give the company work. Others were extremely discouraging and didn’t mince words in expressing their views. “Some CEOs told us we were crazy,” she says. Despite the numerous businesses occupying the industrial park, there still weren’t enough of them interested in supplying the volume of business KarmiSoft needed.

The company was therefore forced to look toward central Israel, where 90 percent of its high-tech work is done, and to Europe. Some of KarmiSoft’s customers are start-ups themselves. The venture, not surprisingly, also turned out to be a lot more

expensive than originally estimated. And as far as Hanita's proven ability to generate orders, there too she was headed for major disappointments. "It was a new company, without any history. Nobody knew us. We didn't have any special technology to offer. We were and remain service providers, and my *chareidi* workers were all newcomers. No matter how good our prices were, potential clients questioned whether we could deliver the services on time."

Fortunately, Hanita had the financial and emotional support of a silent partner, a *chareidi* woman living in Jerusalem who strongly believed in KarmiSoft's mission. There was also some small respite in the State of Israel's tender program. To encourage businesses to locate in border communities (Karmiel is on the border with Lebanon), Israel offers small government subsidies toward employees' salaries. It wasn't much, but every little bit helped.

Hanita, though, was doggedly determined to make this work. In her pre-*chareidi* life she was a competitive swimmer, and she continues to tackle challenges by diving right in. And the bigger the challenge, the better she likes it. "I need action," she declares passionately.

Indeed, the naysayers have been silenced. Three and a half years into its existence KarmiSoft, founded in 2010, is a proven commodity, having established a respected reputation among Israeli high-tech start-ups.

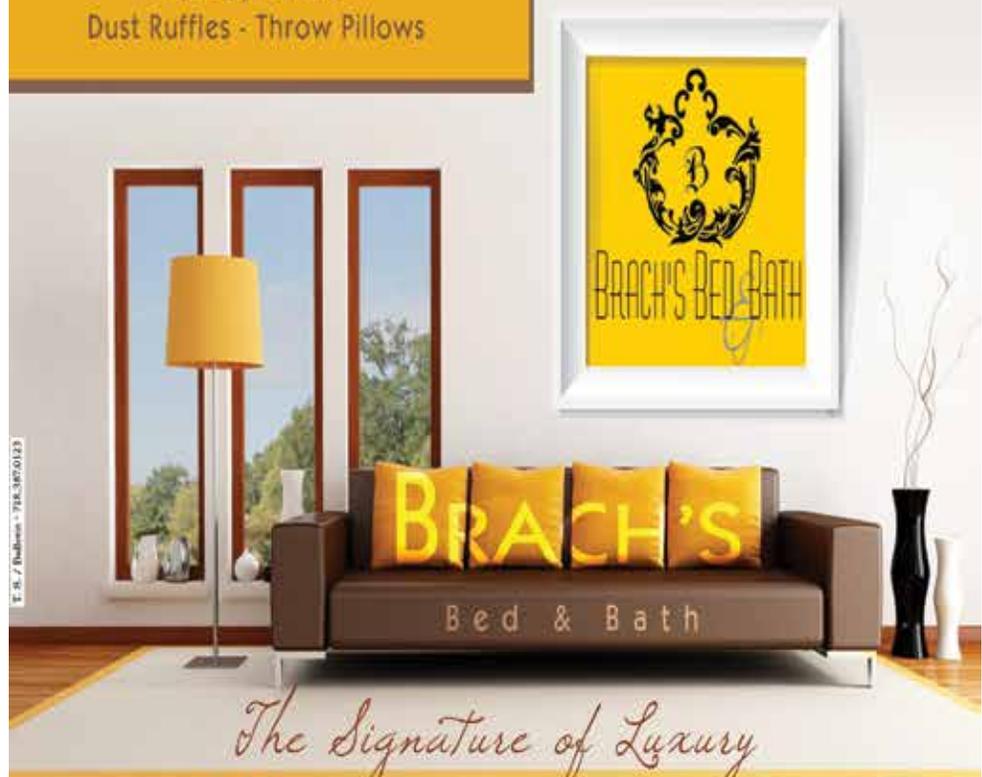
This was accomplished while remaining true to its *chareidi* values, overcoming challenges that often put the company at a disadvantage in this cutthroat, competitive field. For example, given the *chareidi* lifestyle—large families, taking time off for Shabbat and Yom Tov—employees cannot devote the same number of hours to the job as their secular counterparts. "In my previous employment, my boss would have been very upset if we left work before 4:00 or even 5:00 p.m. But here we understand that these women, many of whose husbands are learning in *kollel* and who have children at home, must leave earlier."

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**WHEN SHE PRESENTS HERSELF IN HER CAPACITY AS CEO, MANY SMILE WHEN SHE REFUSES TO SHAKE HANDS. NEVERTHELESS, SHE IS TREATED WITH THE UTMOST RESPECT.**

This is something Hanita identifies with completely. “At times, combining family and work is not very profitable. Nevertheless, we’re all doing it because we believe that’s the way it should be. So most of us leave at 4:00. And if somebody must take off a day or two, well, that’s okay.”

Hanita is awestruck by her female employees, some in their 20s and 30s, and feels they have much to teach her. *Chareidi* women, she believes, especially those in the software field, are in a class by themselves. She waxes enthusiastic about their abilities and accomplishments: They are exceptionally smart, focused, target-driven and very strong in so many ways. Most are supporting husbands learning in *kollel* and are the sole financial support of their families, skillfully balancing the demands of family and work. By the sheer force of their drive and intelligence, they complete the two-year post-high school practical engineering program offered by many Bais Yaakov-type schools, and then go on to found highly successful and demanding companies. “I know of University of Tel Aviv and Technion graduates who only dream of doing this,” she says. More importantly, they are doing it their own way, often swimming against the tide. “They are a special force, albeit a quiet one. Everything they do, they do quietly, not seeking any publicity for themselves.”

It is no surprise to her that their accomplishments are unknown outside the Israeli high-tech community and their immediate *chareidi* circles. “*Chareidi* accomplishments, especially in this area, represent a whole new world most Israelis know nothing about,” she says.

It is the success of *chareidi*-led companies like KarmiSoft that is putting an end to this anonymity—in KarmiSoft’s case, despite its underlying vision being more social than business-oriented. “Our objective was to bring *chareidim* to the Galilee, train them and put them to work, instead of finding the work, hiring experienced developers to do it and then, when there are enough big projects, training inexperienced developers. From a business perspective, we started from the wrong end,” Hanita admits.

Nonetheless, KarmiSoft is making significant inroads into the hugely competitive field of software development. The company develops and services software that enables users to connect to

their personal computer software, like Word and Excel, through their smartphones and tablets. What further distinguishes KarmiSoft is that it is not only run by a *chareidi* woman, but that the majority of its employees are *chareidi* women as well. “These women have amazing software development capabilities,” she says. As hoped, the company’s success is changing Karmiel’s landscape in many ways.

“Before we started, 99.9 percent of *chareidim* living in the Galil worked in education. However, that source of employment soon dried up.” The establishment of KarmiSoft infused new life into what had become a stagnant *chareidi* community. Today, women and men from Karmiel and its environs are finding well-paying jobs in fields in which they are trained and in an environment suitable to their needs. Subsequently, more and more *chareidi* families, including hundreds of immigrants from the US, are flocking to Karmiel, attracted by its employment opportunities and comfortable lifestyle. Housing costs are very affordable; a typical three-room *dirab* runs about 395,000 shekels [about \$112,000 US], although, Hanita points out, these costs have begun to escalate, especially now that the Galil has been included in Israel’s new super high-speed train route that will connect it more easily to central Israel.

In turn, new Bais Yaakov-type schools, *yeshivot*, Talmud Torahs and other religious institutions, both *Ashkenazi* and *Sephardi*, are sprouting up like wildflowers all over the Galil. “All of this has brought a much-needed vibrancy to Karmiel,” Hanita declares proudly, although she is quick to add that the job market has yet to catch up to growing needs. Future investments and growth, she hopes, will enable KarmiSoft to provide more work for more people.

KarmiSoft is also changing how Israel’s secular society is starting to view *chareidi* contributions to the high-tech field, an economic sector that had previously been the exclusive domain of University of Tel Aviv and Technion graduates. Today, Bais Yaakov, Machon Tal and Machon Lev (which caters to Orthodox men) graduates are showing their mettle and proving themselves up to the task, both as employees and as founders of successful start-up companies. These are feats many secular Israelis in the

Galil are starting to notice, much to their surprise.

The success of KarmiSoft is also influencing Israeli society's attitudes towards *chareidim* in general, especially its women. Hanita believes this is none too soon. When she presents herself in her capacity as CEO, many smile when she refuses to shake hands. Nevertheless, she is treated with the utmost respect. Still, the typical refrain, "You're not like other *chareidim*; you're different," says it all. "They don't know who we really are. All they know is what they hear and see in the media that focuses on the negative. For instance, many believe *chareidim* don't want to work. Thankfully, this attitude is now changing. Heads of high-tech companies are starting to realize that not only do *chareidim* work, but that we are, in fact, very good at what we do and we have much to contribute. If those people want *chareidim* to work, it's up to them to create the right environment." Until now, at least in the Galil, that wasn't happening. *Chareidim* were not exactly discriminated against, but no attempts were made to accommodate them either. "The attitude was, if you want to join us you can, but we aren't going to change anything for you."

More than not meeting *chareidi* needs, however, most top companies were simply ignoring their applications altogether. This, Hanita believes, has nothing to do with discrimination but with differences between *chareidi* and secular school curricula. Bais Yaakov girls, for instance, graduate high school without having attained a *teudat bagrut*, or official matriculation certificate, but instead receive what is called *chutzim*. Potential employers thus have no way to compare the academic merits of prospective employees who are educated in the different streams. "It's like comparing apples and oranges," she says. "The value of a *bagrut* they understand. But what are *chutzim*? We need to know one another better."

And the issues run deeper. Despite the high caliber of the programs being offered in *chareidi* girls' schools in the Galil, Hanita feels that some improvements are necessary to increase graduates' competitive edge. "For the most part the teachers are excellent, but many are women who have never worked in the field." Subsequently, some teach their students the computer languages in which they excelled but which are no longer relevant. Hanita remembers being surprised when one high school graduate told her she had learned the computer language Pascal, which is rarely used nowadays. "I'm not a programmer; I just know what the market needs. Obviously, graduates must be familiar with the most recent software and technologies. For instance, the world

is going more and more mobile, so students have to learn how to program for mobile usage," she insists. And all of this can be taught in a halachically-acceptable way.

Hanita also recommends that schools teach more mathematics and connect with high-tech companies, perhaps through day-long seminars and coordinating curricula with the companies themselves. Graduates can then proceed directly from school into the workforce without needing additional training. Realizing this, certain Bais Yaakovs have brought in educators (even non-religious ones) from high-tech companies to teach students the latest technologies.

High-tech companies are also waking up to the benefits of hiring *chareidim*. Hanita tells of receiving a call from a CEO of a large computer-based company that had six openings available and was interested in having *chareidim* fill those spots. "This woman had a list of questions about days off, holidays and what kinds of food we eat. She asked about *everything*. She really cared." And she wasn't the only one. Hanita is reaching out to other companies in the area that are expressing similar interests in reviewing *chareidi* applications and in accommodating *chareidi* needs.

"We're currently working, for instance, on establishing a strategic relationship between SanDisk, a major company that makes memory chips, and the administrators of Machon Lev and Machon Tal, who are informed of their current and projected needs," she says. "It's a mutually beneficial relationship."

Why this increased interest? Hanita believes that for some it's simply a matter of economics. "The *chareidi* population is growing at a much faster pace than any other stream in Israeli society. Subsequently, they represent a larger pool from which to choose. But what others see as a minus, I see as a plus," Hanita says. "We *chareidim* represent an engine for growth that must be explored and utilized." And with more and more *chareidim* moving to the Galil, they are now becoming an integral part of its larger society. "Everybody understands that for society to function well, everyone needs to work together."

What Hanita feels differentiates KarmiSoft from other high-tech environments is the calmness of its atmosphere and the caring and respect of its personnel, as well as their work ethic. "Our employees feel like entrepreneurs. They understand that they are the soul of the company. Through their efforts, they are keeping the vision alive." And when things don't go as planned?

"We just pray harder," she responds. ■

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