

An Interview with
LUANNE JOHNSON

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Conducted by Jeffrey R. Yost

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Abstract

This interview addresses the work of software products industry pioneer/entrepreneur Luanne Johnson. She discusses her early career prior to programming, her training and first jobs in the programming field, work with Comm-Sci prior to buying out the founder, her launch of early software products firm (Argonaut Information Systems), the successes and challenges with this enterprise, and her leadership within the trade association, ADAPSO (and ITAA).

KW: Comm-Sci, Argonaut Information Services, Software Products Industry, Computer Services, ADAPSO, ITAA, Programming, Women Entrepreneurs, Gender

Yost: I'm Jeff Yost. I'm here today with Luanne Johnson. It's August 12th, 2008 and I'm here at her home in Benicia, California. Luanne, because the oral history you did with Janet Abbate dealt with a lot of early biographical information, I think I'll begin by asking you where you started college, and what subject area or areas you were focused on when you first started college?

Johnson: I started college at Bowling Green State University in Ohio. I started out as a major in education. I was very much pushed into that by my father who had been a high school teacher. It didn't take me very long—it took me one semester—to change my major to liberal arts, because my interest was in writing and creative writing. So I just changed my major after the first semester, and from that point on, I was really focused on liberal arts and writing—English both as literature and as creative writing.

Yost: I understand you were student president of the YMCA/YWCA and that took you on a trip out to the Berkeley area?

Johnson: Not quite. I was the vice president. It was an organization called United Christian Fellowship. Rather than have a youth organization for every protestant church and for the YM and the YWCA—because when they tried to do that they'd have so few people show up to any of them—they combined this into a single organization. The intent was to serve as an organization for college students from protestant backgrounds I

guess. I got involved in it because the minister who was running it had been very involved in the civil rights movement in the south. This had been very early because this was like 1956. He was one of the very early people to go into the south and begin working down there. I was very intrigued by that, so I got involved in it. In my sophomore year I ran for president of the organization but I lost and they had this odd rule where the person who lost became the vice president. I lost the election so I was vice president. The YMCA funded a leadership-training program that they would have in the summer time to send whoever was the president of the campus YMCA. This happened to be the campus YMCA because it was with all these other organizations. They had one at Union Theological Seminary in New York and they had one at Pacific Theological Seminary out here in Berkeley. The young man who had won the election was from a farm and his father got ill. He had had to go home and work on the farm in the summer time instead of going to the leadership-training program. So that meant I, as the vice president, was chosen to go to the leadership training school. So by virtue of having lost the election I ended up getting the benefit of the training school and I chose to go to Berkeley as opposed to the one in New York. So that's how I ended up in California.

Yost: And you basically decided you didn't want to leave?

Johnson: That's right! I didn't want to go back [laughs].

Yost: I can understand that!

Johnson: I came to California, to Berkeley, and I felt, “Boy here’s where I belong.” And so I stayed, I didn’t go back, which was actually quite a scandal within the national campus YMCA. I ended up paying them back the amount that they had put up for my tuition for this leadership training school. It took me a long time but I paid it back. I sent them a check every month until I paid it back. That wasn’t the scandal so much as it raised a lot of concern about sending this young girl off to Berkeley, California and she falls in love and doesn’t come home. But it seemed to work out best for me in the long run and I don’t think it did any major damage to the YMCA.

Yost: Can you tell me how you ended up becoming a legal secretary?

Johnson: Yes. Well, by choosing to go into liberal arts you get a lot of experience—you become a very good typist because you have to write a lot of papers. So I was a very good typist. I was very fast. At that point, with a liberal arts background, I didn’t even have partial training toward anything very practical. My first job actually was a secretarial job at the University of California. I went out to get an office job some place. I don’t know if I told this story before, it’s kind of a strange story too. My husband had gone out to apply for a job on campus and I went along and as long as I was there I filled out an application. And I was told that they would put my application on file. They gave preference—now remember this was the 1950s—they gave preference to wives of students for the office jobs there because obviously they were doing this important role of supporting their husbands in school. My application would be put on file but they were very discouraging about my chances of getting a job. So I was waiting for my husband to

finish his job interview and a woman came out of the personal office and said, “Are you the person from Orrville, Ohio?” I said, “Yes.” She said, “Did you know Donnie Graber?” I said, “Yes, actually his mother was my Sunday school teacher.” She said, “My college roommate just married Donnie Graber. I just came back from the wedding. Come on in, let’s interview you.” So that’s how I got my first job in California. I had a wonderful time. It was great fun. I was just starting out so I was a junior clerical worker in the electrical engineering department. So I knew some of the early guys in the electronics field up there. But I knew them as somebody who was supporting them clerically, administratively. But I kept looking for other opportunities. How I became a legal secretary, that’s an interesting question. After my daughter was born I went to work as a Kelly Girl—temporary situations and short-term jobs. One of those was with a legal firm in downtown Oakland. They liked me and I liked the work. That’s how I ended up being a legal secretary and it also turned out that legal secretaries tend to get paid more than other secretaries, so that was an attraction for me too. But that’s how I ended up in the legal field.

Yost: And how did you become interested in programming?

Johnson: By the early sixties I was divorced. I was raising my daughter on my own. I was working as I said as a secretary, struggling to get by, trying to cover child care costs and all of that. I didn’t have any financial support to speak of from my husband. I had a friend who was a librarian for the City of Oakland. At that point in time since there weren’t really schools turning out programmers, a lot of large companies and government

organizations would offer programming positions to their current employees and put them through the IBM training programs, which were wonderful and very available to their customers. So my friend, who was a librarian, was offered an opportunity to become a programmer for the city of Oakland. He took that and thrived on it. Matter of fact he went back to school at the University of Chicago at one of the early programs for automating libraries as a result of that. He kept telling me I would love this work. And I kept thinking this is very odd. I'm a writer not a mathematician, a programmer. But he talked me into taking an aptitude test and I did very well on it. So then I said well maybe I should pursue this. I didn't realize of course that the aptitude test was given by Heald College. I got a little suspicious later on. I think almost everyone did well on the aptitude test because then you signed up for their classes. But I believed it and it did turn out to be accurate enough that I did do well and I did enjoy the work and did well at it. Because of that then I started going to night school at Heald College and took their basic introduction to programming course and loved it from the moment I started it. I just loved the work and I really enjoyed doing it. I got the certificate from Heald. Then I had to continue—it didn't guarantee me a job unfortunately. I thought it would. It didn't. It took me a while. I ended up getting a job with Alameda County in Oakland as a programmer trainee, going in at the same level as the other people who went in who hadn't done the night school, the training and so on. But I think the fact that I had done that probably helped in the selection process because they had like three hundred applicants and only took three of us, so I think that probably was in my favor that I had shown that interest. I knew from the minute I took the first class that I was going to love doing it so I was very fortunate.

Yost: In the trainee group what was the gender mix?

Johnson: I was the only woman, the other two were men. I don't remember anymore what jobs they had come out of but they complained of the pay. The training program was about six months and of course we were going to classes offered by IBM. The two of them complained the whole time about the pay cut they had to take, and I was making more money as a programmer trainee than I'd been making as a secretary. So I thought this was wonderful. I loved what I was doing and I was making more money and it was a really good deal for me so I was really happy with it all.

Yost: They sent you to IBM for training?

Johnson: Yes. A lot of it was. I'm trying to remember if there were actually any classes. IBM had these self-training programs where you'd get a book, you'd go through it and answer questions and then there'd be a testing process. I think maybe there might have been one or two classes, actual classes. Because I remember I went over to the IBM office in San Francisco a number of times so I think that was to go to these classes. But in addition you could pick up the books. IBM policy in those days was if you were a big customer, like county government was, any of the training courses that they had were available to any of the employees as long as your supervisor authorized it. I just grabbed every one I could. I mean I took classes in everything imaginable that they had available. I don't know what the term they used was. It wasn't self-instruction but they had a term for those courses where you go through at your own pace and take the questions. Then

you take the quizzes and then IBM would certify you based on your responses on the quizzes and so on. I just took everything I could possibly get my hands on. But it was all through IBM, yes. It was provided to me as an employee of the County of Alameda.

Yost: Was this a business of IBM to train people, or were they looking to just service major customers and train IBM programmers?

Johnson: This was before unbundling. Unbundling discussions so often focus on IBM's charging for the software, but one of the main things that they began to charge for, with the unbundling policy, was those classes. In the mid-1960s their policy was that when a customer bought or leased IBM equipment they had full access to all of the training programs at no charge. So it didn't cost the County a thing for me to take as many courses as I wanted to. It was a matter of my supervisor saying it was OK and I don't think my supervisor even quite knew what I was doing. They just knew I was in the training program and I was certainly completing all the required benchmarks. I had lots of extra time left over after doing after the stuff that they were requiring me to do. I don't think he (my supervisor) quite knew that I was just grabbing every course that they had and taking it because I just thought it was so much fun. He certainly didn't object. I think that's the only time I programmed ever in PL1 was in that course. I don't think I ever used it again but I went through that course. It was fun.

Yost: What were some of the other languages you used?

Johnson: Well, COBOL was the main one. The County actually had a training program in that as well but I took courses in PL1, FORTRAN, Assembly language...I don't know if they had ALGOL. But certainly all those basics that were part of—that might be used in a typical IBM installation. RPG, of course. I had originally, when I went to Heald College, learned 1401 programming—Autocoder, STS which is a predecessor [to Autocoder], and then Autocoder. That's what I came into the County with was knowledge of how to program in Autocoder, which is a more sophisticated version of SPS which was Symbolic Programming System or something like that. But I had learned to program those on the IBM 1401, used them a little bit at the County. That was only because with the job that I got, COBOL programming was what was required. I would kind of nose around and there were a few people working on projects that required 1401 programming and I would kind of unofficially do some programming just because I liked to keep my hand in on that. But mostly I programmed in COBOL.

Yost: What was your job title?

Johnson: Programmer Trainee, Programmer I, Programmer II. I don't know if I got up to the senior level. I think I got up to senior programmer level. It was all very structured. I mean it wasn't like somebody walked by and said wow you're doing great. After a certain number of months that you were still there you got moved up to the next level. It was a very rigid kind of a structure there.

Yost: What types of applications were you working on?

Johnson: The only application I worked on when I was there was court calendars for both the superior court and city court. The county handled scheduling for the municipal, the city, court as well. I tried very hard to get off of that but the way it worked was that as you came out of the training program it was just a matter of luck of the draw. Whatever opening there was as you came out of the training program you went into that department within the Data Processing Division. It was organized into departments that served all the various county agencies. You just ended up in whatever one you got into. And I ended up in the one that handled court calendars, which was unfortunate because it was the only group that had an overnight responsibility, because people would get arrested, and they'd have to be on the court calendar for the following morning. So it was the only application there where if something went wrong in the middle of the night, you'd have to go down in the middle of the night. I was a single mother. It was a very, very difficult situation for me and they would call me in the middle of the night to get down there. So I wanted them to transfer me to one of the other departments but that was not policy. They wouldn't consider doing that. So that was the main reason I left there eventually. For a while I had an excellent babysitter, called her a day care mother, during the day for my daughter. The first couple of times I got these calls at night I would call her in the middle of the night and ask her if I could bring my daughter over. She was very amenable to that but after a few times she and her husband said, "We just can't do that anymore". They were happy to keep my daughter overnight if I brought her in at dinner but they didn't like getting phone calls at two-thirty, three in the morning. Pretty understandable, I didn't like it either! At that point what I would do then is I would take her with me because the

ladies restrooms always had a couch in them so ladies could go lay down. I would bundle her all up and take her down there and put her to bed on the couch down there and I would get a big box of the punch cards and I would prop the door open so that she wouldn't wake up in this room with this door closed and there would be light in there. I lived with that for a while. It would happen maybe twice a month. It wasn't like it happened every week or something but twice a month maybe once a month it would happen. I just got to the point--and I would have been very happy to stay with the county if they would have been willing to transfer me to a group that didn't have that overnight debugging requirement. If I could have come in the next morning and debugged the problem. That was the main reason I left there.

Yost: Were you the only woman that had to come in at night?

Johnson: Yes. Fortunately things have changed. Companies are more sensitive to those issues now.

Yost: Can you tell me how you broke into industry?

Johnson: Well if you mean how I got ...

Yost: How did you move from Alameda County to working in the industry, the private sector?

Johnson: I was very unhappy with the situation. Matter of fact the guy who had taught the class I took at Heald, he got a job as a data processing manager for a freight forwarding company. He called to see if I was interested and available. So I jumped at that. Once I made that move at that point in time I must have changed jobs about four times in the next five years. People kept making me better offers. Once you got that basic couple of years in, back in those days, then you were really a very valuable commodity. People would call me up and say we really need you over here. And they would offer me more money. And I just kept bouncing around. Once I made that step, after that point then it went very well from that point on, financially.

Yost: Did you have any concerns in making these jumps—the risks with changing jobs?

Johnson: No. Not nearly enough. I should have. The last couple of ones I went to were startup firms...they were really basically what we now call professional services firms, contract programming firms. One of them was actually in the process of becoming a software products firm from that. And they really weren't stable enough if I had been a little bit more leery and not quite so enthusiastic. It wasn't that much of a risk really because there was so much demand for the skills that I had at that point that I could always get a new job. So if something sounded fun and interesting and they offered me more money, I just went and did it. I was really confident that if it didn't work out something else would be available, which turned out to be true.

Yost: And when did you start at Comm-Sci?

Johnson: Must have been 1969. Yes.

Yost: What work were you doing for them?

Johnson: Comm-Sci was one of those situations where I went to work for another firm that they didn't know what they were doing. They were out of business very quickly. So I looked around for something else and got referred over to Comm-Sci. Comm-Sci had basically two guys, they brought in other people on a contract basis. They had started out doing contract programming and they had developed a payroll system and they were now in the process of reselling that payroll system to other companies. They were now thinking more in terms of being a software products company than a contract programming company. So they decided they wanted another product. One of the customers to whom they had sold a payroll system wanted an accounts payable system so they had worked out this arrangement where they were going to develop it in conjunction with the customer and then they could resell it. It was pretty common to do that in those days. What they brought me in to do was to work with the customer to design and develop that accounts payable system. Somewhere along the way I had taken some accounting courses. When I was still at the County I became aware that the programmers that I saw that were really smart, including Dick Gentry, tended to go into the systems area. The ones who were working the applications area weren't what I considered the best programmers. And I saw that as an opportunity to go into the applications, which I found more interesting. But I also thought there would be more opportunity there.

Through [UC] Berkeley I took extension courses and took a number of accounting courses, which turned out to position me really well at this point when they wanted me to design this accounts payable system. I had enough accounting knowledge to be able to do that—working with the customer that had a direct need for the application. So that is what I went into at Comm-Sci, design and develop that system.

Yost: Can you talk a bit about the leader of Comm-Sci

Johnson: Very charismatic man. But I think in a lot of ways very typical of the early industry. Actually what was interesting was there were these two guys, the guy who founded the company Bill Adair and the guy working with him was Tom Mosely. Bill was really the marketing guy, the leader, the one who put it all together. Tom Mosely was probably one of the most brilliant programmers I've ever known. Adair was the kind of guy who would go out and sell the customers. He did a great job of all that. But he just had no business sense at all. We always used to laugh about it that looking at it strictly from an accounting perspective, he was losing money every time he sold a payroll system but he was going to make it up in volume. [laughs] He didn't know anything about business recording keeping—he didn't know even some of the basic essentials. At the point in time when he finally shut down the business he had no idea who owed him money. He wouldn't do the follow-up invoicing to customers. He'd go out and sell a payroll system with a payment and a balance due and he'd just never get around to invoicing them. Didn't make any sense. He had no idea how much...He'd buy things without any indication—there was no budgeting process, nothing. One of the reasons that

he did so well was because in the background was this guy Tom who wrote COBOL code that was very strong and robust and elegant and just very simple. He wrote these wonderful simple table based tax routines that far outlived him and the company and everything. Those tax routines I ended up relicensing to other companies selling payroll and they were still being used twenty years later. The code was so strong and so simple to use by other programmers. I learned so much from him. Probably some of the best programming techniques I learned I learned from him. He had just this way of writing things very simple, very straightforward and they just didn't break. They didn't break. The guy who was really running the company, he could have done well if he had just bothered to keep track of who he should be billing and keep track of how much money he owned people and so on. Unfortunately I don't think he was atypical of the kind of people that started those kinds of businesses those days. A lot of them went out of business because they just didn't know the business.

Yost: At one point he informed you that he was leaving and shutting the business down. Do you recall in what year that was?

Johnson: Yes. I started the company that I started, Argonaut Information Systems, in 1971. Basically, Bill had called in me and Tom, we were the only two permanent employees, into the office and he said he had a lot of personal issues to deal with and he said this is it he was tired of it. He was going to shut it down. We had to go get other jobs. And I thought, "Oh rats, here we go again." But as I thought about it overnight I thought, "You know I think he's onto something here in terms of being able to sell this

code over and over again. If he just knew how to do it right I think it was a good idea.” So I went back to him and I offered to buy the rights. I didn’t want to buy the company because who knew what the company was, he didn’t even know whether there was any money in it or not. But I offered to buy the rights to sell those two products: the payroll system and the accounts payable system. I would form a new company, sell those two products and pay him a royalty on those for a certain period of time. Would he consider that arrangement? And he said, “Oh sure why not?” He was just planning to walk away from it all. So that’s the arrangement we made and I formed a new company very quickly because he was leaving town, leaving the country actually. I very quickly put together a new company so we could negotiate that agreement so he could sign it.

Yost: And these two products were?

Johnson: Payroll and accounts payable. I don’t know if I have ever told you the story of how I named the company? I went back to one of the lawyers I worked with when I was a legal secretary. I said, “Please help me I’ve got to do this thing and I’ve got to have it now.” Well, the way it works in California when you want to form a company you can register a name with the corporate index. And of course I couldn’t come up with anything interesting. I had “Business Data Processing”—I had all these names and they’d all been registered. I was still working out of the office that Comm-Sci had had in San Francisco. Adair had paid the rent I guess. They hadn’t thrown us out of the office yet. It was on the corner of 5th and Market and I used to park my car at a garage down on Mission Street a little ways away from there, not too good a neighborhood but parking was cheap. I had

run out of ideas as to what to name this company. I had to get this done because the guy was leaving town and we had to get the agreement signed and I was walking up Fifth Street there between Mission and Market and I walked passed the Argonaut pawn shop. So I called the attorney and I said, "Let's call it Argonaut Information Systems. It's A so it'll be listed at the beginning of the yellow pages." So he called the corporate index in Sacramento and they said, "Yes, you can have it. You can register it." He sent his secretary driving up to Sacramento and back to get the papers done. And Bill Adair was leaving town so I took the papers down to Market Street and he double parked on Market Street, signed his agreements and his car was packed up and he left. I didn't hear from him for several years. He finally surfaced in Canada a couple of years later. [laughs] That was really a last minute kind of a deal but we pulled it all together and started a new company. I put all the royalties in a bank account until I could figure out where to send them.

Yost: Do you recall the terms of the arrangement in buying the rights to those two systems?

Johnson: I only remember...I don't remember the specific terms. It was very uncomplicated. It was just simply that for each one for a period of two years for each one that I sold it was a percentage. It wasn't a very high percentage, something like five percent that I would pay him in royalties. It wasn't a lot but it was very simple and straightforward. Fortunately the attorney that I was working with had become a good friend and he knew how to keep things very straightforward and simple. I said the guy

was leaving town and he really didn't care. He was ready to just walk away from it all and do nothing with it so anything that gave him something out of it was positive. Except it was hard to find him to give it to him, but that's another issue. He didn't care. He didn't negotiate at all. Whatever you want to do is fine with him.

Yost: Was there any trepidation or concern on your part in starting a company?

Johnson: I think probably part of it was that it all happened so fast, I didn't have time to get scared. Here I am at this point I'm married again trying to run a household, be a good mother, be a good wife, do all this stuff. I thought, "Gee if I have my own company I can control how much I work. I'll only have to work part time." That was very naïve too. As soon as I got this idea I consulted my husband and he said, "Sure why not? Go ahead." He was a county employee, very stable job. He wasn't concerned about it. And I had to put it all together in such a short period of time I don't think I ever stopped to think, "Wow maybe this is not such a good idea." I just did it and it was done. I think if I recall...looking back on it I probably should have been a little bit leery of the fact that we didn't have any pending installation commitments. Bill had really been easing himself out of it. He had really stopped even selling. I'll tell you more about that in a minute because I found out what that was all about. I was still finishing up the commitment with the company that was the co-developer on the accounts payable system but that was mine. That was my project, there was no problem there. I could have finished that up even on my own working with them. But there weren't any outstanding commitments to go install a payroll system someplace so I didn't have that. With what I know now that

would have been a warning sign to me but it was like all I was really doing was going to continue what I was already committed to do with this other company and then I would start seeing what the possibilities were for new sales after that. I did find in the office area a file drawer that was stuffed full of queries. At that time he was listing with ICP directory and that was the only advertising that he was doing but there were a whole bunch of queries that had come in from people asking, "Please send me more information." He had never responded. So I just started going through those. There were some people that he had called and talked to but had never followed up with them. And I called and they said, "Oh there you are! We've been trying to find you! We want to sign a contract to buy this payroll system." So I didn't even have to do really any ramp up on marketing. It was just all there. These were all people who had enough interest based on the listing in the ICP directory to have done a serious query. I was just suddenly overwhelmed with just trying to catch up and keep up with all the people who were already on the verge of wanting to buy the thing. It didn't take long at all to get the thing going. It was really kind of overwhelming. My plans to work part time didn't last very long. I was very busy with it very quickly.

Yost: At the time you formed Argonaut were you aware of software products on the market and that model as a business?

Johnson: Yes, yes I was. I had already met Larry Welke and familiar with his ICP directory. The way he started those was he went around the country finding people who were selling things that were products or almost products. And he had found Comm-Sci

and Bill Adair. So when Larry would come to town and he'd show up in the San Francisco area about every four or five months and he'd always take us out for a drink at this really crummy bar down there on Mission. And he'd really try to push the idea of listing in the ICP directories. So I was very aware of what he was doing and I was very aware of the fact that he was finding lots and lots of people that were in this business. That's one of the reasons I thought there was something going on here. I think what's-his-name was crazy to walk away from it. That's why I wanted to pursue it.

Yost: Was the plan to continue to sell services as well as products or to move just into the products business?

Johnson: My plan was to move into the products, to really make it. However, virtually everybody, in those days, if they were selling software, this may not be as true in the systems side but certainly in the applications side, it was very rare for anybody to sell an application without attendant services. I mean they required installation. They required training. You had to go work with the customer and it almost always required modifications to customize it. The whole thing just sort of evolved from a point in which somebody would take some code they had written before as a starting point for developing a custom system and gradually the customization part got smaller and smaller and the code got more and more flexible and robust and had more options in it. Back in 1971 still it was very rare to see anyone just sell it without a lot of attendant services and training and so on. My goal was to get it to the point where I could sell it as close to off the shelf as possible. Part of that was I felt I had some writing skills. I could write

documentation that would make it possible to sell without a lot of training. I also had learned so much from Tom Mosely about how to write code that the programmers were comfortable with that, they didn't require a lot of training and support. Basically I ended up rewriting almost every program. I ended up rewriting every program that Bill had written to use the style of coding that Tom had done, which made it very easy for the programmer at the customer's site to understand and work with the code. So it really reduced the level of support required. And that was my goal. I really wanted to get it very productized. I really thought that that was the way to make it simple. It just seemed an obvious thing to me to do.

Yost: In the first year was it just you or had you brought others on?

Johnson: I didn't hire an employee per se for a couple of years but I had all these contracts. All of a sudden everybody wanted to buy a payroll system, so I found independent contractors. Nothing as formal as Gentry—I didn't even know Grace Gentry was around then. I wish I had because she would have been a great resource for me. But just people that I knew who were working independently. I'd sign a contract with them and they'd go off for a couple of weeks to install a system for a customer. Through the experience of getting them trained to do that it helped me also understand what I needed to do to make the training requirement less. But I had several people and they would work for the duration of the installation and then they'd go off to something else until I'd call them again and say can you go to Kansas City next month for me. I had about three

or four different people that I worked with for the first couple of years, and it worked out fine.

Yost: And in those first couple of years you, obviously with mentioning Kansas City, you were selling nationally?

Johnson: Yes. That was the interesting thing about it—because our primary source of leads was the ICP directory, which was being distributed nationally. It was national from the very beginning. It became very clear to me very early on that there were still a lot of people, a lot of people that I knew, who really were focusing on the customization. The contract programming where they would just go in and do custom things and their business was very local. I mean they would have a very localized kind of a business but those of us who were selling products or what were becoming products, it was national from the very beginning. I think my first client was someplace like Saint Louis. You know one of the first contracts I signed was somebody in Saint Louis. I did a lot of the traveling myself the first couple of years. Although not nearly what was demanded. I needed a lot more resources than just myself. And I tried not to do too much either with family obligations. No, from the very beginning I think that the first several contracts I had were from all over the country.

Yost: And this was a very low overhead business?

Johnson: Yes.

Yost: In those first couple of years did you seek financing at all? or did you need it?

Johnson: No. In the first couple of years, no I didn't. I ran it out of a room in my house for the first couple of years and then ended up opening up one little office. At the point in time when I began to need some kind of ongoing administrative help is when I really opened an office. At first that was just part time but I still needed someplace for somebody to come. If they're coming in and typing up contracts and letters and so on they had to have a place to work. It was very low overhead. But the first time I really needed money was at one point in time when I had gotten to the point where I had about four or five employees. A couple customers were slow on paying and I'm was going to have a problem meeting payroll and I ended up borrowing the money from my father. There was no bank or anyone that was going to lend me any money. It just wasn't done. I never had reached the point of saying, "Wow, I could really turn this into something really big," and therefore needed money for expansion. So I just never quite made that jump. I was just growing it as opportunities arose as opposed to saying well I'm here and five years from now I want to be here and I need this much money to get there. I never went through that step. So there was no outside funding until...really not even when I sold the company. It was sold pretty much entirely self-financed.

Yost: Can you talk about planning or focusing on mid-sized firms as your market? Was that a planned strategy or was that an emerging strategy?

Johnson: Yes. I would say that it was...I don't know if either of those terms quite apply. It wasn't so much planned as it emerged from the observations that I was making about things. As software products became much more competitive and much more acceptable in the user community you began to see companies like MSA do major marketing initiatives. I mean major advertising, major marketing. And most of the companies that were in the business were targeting the Fortune 500 and so I had to make a decision as to whether or not I was going to go up against those companies. Now there would have been a case if I decided to do that I would have needed some kind of financing because to mount that kind of a marketing/advertising campaign, I just didn't have the money to do that. But all the companies that were really competitors feature wise, basically the same features that we were offering, they didn't bother with the midsized companies. They had plenty on their hands to serve the fortune 500 and that's where they were all going. They were all competing against each other in that market place and spending lots of money to do it. So there was this group of companies out there that were all, at this point in the mid 1970s, all automated and nobody was really trying to reach them. Nobody was really targeting them as a market. A lot of the cases were... What would happen is that a company would buy a computer system, they would automate. I don't know if anybody ever bought a computer and automated it in order to process their payroll. They got payroll done by service bureaus. There were lots of ways to get payroll done. They would buy the computer to automate some aspect of their business. Because of the way that IBM operated, and at least initially we were dealing with IBM shops, customers always seemed to end up with a lot more computer capabilities than they really needed. So then they'd get this idea, "Well as long as we have all this excess capabilities here or capacity,

let's start running some of the back office stuff on this thing." That's virtually where our market was, people that were trying to fill up that excess capacity. They tended to be the midsized companies that found themselves with a computer and let's start putting some other stuff on it as well. They would go to the ICP directory and they'd select several and they'd write to the companies and when it came to features and price we were always right there, very competitive at that level.

Yost: Can you speak about early competitors?

Johnson: Very early on of course the biggest competition was the in-house operation; we can do it ourselves much better than you can. As we began to emerge, MSA was always out there. Often MSA would win just because—I don't think their payroll was any better than ours—they had very effective marketing. They had a real sales force and everything. Comserv, we'd run into. I can't remember off the top of my head. There were a lot of payroll companies out there. I'm sure if I were to get my hands on one of those ICP directories I would see four or five names. O.K. so where were we? I was trying to remember competitors and maybe some more will pop into my mind. There were a lot of companies out there selling payroll systems. Some of them at a very high level. There were some companies in the Bay Area. I actually lost more sales in the Bay Area for some reason because of ...the whole Bay Area always had a lot of independent contractors. This was one of the few areas where the big professional services firms really never got a toehold because there were so many people who worked independently. Maybe because they were working for people like Grace or whatever I don't know but it

was always a hotbed of independent contractors. So I would often in this area lose to those people who would come in with even less overhead than I had and undercut me and pretty much do a customized application for them. I found that I lost more sales here, close to home than I did out there in the broad Midwest or wherever we were going. Since MSA was always so prominent I always used to say we sold in all the little towns where there were no planes that went there from Atlanta. MSA couldn't get there so they bought from us instead. Sorry, I can't remember off the top of my head, but when I get a chance to redo some of this later I'm sure I'll have some more names to add to there.

Yost: Were trade shows important in the early days?

Johnson: Not for me. I never did trade shows. Until the late 1970s when I brought in Bill Hixson who had a masters degree from Harvard and was a marketing guru, I experimented a little bit with some advertizing in journals like *Computerworld* and so on but it didn't bring in much. Certainly the cost wasn't justified. Virtually everything came through the ICP directories. It was invaluable. Invaluable! When Larry Welke began doing the ICP directories, for which it was free to list because it was a subscriber based publication, he then began doing the smaller directories in which the software vendors paid to be listed and that were distributed free. I did buy listings in those. I did pay for that. He had a very selected, targeted audience. He specialized in certain industries and so on, so it was very worthwhile.

Yost: Do you have a sense of roughly what business came from customers who first identified you through those directories?

Johnson: At least ninety percent.

Yost: Wow! They were effective.

Johnson: At least ninety percent. The company wouldn't have gone anywhere. I don't know looking back maybe in some ways it was such an easy and simple thing for me to do that I didn't really have to scramble. I had as much business as I could possibly handle and keeping a small staff busy plus all these contractors busy I had as much as I could possibly handle without having to do more. Maybe if I hadn't had that, I might have had to work a little harder at developing a real marketing strategy of some kind, maybe I might have done something different. But it was invaluable. I don't think the ICP story could be told strongly enough. I was not the only one like that. Most of the companies that were out there in those days –the MSAs were rare. In the 1970s the ones that were really doing major advertizing and real marketing were rare. Most of the companies that were out there were doing what I was doing and getting customers through the ICP directory. I think he [Welke] built the industry that way. It's just amazing.

Yost: When did you join ADAPSO?

Johnson: 1973. Well, that's when I went to the first ADAPSO conference. I think I maybe didn't join until the following year . It was in San Diego. Again it was Larry Welke that convinced me to go. Because even after I started Argonaut he was still making his rounds. He was always on the road and whenever he'd get into town he'd visit, he'd come in and he'd say, "Who else do you know? Who else do you know?" That's how he developed his knowledge of who was out there. This is because people would say, "Well I know so-and-so is doing such-and-such. I ran into him someplace." He was bringing the software companies into ADAPSO. He came out here one time and he said, "Well you really ought to come down to the conference in San Diego." "Well, O.K. I'll Go for a long weekend and take my husband." I hadn't anticipated nearly how interesting I was going to find the issues that they were working on. That was at the point when one of the big issues in California was sales tax on software. And one of the hot buttons was that for most companies like myself we were delivering our software on some kind of tangible medium. I think we were pretty much out of punch cards at that point, so we were still delivering them on tapes or something. Thus, it was subject to tax. But if you had a big company that could deliver this stuff over the phone lines, it wasn't taxed. It was like wait a minute this doesn't make any sense. ADAPSO was basically fighting sales tax altogether on software. There shouldn't be sales tax on software. But for me the hot button was the fact that it was being taxed on the method of delivery and not on the software itself and that got me interested enough to get involved. I had some friends who knew some people who were working for staff people for the California legislature and I got involved in the process of educating people. "Look if you're going to do this at least you've got to do it in an equitable fashion. You can't charge sales tax on

one method of delivery and not on another method of delivery. You got to think about what you're doing." So I kind of got involved in that very quickly from my first encounter with ADAPSO because it looked to me like wait a minute there's some major lack of understanding here on what that is that people are delivering and something needs to be done about that.

Yost: And was it primarily volunteers such as yourself or did the trade organization also hire lobbyist at that point?

Johnson: Yes. They had...let's see the 1970s. They didn't move to Washington until the late 1970s. I forget the year that ADAPSO moved to Washington. They moved to Washington because they became much more focused on advocacy, but that was federal government advocacy. I think volunteers were dealing with the state issues really until the late 1980s. I know when I was there at ADAPSO we did have somebody on staff who was dealing with state government relations but I think that was about the first time that started to happen. Up to that point it was volunteers dealing with issues in the states. ADAPSO just wasn't that big, didn't have the resources to do it. But it was through ADAPSO, people getting together at ADAPSO conferences who organized the educational process of trying to explain to legislatures what the deal was with software and sales tax and how it should be dealt with. On one hand they [software firms] were always wanting to have their stuff be declared tangible in the sense that we want to have software be an asset so we want it to be tangible but as far as sales tax it's intangible. That never quite connected to me. But I very quickly got caught up in it because I saw

that there really was need for some education to be done, at least if people are going to pass laws on this stuff should give them some chance of understanding what it is that they are talking about. So I quickly got caught up in it.

Yost: Were there other areas that ADAPSO was important or influential to you and your business in the mid-1970s?

Johnson: Yes. For me the most important thing was once I realized what these conferences offered to the educational process. I've always said I got my MBA from ADAPSO. It was an amazing, amazing environment to go in there and people from competitive companies would sit on these panels and say, "Well here's the mistake I made and here's how I did this and here's what to look out for." Everybody was so open, so willing to share their experiences; it was just a remarkable environment. I learned so much. It just saved me from making so many mistakes I could have made just by people sharing their experiences. And they would share it informally, sitting around the cocktail lounge but also people would get up on a panel and say, "Here's what I did wrong and don't do this."

Yost: Did they also have the round tables at that point?

Johnson: Round tables started I think in late 1970s, early 1980s. The round tables were very valuable but the sharing that they did was very much internal. Part of the deal with the round table is that it does not go out of this group. Since I was never in a round table I

didn't really get the benefit of that. Maybe in the sense that the round tables came in at a point...by the early, mid-1980s anyway people began to be less open. Through that era of the 1970s and the very early 1980s that great openness was taking place. As the industry got more mature and tougher and more competitive there was less openness and less willingness to be quite so sharing with everybody. And that's when I think the round tables started to take off because then you had your select group of very carefully selected peers that you shared with but you weren't as likely to sit up on a panel and tell everybody what you'd done. But that's what it was for me. It was just learning, learning from people who'd learned the hard way. It was, so much of it was seat of your pants, and everybody was trying to develop a business model that made sense, honing it and refining it and that's what it was for me.

Yost: Can you give me a sense of how Argonaut was growing in the first ten years?

Johnson: Well, slowly. That was because I didn't have any great ambitions to grow it faster. For the first couple of years I didn't really have, I guess it was maybe about the second year that I began to have a part time employee, an administrative employee. By the end of the ten years I think we had a staff of maybe fifteen people, something like that if that's what you want to measure growth. I wish I could give you some numbers in terms of financial numbers. I'm afraid I don't really remember very well. The first year I probably did something like fifty or sixty thousand dollars and then we were doing millions of dollars but not big millions of dollars by the end of the time. I no longer have any of that. That's the kind of stuff I don't remember very well and I don't have any of

the books anymore because they all went to the new management when they took over. I could ask him though. Let me see if he's got any memory of that kind of thing and might be able to share some of that information. He's a numbers kind of guy. Let me see if I can find some of that, get you some of that.

Yost: O.K. Thanks.

Johnson: It's not the kind of thing that sticks in my head very well.

Yost: With fifteen or so employees was that a mixture of employees and contractors?

Johnson: No, that was all employees. At that point we had a few sales people, people who would focus on sales and that was after Bill came into the company and began focusing a real marketing program, and then we had developers and customer support people—the three legs of any software company. And more customer support than developers and those were both people who would go out and do installations and the people who would take phone calls. They required a lot of phone support and by that time we were smart enough to be charging for that.

Yost: Can you discuss your leadership philosophy and leadership style?

Johnson: I'm not sure my philosophy and my style are the same thing. Let me put it this way, the most successful hires that I ever did were people who came in without really a

lot of existing experience but were very open to trying things and that had the attitude that whatever it is we'll get it done. That kind of can do attitude. Those are the people that I thrived with. I think you met one of them at our—were you at the DEC-DG meeting that we had? You weren't there for that one.

Yost: No, I missed that one.

Johnson: That's right you missed that one you were at the other one. One of my most successful hires was a kid that I hired for a part time job when he was in college. He wanted a part time programming job. He really had no qualifications to speak of. He taught himself to program and he was a computer operator. But he just had that ability to just tackle it and do it and was open to learning things and doing things and trying things. I hired a number of people like that and that always worked out very well for me. I like the coaching aspect. I just liked the whole process of watching people develop and grow that way. Certain types of people liked working with me like that. My most successful hires are also still very good friends. I have a tendency I think to expect, to probably maybe coach a lot but not train enough. There were a number of people who should have worked out very well for me but they didn't feel like they got enough instruction as to what to do. They were left on their own too much. Just sort of give them something and oh you can figure this out, sort of go do it kind of thing. That doesn't work well for some people. The ones that liked that were the ones that really worked out well for me and for them. So I guess that sort of shows what my leadership style is, kind of an expectation of, "Well you'll figure it out, you'll be fine". At the same time I tend to be also, when it

comes back to me if it isn't up to snuff I tend to be maybe a little bit more critical than I should be rather than say, "Well you did pretty good considering you didn't get any training on that". But again certain people will thrive on that. They like to then go, "Ok I'll go redo it and I'll show you I'll come back with it even better." Those are the kind of people that I really got along really well with and that really got along well with me and that worked out. But the ones that really wanted a lot of... One of the most difficult things that I had in hiring was people would come in and, "I really want to work for a small company. Oh yes, I'm so tired of these big companies. I want to work for a small company." They didn't realize that one of the characteristics of a small company is that you are on your own a lot. The things that small companies don't have is that supervisor layer in between that's there looking over your shoulder helping you learn how to do it. You're either going to learn on your own or you're not. I would try, try so hard to assess the ones that really could do that. They always would say, "Oh but that's what I want". They didn't realize how cast loose they would feel when they didn't have somebody between them and the top management helping them. I don't know if that answers your question but that's the way I can think of to describe what my style was – just you know go try it out see what you can do and then come back with it perfect. [laughs]

Yost: That's great. How did you get into licensing?

Johnson: That's an interesting story actually. It was... a term that Burt Grad uses sometimes is strategic opportunism. This was clearly a strategic opportunistic thing. Keeping the tax routines updated was a real big job. We had all the states and it was a big

deal. There was a guy named Tom Conway that started a company called AllTax and what he specialized in was payroll tax routines which he was licensing to the companies that were selling payroll. Which reminds me one of my competitors was a company called InSci, that brings up Insci. I had decided it was foolish for me to be replicating everything Tom Conway was doing with AllTax. Why don't I just license from him. I was all set to do that and then a guy named Dale Learn who was the founder of InSci which was in New Jersey came to me and he said, "You know I've run into you" – I met him through ADAPSO – "I've run into you here and there in our" – mostly they were selling pretty high-end, pretty customized payroll systems, but he says, "I've run into your system a couple of times [in the marketplace] and your customers are pretty happy with it." And he said, "I've been licensing from AllTax and I think Conway's going down the tubes. He doesn't know what he's – I've got to get out of our relationship with AllTax. Would you be interested in licensing your tax routines to us instead?" I said, "Well, let me get back to you on that." I thought, "That's really interesting. Here I was about to go with AllTax." We called ours TaxBreak. So I thought it over and I called Dale back and I said, "Well, exactly what did you have in mind on this?" He said, "We'll change our [COBOL] calls. We'll plug into your tax routines but our customers will buy our payroll system. They'll buy your tax routines. You get the maintenance revenues." And I thought, "Well this sounds kind of interesting." So I started doing it with him and then that was just the tax routines and then that got me in the mindset of here's a great way to get my product out there and get some money for it with somebody else doing all the marketing. From that point on, I wasn't aggressively going out and trying to sell people on it but it was more about keeping my eyes and ears open and running into

people in ADAPSO. I'd hear somebody say they are going to add a payroll system to their product line. "Well consider maybe adding ours and licensing it from us." It was just a matter of paying attention to where there might be an opportunity for doing that. That was nice. I had this vision that ultimately what my job was going to be was that I was going to be going to the office once a week, opening the mail and deposit checks. I wouldn't have to do anything else! [laughs] It didn't work out that way but it worked out very nicely for us. Part of it had to do with the fact of having put that code together in such a way that it was easy for the programmers. The programmers at the companies that was licensing from us were not frightened of our code. They knew it was manageable so that helped a lot. That's how it happened.

Yost: Can you tell me when you hired Bill Hixson and what his job title was and what roles he played?

Johnson: Yes. Actually I originally got involved with him as a candidate for licensing. At the time he was with International Time Sharing, ITS, and he decided that ITS wanted to license our products—at that point I think we had four products—on the time sharing service and pay us the royalties. So we got that all structured and put together except that then he left ITS and whoever followed him after that wasn't really marketing the applications. It didn't hurt anything but we never got any real significant money from it, we got a few royalty checks out of it, not much. Then he went off and formed his own company and he was selling—what was he selling I can't remember, but he was selling on General Automation computers and he came back to me again and said that he would

like to license the software and sell it. Oh, I wish I could remember, but he had some sort of bigger application he was going to embed this in. We started out originally with a partnership that was really very specifically targeted on this one market that he was going after and he was selling as a re-license; he's selling our products. It was about this time that I was beginning to realize that I couldn't keep dodging this marketing issue anymore. We were working very closely together. We were doing installations together and we just generally started talking about it. So he came in really as VP of marketing but from the very beginning he was—as I recall really the intention was that he was going to take it over. I had become aware of the fact that I loved keeping it small and loved having a small company. This was not satisfying the needs of the people that worked for me who wanted their positions to expand and that meant that the company had to expand and that I was holding people back. Somebody like Paul Gustafson would have left except for just his loyalty to me, would have left years before. He didn't leave but he really wanted—at that point he was out of college and he really wanted to be expanding his own personal career. I was holding him back because I didn't have this great desire to grow the company and there were other people like that. And I was realizing that I was going to have to do something different. I had to get out of their way is what happened. So when Bill came in, really to develop a marketing program for the company, it was also with the understanding from the beginning when he came in that he was ultimately going to be running the company and I was going to be easing out. So his title was probably VP of Marketing, but I don't think we focused very much on that. It was more a matter of how to turn this little company focused on really good customer support and really good code into a company that knew how to really sell the stuff we had out there. That was the

whole idea. And that's what happened. It took about five years altogether for it to happen, for the whole transition to take place but that's what happened.

Yost: Did you have any regrets in selling it?

Johnson: Sure. Oh sure. Yes. It was certainly not long term regrets. I mean I would have regrets about specific instances. I mean Bill was pretty typical of the people that were selling in those days. He would often promise the customers more than we had to give them. [laughs] Which meant that I didn't feel, I didn't feel that we were always delivering the quality of product that I wanted. So I'd say, "Why did I do this? Why did I get myself into this situation?" But I think customers were getting what they needed and I think that was an essential part of the whole growth process, the whole business of learning to think about the business in a different way. In the long run I'm very happy it all worked out the way it did. My regrets had more to do with just my adjusting to a new way of thinking about things...the difficulty of adjusting to the change and so on. I've never regretted selling it. It was time to do it. One of the things I did when I was going through this thing of trying to figure out what to do about all these smart, wonderful people that I felt that I was holding back is that I made a list of all the things that had to happen for the company to really grow. Then I made a list of all the things that I wanted to be doing with my time and these two lists did not jibe. I had to make a decision. I had to make a decision if I was going to do these things and therefore make the company grow or if I was going to do the things I wanted to spend my time on. So I had to find a way to find somebody else that would do this list over here. It worked out great in the

long run. A number of the people that stayed there did very well financially out of all that. He didn't sell the company but he sold the products to Ross Systems. By selling the products a whole group of people went over to work for Ross Systems and some of them came out very well out of that deal. They did really well and everyone was happy with it in the long run. So no long term regrets at all.

Yost: What year did you sell the company to Bill Hixson?

Johnson: Let's see. I guess you would have to say that the year would have been about 1980. About 1980—I think is the point where you could really call it more his company than mine. Although, again, it was a very gradual process, I was still very much involved up through, actually, 1986. I moved much more into a consulting role in the first half of the 1980s, but I was still there. I was still doing things, including, occasionally, actual customer installations. I was still very much involved in it although not at the strategic level at that point. I was really sort of filling in a lot. They would have a situation where they knew it was going to be a tough installation of some kind. Well, I'll go do that one. I think I can make that one work. But in 1986—which is when I got the call from ADAPSO to come back and work for them temporarily while they got a new executive director in place—that was when I kind of felt like I really wanted to get out of the consulting role. It was kind of like a matter of they would always consult with me on things and then whatever I said they would do something else. [laughs] It was like they couldn't be sure that it was the right thing until they heard me say something else. We're all good friends but it was just like it's really time for me to cut this cord. So I used the

fact that I was going to ADAPSO. I said well this will create a conflict of interest if I was in a consulting role. Pretty much bullshit but I used that as a way of saying, “Now that I’m going to be working in a professional position with ADAPSO I really need to cut off from this consulting relationship with you guys.” Sure you can feel free to call me about anything but in terms of having a contract, I don’t think we should do that anymore.” So it was really up through 1986 I was still involved at that level. I was still doing some level of work with them.

Yost: How long were you in the interim position?

Johnson: At ADAPSO? Six months. It was suppose to be two months and then it took them six months to find...they hired someone named George DeBakey and at that point I was coming back to California. But during that six months, we had our twenty-fifth celebration at ADAPSO and they had decided they had started what they call the blue ribbon panel to focus on how we’re going to celebrate our twenty-fifth anniversary. John Imlay was very involved in this and in his wonderful marketing way he said, “We should form a foundation because this is a sign that we are a mature industry that we can put resources into a foundation, a charity.” So they formed the ADAPSO Foundation and I was literally packing my boxes to come back to California and the initial board of trustees of this foundation was meeting in the other room. They said, “Luanne, can you come in here for a while?” They said, “We want you to run this foundation.” I said, “Great I’ll do it but I want to be doing it from California.” They said, “No, you kind of have to stay here in Washington because you are going to be relying on the staff support

of the ADAPSO staff.” I said, “Ok I’ll do that for two years.” Well, by two years after that they had decided it wasn’t working out with the guy they had hired and so then they came back and they wanted me to take the Executive Director position at that time. So I had the interim thing for six months and then the ADAPSO Foundation Directorship for about two years. It was early 1987 in which I was coming back to California and it was in 1989 when I took the ADAPSO Executive Director position so it was two years there.

Yost: What types of things were you working on at the Foundation?

Johnson: It took a long time to zero in on something. It was kind of interesting, the idea of forming a foundation and then deciding afterwards what we were going to do as opposed to saying well there’s a real need out here let’s... It ended up being applications, the use of computers for people with disabilities. It was fascinating. Not something that I would ever had had any interest in. You know I thought it was great. It turned out to be just fascinating. One of the projects was one of the guys who knew some guy who took a basic Speak-and-Spell toy thing and turned it into a speaking device for kids, like cerebral palsy kids that couldn’t articulate. We had I don’t how many hundreds of those that got made and distributed around. Oh it was wonderful to go to these places where kids were using them and see how excited they were because they could now use this thing to talk for them. We had another wonderful project with Gallaudet University where we found this guy Trent Batson who was trying to deal with the fact that deaf students learn American Sign Language but they don’t learn English. He was teaching English, teaching them how to write English and it was a big job because he was teaching

them how to write in a foreign language. So he set up just with spit and bailing wire, he set up a network of computers around the room and he would have them chat in English to develop their English communication skills—as part of teaching them to write in English. He had put this thing together hardly knowing much about it but he figured out enough because he really wanted these kids to chat. We didn't put a whole lot of money into that, but what we ended up doing is we found a group of engineers at Boeing Computer Services and got them involved in it. They designed this system for these kids to sit and chat in English. They loved it because they were always involved in all these big projects and wouldn't see the end of them for three or four years and here they saw immediate results of these kids chatting and having a wonderful time. That system then actually ended up being used in a lot of different universities for both hearing and non-hearing students chatting together as part of the process of learning written English through conversational English. So that had great impact. That's what I can think of off the top of my head. There were others too ... After I took the job as Executive Director of ADAPSO we hired somebody else to run the foundation and he got much more interested and involved in educational type of issues, probably building off of the Gallaudet thing. And there were a number of things that they did. I don't remember all of them. I'd have to do a little bit of research to pull some of that up. But it was a lot of fun. And very few jobs have I ever got such immediate gratification of seeing real results of people really benefiting from what we had done. It was just so much fun.

Yost: Can you tell me what went through your mind when the offer came for the Executive Director job on a permanent basis?

Johnson: [pause] I think that is probably the one time in my life that I really had real trepidation. It's such a political organization. Just a lot of things where the only way you can succeed is play politics. On the other hand, I had a great feeling of loyalty and gratitude toward the organization for everything it had done for me. And on the third hand, I had some of the best salesmen in the world trying to convince me to do it. I mean people like John Imlay and Larry Welke, you know all these guys. And they were always calling and saying "We really need you." It was almost impossible to say no. These were people that I respected so much and had so much admiration for the things they had done, for them to be practically begging me it was just... Basically what it came down to was a matter of I knew that if I didn't say yes I would spend the rest of my life wondering what would have happened... I knew if I said I can't do this that I always would regret that "no" decision. So I said, "Oh, I'll do it." And I did.

Yost: When you were taking over in that role, how was the organization different from the organization that you joined back in 1973, 1974?

Johnson: It was different in the sense that... When I joined, the industry was so small that even though the companies like the telecom companies and the network companies and the software companies and the professional service companies even though they all have very different business models they were still all enough of in the mode of we're trying to figure out how to make an industry here. We're still trying to do that, that there was enough commonality of just let's figure out what works, how to make this thing work. By

the late 1980s each of those sectors had become very strong in its own right and in many cases their interests were diametrically opposed. But none of them yet at that point had enough of a presence to be a lobbying effort in and of its own. There was still a lot of the collegial benefitting from each other type of thing going on. There was still some of that, but it was going away. That role was now being absorbed by the regional associations. The industry had gotten big enough that there were very large active regional associations in the major metropolitan areas. So somebody who wanted to be getting together, networking with people and learning from people in the same situation could do that by going to a local association. Local association meetings you go down and have breakfast, you're back in your office by ten as opposed to going to ADAPSO meetings which was a three-day commitment to be away from the office. So that role that was being drawn away by the regional associations and ADAPSO became much more of a lobbying association. So there was that change and there was the fact that there was much more of a feeling of being at loggerheads between –at one point there were six different divisions within the organization... the professional services were really pushing Section 1706 on the opposite side from NACCB. You know saying down with the independent contractors. At the same time the software companies couldn't function without the independent contractors. Even the big ones, the big software products companies whenever they have a big development project then they'd get all of Grace Gentry's people in to do it. That issue was going on very much when I was brought in. DeBakey was Executive Director when the whole 1706 thing came up and ADAPSO and the NACCB were at loggerheads. The software guys didn't ever go into the board meeting saying we've got to stop this, our opposition to what the independent contractors what the

brokers are doing, we've got to stop that. One of the things that ADAPSO had a tradition of was rotating the leadership, the chairmanship among these various sections or what became divisions then. It was at the point that it was time for the software products guys to come into that leadership role that they were bringing me in because I was in their camp supposedly. One of the issues that they were pushing me was that we don't want ADAPSO just to be seen as the anti-computer brokers thing. We don't want to be in this contentious relationship with this other part of the industry. Let's soften that. One of the things they wanted to do was eliminate this contention within ADAPSO. It wasn't until I got in there that I realized that what they were really concerned with was not so much the policy as they were concerned about contention for resources. They just thought the professional services guys who were fighting the NACCB were using too much of the organization's resources. They didn't care that much about the philosophical position. It was the fact that they were soaking up so much of the staff to do it. So what they wanted me to do was suck more staff the other way. It was never explained to me that way and it wasn't until I got in there that I understood what a political organization it was.

Fortunately the whole thing, it had kind of peaked and it was kind of you know... Well you know a lot of the history of all that anyway. But that's one of the main ways that it was different. There was much more of that internal contention within the organization and it was changing much more, it was becoming much more of an advocacy focused organization than a "learning from each other," educational focused organization. That was another big, big change. Of course the guy they brought in after me came right off the Hill. I was sort of coming in during that transition period when it was changing from one kind of organization to another. That was one of the big differences. I'm really

pleased about what happened with the regional associations because that was I felt was one of my big accomplishments and one that I'm proud of. The old guard was very threatened by the fact that these regional associations were becoming so strong and that the smaller companies were joining those instead of joining ADAPSO. One of the mandates that was given me was I had to go out and sell against them, had to go out and convince these small companies to join ADAPSO instead. And I made some efforts to do that and realized it was just a total waste of time. These companies were getting everything that they needed from the regional associations at much less expense, why would they... So I went back with a proposal that instead that we treat those regional associations as affiliates. Always at ADAPSO the big issue was we have to have lots of members; we have to have thousands of members because that gives us a presence on the Hill. They were afraid of losing all these small companies. I said, "We'll go get them as an affiliate. We'll still count their members whenever we talk about the numbers we represent. We can roll all those numbers into the numbers we represent but they are still an independent organization and we can say we'll be your Washington branch office kind of thing. Let's do it that way." So I went around and visited all the strongest of regional associations and pulled together what we called CRITA, the Counsel of Regional Information Technology Associations, and every one of the associations elected a representative. Usually it was their president who would come to our ADAPSO conferences, we would have a meeting there. They are now an independent organization. They've gone off on their own as an independent organization but we really got them started. It turned out to be what they really needed from us was they loved the fact that we just made these meetings happen for them. They were so small and they had such few

staff that they couldn't even set up a meeting. It was just too much work whereas I had a whole staff of people that did nothing but organize meetings. So we would bring them together twice a year with our conferences and they just loved it because it gave them a chance to share with the other regional associations. For a long time then ADAPSO, and then ITAA, was claiming all those members as part of the constituency, represented by ITAA, so it was a real win-win situation. I felt very good about it. I feel very good about the fact that they are thriving as an organization. Now they don't even need ITAA anymore; they are off on their own. I feel really good about that.

Yost: Was it the affiliates that were associate members –or is that something different?

Johnson: There's an associate membership, but an associate membership at ADAPSO was somebody who was providing services to the industry but—Burt Grad, actually, was an associate member. He wasn't really; he should have been. But he was grandfathered in as a regular ADAPSO member. Because he was providing strategic consulting services to software companies he should have been classified as an associate member. So you had people who were providing services to software companies that were the associate members as opposed to straight members.

Yost: In looking through a number of Annual reports of ADAPSO and seeing the pictures of the board of directors I saw very few women. Can you talk about the number of women that were involved with ADAPSO and at different levels over the years?

Johnson: Yes, this shouldn't take long. There weren't very many of them. At the very beginning when I first got involved there was one other woman Ruth Koolish. Before I got involved, very early on, there was a woman named Joan Van Horn who I never met, who was involved when they first began the remote processing services group. She was with a time sharing company of some kind. I never met her. She was always held up to me like, "See we do have women involved." And then when I came in there was a woman Ruth Koolish who ran a service bureau. She was here in the Bay Area. Maybe there were one or two others. I don't know that there were any other software products women, any women with software products companies. But there were very few and after Joan Van Horn I think I was the next woman that was on the board. I went on the board in the late 1970s. I think there had been a gap of about ten years without any women on the board. And then when we got to the point where we began to get some of the microcomputer software companies involved, Paula Brooks came in. She was running a microcomputer software company. At some point Esther Dyson got involved and I guess she probably should have been considered an associate member too. She was so influential in the industry that they let her be what ever she wanted to be and so she was on the board. Among the things that happened is as the industry got bigger...at the very large companies you didn't see the CEO anymore at ADAPSO. As the role was changing to an advocacy role you began to see more government relations people and began to see more marketing people. You began to see people you know vice presidents. And when that happened then you began to see more women in. You'd see women coming in and being a VP of Government Relations for a company. I'm trying to think of women that might have been on the board when I was there as Executive Director. President. Judy

Hamilton was one and she was the first woman Chair. She came out of the professional services side. She was with Ernst & Young. She was the first really powerful woman I think in the organization. She was Chair while I was President, and you began to see more women. Again the pickings were very slim. We saw more women involved, like a lot of organizations, where the real work was getting done, which was the committee level. You had the board but the committee level was where the real nitty gritty was being done and so you'd see a lot of women there. They'd be coming in either as a high level manager of some company or maybe running a small company. They'd come in, be functioning at the committee level but they wouldn't percolate up. The process was kind of to percolate up to be on the board of one of the divisions and then from that very rarely did anybody get up to the ADPASO board itself without going through a division board. The initial conferences that I went to almost all the women that I would run into in the ladies room were journalists. There just weren't many women there who were industry people but I met a lot of the journalists that way. It changed but not nearly as fast as it should have or as much as it should have. I don't think even today as much.

Yost: Would you say ADAPSO's membership and women's presence on the committee was roughly equal or representative of women in the different sides of industry?

Johnson: I would think so. I would think so. I mean for some reason the people that started companies... The beginning really up until the early 1990s the people that were active and involved in ADAPSO were people who had founded companies and were running companies and for some reason they were all men. You just didn't see women

doing that. I don't really understand why myself. Or maybe it was because you know—I don't know. I don't know why.

Yost: What factors led to the change in name from ADAPSO to ITAA?

Johnson: Well the original ADAPSO as I think you know stood for Association of Data Processing Service Organizations. It was a service bureau organization. And then the software companies came in and started to become very powerful in the organization. The software companies I was really a part of all that because I was on the software division board at that time and “We're not getting enough of the recognition, blah, blah, blah. It's not just a service bureau organization.” So they pushed through, they wanted to change the name of the organization but people didn't want to give up the ADAPSO brand recognition so then they changed the name to ADAPSO, the Computer Software and Services Industry Association. That was the official name. ADAPSO was no longer an acronym. [laughs]. When I came in we had such a challenge with this because I think I mentioned about that point in time we had somebody on staff in government relations. And so he'd go out someplace to testify on something, almost always a tax issue. “Got to go to Kentucky to testify.” They'd give him five minutes. And he'd stand up and say I'm from the ADAPSO, the Computer Software and Services Industry Association. Somebody would say what does ADAPSO stand for? And the answer that he was required to give by the board was, “ADAPSO doesn't stand for anything. It's no longer an acronym.” And then they'd say, “Well what did it used to stand for?” “Well it used to stand for the Association of Data Processing Service...” “Time's up! Your five minutes

are up.” It was just goofy. I had the full support of John Imlay. He had been taking a leadership role in promoting the organization for many, many years and he was fully behind me. This name has got to go. It’s an impediment. It doesn’t explain. You’ve got to have a name that explains what this organization is about. So he is the one that really pushed through the change. It was going to be the Information Technology Association at that point. I’d been involved enough with the international community to know that it had to have America or US in it because otherwise the usual image of the arrogant Americans. So I managed to convince him that it needed to be “ITAA [Information Technology Association of America]” and he got it pushed through. He’s such a great salesman. He got it pushed through. That was the impetus, it was to get a name that represented what the organization really did. I was the one that took all the outraged phone calls from people who didn’t like the fact that we changed it but John was the one who made it happen and really deserves credit for that.

Yost: You got into this a bit already but what are the most important ways the trade organization impacted the industry during your time as Executive Director, President?

Johnson: Oh during that time. Well during that time was when it really went through the transition to become a true advocacy organization and really began to take itself seriously—or to put it more accurately I think the staff of ADAPSO had always understood the importance of that role at least from the time they moved to Washington, but at that point the companies really began to see the need. They began to get to the point where they began to perceive how important it was to have that kind of a voice and

to have that kind of influence. I shouldn't say that, they'd been going on for a long time I mean all the things with the banking industry and so on. One person's role that I would like to see really much more explored sometimes is the role that Milt Wessel had in framing some of the philosophical positions about competition from companies in other industries such as banking that were offering data processing services at lower prices because they could subsidize that business from their main business. Some of the positions that he took to try to stave off regulation of the industry resolving questions—bright, bright man. But at that point it was much more a central focus of the organization. Beginning in the 1990s the industry was big enough it was attracting a lot more attention from people, from legislatures and from regulators and it just became clearly something that was obviously going to happen. You might say that the person they hired to replace me came right off the Hill. He was by definition a lobbyist and had all the right connections, all the right skills, all the right knowledge to do that kind of thing. That was the primary transition period.

Yost: So you left that position what year?

Johnson: 1996. I think actually 1995. It's a little vague because at that point I was very involved with the international organization the World Information Technology and Services Alliance. I was very involved also in creating that organization. What happened is that when I left they had another interim person in there for a while and then I think it was 1996 when they hired Harris Miller. But I continued to represent ITAA in this international organization. It was represented by Bob Laurence who had worked closely

with me when he was [ITAA] chairman to bring this international organization into a formal structure. So I continued to go to a lot of the international meetings and continued to be the representative there even though—it was kind of a funny situation because the person who was executive director was an interim executive director. It just didn't really make a lot of sense [for her to establish new relationships with the international group] and it was kind of like I continued in that role. I had a very cut back role but I was still there in 1996. The executive director role that ended some time in 1995.

Yost: Did you decide to retire or consult or...? Shortly after that I know you formed the Software History Center.

Johnson: Yes, I had assumed—No, I didn't decide to retire, I had assumed I was going to be doing some kind of consulting and I got caught up in the interest in the software history thing. I actually decided I was going to go back to school. I have always sort of had that on my agenda because I didn't get through it the first time or got many different bits and pieces of it. I was interested in software history so I said well I think I'm going to go back and get an advanced degree in history and I'm going to pursue this. I'm going to do this software history thing. At that time I also thought I was going to write a book on the beginnings of the software industry. So I started...it was a really interesting time because this was the 1990s, email wasn't anywhere near the use it is now but universities certainly had it. We'd had enough different professors that participated in various ways. I started contacting those people saying, "What schools should I go to? Where should I go? If I want to pursue this what's the best place to go?" And it was just wonderful to me

because I would contact people I didn't really know and they would respond. You'd send them an email from me and they'd send it back. They'd tell me something, well contact so-and-so and so-and-so. I had this long thread of different conversations going on with people. And there were three different people, they all happened to be women, who told me don't bother. They basically said if you go back to school at this point to get a graduate degree in history you will end up not doing the research you want to do but doing the research the professor wants you to do because that's what graduate students are for. And you'll spend years; it will be years before you will get to the point where you are able to really pursue the things you want to pursue and if you want to do it just go do it. So that's what I did. I really did work very hard at writing the book. I got very good at writing book proposals. I had an outline of the book and I had about five chapters done. I spent three years circulating that proposal. I had a lot of help from good people I mean John Imlay's agent helped me. They spent hours on the phone with me and told me how to do this. Steve McClellan's editor helped me. They were all trying to help me but I couldn't get any publisher to take any interest. Their response was why would you want to write a book about these guys nobody knows who they are. [laughs] Well that's why I want to write a book about them because nobody knows who they are! It turned out I was able to accomplish...my objective was to make sure that the contributions of people like Walt Bauer and Marty Goetz didn't get lost and I've accomplished that one way or another. That's all fine. I don't feel the need to write that book anymore. It was during that period and then I was doing the odd bits of consulting too. But I hadn't considered at that point retiring at all. I was just trying to figure out how to do what I wanted to do with the history stuff.

Yost: Well this has been very interesting, very helpful. Are there any topics that I haven't brought up that you would like to discuss?

Johnson: I don't think so Jeff. Might remind me of things a bit later. If I think of something I'll probably end up sitting down writing a lot about it or something. Actually let me talk about the international organization a little bit. I had to fight so hard. The WITSA [World Information Technology and Services Association], which is now quite a strong organization and it has hundreds of countries involved with it. Started with, back in 1976 there was an organization called ECSA, which is European Computer Services Association. It was a consortium of the computer services associations from about twelve European countries. There was CADAPSO which was the Canadian and there was ADAPSO and JISA the Japanese one. Those four organizations got together and decided to start doing international conferences in 1976. The first one was in Barcelona and the second one was in San Francisco. I had gotten involved in the late 1970s. My role at ADAPSO was that I was the head of the committee that was doing conference planning so quite naturally I got involved in the particularly the international conference in San Francisco. I got to know the people, the international group of people that were very involved in that. I attended some of the conferences in between during the 1980s. I didn't go to all the international conferences, I did some of them. During the 1980s the head of the CSA [Computer Services Association] in England, Doug Eyeions said we want to have more than just networking meetings, we need to start doing some international advocacy—because there are so many issues like the piracy issue, which is a big deal for

the developed countries and the underdeveloped countries are saying you know [laughs]. Need to start trying to do something about that and so he decided that we would have the World Computer Services Industry Forum. We would meet in alternate years and it would be groups that would just talk about international industry issues. All this was handshake there was nothing formal about any of this. Then ECSA got more formalized with the European Common Union coming together and they formed an official organization. They opened an office in Brussels. They were going to do the conference in London in 1990. Well, they got themselves way overextended. They went into debt at the office in Brussels. They oversold the conference in London at this big fancy hotel. They didn't get enough attendance. There was a recession going on. What happened was that the British, French, and Spanish associations, which were the three largest, those individual associations ended up having to pay the bills for ECSA. So the last thing they wanted was another formal association. At the same time ITAA had been saying if we want to do [international] advocacy, we have got to have some kind of structured board of directors for making decisions. We can't be doing advocacy without that. So this is what I had to go out and do. Well, here come the Japanese. They came in and they brought the constitution for an international organization of boiler makers and it's a thirty page constitution. The Europeans don't want anything formalized because they just had to pay off the debts of this other thing. They don't want –they prefer to keep it handshake thing. And somehow between those two I had to pull them together – and I did. It was a lot of work and with a lot of help from the few people within ADAPSO / ITAA who cared about this stuff including Bob Laurence who was chairman at the time. We managed somehow to bring those two sides together and come up with a not nearly as

formal as [the Japanese wanted] but formal enough that you had an organization where you could vote on advocacy issues and have an elected representative board that could vote on the thing. Right after that, after Bob was out, the next couple of chairman that came in happened to be in businesses that didn't have any international presence to speak of and they didn't care about this anymore. So one of the things that I was doing through that period of time from like 1992 into 1996 when I was still representing, still going to these meetings, was just trying to keep this thing alive within ITAA where the board was saying we don't need this international presence anymore. Then of course as soon as Harris Miller got in they started – they turned it into a – actually the company that ended up really pushing it was EDS. That organization is now independent and has a staff and a former guy from EDS is running it and so again it turned out to be very successful. I think those two things, creating the regional association organization and the international association are probably the most important things I accomplished while I was there. It was touch and go there for a while because the board wouldn't – they thought it was a boondoggle. I had to do all this international travel, “Why are we spending money on that?” So I was doing things like getting people to donate their excess frequent flier miles to me so I could go to these meetings. Anyway, I think the history of that is something that should be talked about at some point. The whole process of how all those countries came together and created an organization that now is doing a lot of international advocacy work, pretty important work that it's doing. There's a story to be told there maybe I'll write an article for *Annals* on that or something.

Yost: Great.

Johnson: But that's all I can think of right now Jeff.

Yost: Well, thank you very much.

Johnson: Sure.