

The CSC Years

Well here I was back from training and ready to sell Timesharing and Services. I was commenting to a friend recently, that explaining "The Cloud" in today's technology buzz word environment was easy because in mid-1974 I had to learn to explain Timesharing. Today we would call it Software as a Service over the Cloud. Most business people back in the 70's didn't understand or trust computers, so trying to explain that the work was actually going to be done on another company's computer way out in California or maybe Colorado was very hard to accept and understand. It was especially hard to understand for small businessmen.

When I got back from training the branch manager took me to lunch. He said he wanted to debrief me on my trip to headquarters. I hoped that I didn't get any bad reports and I was a little apprehensive about the invitation to lunch. We sat down and he ordered a martini, I think I had ice tea or a Pepsi. I know I didn't have a drink, but it didn't slow my boss down. After ordering, he said that he had gotten good reports from all of his contacts at headquarters. He said several people asked why I took a sales job instead of a management job. He asked me if I was going to jump ship shortly and if I was looking. I assured him, that I was looking forward to not being in charge and looked forward to making some good commissions and not have to worry about much. He seemed more relaxed after that and we talked about the classes and what several people had said about me. It was all pretty positive, and the rest of the lunch was enjoyable.

I was hired to replace a salesman that had been let go, and at the same time another salesman was leaving Detroit for a promotion in Chicago. He would be working as a sales manager calling on major opportunities. That meant that there were several opportunities available to me for territories. The branch manager liked a geographic territory approach, so while one territory might be geographically huge, it might not have a good mix of big and small businesses that were reasonable prospects.

While in California, I had asked a lot of questions and found that a large number of the company's best clients either had multiple locations, or used some of the very large special programs that were not able to run on their in house mainframes. I talked to several successful field sales people who had accepted a promotion to headquarters. This was a basic requirement for long term promotions; everyone had to spend a year or two in California if they wanted to be on the management fast track. They all said basically the same thing. Try to find large companies, get a small solution in the door, then service and grow the account. This was proven over and over again to lead to success. Calling on a lot of small businesses, might get you a lot of clients, but you were paid on how much computer power the client used. Actually it was a formula that included connect time to the computer, storage on tape, disk or drum actual CPU usage and a premium for any special software used.

I was given the downtown Detroit territory. Nobody really wanted it, because the other sales people were also all living and working in the suburbs. I had to drive farther, and often drive through areas that were not very safe to meet with prospects. However, since both of my previous jobs were located in the downtown area, I had no problem calling on clients there. I actually enjoyed being in the new center area and the downtown area. Lots of great restaurants and during the summer I kept a boat on the river, a better place to take clients, than playing golf. They could enjoy a couple hours on the water, have lunch at a waterfront restaurant, and nobody saw them sneaking golf clubs out of their car.

We had a few small existing accounts in the City, and several additional existing small accounts in larger companies. Typically one or two engineers that needed a special program for research or design. I took my California advice and set up appointments to visit every user in the city my first month back on the job. Back then, if you wanted to better understand a company, there was no Internet as a resource. You went to the library and you looked at old articles and you tried to find annual reports, or financial information that could tell you about the company, and their mission and plans. Then, you networked with people you knew who might have some information about their employer or competitors.

Finally, with a hand full of 3X5 cards, my portable filing cabinet of choice, I started meeting with my new clients. Most were engineers that hadn't seen a salesman from CSC for years if ever, and had only infrequently had conversations with our software and service support specialists. Most seemed apprehensive and weren't comfortable with my being there, but were courteous, because it did break up their regular routine. Even though I had accumulated quite a bit of background information I asked a lot of questions. Questions about their job, how they used our software and services, their company in general and if there were other programs or services they were using from our competitors. I was surprised to learn that most of these users did also use two or three additional time sharing services. Some for special applications and some just to run their own programs, as no time was available on their in house computers. Or because of the scheduling problems they would be running their jobs at 3:00AM. I always subtly asked who made the final decision on which services were used. Generally the implied that they had to go to the data processing manager or to a Timesharing Coordinator. They told me that their choice of vendor was usually approved, but that sometimes they were asked to use an alternative vendor. Now, I was seeing potential critical mass, and commissions.

Back then, there was no email and most companies, even small ones had a receptionist or operators on a switch board. So I started calling all of the data processing managers and or time sharing coordinators on my client list. I had looked through the branch files and I called old customers who had not renewed, and some of the prospects that were never closed. I tried setting up 2-4 sales calls a day for three or four days a week, for the next 6 weeks. I left days open for follow up, and to make up for cancellations, which I expected. These were busy people, and if a crisis came up in their department I knew they wouldn't have time to see me.

At the same time, I continued to learn as much as I could about the products and services that we at CSC had to offer, and when I could, how we compared with competitors. I wanted to be able to convince customers to use more of our services and prospects to give us a try. During the second week of calling, I had a real surprise. The new time sharing coordinator for the large gas company in town, was a woman I met while interviewing for the CSC job. She had been working at a competitor and thought CSC was a better alternative. She ended up mentioning something to her customer the gas company, and they were promoting a person and offered her the job. I wasn't sure how our meeting would go. I was afraid that she would be resentful of my getting the position. But she was so happy in her new job, it was clear she had no problem. I explained that I had researched the company and that they were using services under several small contracts. I suggested that if we could consolidate all of the work through headquarters, I could get her a volume discount. She suggested I look at folding in all of the applications of her old company and another vendor as well. We set a meeting in two weeks, so that I could get a proposal together, and get my management approval on special pricing.

I worked with our regional marketing staff, my manager and the local support staff. We came up with a preliminary proposal and submitted it to headquarters. With a few minor changes, it was approved. They thought our discount structure might be a little aggressive, but wanted to get the business from competition. I put together a flip chart, and a formal proposal. I made sure it looked like the new time sharing manager had pushed us to provide discounts, so she would look good to her management. PowerPoint would have been great, but one advantage to a flip chart, was being able to add a couple of key points to reinforce an answer to a question or to elaborate a point of agreement. Bold underlines, really allowed the presenter to push home a feature or benefit. Much stronger in my mind, than using a red laser on a slide.

I brought our branch software manager with me; the branch manager had another appointment and trusted me on my own with a major client and a large proposal. We arrived early and were shown to a conference room. Fortunately we had brought a folding easel, as the room did not have one. We got set up and waited for the client to arrive. Right on time our client and several others entered the room. We introduced ourselves and the meeting was turned over to me.

I gave a brief introduction and gave a summary of what we were going to present. The first step in the 3 step presentation. I then launched into our proposal using the flip chart for emphasis and to leave a visual memory with the attendees. I never hand out the written proposal until I have finished. I don't want competition for my attention.

I was careful to take my time, but not waste time. I had learned that if you felt that what you were presenting was important, present it like it is important and don't rush through the material. I also learned from one of the best salesmen I have ever known, to try and emulate two unbelievably different actors in how to speak during a presentation. The first was John Wayne, the next time you watch one of his movies, note that during important scenes, he pauses, to make sure the statement following the pause receives full attention. Listen

Pilgrim..... The other was Humphrey Bogart, not to emulate the kind of New York drawl, but having an answer ready that is forceful, explanatory, and yet allows for some humor. Never preach or be condescending to a prospect or client. The two best response lines that come to mind are in answer to questions. The first is the famous line, in answer to the question "What is this made of?" His scene stopping answer, "This is the stuff that dreams are made of." The second Bogart response and my favorite is in response to a woman saying he seemed really smooth, after he had answered a question in detail with a patented Bogart delivery. His response was, "What do you want me to do babe, learn to stutter?"

Well, I finished the presentation, answered several questions, and then gave a brief summarization concluding, by asking for the order. The 3 step presentation, tell them what you are going to tell them, tell them and tell them what you told them. With practice it reinforces your proposal and is not repetitive.

The client team, were very cordial but not committal. They said that they had several other presentations to review and would be in touch. I guess when I proposed consolidation, it prompted the client to SDK for proposal from all of their vendors. I was still optimistic, because we had put together aggressive pricing and could provide all of the special engineering programs that they used. At least one of our competitors was not authorized to resell this high end engineering application on their network.

Several days later, I was asked to attend a follow up meeting at the clients offices. I received no indication of their decision. I brought the software sport manager with me in case there were any technical questions that I couldn't answer. We were kept waiting about 20 minutes before being called into the same conference room.

Finally, four people including the time sharing coordinator came in, said hello and sat down. Our client smiled and said that they liked our proposal, but had a few questions and several requests to go over. She said quite clearly, that if we could answer the questions satisfactorily and negotiate the requests, that we would be awarded their national contract and be their preferred vendor.

The first question regarded support in Texas. We had full offices in both Dallas and Houston. The Texas offices would be happy to provide support under a National Agreement. The second question asked for detail in one part of the pricing formula, and they were satisfied with our detailed explanation. The final point of negotiation regarded the term. We had presented a one year term; they wanted a three year commitment with an option for two additional years. 5 year plans were all the rage back then especially budget planning. I explained that I could not commit to the change, but if I could have a few minutes and a phone, I could get an answer immediately. No cell phones back then. I called my manager, he was out. I called the regional offices, but everyone was out. I called headquarters in California and finally got to the National Sales Manager. He was a hard charging, much decorated, retired Colonel. His opening statement, "Why in the hell are you calling me? Don't you have a chain of command?"

I explained the circumstances and that I had tried my chain of command. I wanted to walk out with a National Agreement, and be able to show that both I and CSC were responsive. He asked a couple of very detailed questions, and said to accept the terms, he would make sure it was approved.

I walked back in, said that CSC management at headquarters had approved their requests. We signed a letter of agreement that their attorneys had prepared prior to the formal corporate agreement to follow. They then gave us a summary of their total time sharing usage, and their plan for rolling various services and applications into CSC. It was a much larger number than we had anticipated. When I showed it to my manager he was incredulous, although still a little upset about my going over his head. The regional manager was also put out, but revenue talks and since our region included Texas, he was a double winner. The National Sales Manager didn't say anything except, "Damn good thing you got the order!"

That was kind of my trademark at CSC; I rocked the boat a lot, but more about that later.

I started working the automotive accounts a little harder, and had widely mixed results. We did well at Chrysler, fairly well at Ford, nothing from AMC, for those of you that remember the dying American Motors and very little new business from GM. In fact after one experience at GM, I predicted that in a few years they would be bankrupt. Everyone laughed at me, but history has proven me right.

The meeting to which I am referring, was with a manager in an engineering group in advanced development. I had learned that they used a lot of raw computer power from a competitor. I arranged a meeting, and told him we could provide the same computer resources for about half the cost. He said quite bluntly he wasn't interested. He told me that his bonus was primarily based on reaching and meeting budget forecasts. If a large portion of his budget was not used, he would be penalized on his review and bonus. Thinking quickly, I said that we could deliver twice the computing power for the same cost. Surely, that had to be an attractive offer. He responded, if we had more computer resources the engineers would want to use it, and my overtime budget would be exceeded and again I would have a negative review and it would reduce my bonus. I walked out incredulous. How could GM last if they actually took all creativity away from managers, by judging them so strictly on budget and not doing what was best for the company. About a year later, after finally finding a progressive and creative manager, I met with better results, but it certainly rocked the boat again at CSC.

I really enjoyed my years at CSC, many of the men I worked with are still good friends. I continued to have pretty good success growing accounts, getting new business and keeping clients happy. I enjoyed management presentations and worked hard to always give the best, because I had learned that selling your own management was often more difficult than selling a prospect or client. About this time, our manager, who was a great guy, but was more technical than sales oriented, announced that he was leaving the company and taking a new position in Washington D.C. I was surprised but not overly so. He had been recruited by a former boss

who he really respected. When he told us in the branch, it created quite a bit of discussion and not a little competition between the more senior staff in terms of seniority. I had only been there about six months, so I didn't think about it except to hope that they would bring in someone from outside. My peers were very nice men, but none were experienced enough to really be a good manager in my mind. But I knew that the Regional Manager wanted to fill the position quickly and he scheduled meetings in the office for the next week.

Each of the staff had a private meeting with the regional manager. At the end of the day, I was called back into a meeting with the regional manager and my branch manager. I sat down expecting to be told who the new manager would be, and asked if I could work with him. I knew I would say yes, because I needed the job. The regional manager asked me several questions and then surprised me by offering the branch managers job to me. Having played a lot of poker, and learning to manage my expressions from a master, my Dad, I looked at both of them and said I was very interested, but had a few questions before I could accept. I remember that they both seemed surprised by my reply. The regional manager reluctantly said okay, what are your questions? I had two, the first was the actual state of the branch in terms of quota, and because of my current sales, and would I take a hit and potentially lose money by taking the job? The second question was about head count, would I be able to replace myself and plan to hire new sales people because I anticipated some attrition due to me getting the job. The answers were positive to both questions, and I accepted the position of branch manager.

The entire branch was invited to have cocktails at a local bar and restaurant. Everyone came, but the atmosphere was a little strained. I do remember that everyone seemed sincere in wishing me success, but I couldn't help picking up a little resentment as well. The good news was that the most senior salesman was offered a regional position in Chicago, which he accepted. Dealing with him was my biggest concern, because he was a nice man, strong in marketing, but a little too by the book for me. My philosophy in life has always been, there are TEN COMMANDMENTS and everything else is guidelines. This has caused me some problems and has brought me great success as well throughout my career. It sure leaves room for creativity though which has always been one of my major strengths.

The transition to the branch manager went fairly smoothly, I worked hard supporting my sales and software people and forming a team. I was able to hire several new salespeople right away, and as expected over the next year several other salespeople left. Because of my experience with IBM I had a prejudice against hiring anybody from IBM. However, one of my sales people recommended a salesman who had just left IBM and would be a good candidate. I met him, liked him and hired him. One of the best hires I have ever made and certainly the best I made at CSC. He was a true professional, hardworking and consistent, and ended up getting promoted to headquarters and ultimately retiring from Infonet, the company that was spun off from CSC. He has remained a lifelong friend. I know that my unorthodox style and reckless abandon in many situations made him shake his head a number of times, but fortunately we have remained friends.

Another hire at that time, and another lifelong friend I hired from one of our competitors. This gentleman started out as a very successful stock broker, life and the economy threw him some rough curve balls, and he ended up selling time sharing for GE. I met him, liked him and offered him a job. He took it and did a great job managing a number of large accounts and developing some pretty interesting new business. He was the first individual that I met that truly thought, outside the box! I want to mention another new hire, to whom I will always be indebted. He was on the ski patrol at a local ski resort, and taught me and my family to ski. I will never forget, my daughter at about 3 skiing down the bunny slope between his legs. After about 5 or 6 assisted runs down the slope, she was able to go by herself, she has been skiing ever since.

There are several highlights that I will mention that stand out as significant events during my years at CSC, several are humorous, one speaks of the tremendous capabilities of the brain trust at CSC at that time, and the last exhibits the ultra-conservative management that in so many ways kept CSC from growing larger in the Infonet division.

The funniest sales call I have ever been on, was to call on the DP Manager of Chrysler and about 8 of his staff. The time sharing manager and several levels of managers were there. I was accompanied by the account manager, he had previous time share sales experience, and was a true professional. He was also six foot seven, wearing a grey pin striped suit and striped tie. The client called the meeting, because they thought they had a billing problem of some magnitude. My systems people in conjunction with headquarters had reviewed the billing and determined the problem. One of their engineers, had not signed out through error or laziness and had run up a very large connect fee. Because they were a good client, I was authorized, after begging and pleading to issue a full credit for the questionable charges.

We were seated in a conference room, I was at one end, and the manager, an Asian gentleman was at the other. The meeting started, he presented the invoice, made some threatening comments, and then looked at me and said, "Well Superman, what are you going to do to fix this?" He like to tease me about looking like Superman, actually more like Clark Kent. I had anticipated this and had a surprise. I was wearing my oldest white shirt, it should have been retired to a painting shirt already, but I found it in the closet.

I stood up; slowly UN did my tie, and then ripped my shirt open, buttons flying in every direction. Underneath, I had a Superman T-shirts with the big S, right in the middle. You have never seen so many surprised faces. I think my salesman was so embarrassed that he literally disappeared at the table. The Chrysler managers were stunned; they finally looked at their boss. He was laughing so hard, he had fallen out of his chair. At this point everyone else started to laugh as well. When things quieted down, I took the credit from my briefcase, gave it to the manager and explained what the actual cause had been. He thanked me, still red in the face from laughing, said he would make sure it didn't happen again, and offered to take me to lunch. Great meeting.

The second great call, took place in New York City at Gulf and Western building. My senior salesman had been calling on the local VP of Finance for G&W. They had talked about a major problem that was costing Gulf and Western a lot of time and money. They had operations in a number of countries, and it took days to close the books, because each local currency had to be reconciled into US dollars. There were constant adjustments for exchange rates, and often errors that were not acceptable. CSC had a product called FLARS, pronounced flair. It stood for financial language and reporting system. It allowed multiple location input and would automatically do conversions and reconciliations from the various business entities. It was easy to use, not cheap, but would save Gulf and Western a lot of money over the present procedure. We did a demonstration for the local VP, and he was so impressed he arranged a meeting for us at Headquarters in NYC. We took the extra step of having our local offices in 5 European cities involved in the demonstration. There were about ten people in the room in New York. We were connected to a terminal in the conference room. We dialed London, gave them an amount in pounds to enter, then Paris and an amount in Francs, then Brussels and Antwerp. When we finished with the calls, my heart was thumping, this was 1977, and would this really work? But, I never let on that I had a concern. I talked and asked a few questions; back then things were not instantaneous. After what seemed hours, but was less than 15 minutes the terminal beeped.

The operator, pushed a few keys, and the consolidated report printed with a lot of descriptive information and two columns, one in local currency and one in US Dollars. It took almost a half hour to print. At the end of the printing the managers and executives scanned the pages and finally they looked up and smiled. Great job guys, let's go to lunch! The executive cafeteria was awesome, great food and a view of Manhattan that few ever get to see.

The last memory was one I remember with mixed emotions. I won a major battle, but lost the war. General Motors had never really embraced CSC as a vendor. They used a lot of timesharing, but only one engineer at the tech center, used us for some obscure design analysis application that we provided. I did a lot of research and finally found a very dynamic manager with timesharing responsibility who had a title of Coordinator, in a small office in the Fisher Building, across the street from the GM Building. This was many years before GM moved to the renovated Renaissance Center. I set up an initial meeting, and discussed the many advantages that CSC had to offer. He listened intently and had some interesting comments and some good questions. It was clear that he was open to a new deal, but it would have to meet some specific criteria, including a spending limit or a maximum charge for a specific quarter. Managing to a budget was still a very important part of any ongoing commitment for GM. With CSC you only paid for what you used. It was a great plan for many companies, but at GM, they needed to know how much they were going to spend each quarter in advance. No surprises were allowed for the quarter.

I talked to my boss and he was intrigued. He was a forward thinker, and in fact I would call him a visionary. He mentioned that there had been some special deals cut in the Federal Sector,

but they involved a lot of services and development as well as computer resources. We kicked around some ideas and then we decided it was worth the effort to go out to Headquarters in San Leandro to meet with sales, marketing and technical people there face to face. In a few weeks, I flew out and in three days of meetings, the National Sales Manager thought we should pursue it, the VP of Sales agreed, the Director of Marketing saw it as a great opportunity, and the technical people and finance people thought it couldn't be done, and wasn't worth the effort if it could.

Back in Detroit, I began to formulate a plan. One of our competitors had a pretty attractive option at first review. They sold a port to a company at a fixed price. The company could use all the resources they wanted during a given month, and there was no extra charge. I was able to get some detailed information about what this really provided, and my friend, who shared the confidential information and I were quite surprised. If you think of an analogy of the port being a water pipe, you could use all the water coming out of the pipe 24 X 7 with no extra cost. I did a detailed analysis and found actual utilization was about 40%-50% of the available computer resources. The cost of the monthly agreement for comparable resource utilization with the CSC billing model was about 250%-300% depending on the mix of resources used in any one month. This made a new pricing model not only possible, but highly profitable and of increased value to the customer.

I met with the GM Manager and we came up with fixed port pricing model, that was attractive to GM and very profitable to CSC, although I acted like I was giving away the store, and that I didn't know if I could sell it to management. Off to California again and a series of meetings. Sales and marketing loved it, Finance and operations hated it. They threw in a new wrinkle, a quarterly review with the opportunity to slightly adjust the price for the next quarter on a rolling basis. Back to Detroit and another meeting. GM could live with that, but with a limit on an increase for any consecutive quarter. Okay, back to California, and now a meeting with the President. John Luke was one of the most impressive senior executives that I have ever met. Think Bob Lutz, but with more polish and presence. He was a stickler for detail and asked probing questions. I spent three or four days with the headquarters sales and marketing team coming up with my presentation and several pages of background notes. The big day finally arrived and I walked into his office. The VP of sales, the VP of Finance and the VP of Operations were there as well. This came as a surprise to me, but I wasn't worried or intimidated. I probably should have been, but I was enjoying myself, and fighting the good fight.

It became quickly obvious that I had an uphill battle in front of me. The VP of sales liked the idea but he was not going to speak up on my behalf. I am not sure what the President thought, but the others obviously thought it was a bad idea and this meeting a waste of time. I slowly went through my presentation, pointing out the virtues of the fixed port pricing model and the fact that it should be more profitable and would tie GM into a long term contract. There were a few questions and some disparaging body English during the formal part of my presentation.

Then came the detailed questions, fortunately I had a researched and quantified answer to each Question.

The VP of operations tried to make me look dumb, but I remained civil and give him a couple of pretty goose shots. At several points in the discussion, John Luke pressed so hard he broke the lead on his wooden pencil. Most of them were when I answered a question that was posed in a clear and confident manner. I guess I shouldn't have been as well prepared, or that with each point I made he knew he was going to have a big problem with the push back from operations and finance. By the end of the meeting he had broken 5 pencils. I later found out the previous record was three. I was told to keep myself busy and that he would make a decision within a day or two.

I found out that operations tried to dispute my numbers, but they could not find any errors or assumptions that were not backed up with facts. After two days, I was called back in to John Luke's office and was told we were going to try it out, but if it didn't work as planned, my career at CSC was over. I pretty much decided it was over anyway due to the fact that to move up in the company, everyone had to put in a couple of years at headquarters. No way, I would fit in out there, but I didn't say anything, just thanked him, promised to make it work and flew back to Detroit.

GM loved the proposal, and now came the lengthy process of drafting a corporate agreement. I was back and forth so much that an interesting thing happened on American Airlines. I would fly to LAX on a Monday and fly back Thursday. Each week they had a contest to see which passenger could guess the total points scored in the NFL the previous Sunday. I had won it so many times, that when I would board on Thursday, they would hand me a bottle of Champaign if I didn't play.

The cost of travel in terms of time and money got to me, so I convinced headquarters to purchase two quip machines. These were the predecessors to fax machines. Almost daily we would be sending contract revisions back and forth. But it paid off and we finally had a contract in place and turned on the port. It was a huge success. GM lived it, and it was highly profitable for CSC. However, I was branded as a rebel, which fit. My boss left the company, several of my cohorts left the company and I received an offer from a hardware company to turn around a bad office in Detroit. I submitted a formal resignation, but called my new boss and played the Johnny Paycheck song, "Take this job and shove it." Fortunately he took it as the joke it was meant to be, and there were no hard feelings.

Next, The Nixdorf Years, in pursuit of the Queen Elizabeth Medal!