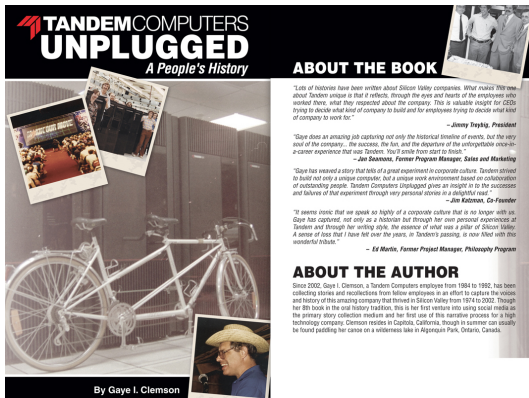


# Tandem Computers Unplugged: A People's History



How can it be that over 16 years since its merger with Compaq and nearly a decade since it's reabsorption back into Hewlett Packard a vibrant and active online Tandem Computers alumni community still exists on Yahoo!Groups and Linked In? How can it be that in many countries in the world groups of Tandem Alumni still get together in local pubs or other types of venues at least yearly? How can it be that many former employees maintain their collection of T-shirts, double-handled cups, pens, and trophies almost like shrines of some kind? How can it be that so many employees when asked to look back on their working life almost to a person claim that working at Tandem was one of the best places they have ever worked and a highlight of their careers?

Was it because of its really cool on-line real -time transaction processing technology designed to solve a really confounding business problem – that of computer systems failure? Yes, but not entirely as many companies in Silicon Valley have created 'cool' technology. Was it because of the

company's leadership in general and the charisma of Jimmy Treybig, the company's key founder, in specific? Again a resounding yes, but not entirely as Jimmy hasn't been the only charismatic leader in Silicon Valley - a number come to mind. Was it because of the company's offbeat corporate culture such as no private parking places, an on campus swimming pool and of course the infamous beer busts. Well yes, but!!!

From an insiders point of view it was all of these things wrapped in a cocoon of an integrated corporate value system that permeated all corners of the company, world wide and deeply touched the souls and minds of all employees through the good and bad times.

**Tandem Computers Unplugged – A People's History** is an attempt to capture not just the history of an important foundational contributor to what is today's Silicon Valley, but to share the experience through the eyes and hearts of the employees and through this process bring to light some of the important 'lessons learned' about how to manage and motivate talent. As Jimmy has said: *"This is valuable insight for CEO's trying to decide what kind of company to build and for employees trying to decide what kind of company to work for."*

Some excerpts on Tandem history, technology, leadership and corporate culture:

## **Tandem History**

Having a plan, even if it was very preliminary, enabled Jimmy to start the process of finding the right sorts of folks to help him achieve his vision. Two of his key early recruits were Jim Katzman and Michael Green.....

Katzman's recollections of the day they met, provides some interesting color.

*"In 1974, I got a call from Tom Perkins inviting me to lunch. I figured he was doing due-diligence on Amdahl whom I knew was looking for investors. But when Perkins picked me up, he had another former HP colleague with him. This guy, Jim Treybig started talking about an idea he had for a new computer company. With him was a thick notebook filled with newspaper and magazine horror stories about computers crashing, about the loss of business and occasionally life such technical failures caused. He told me that he was interested in developing a computer that wouldn't fail, that had backup systems in case of emergency. Did I think it was possible from a technical standpoint, to design hardware to do it? I said it would be a challenge, but it could be done, but the software was going to be very difficult. He asked me who was the best software guy I'd known. I said Mike Green, who had designed the minicomputer industry's first time-sharing system for the HP2000. 'I figured you'd say that!' Treybig said. 'I've got lunch with him tomorrow.'"*

Needless to say, Katzman was intrigued and the next day called Green to ask how the lunch had gone. Green told him that he'd advised

Treybig that developing the needed software would be straightforward, but that building the hardware would be tough. Of course, each thought that he had the easiest job, neither of which turned out to be true. All of it ended up being difficult—but not impossible. According to Katzman, some time later, Treybig divulged *"he had thought that both hardware and software would be terribly difficult, but that if he could get someone to build it he could sell it"*

...One funny story that Tom [Perkins] often shared was of their first experience going to Wall Street to seek investors. As Tom shared:

*"Jimmy was straight out of Texas, and I didn't think that he'd go over very well on Wall Street. So I took him to Brooks Brother and bought him shoes, socks, suit, the works. Alas it didn't help as the first thing that came out of Jimmy's mouth when meeting the Wall Street bankers was, 'So How do I look, Tom dressed me!'"*

Needless to say, the East Coast moneymen were likely a little taken aback by Jimmy. But Kleiner Perkins never doubted the plan or the management and decided the odds of success were good enough to put in \$1 million of their own funds to carry the company through 1975. This was a sizable investment as their total fund at the time only amounted to \$8M. As Tom Perkins shared many years later:

*If Tandem hadn't been a success, there never would have been a second Kleiner Perkins [venture] fund.'*

### **Tandem Leadership**

Jimmy was quite the character. Of average height, stocky in body type and always slightly ruffled, Treybig as described in *Fortune* magazine in May 1987, had this shock of fuzzy hair that would “explode from the side of his head in a curly frizz. His eyeglasses refused to perch properly on the bridge of his nose, preferring to park themselves crazily on the other end. He hated knotting his tie and only did so when he had to meet customers, or members of the financial community. His sleeves were always rolled up and his shirttails had great difficulty remaining tucked in. According to *Fortune* magazine in 1982, his “hands-in-pocket slouch gave him this incongruous air of a teenager hanging out on Main Street.” With that look came a serious Texas accent and a Texan “aw shucks” manner....This image disguised a man who was extremely bright and quick-witted. As *Fortune* Magazine put it in 1982, “freewheeling theorizing came naturally to Jimmy T., as Tandemites called him. He was no idle daydreamer.” Many would think on first introduction that Treybig was either a bullshitter, just shucking and jiving or a country bumpkin out of his element. Behind the country-boy demeanor was a driven, aggressive and extremely competent businessman. One of his important gifts was an ability to see quickly and easily to the heart of a problem and an ability to apply a laser focus on solving it. Jimmy was a charismatic evangelist and a first-class salesman through and through. As Tony Turner shared:

*“A few [technology leaders] have stood astride product, company and people.*

*Gates and Jobs come to mind. At heart, these men are not extroverts, although they show off occasionally. But Treybig was and probably still is. He was like a young east Texan coonhound. He would try and tree anything and bay and bay and bay. You had to love him and get excited and run around, even though he had treed the ugliest damn coon you ever saw.”*

### **Tandem Technology**

With the company now settled on 20605 Valley Green Drive in Cupertino and described so elegantly by Tony Turner:

*“What emerged from the hands and minds of the ‘Tandem Ten’ was a way to tie 16 separate minicomputers together by means of a high speed bus. Called the Tandem T16 based on a unique operating system they called Guardian, it was built from the ground up as message-based, peer-coupled, shared-nothing piece of design excellence. Not only was it fault tolerant, it was also geographically independent and linearly scalable (almost) and contained primitives for data integrity and transaction consistency. Where most computers were ugly through and through, ‘The Tandem’ was only plain on the outside. Inside it was elegant. You could look at the backplane and see how it worked and from there what it could be used for. How much of that was intentional would be a good discussion to have someday at a bar.”*

It was called “NonStop” because its multiprocessor arrangement provided nonstop computing such that if one of the processor’s components were to break down, the other processors

would observe the failure and absorb the workload of that processor. The first Tandem 16 system was delivered to Citibank in May 1976. Bob Marshall (#32) shared some perspectives on that first system:

*"The first order to Citibank was for \$116,000, a two-processor system in a single cabinet. Each processor had 64 kilobites of core memory with 32 bit on each of two 16" by 18" circuit boards, two 10 MB disc drives and a 60 line per minute printer (made by Control Data). The Disc drives were like mini-refrigerators."*

### **Tandem Corporate Culture**

With this elegant technology also came a unique approach to people and management. Some was based on Hewlett and Packard's "HP Way," but to it Treybig added a unique Texan twist. Right from the beginning there were several basic principles that were fundamental to the founders' view of the kind of company that they were going to build. Firstly, people mattered. Secondly, vision and direction setting mattered. Thirdly, having the best technology mattered. Fourthly, having happy customers mattered and lastly creativity and innovation to drive growth mattered. Over the years these basic elements manifested themselves into lots of different forms but the underlying philosophy was simple:

- All people are good
- People, the workers, the management and the company are all the same
- Every single person in the company must understand the essence of the business

- Every employee must benefit from the company's success
- Management must create an environment where all of the above can happen.

Most technology companies today have similar statements that describe their culture, so it's hard for most to understand just how unique and groundbreaking these statements were in the mid-1970s. The Tandem Philosophy, as it was known, came into being when the four founders (Jim Treybig, Jim Katzman, Mike Green and Jack Loustaneau) sat around on Friday evenings at the original "Beer Busts" discussing what kind of company Tandem should be.

As *BusinessWeek* reported of the Tandem culture in July 1980:

*"Employees have neither time clocks nor name badges, its workers have flexible hours, a swimming pool that is open between 6am and 8pm, a volleyball court complete with locker room and showers, an open-door policy that invites employees to drop in for a talk with their managers at any time and six week sabbatical with full pay that all employees are required to take every four years. Turnover runs less than 8 percent annually, far lower than the industry average of 23 percent. Job candidates are often called back three or more times for interviews lasting several hours, and salary offers are never made until a recruit accepted a job. As Jimmy said at the time, "They've got to decide that they're not just coming for the money."*