Abstract

Warren Prince was an executive at Tymshare and served as the leader of TYMNET. He served on the management team at McDonnell Douglas after it acquired TYMNET. The interview concentrates on TYMNET’s history and explaining and providing context to some of the documents he provided for the interview.
Prince: So will you produce the chapter in your book out of audio? I’ve got a bunch of papers that might be of interest or might not.

Yost: Terrific, I would.

Prince: Because it kind of shows; first, on the TYMNET side it shows the growth of it and really, the initial problems of it, which graphically shows it instead of saying it. And then the McDonnell Douglas part. Anyway, we can get into that when the time comes.

Yost: Sounds good. My name is Jeffrey Yost, from the Charles Babbage Institute at the University of Minnesota, and I’m here today on April 4th, 2012, with Warren Prince of Tymshare and TYMNET. I’d like to begin just with some brief biographical stuff. Could you tell me where you were born, where you grew up?

Prince: Born in Walnut Creek, California but grew up mostly in Arizona; Glendale, Arizona. And went through; started at the University of Arizona, and then joined the Army. And when I got out of the Army, went to a junior college; and then graduated from Pepperdine in Los Angeles. Went to work for Hughes Aircraft Company as an accountant and then after a couple of years, went back to school to the American Institute of Foreign Trade, out of Phoenix; or Glendale. And then was hired by Remington Rand in the punch card division.
Yost: When you were in school, what did you study?

Prince: I started out in engineering and, in fact, that’s what I took at the University of Arizona. When I got out of the Army and went to one of these counseling things of what you should be in the future and they had a big argument of whether I should be in accounting or engineering. And they said well, take both at the junior college that I was going to go to, and whichever you like, that’s what you want to do. And the teachers were better on the business side. (Laughs.)

Yost: And then you said you joined Univac?

Prince: Yes, I was hired by them in the international division, because this is the foreign trade thing; and was sent after training, was sent to Puerto Rico to work actually for a dealer down there. And that’s where I got involved in computers and sold a couple computers down there. That seemed more interesting than being in Puerto Rico and in foreign trade. I came back and then GE was just starting business at that point in time. And since my family lived in Phoenix and they were starting in Phoenix, I called on them and got hired. And I was with GE then until; and then I; Tom O’Rourke was the western regional manager for GE computer. I was the central regional manager at that point in time, so I knew what he was doing when he got started in the business. But I went to (pause)

Yost: When did you come to GE? What year?
Prince: It was probably about 1957 or so. And I had a brief stint with another time-sharing company called Call-A-Computer, which was jointly owned by Pillsbury and Occidental Life of North Carolina.

Yost: Where were they located?

Prince: Minneapolis. I lived in Minneapolis, in fact, for a year.

Yost: I had no idea there was an early time-sharing business in Minneapolis; and they grew to be a fairly substantial company. Never knew it was in Minneapolis.

Prince: Yes, actually, Tom and I talked about the two companies getting together back [at that time] and the Pillsbury family was not interested in that, for some reason, at that point in time. All of a sudden there was an offer for Call-A-Computer from Standard Computer in southern California, and it turned out that the Pillsbury family had more money, seed money, venture money in Standard Computer than Pillsbury had in Call-A-Computer. And to — I’ll say it — to save the family’s money we got acquired by Standard Computer. And they went on and, you know, Call-A-Computer got merged with, I think, United Computing in Kansas City. But I left at about that time and then came with Tymshare. Whatever that time was.

Yost: Do you recall what year that was?
Prince: Well, if; I think I can get it from some papers that I have, but; who have you talked to already? Perhaps I can relate it to that and give you the time frame.

Yost: You’re the third person. I talked to Ann Hardy and Norm Hardy.

Prince: Oh, and Norm. Okay, you haven’t talked to Braniff?

Yost: No, I meet with him tomorrow.

Prince: Oh, okay. And you mentioned in your e-mail Dave Schmidt; you haven’t talked to him yet?

Yost: I talk to him tomorrow, as well.

Prince: Okay. That’s good; you’ll get a time; or I can get a time. But when Dave Schmidt left Tymeshare, I was not with Tymshare at that time. But when he left (pause)

Yost: You had not arrived yet?

Prince: No.

Yost: 1969 or 1970 was when he left I think.
Prince: Okay. And when Dave Schmidt was here, and Braniff would cover that. I mean, Dave Schmidt had the development stuff and Braniff was in northern California; guy called Ray Wakeman was in southern California. No, no; Braniff had the East coast, yes. He had the East coast and a guy called Jerrehian had the San Francisco area. And Ron was the manager, you know, of that region. And when Dave Schmidt left, Tom reorganized and made Ron in charge of all marketing; and Jerrehian in charge of all operations; where they had a computer back east and Braniff had that. And Wakeman then was the development side.

Yost: And that was in New Jersey.

Prince: Yes. From the outside looking in, at that point in time, I still was not with Tymshare. I mean, Tom, I think, had done a good job in making Braniff and Jerrehian and Wakeman compete with each other, you know (laughs) to bring in business. But once they came in charge of development, operations, and marketing they should cooperate and they still — some of them — really were competing instead of working together and it got to the point where it was either Wakeman or Jerrehian had to go. And I replaced Jerrehian at that point, wherever that point was. It was probably around 1970, 1971.

Yost: And that was in charge of operations?
Prince: Charge of operations. And that’s when the network was developed; and that was part of operations, obviously. Wakeman was the development and Ron was the marketing.

Yost: So at the time; that project, TYMNET had started before you arrived.

Prince: It started before I arrived, yes.

Yost: Had it gone live? Was it (pause)

Prince: It just was going live, you know, with Tymshare, when I came.

Yost: Probably would have been 1970 or 1921.

Prince: Yes. Norm and LaRoy Tymes were really central; I mean, LaRoy stayed on, on it, and really was the; well, both of them. Well, you talked to Norm; he was a very, very smart guy. And, of course, Ron will have more on that. Wakeman was removed a couple years after that and a guy called Laszlo Rakoczi came in. Then there was Braniff, Laszlo, and myself; the big three, if you want to say. (Laughs.)

Yost: How would you characterize Tom O’Rourke as a manager and leader?
Prince: I think he was good, at the beginning; especially at the beginning. I mean, he roused the troops; it was a business that we were getting into and I think, though, overtime he went somewhat the way of a lot of entrepreneurs, that lose sight of some things. I was just thinking of Yang, you know, at Yahoo; with Microsoft willing to buy Yahoo for three times what they were worth and Yang wouldn’t sell because he was going to keep it; well, you know, he’s out. And as the company went on; I mean, he still was the manager, in any case. But he was going to hold on to Tymshare, you know, whether it went down the tubes or not, he was going to be the guy running it. So I think he resisted a lot of overtures of acquisitions or mergers or things like that, and then it got out of his hands. He was not aware that, you know, that McDonnell Douglas was going to buy the company. You know, the board made the deal. So that part; he was; it doesn’t make him a bad guy, it’s just the way it was. So I thought he was alright. He was objective and, for the most part, he was not for TYMNET as a business, for some time. And mainly because the; Tom was mostly marketing, and good at that. But the Tymshare salesmen really didn’t like, once TYMNET became a business, to go call on some of the time-sharing companies to sell them network service. He sided, in some cases, with the Tymshare salesman, which was his right to do, and there was a little conflict in there, but it wasn’t a major conflict. No, I think he did a good job, generally. He didn’t lose sight of the business of time-sharing was starting to decline. That part he didn’t really see, I don’t think.

Yost: When TYMNET went live, what were the primary competitors with Tymshare?

GEIS (pause)
Prince: Main competitor was Telenet. The GE was really not; you meant GE didn’t you? GEIS?

Yost: Yes. GE’s information services business, which as I understand it included its time-sharing business.

Prince: They, for networking, were never a competitor. The main competitor at the beginning, and throughout the thing, was Telenet. Another competitor was UniNet, which is probably United Computing, which had picked up Call-A-Computer. And I have some of that stuff. Those kind of papers, I think, it will help in your chapter data. The interesting thing on United Computing, one of them, we had several — prior to McDonnell Douglas buying Tymshare — we had several overtures of mergers and acquisitions, or being bought, or merging and all that; and the numbers; it isn’t material unless you really want to get into. But the one I think is interesting; and Tom did not want to do that because he wanted to run the company, basically.

Yost: I would be very interested in what companies, the year, and offices.

Prince: The one I was going to bring up, since we brought it up, was United Computing, which was owned by — what was the name? — not Verizon; ATT and the third United Telephone Company, wanted it, yes, in Kansas City. Anyway, I knew the president of United Computing; in fact, he used to work for me in GE. And we thought that this
would be a nice thing. In fact, he approached me because the head of United Telephone had talked to him. And I said well, Tom is not interested really, in getting acquired, period, because he is going to run the company. The approach that the United Telephone president, when he called Tom, said we are going to acquire you but you, in fact, will then acquire us. In other words, you will run the combination of Tymshare and United Computing, and they had started a network thing called UniNet, and TYMNET. And we thought well, that would make Tom really be interested. And he said, I don’t want to work for a telephone company head. That was the end of that, so anyway. But yes, we can get those things.

Yost: If that deal would’ve gone through; would the headquarters of the merged company have moved?

Prince: Would’ve stayed here because that’s what the guy really said, the president of United Telephone, is that although we will acquire you, you will in fact then will acquire our United Computing and UniNet, headquartered right here. You will run it. And I think Tom was probably suspicious; thought that was a sales pitch. But we were both bigger than; you know, TYMNET was bigger than UniNet and Tymshare was bigger than United Computing. And so it made sense that we would, later on — actually telling that — actually Telenet acquired UniNet. That was a nice sales thing; we called it TunaNet. And to go after their customers, you know, (laughs) get them over to; they were going to go over to Telenet why not go to TYMNET.
Yost: When TYMNET came out or shortly after, what were other time-sharing companies that had networks?

Prince: Okay. Why don’t we go into the table and let me get this stuff out, and it will help. Some of it is worthless, but other stuff could have some value, I think. I’ll bring it out; I’ve got the box right here.

To answer your question right there; first piece of paper. That was a; Datamation; it doesn’t give the name of the company. It was a magazine, Datamation, that compiled that. Of course it, as in most surveys and everything; things are duplicated. We have time-sharing down here, and we have Tymshare; okay, this was Tymshare. Time-sharing, right there; Tymshare. At that point in time, this was not; well, it shows (pause)

Yost: They misspelled the name.

Prince: Yes. It also shows that people really didn’t understand what the business was because IBM was not even in it. Honeywell was not in it.

Yost: Where does that 17.9 percent for . . .

Prince: Forgot IBM.

Yost: IBM. Obviously, the company of IBM is far larger than Data Service.
Prince: Well this was a survey that this magazine, you know; okay, this magazine was called *Modern Data*. 1970 Rand Awareness Survey. So they obviously, in their magazine had what three manufacturers would you consider if you were going to buy time-sharing business. No, we’ll buy it from IBM, right? Well, they weren’t in the business.

Yost: Right. But Service Bureau Corporation was.

Prince: Service Bureau Corp; well they weren’t in the time-sharing selling business.

Yost: They never got into time-sharing?

Prince: No. Really, the companies that were in it, really, was ComShare, which was the arch competitor for Tymshare at that point in time. CompuWare. Interactive Data was in it. This is Tymshare. This was a Minneapolis firm, International Time-Sharing. Oh here’s Tymeshare; yes, we got ‘em both. So there was; one knew how to spell it and the other didn’t.

Yost: Okay. And this, of course, just mentions (pause)

Prince: And, of course, you get them both together it just raises Tymshare up. Key Data was a time-sharing company; Univac was not in it; ATT was not in it; U.S. Time-Sharing was; Bolt Beranek & Newman was not; ValData was.
Yost: BBN, at least, did research and development work on it.

Prince: Oh, yes. And Pillsbury. So it; but anyway, to answer your question; that doesn’t really answer, but it kind of (pause)

Yost: What led Pillsbury to get into the time-sharing business?

Prince: The president of Pillsbury, at that point in time, was a guy called Terrance Hanold, and he understood computers, and he was interested in them. Prior to being the president, he was the VP of Finance, and Pillsbury was my largest customer in the central region, for GE computers. They really used them and they used them effectively in where to mill and how to mill. So they were kind of getting into the time-sharing business, even though not. I mean, because they were using computers for more than just payroll. And the — I don’t know if this will be on here but you can take it out — it was kind of incestuous. The southern regional manager for GE was a guy called Clint de Gabriel, who had left GE and went to work for Occidental of North Carolina. And he, and the head of data processing for Pillsbury were very good friends. In fact, when Clint was in Phoenix, he really helped me sell Pillsbury and he was really interested in time-sharing. And so this Joe Rudy, and Clint de Gabriel, and then joint ownership was really between the two companies, with Pillsbury the majority owner. So that got Pillsbury into the time-sharing business.
I’ve got something else here that will probably be better than; oh, here it is. Okay, that was 1970. Here’s the thing on brand preference. And it is, you know, it inputs — here it is, you can look at that — it gives a little bit of a better; then this big one; 1982 or 1983. You know, that’s where surveys and things like that; which I’ve always wondered about Consumer Reports. You know, they ask people which car is better and all that. Well you know, people don’t; and this; I don’t know where; you can read down in there, where is Tymshare? See Boeing Computer Services; not in time-sharing business much. Well, they were in it; okay, that’s batch processing. See, now, Tymshare was not in that. Well, a little bit they were with the payroll systems and all that when they bought Bernie Goldstein’s company. But you can take this with you and get things out of here, because here’s Tymshare here now, which is interesting; is up with ATT and MCI, which . . . oh, that’s the communication carriers. We’re the third communication carrier; good for us. (Laughs.) Independent Common Carriers; where is the time-sharing? Did I get past it? Batch processing. Remote Batch Time-Sharing Service Bureaus. Okay, here’s Tymshare is right there with GE. So went from there to there, which is really what Tymshare did. I mean, they really became the dominant time-sharing company, really, because GE was more into the batch business.

Yost: Was Control Data a serious competitor?

Prince: No. That interactive company that was from Minneapolis; this Minneapolis International Time-Sharing used Control Data equipment.
Yost: Had Tymshare acquired Dial Data by the time you arrived?

Prince: Yes. Well, no. No, they hadn’t. I had not arrived yet when they acquired Dial Data. I was there then right after that, because when they acquired all the rest of the companies, I was there. But I was not there when they acquired Dial Data. Well, okay, they acquired Graphic Controls in, you know; that part from them. I know from an interest point of view, when Tymshare got started; and this will be interesting; you may get a better feel from the other guys who were there earlier, but maybe not because I looked into it more then. But the original contract with XDS, Xerox Data Services, was that they could not buy any other equipment except from Xerox. Okay, the 940, which is what they had; which is what Dial Data had; part of the deal was that Tom had to help get some 940s out, you know, to get the volume. And the 940 was a good machine; I’m sure Norman and Ann talked more about it. But no one at Tymshare was very interested in the Sigma product, which was the replacement of Xerox. And yet they could not buy a computer from another manufacturer except — okay, here’s where Tom slipped something into the contract — if they acquired a company that had another computer, I mean, obviously you couldn’t throw it out, right? If they wanted to get DEC PDP-10s and Graphic Controls had PDP-10s, then that was the end of (pause)

Yost: So that’s how Tymshare moved to the DEC PDP-10. Interesting.

Prince: Right, that got away from Xerox.
Yost: And once they completed that acquisition, could they purchase additional equipment?

Prince: Oh, yes. We did not; well, of course, by then the 940s were not being built. And, of course, you got some 940s from Dial Data; you got some 940s from a computer company in Houston — not Computer Sharing, whatever its name was — they had 940s. And there was one company in Pennsylvania that had one 940. So you got some more 940s, even though they weren’t there. And then there was a little company down in southern California called — I can’t think of the name — it was selling parts; Xerox and XDS parts; and they had really; we got a whole 940 out of them. We bought the company to get the 940 (laughs) and all the parts. We got the parts because when Tymshare, at that time — okay, this is stepping back — when Tymshare was leasing the 940s and it was an exorbitant rate. And this, okay, this was when I was there. And I suggested that we try to buy them. And actually the money was loaned from Wells Fargo Bank. But anyway, Xerox quoted a fairly low purchase price because they thought they would rip us off in maintenance. We put together; talked to the head guy of maintenance with Xerox; or with the XDS here; and he liked it here. I said, you know, we’re going to throw all this stuff out and you’re going to have to move. Not quite like that, but to be, you know, getting down to the short and skinnys; and why don’t you and I talk to all the Xerox employees and see if they want to go to work for us. Well, they did because they really were XDS employees and they didn’t like Xerox anyway. So we hired all of them, the 940 maintenance guys, and dropped Xerox completely. And that really turned out to be very
profitable; and then we started maintaining the DEC equipment. In fact, it grew into a little business; we started maintaining other people’s PDP-10s.

Yost: How many maintenance people were there that came to Tymshare?

Prince: I don’t know; I really don’t know. Whatever was enough to keep the equipment going.

Yost: And was it a portion or all of the [interrupted]

Prince: It was mostly; I think we got a majority of the people that were; well, the majority of them were doing Tymshare work anyway. The manager came with us. This was; I don’t know why I have this; and then coming up, this was a thing of just the up time on the equipment starting from 1972. So obviously it didn’t hurt us on the 940. Actually, the 940 was the best piece of gear from an up time point of view. Still, the PDP-10 was that; and we never did maintain IBM.

Yost: Could you talk a bit about how Tymshare as a company developed its corporate strategy? It obviously got into a number of different businesses; it became very active in mergers and acquisitions?

Prince: Well, I’ll tell you. I think the best thing for that is a piece of document that is supposed to be confidential, but I don’t think it’s confidential any more, and you
probably don’t know who Bill Perry is or was. He, at this point in time, was the venture capitalist. But he was the Assistant Secretary of Defense under Clinton and one of the bright guys locally. I don’t know if he’s still alive; he’s probably not alive now; but this gets into a little bit later, but, Tymshare by this point was starting to hurt.

Yost: From the PC business?

Prince: Yes. From the time-sharing side. So, actually, Tom got Bill Perry to come in and really look at us. And I think if you; you can take any of this stuff. I just don’t even know I need it back.

Yost: I can copy and return it.

Prince: But it kinda goes through what he was impressed with, with the company, and what they weren’t doing; and what he felt they should be doing. I mean, it was a very well-done document.

Yost: That will be very useful.

Prince: See like here. It’s a recognition, he says, there’s not much potential for time-sharing increasing their market share. The business was going down the tubes here. Tom wanted (pause)
Yost: And Bill Perry was part of the company or was he tied into [interrupted]

Prince: No, he was an outside consultant.

Yost: Do you know what firm he was with?

Prince: I don’t know. And maybe even at that time he was not with a firm. I really don’t know. I betcha if you Google him you’d find out. (Laughs.) But Tom was interested in growth, really, and all of us were really attuned enough with what was going on around in the world. Maybe we weren’t; we thought we were; how’s that? So when these things came up, especially the time-sharing; when time-sharing companies; once we had the network; I mean, when we acquired the Houston company — even Graphic Controls — the network was just getting going. But we acquired the Houston; Braniff went in and looked at which salesmen he wanted to keep and then we fired everybody. We could put everybody on the network. Not everybody instantaneously, but we didn’t need their network. I mean, the way TYMNET was built you could plug it in anywhere, which is why we became a business. Our development group was confident that they were in fact going to move that software. That software was ComShare software. I think in fact, it was called ComShare Southern, the name of the company. And so really, it was profitable. Any time-share company we acquired it was an immediately profitable venture mainly because of the network. We had, really, I think Ron did a fantastic job in the sales group. It was the dominant time-sharing organization in the country. You could say it was also its demise because I think we survived as a time-sharing company way long after others
went down the tubes, because of the marketing group. We picked up this one company in Pennsylvania; the same thing. We ended up with putting a computer center back in Valley Forge but it just happens, and the next day you didn’t need their finance people; you didn’t need — except the good salesmen — you didn’t need any of the communication people; you didn’t need any bills to ATT anymore. And that really made time-share very successful.

Yost: So, with a number of these acquisitions it was acquiring a talented sales staff; it was acquiring a customer base . . .

Prince: Yes, customer base.

Yost: . . . but a number of individuals were let go.

Prince: Yes. Okay, the first non-time-sharing was Bernie Goldstein’s company, which is called — what’s it called? It ought to be in there — well, hey, I got other (pause)

Yost: But when Bernie Goldstein’s company was acquired, he was a real merger and acquisitions guy?

Prince: Yes, and then he took that over and that’s when we got into the non-time-sharing stuff. Prior to that time we just took over time-sharing companies.
Yost: And were you acquiring software products companies, or traditional computer service companies?

Prince: Traditional service things, and other; there are a couple; this is another document I think you should read. I don’t know the date of it — not in here — and I don’t know where it came from. I guess we did it. But it lists the companies that we acquired, the markets we got into, like we got into this ValiData thing, and TRWS, and quite a few different little things. And the biggest acquisition we made was Western States Bank Corp, which did all the Master Card credit card processing for the West coast. So that should be in here too. And health care; we got NOSCS. Bernie was very active in that and there was a little conflict between Tom and Bernie, which you probably will find out from other people; especially probably more from Ron.

Yost: A different vision of what business Tymshare should be?

Prince: Yes. And also, it was a case of Bernie wanted to run the company, only he got acquired and Tom was going to run it; and then Bernie wouldn’t move from New York and we’d have staff meetings and things like that, I mean, Bernie would be on the phone. I’m sure this irritated Tom. I really thought Bernie was a super guy. And Bernie’s partner, Al Eisenstadt came out. He was a lawyer, and that worked out alright. But then Bernie dropped out and got into some other things. But I’m sure there was a lot of clashing there that I really don’t know that much about.
Yost: With TYMNET, was it always the plan to offer the network to other companies or was it initially built just for Tymshare?

Prince: Just built for Tymshare.

Yost: Was that a controversial decision?


Yost: Can you talk about that a bit?

Prince: Yes. We had the network and the National Library of Medicine was a time-share customer and they knew how our network worked. And they had some medical databases that they wanted other hospitals to get to.

Yost: That was the Poison Control Database?

Prince: I don’t know what it was, but they were tied in with Ohio State University and with Mass General Hospital, and then down in Atlanta. And we agreed to put them on the network. We used the ATT pricing thing of joint use of a line, and we put them on, and it worked. And they were happy. So then I had to make a presentation to the board to go into the business more. And initially there was some resistance; again, not from Braniff
as much, but from the salesmen. Especially, we went out and hired a couple salesmen and who’s easiest to sell? Other time-sharing companies and the time-share salesmen.

This is; and I wrote a thing, first, of what would be impacted. My big thing with the time-share salesmen was if all you have to sell is our network, you’re not a good salesman.

And secondly, don’t you have the advantage; it’s your network that your competitor is using; don’t you have the advantage of selling it — look these people are so bad they have to use our network — and it finally convinced time-share salesmen. Like here, “if we truly” — this is a presentation I made — “can’t compete on our network”, you know, what’s wrong with you guys? And Tom was not that much; he wasn’t against it but he really was catering to the time-share salesmen. I mean, Tom was a time-share person. If went back into the whole thing again; I think it’s, do we want to be in this business or not, you know? We have to compete in it. And I finally got him to present to the board that we would go in and get into that business. And we did it under the joint use — that gives some of the pitches in there — I don’t know why I kept some of this crap; some of it is not worth anything. And off we went; we started selling; and it was being successful. This gets into another thing, which I think fits very well; especially if you’re writing things that the evolution of how things have changed in these last years. We started selling and we started competing with Telenet. Telenet was the only one in there at that time, right? And they were very unhappy. And they wrote Mr. Walter Hinchman of the FCC that we better cease and desist. I knew we were just; there’s no joint use. We’re not a joint use; you know, we were charging by the connect time and the number of characters, obviously, but we were still filed under that. And ATT was not complaining,
but Telenet was. They said that we had to stop the business, that we were in violation of the world, and we were crooks and criminals. One thing in here, we were that expansive by then, and they; so we were covering the country pretty good already. And they said we had to be a carrier, you know, we can’t be this; we thought we’d just drop out.

Yost: The ultimate result was spinning it off as a wholly-owned subsidiary?

Prince: Yes. We filed; Dialogue was one of our customers at that point. They were owned by Lockheed but they used us overseas because we had the Tymshare joint ventures overseas. And so Dialogue was selling their services over in France, and that really; then Telenet got the ITT and the carriers, the overseas carriers, to block us. So we gave the service away over in Europe while we were then filing to become a carrier. And then we became a carrier and then started charging again.

Yost: And did you come to run the TYMNET business when it was spun off?

Prince: Well, yes. The way the organization was; hey, I got some coffee here; you like coffee?

Yost: I’m fine, thanks.

Prince: And I’ve got cookies; my wife is much more social than I am. Back in the organization in development, in operations, and marketing, okay? And so now here’s
running the Tymshare computers, but then there’s the running of the network, okay?
Then a little teeny sideline of sales, right? And the development for the network was still
over here in the Tymshare side, so I had the sales and the operations of the network, and
the development was here, but there were a couple of things that changed in that the
development came over here. Okay, when we filed as a company, TYMNET, we were
really concerned about; because we didn’t know anything about being a common carrier
and being regulated; you know, all that stuff. So we kept; TYMNET at that point was
really just sales and operation. So the president of TYMNET was not me; I was here,
extcept the president was in charge of sales and operations, and the development. So, yes,
I was not the president yet I was.

Yost: The president reported through operations, which you ran.

Prince: Right. Okay, when; and the guy that was running this, actually it was the
marketing guy. Back when we were joint use, it was development, operations, and sales.
It was just three different groups. And the sales guy didn’t pick this up. His name was
Bob Harcharik, a very good guy. And he left and actually went to work for MCI. And
then we just eliminated me or him, and made me and him the one guy; so then I was the
president of TYMNET and that, too. Yes. But I was really the president of TYMNET
from day one, except I was not called the president. And I don’t think; and that way we
could build Tymshare. Anyway, we got approved and then really went after business.
Yost: How was pricing done through Tymshare versus with others on TYMNET; did you give any breaks to Tymshare?

Prince: No, no, no, no. They couldn’t. Except then they billed us; they did the accounting for us. So they billed us for rent (laughs); so, yes. There wasn’t games played but basically, they got it for free, you could say. I mean, it all came up to the top, anyway. But no, we; in fact, if we get into; you can take any one of these, if you want. I don’t know if there’s anything in here of value to TYMNET. I mean, it shows where we were then. But anyway; I don’t want to give you the whole world here, but (pause).

One thing which is sort of; here’s something that gives an idea of our growth and all that, which shows the growth of TYMNET during this period. But I think if I were you — and I’m not you because I could never write a book — but there was a big hassle here, right? We had to file and become a carrier, and then you got involved government regulation stuff. This was; we had to be audited separately. Here’s the proof of the fact that we were TYMNET. Accounts payable to Tymshare. And we had to write; we got our customers — one of the customers at that time was Stretch Technology — to the FCC that we were good guys and they ought to approve us to be a carrier, etcetera, etcetera. And then we started fighting, really, with the phone companies. I don’t know if you got into that. ATT, you know, started their value added service. I don’t know what it was called now, but they poured several billion dollars into it. And we didn’t fight them; except we fought them in that they had to charge themselves like, you know, we were nice guys, right? We charged Tymshare; they had better charge their little company the same rates as us. And
so we did a lot; I did a helluva lot of talking to the FCC and, I mean, we were always back there — not all the time — but; and then Congress had a hearing on energy and communications subcommittee. I gave a big speech back then on it. And that one was the most important; the ATT and the R-box hadn’t split yet, but they used the R-box to charge. Where local lines would come in to our timeset, we call it, right? And out of that would be one line that would then go to the ATT or the PTT switch, right? [drawn on paper] But it was; and then out of that would go, you know, wherever it went; around the world; which we’ll see that. The phone company decided, because when you made a long distance call you went right into this thing and it went right out; one person. Whereas here, we had 30 people, or 10 or 15 or whatever it was; one and one; but they said there were 30 people there. So each one of us had to pay an access charge for each one of these, which you didn’t; your phone had an access charge. Now that would’ve put us out of business; I mean that doubled our prices. TYMNET and Telenet got together on that, because that would’ve put us both out of business. And we sent letters to all our customers to tell them hey, you’re not gonna be a customer of ours anymore if you get into that. I mean, this was a real fight.

Yost: So this was after McDonnell Douglas?

Prince: Yes, this part. And we had a couple of good things in our favor. Okay, this is our statement; but this is back in TYMNET, we had a message switching service which we filed in there, and Western Union objected to it. You don’t like to go between each other. But anyway, we didn’t do a good job in that and the Tymshare salesmen wanted to sell
the e-mail; what’s called e-mail today; and they did. And they weren’t interested in it because it was cheap. They were selling Tymshare services at 10 bucks an hour, then they were going to sell e-mail service — if you want to call it e-mail — for a couple dollars; they weren’t interested. So nobody was selling it. But, however we did it, we got hooked up with NASA, and the schools with NASA and the astronauts; that the astronauts would come down through, and to the schools, and we gave the service away at the schools; it was not much. And we regulated the time so they, you know, didn’t hurt our network. That’s an example. And we won, basically. But I kept this one letter — this was a Jack Anderson, who was the head of the Young Astronaut Council, this training thing through them — that [said] hey, you guys better not do this. But unfortunately the thing that it fell apart — and this is really a tragedy — we had the first woman astronaut, you know, that went up in the air; that got blown up when it took off? She was one of these and she was going to use TYMNET; they were going to broadcast down, we were gonna pick it up, get it into TYMNET, get it out to all the schools. I mean, this would’ve then made our message switching thing really; PR, you know, coming out your ears.

Whole thing, when she got blown up, died. But we won the access charge and there was no more access charge. So, there’s a lot; I mean, okay; by then, we were not a common carrier. When we became a common carrier and when McDonnell Douglas acquired us, we owned this company called Microband, which had one channel that they transmitted movies in New York City, on the one channel. So it was; which now, with electronics, could probably transmit 50 channels on it, but at that time it was one. And we saw that as a future; in fact we got into a thing with Service Bureau Corp of carrying the micro--; you know, through and not having the phone company at all on that. But they had to be an
FCC carrier. Well, you know, if you look into the government regulations in that, it was going to take nine months or a year for them to go through all that, just to get that. So we acquired ourselves, because we could do it. By then, things had become lenient; you didn’t have to be a carrier anymore; so we then filed out of being a carrier so that just the Microband was just set up as a separate little thing with McDonnell Douglas and we could then merge within the whole Tymshare, TYMNET thing. So now we weren’t a carrier anymore, and that was during this time, but you still fought the phone companies.

I don’t know why this was printed up but anyway, we started a group and we called ourselves THUGS, TYMNET Happy Users Group. And the interesting thing is that at some point in time . . .

Yost: What year was that?

Prince: . . . we started this, really, it was actually . . .

Yost: 1972?

Prince: Yes. The guy — I have his name in here — okay, this does give that little; okay. Dave McCarr was that guy in the National Library of Medicine. He’s the one that suggested we call it that and, as I said, they became the first customer. Then we presented to the board, you know, to be a business; and the National Library hosted the first
THUGS meeting in 1972. And about 1975, 1977 we suggested we change the name from THUGS and the customer said they liked to be THUGS. (Laughs.)

And this is TYMNET now; this is a user’s survey that was made in 1988, which basically TYMNET was dominant. We really did dominate; I mean, we were the same size; and these were the others that were in it. By then, Telenet had picked up UniNet, because we were bigger than Telenet before they got UniNet, and then the combination; we became basically the same size.

Yost: So how long did TYMNET continue.

Prince: I’ve got that. That surprised me. Prior to that — let me finish this one; it’s junk I have here — this is; okay, after this stuff that Perry did and all that; I mean, more and more pressure on Tymshare, and Tom. Do you have the date we got acquired by McDonnell Douglas? I’ll find it in here.

Yost: It was 1984.

Prince: Yes. Tom put out this letter. And as Perry had shown, the morale of the company was not doing so well. And by then, I think, Ron had left the company. I’m pretty sure, because he left before McDonnell Douglas bought us. And the VP of Finance, Ed Stilholm had left the company before the McDonnell Douglas acquisition, too. So both of them had left and so then there was; and this was before that time, but this is a letter that;
So Tom was struggling, really. Again, I’m not negative on Tom at all, but he was struggling at the end; and maybe all of us would have. But Tom, I think, one on this — I’m not going to let you have this, but I have to read it — this was given to me by Bob Hartrach, you know, and I’ll read it to you. He says he had this offer from MCI and it was a good offer, and he went in to talk to Tom about TYMNET’s future. And he says, my discussion with Tom at lunch will be about his thoughts on TYMNET’s future, mostly in terms of how he sees it organizationally. There is considerable undercurrent that we will make TYMNET look like other time-share divisions, throwing operations to Novak, finance to Vince, R&D to Laszlo, and sales sticking around with just me. And at that time, see, he was running marketing and operations, and working with me on the development people. And he was; and he and the development guy got along well. And the development would go back into Laszlo, so he says, obviously, I liked the unique opportunity I’ve had that gives me the experience in all areas of the business operation. I am trying to make a few lifestyle decisions and Tom’s ideas on this are important to me personally. And he resigned. But Tom was struggling, you know, for what’s going to happen.

Now, your question; what was your question?

Yost: How long TYMNET persisted as a; continued as a networking provider?

Prince: Okay, I got that. But the part I don’t have that really makes me mad is it went to 2004, only it didn’t have a name then. And it was not; obviously the internet was around
then, but it still, because of the uniqueness of TYMNET not taking any kind of protocol, you know, we’d converted, which was really our strength. And internet is one protocol. Well, there’s — overseas, especially — there were still umpteen protocols, and so they couldn’t use the internet. So the network stayed alive until 2004 and I got an e-mail. Of course, and I was not working for the company by then; I mean, I haven’t worked for 20 years. But a guy sent me e-mail and then sent me this. And I lost the e-mail; that really pisses me off on that. But this was the last printout of our supervisor of what was going on in the network when they shut it. And it was still in these countries; and that was in 2004. So it was run by NCI.

Yost: Many different European countries.

Prince: Yeah. Many, many more. These are all node numbers.

Yost: Throughout Asia.

Prince: Yes. Now that; a lot of that was the British Telecom. They expanded when they had it and it stayed that way even though the U.S. pooped out. So, I would think; now, I’m going to give you a just completely untrue; but, I believe; I’m going to save this ‘til last. I’m going to cover a little bit of the McDonnell Douglas time, then we’ll; because there’s some things; and then it goes on into British Telecom. This is, I mean; with all of the security in the world today, showing the change in the world since 1987; this is a list of every executive in McDonnell Douglas, their home phone number, their business
phone number, their address. I mean, a terrorist would love this, right? I mean, you can’t have a piece of paper like that around!

Yost: For a major defense contractor?

Prince: Yes. I mean, it really is a (pause)

Yost: Speaking of security, can you talk about computer security; was that a consideration early on with TYMNET and (pause)

Prince: Oh, that was the best thing that TYMNET had to offer and that’s the reason that this stayed alive. And the technical people will explain it better . . .

Yost: Compared to?

Prince: . . . the internet. Two reasons. TYMNET started out as the network for Tymshare. Tymshare had to have the security for its computers. The security was in the network. When you dialed into the network, you know, you had to give your user number and your password. Okay? And the passwords were encrypted. And then it went into a Tymshare computer. Now, if it went to National Library of Medicine, they could accept our user number and password, or they could have another one, which most of them did because they had some stuff that they didn’t want to be at risk. So, you had two passwords that you had to give; one here and one there. This one was encrypted. I don’t
know what they did, it was their business. We had good security. Really, it was better security than the internet now. At worst, it was the same as the internet, but if somebody really wanted security, I mean, he had it twice. And we had, as I said, this stuff was encrypted in here. We didn’t have people cracking our — well, we did once — we had a; all of a sudden we found out that some guy was messing around the Tymshare computer. And he was the son of the bishop of the Episcopal Church in San Francisco. (Laughs.) And we hired him. He was a high school kid; and he fixed how he got in. We hired him for the summer. It was one of the selling points.

Yost: That happened with a lot of hackers; they later got hired for computer security.

Prince: Yes. One of the selling points with TYMNET was that we offered a much better security. And the other thing, too; the difference between TYMNET, Telenet, and internet — Telenet and internet’s the same thing, you know that; I mean, it came out of ARPANET and Roberts started Telenet — and in Tymshare, in TYMNET, because it was a slow-speed terminal in here, our packets packed multi users into a packet. When you dialed in to our first node, it — first it went back to a supervisor to set up a circuit, but — if there were multiple; in Telenet, if one guy came in he got a packet and he went on, which is why they lost money and we made money. If there were five people in it at the same time, the characters, you know, plunk-plunk-plunk-plunk-plunk; didn’t fill up a packet. We filled it up. So we would have five, six, seven, eight users in one packet, and so the packet was full, not empty. And then when it got to the next node it had an identifier on it and it showed; so it didn’t ever; okay, another thing. If you hacked in,
even into a node, it had to remember where it was going; it had a number. The number came; oh; five; you know, number five has six characters coming in, they’re going to go down that line; and then number six in that had nine characters and they’re going to go this line; so things moved through the network without a name. And it was very efficient. Now, under the present thing with a PC, you load it up, and you hit the thing, and the whole thing goes at once, that doesn’t have an advantage anymore. But it doesn’t have a disadvantage; you just load it up and go. So it had no disadvantages in packing multiple users into a packet. It had no disadvantages, but it had all kinds of advantage if you were just playing around, you know, plunking a couple of characters at a time. So it had double security. It had your security for passwords, and had security in that it did not know who was going through. Okay. Unless you could get back into that supervisor. But then, it reloaded itself each time things came so it was very secure. Very secure, really.

Now this was our acquisition by McDonnell Douglas. The Mac Auto, which you probably [have] written about, too; because Mac Auto was a big, growing outfit; it was run by Bob Fischer and Gary Kneibel. They owned this MicroData, a little minicomputer company in southern California; and that’s Gary Lebow. So those two split the business. And this is Otis Brinkley, he’s the guy that replaced Ron, when Ron left. This is the guy that replaced Ed Stilholm, he was the treasurer and I don’t know what his name is. We never did see him because he just came in right then. He was an international guy. [Looking at a photo] That’s John McDonnell, that’s O’Rourke, that’s Sandy McDonnell, he was the president and CEO; this is Laszlo, who is the development guy; this is Bert
Novak, who is now running the computer operations and he had reported to me, but then when we split off TYMNET; and that was me.

We did start growing overseas very strenuously, especially in Japan during the McDonnell Douglas time. That was a picture taken bowing; and there’s me, yay! Don’t know what it says, but the; and you know, we were somewhat left alone with McDonnell Douglas. So in that way, it was a little easier for TYMNET than the Tymshare thing; although it was not hard. I’m not making; but it got a little more dicey towards the end. At the beginning, okay, we had to establish that we were a business, which was okay. Once we were established, we were just part of Tymshare, we were TYMNET. And then at the end, really, we were still growing. We were growing 25, 30, 40 percent a year. Then, you know, things were; and so, in that way, with McDonnell Douglas, it became a lot easier because we were out here and they were in St. Louis. Although then we started reporting to Lebow, which was down in southern California, which was alright; except the only thing that’s except is as with probably all government things, I mean you have to have controls, controls, controls, and more controls. And meetings. And as we got more integrated into them, we had to get more and more of those things and I became a frequent flyer, for sure, you know back to St. Louis because I flew every weekend. Just as an example, I would spend probably a week a month. Not quite a month, but probably close to a week a month either in southern California or in St. Louis, in meetings that I really didn’t care about; they didn’t care about me; except we were part of the company, right? So that part was not good. But other than that, it was. But, as happened, really, with Tymshare; the other business with MacAuto, other than their health stuff, which was
going gangbusters and they had an industry control machine tool operation thing, which was going well. But the computer part wasn’t. Same old, same old, same old. And the Micro thing was going down the tubes like crazy. He went out skiing with his sons, and fell and broke his legs and his head, and basically had to resign. Edmond Fisher took over the whole; everything. And that’s okay, too; both were good guys. But Fisher was falling into the Tymshare trap of rest of MacAuto was declining and it’s Bob Fisher’s fault, right? And so they wiped him out and they brought in a guy called Jerry Cosley, who was the English U.K. head of MacAuto. And his big claim to fame — and he had done a good job over there — is they were selling more MicroData computers in England than they were selling in the U.S. He really was pushing that as a machine. So he became the head of it. But the one thing they — which you probably did not know — I mean, everything was; we had to try to keep TYMNET as a name and we did succeed but it was a fight. I was the president of McDonnell Douglas Network Systems Company. TYMNET was just our trade name. And every company was that; McDonnell Douglas Health Systems Company; McDonnell Douglas; everything was McDonnell Douglas blah-blah-blah-blah.

And yet, they were trying to integrate things. I don’t know why they wanted to do that. There was a; in fact, I wrote a thing to Cosley; I was really tired of them trying to make everything into one organization. The name; having all of these different companies was wrong; but not trying to make one thing. As an example, our biggest customer was Chrysler Corp. We billed Chrysler, oh, $200,000 a month. And there was a big push that they used McDonnell Douglas machine control stuff. So, you know, it ought to be that salesman. So I took Cosley up there to see Chrysler; and we walked into the headquarters office; and we walked into the VP of Finance, and the Controller, and the head of
communications, and we sat and we talked about what we were doing in Chrysler and we left. And we were going to do more things. So then when I’m asked, I said hey, did we ever get into the factory? Did we ever use the word “industry?” “Machines?” Would your guy that is really good, I mean he knows those customers, right? And did our salesman; he doesn’t know what a machine is, either. He can’t have combined sales people who don’t know the product. That was the old IBM theory, and that’s where they came from; so there was always that clash. It worked, and we stayed separate, but it was starting to get a little bit; and then I started pushing that maybe we should, you know, merge with somebody else. It sounds like I’m always pushing that and I’m really not; but it does turn up that way. We had an ability to merge with Infonet once; they wouldn’t even talk to them. And we had several others. I had this Infonet thing because I talked to the guy. In fact, I had chats with one of the guys from British Telecom, back where they going to put our network on around the country. This guy; they were gonna compete with; they just don’t come; but Cosley, he engineered the buyout by British Telecom and he ended up happily ever after doing big things in the U.K., which is, you know, good for him. But it kind of made me mad a little bit in that we were always number one every month. And yet they couldn’t listen to us. So.

Now back to the growth and the questions you asked; at least part of it. I think the thing is the way the regulations went, you know, it really; okay, when British Telecom took over, I’m out. A Brit came in and ran it, which is, you know, that’s fine; I mean, that’s the way the cookie crumbles. The bad part; this would’ve probably not have been true except I can say it would’ve been, because you can’t refute it, right? I was always messing around
in the FCC, and in Congress; you know, I went to these hearings and had to do all of that. We kept; and we had a lawyer back then, Steve Bell was his name, who was good. When British Telecom took over they fired Steve Bell and they’d hired a liaison guy that came from GTE, who stayed there. How long do you got?

Yost: A few more minutes.

Prince: ‘Cause I’m through; I’m going to leave you these things. When the internet started they really weren’t aware of it. They weren’t following it in Washington. The GTE guy was a telephone guy, and telephone guy liked the internet. And British Telecom is telephone. And I think maybe we would have raised hell about the subsidy of internet at the beginning, because it obviously was. Now, from the right thing; it was really right that the internet did its thing; but I think if we had raised hell — see, Telenet did not raise hell because they were owned by GTE by then — of course, British Telecom didn’t raise hell either because they were; but if TYMNET had still been with McDonnell Douglas or with Tymshare and we’d really raised hell, TYMNET probably would have lost and the internet still would have won, but TYMNET would’ve been in the forefront and would’ve been a big player because — now this is the end of our story, how the network grew — there was one of; every one of those is a node; that’s when it was just Tymshare. We got some of these by every; okay, that’s where it became what exactly it is.

Yost: 1977, yes.
Prince: And then we stopped doing it. They decided we’d make a chart like that but you couldn’t read it. At least with this you could see; so we gave it up. So then you just printed out our nodes and all . . .

Yost: network

Prince: Yes, it was too much of a network. So that was the growth of it. But at one point in time, I have here somewhere; this is the whole billing register; but we had; one thing more, then you can leave. This is the top 20 customers we had. Oh, here’s what I want. I don’t know what date; we never did print these things for ourselves. But TYMNET, at one point in time, of the top industrials, we had nine of those as customers. Now maybe we only billed them a dollar, but they were a customer. Maybe they were telling; but it was; but on the other hand, we had that distribution within the world, which is pretty good.

Yost: It’s impressive.

Prince: And we got into the private network thing because we; one of the reasons; okay, back when on the one side that we started doing our own maintenance, I had hired a guy who actually was a hardware developer, to run the maintenance. And the development people; we were using a Varian minicomputer; we went with InterData. Yes, that was the name of the company. And it was, you know, it was okay. And we were then going to go to the next level. And the next level, they had micro program stuff that didn’t fit us and it
was slower. Their newer and faster machine was slower than our present one. And so we built our own machine. Actually, we copied basically, InterData machine and made it more. But then we took over the software because then our guy did the development, Ernie Percelli was his name. So then we started getting into the hardware; we started selling private networks. And I have a list in here of the private networks; but we sold Chase Bank, Bank of America, a couple of; Southwest Bell; we had sold that many private networks; again, which; and every one of the value of the private network in the public was that they would buy the nodes and put them in where they had the volume, and where they didn’t have the volume they would use our network. It was the same protocol and it would merge right into their network. And so, in Baton Rouge, Louisiana, where Chase Bank only had one customer, into TYMNET. But if; so it really was a synergistic business and I think at a point in time, if we’d have been smart — that part, we weren’t that smart — but of gotten really better into the hardware side and maybe competed with CISCO because we were ahead of CISCO, in our way, only this was our stuff. But if we had had the foresight or whatever right when internet was starting, where we had the service customers and we had the private customers, you know we could’ve been a force.

Yost: Well thank you so much; this has been fascinating and very helpful.