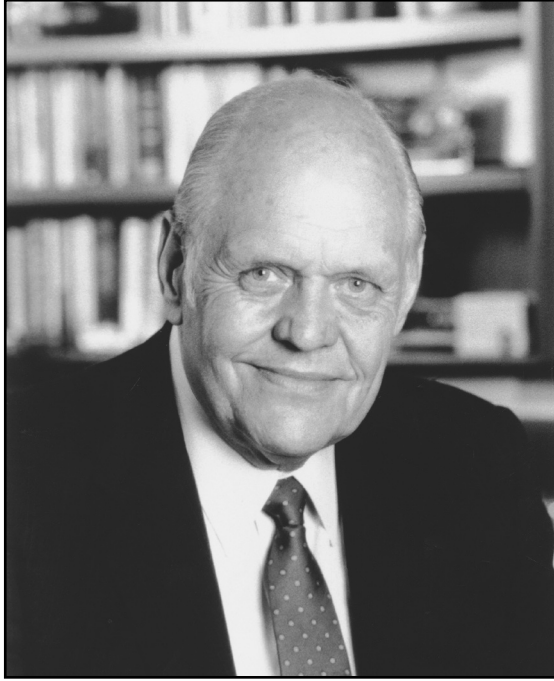

KENNETH H. OLSEN



20 FEBRUARY 1926 · 6 FEBRUARY 2011

I KNEW KEN for more than 30 years, as we worked together at Digital Equipment Corporation, the computer company that he founded in 1957. The company grew rapidly and profitably for many years because of its excellent products and highly skilled workforce. Ken's leadership for more than 30 years was the reason for its success. He was a magnificent entrepreneur who created an unusual organization.

I joined the company in 1964, and he was my boss until he left the company in 1992. Every day that I worked for him, I learned something new. Whenever I had a knotty problem to solve, I could always count on him to have an original suggestion to help me figure it out. I loved my work because he created such a free and creative atmosphere. Everyone who worked there shared that feeling of being part of a wonderful company.

Ken melded his personal values into a set of principles that he practiced in leading the company. I have read many theories about successful leadership, and a multitude of articles defining it exist. In Ken's case, it was his fundamental belief in honesty, truth, and integrity. He put that into practice by insisting that everyone's ideas are valuable and should be tested by open discussion that would lead to the correct solution. The bright engineers who were attracted to Digital would spend hours debating a new product idea, and Ken was usually part of the discussion. From that debate would eventually emerge the correct way forward. Everyone was heard, and when the solution was reached, everyone accepted it. The process was often drawn out, but once a direction had been set, everyone was on board.

There was a strong sense of excellence in every aspect of the company Ken led. He insisted on excellent products, top-notch service for those products, and truthfulness in selling them. To promote that truthfulness, the company paid its sales force salaries so that the pressure of earning on commission would not encourage the sale of a product when it would not have been the correct solution for a customer's operations. One of Ken's favorite statements was that being a quality organization doing a quality job with quality products was the company's first objective, because growth and profit would follow as a natural result. His insistence on quality pervaded the organization. He worked tirelessly to ensure that those products were of the highest quality by taking them home with him and personally disassembling and assembling them. If he found a flaw, the one who was responsible would hear from him in person.

Everyone at Digital worked hard because they were motivated by open communication and mutual respect. But no one worked harder

than Ken. He often roamed the corridors of the company on weekends, talking with people who were also working. He spoke with everyone he saw and encouraged the free exchange of ideas, as he believed that the freedom to work without constraints, propose ideas, and choose associates attracted top-notch people to the company and produced the best products and services.

His principles led to the creation of an organization that was exciting, challenging, fair, successful, and fun. Digital grew rapidly. People from across the world who have worked for the company have wonderful memories of their Digital experience. They universally loved working for an organization where they had opportunity, talented colleagues, open communication, and interesting jobs. Although he had help from brilliant engineers and talented managers, Ken set the tone for that atmosphere. In his previous work for the Massachusetts Institute of Technology, he had experienced that kind of atmosphere, and he knew it produced a successful organization.

One of his guiding principles was never telling anyone what to do. He asked a myriad of questions that helped the recipient to arrive at good conclusions. Often, these questions took the form of a memorandum. He produced innumerable memos, which were well known because of the examples he used. In one he related how he went about buying a tractor. He read the literature but couldn't understand the advantages of that particular tractor and had to go to the sales room to speak with someone who was knowledgeable on the product. After that experience, he insisted on creating excellent literature about Digital products that would clearly explain their features and benefits. Another memo explained how he put together a jigsaw puzzle one piece at a time. He contrasted that technique with one that looked at all the pieces until a long-range picture came into view, thus taking much longer to achieve. From this, he concluded that it was far faster to use current technology to build a product than waiting for the newest technology, which was not yet perfected.

Another practice that surprised many employees was his frequent walks around the company speaking with everyone he saw. Workers on the assembly line, engineers at their desks, machinists in the model shop, marketers in their offices would look up, and there he was, asking questions and getting a "feel" for how things were going. His belief in open communication between all levels of the company was demonstrated by this practice. Because he operated that way, people had confidence that they were expected to do the same.

All of these principles and practices defined Ken's leadership. He often wrote about how every employee should be working on a plan

that had been proposed and accepted. Then it would be an easy task to evaluate that employee's accomplishment. Promotions and compensation were based on accomplishing the goals defined in the plan. It was a merit-based culture, which appealed to those who excelled in what they did. People who missed their goals were given a second chance, as Ken believed in the inherent goodness in everyone. He seldom gave up on anyone who tried hard and would probably succeed if given another opportunity.

Digital was an organization based on trust. That meant that there was no questioning of people's motives when they proposed an idea. Because Ken trusted people, others did, too. In his memorandum of Digital's principles, there was a statement that we should trust and gamble on inexperienced and potentially powerful people. It's not surprising that people responded favorably to this kind of leadership. Another statement of principle went as follows: "When dealing with a customer, a vendor, or another employee, do what is 'right' in each situation." He put trust as one of his highest values.

Despite its ultimate demise as a company, while Digital was in business, its employees loved working there. The growth and profitability of the firm, the strength of its products, the loyalty of its customers, and the quality of its employees were entirely built on Ken Olsen's principles. His values formed the basis of his leadership. He led a glorious and successful company for many, many years. We who worked there loved it. And we loved the man whose leadership made it happen.

WIN HINDLE

Former Senior Vice President
Digital Equipment Corporation

IN FEBRUARY [2011], THE WORLD lost one of the most important figures in computer technology's distinguished history: Ken Olsen, founder and CEO of our beloved Digital Equipment Corporation (DEC). This man, this giant of a man with just \$70,000 in venture capital money, built one of the largest, most respected, and most successful computer companies in the world. He left this world basically the same way he ran his business—with little fanfare, self-promotion, or grandiosity. Ken Olsen was an American original. He took a pass on the tailor-made suits, French cuffs, and Italian loafers that were the "standard issue" CEO-wear in favor of a plastic pocket protector,

short-sleeved white shirt, and rubber-soled size 13s. He took a former mill in Maynard, Massachusetts, and turned it into one of the most profitable global concerns on Wall Street. This is one of the stories that appeared in a local newspaper. It says a lot, but it doesn't say it all. The real story is an inside one.

I speak for former DEC employees worldwide because I have gotten messages from all over the world—from Japan, Switzerland, England, Australia, Finland, Puerto Rico, and all across the United States. This is the inside story.

This is a sad time, but what is more important is that we acknowledge and celebrate this incredible man whose legacy spans the world and has impacted all of us in some profound ways. What an amazing life—what an amazing legacy.

The staying power of what he believed, how he lived his life, the things he taught all of us endures as no other can boast. From the lowest man on the totem pole to the highest job in the world, the president. He was humble; he was compassionate but never paternalistic.

The legacy began with the man. His philosophy, the people with whom he surrounded himself, the core operating principle of “do the right thing” can be seen in so many ways. Seemingly small things had an important and large impact on everyone.

THE PEOPLE WHO HELPED TO CARRY OUT KEN'S PHILOSOPHY

Stan Olsen, Jack Smith, Win Hindle, Ted Johnson, Harry Mann, Gordon Bell, Peter Kaufmann, Nick Mazzaresse, and all who followed are the people who helped spread the light that Ken ignited. These were the implementers, and it was Ken's genius that he allowed these individuals to carry out the mission of the organization with their own style and method. They collectively agreed on what was important, and then they all took the responsibility for carrying out their own parts of the mission. Ken wasn't hands off—he knew what was going on and made it his business to “trust but verify.” He would talk with the techs and the manufacturing employees periodically or walk around the laboratory and see how a particular project was going. He would ask questions and make suggestions, but he seldom interfered—although the engineers may disagree with that statement! He was ever the engineer, but his humanity was also evident in everything he said and did. Ken was clearly one who walked the talk and was ever a model to be followed.

Ken's legacy of excellence in everything we did is apparent in many ways. The first was the type of people DEC hired. These people were a

“cut above.” They were people for whom we searched the world. They were hired because they were smart, believed in the DEC values of personal responsibility, took responsibility for their actions, could work independently without a lot of direction, and knew or were willing to learn how to work together. They were focused on getting the job done—whatever the job.

THE BEST PEOPLE CREATED SOME OF THE BEST TECHNOLOGY AND PRODUCTS AVAILABLE ANYWHERE

The best people created an organization that lacked bureaucracy and structure and unnecessary rules. It was better to ask for forgiveness than ask for permission. This was such a new and exciting venture that it required special people who wanted to be creative and make a difference. We were always on the lookout for the right kind of people. We wanted to keep this exciting company going forever. That is why we always interviewed candidates three, four, and five times: it was a way to determine a person’s capabilities for operating in this unstructured environment.

It was critical to everyone that we maintain this environment as long as we could. There was an underlying feeling among many of us that we did not want to let Ken down, although I am not sure anyone would have put it that way. But we all knew what Ken had created, and it was important to us as individuals that it be maintained as much as possible as we got larger as a company.

The best people brought about the best results and created the best environment for themselves and their families. We were all young then—very young—and we had a sense that we were doing something important for the company, the world, and ourselves.

The “do the right thing” manifested itself in many ways and enriched us all. The highly visible examples included:

- Building manufacturing plants in Puerto Rico with air conditioning when that wasn’t the norm.
- Paying a lot of attention to the environment and the aesthetics of the plants built in places such as Colorado, Phoenix, Ireland, and Scotland.
- Becoming involved in AIDS awareness. DEC was the first company in Greater Boston to get involved in this issue and set about educating our employees about this dreaded disease. Other companies followed DEC’s lead.

- Believing in affirmative action. DEC was the leader in this area. Peter Kaufmann began working with Otto and Muriel Snowdon by having subassemblies built at Freedom House in Roxbury and then having a plant built in Springfield. Later, John Sims led the way for DEC to build a plant in Roxbury. These weren't spear-headed by Ken Olsen, but it was his underlying philosophy about doing the right thing that encouraged his vice presidents to provide leadership in creating these opportunities. These efforts were based on sound business needs, but DEC, unlike other companies, was acting as a pioneer because it was "the right thing to do." DEC was acting whereas others were just talking. This was characteristic of the DEC culture that Ken and the DEC leaders created.

The cultural community was richer for the part played by DEC—the Boston Pops Orchestra, the Fine Arts Museum, the Museum of Science, the Boston Children's Museum, the Computer Museum, the United Way, and many more too numerous to mention.

Another part of the DEC legacy that is not as well recognized is the impact that so many DEC employees had on the communities in which they and their families lived. It was only after DEC began to downsize that town leaders recognized that their towns had been greatly enhanced by the number of DEC employees who volunteered for town offices and committees. This was due to the quality of people DEC hired and located to this area. Many DEC employees became selectmen, school committee members, planning board members, and Conservation Committee members and served on many other boards and committees. The loss of these individuals was a major loss to many of these towns, as people moved away for new jobs or retirement.

The hiring process was one to which everyone paid a lot of attention. In the industry, DEC was seen by many as the best place to work, and that always helped with recruiting.

The DEC reach was incredible. In the course of its 40-year run, 325,000 people around the world had DEC badges. In every country where DEC had employees, there is a consistent refrain about the importance of Ken Olsen and DEC in their lives. How many CEOs can say that? The continued success of the Digital Alumni (which is 20 years old this year [2011]) is a testament to that. Reporters are constantly calling to ask about the DEC legacy and why it has lasted as long as it has—what is the magic that keeps it alive? They just cannot conceive of this kind of commitment from such a large group of people. I always tell them that it is the love of Ken Olsen and the organization he created that lives on in everyone's mind. Nothing will change that—ever!

And to quote Dr. Judson Carlberg, the president of Gordon College, where Ken served as a trustee for more than 30 years and had his name emblazoned on the Ken Olsen Science Center, “Ken’s character in and out of the workplace reflected his lifelong belief that values, business ethics, and scientific inquiry should coincide with a belief in God.” Those words are certainly true. To that we can quote the scripture in Matthew 25:23: “Well done, good and faithful servant.” May Ken rest in God’s grace.¹

PETER KOCH

Former Manufacturing Plant Manager
Digital Equipment Corporation

BILL GATES, THOMAS EDISON, AND JACK WELCH are names we all recognize. We use descriptors such as *inventor*, *philanthropist*, *entrepreneur*, *leader*, *CEO*, *technologist*, *scientist*, *visionary*, and *pioneer*. Ken Olsen, founder of the revolutionary Digital Equipment Corporation (DEC), earned a place alongside these innovative giants but also brought a heart for Christ to his business endeavors and, fortunately for the College, his commitment to Gordon’s mission.

Mr. Olsen served Gordon College for more than 50 years with leadership and vision. His association began because he saw in Gordon a place committed to Christ but also open to inquiry. His life had demonstrated the compatibility—in fact the inseparability—of the mind and the soul. He found that Gordon instilled those values in generations of young Christians: “Gordon strives to graduate students who feel at ease with science, economics, and the humanities while holding on to their faith.”

As a Gordon trustee from 1961–1993, Mr. Olsen provided both spiritual and business insight. Working with fellow trustees, such as Tom Phillips, former chairman of Raytheon, and evangelist Billy Graham, he negotiated the successful allocation of board seats and college resources when the College and Gordon-Conwell Seminary became separate entities in 1970. Through his Stratford Foundation, he contributed to numerous capital and building projects in support of all areas of academics, athletics, music, and the arts.

A critical part of his legacy was bringing the College into the new era of technology with donations and guidance to centralize data and

¹ These remarks were delivered at a memorial service at Gordon College on 14 May 2011.

lay the groundwork for a fully networked campus. Mr. Olsen's vision for technology and his support of our mission have positioned Gordon for what lies ahead. The College is close to fulfilling the vision of students and alumni with a global reach—access to information resources, anywhere, anytime.

THE “NEIGHBORHOOD EDISON”

A native of Stratford, Connecticut, Mr. Olsen began his career working summers in a machine shop. Fixing radios in his basement gave him the reputation of a “neighborhood Edison.” After serving in the Navy from 1944–46, he earned his B.S. and M.S. degrees in electrical engineering from the Massachusetts Institute of Technology (MIT). He was on the staff of MIT's Digital Computer Laboratory for 7 years, including serving as leader of the section of the MIT Lincoln Laboratory that designed and built the critical, high-performance computers used for air defense applications, thus setting performance standards in that industry.

In 1957, Mr. Olsen, along with Harlan Anderson, an MIT colleague, formed DEC with an initial investment of \$70,000. Mr. Olsen, Mr. Anderson, and Mr. Olsen's brother Stan were the first three employees, producing printed circuit logic modules used by engineers to test electronic equipment. During this time, he received patents for key electronic components, such as a saturable switch, a diode transformer gate circuit, magnetic core memory, and the line printer buffer—cornerstones of much of the hardware innovation that was soon to occur. In the 30 years that followed, DEC became the second largest computer company in the world and is credited with the invention of the minicomputer. Mr. Olsen led DEC as president and CEO through the design, manufacture, and service of multiple generations of computer software and hardware products, with peak employment of more than 110,000, in 97 countries.

DEC USHERS IN TECHNOLOGY ERA

Mr. Olsen and his company pioneered new operating systems, network architecture, circuit technology, manufacturing processes, and business practices that contributed substantially to today's information technology industry. As a former colleague relates, “When it came to technology, Ken had the uncanny ability to see into the future.”

The corporate culture he established was informed by Mr. Olsen's Christian faith and belief, bringing servant leadership to his industry.

The culture he created at DEC was one of employee recognition and empowerment, innovation, customer focus, total quality management, employee and company loyalty, frugality, family and work balance, and integrity. Moreover, Mr. Olsen regularly had coffee with his production-line employees, drove an older model car, and provided no privileged parking for executives. When it was time for his retirement, he rejected plans for a major celebration and chose to have cake in the cafeteria with his employees (high-level management was not invited). Ken had great loyalty and affection for his employees. One former DEC leader remembered Ken responding, when asked for words to share at a DEC retirement dinner, "Tell them that I'm so proud of their contributions to DEC and the part they played in the great culture of the company."

Mr. Olsen did not seek or welcome personal acclaim, but recognition sought him out. In 1986, *Fortune Magazine* named him the "most successful entrepreneur in the history of American business," followed by inductions into multiple halls of fame, including the National Inventors Hall of Fame (1990) and the Computer History Museum (1996).

Many organizations have benefited from Mr. Olsen's service and philanthropy. He served on the boards of several prestigious organizations, including the Computer Science and Engineering Board of the National Academy of Sciences, Washington, D.C., and as a member of the President's Science Advisory Committee.

Inspired by the passion for inquiry that is Gordon's hallmark, Ken and his wife, Aulikki Olsen, made a generous gift commitment in 2003 to initiate a center for the sciences in the heart of the College's campus. "Even though I have been an entrepreneur, I have always been a scientist first and foremost," Mr. Olsen said. "Science is more than a study of molecules and calculations: it is the love of knowledge and the continued search for truth. The study of the sciences promotes humility, leaving us with a clear sense that we will never understand all there is to know. At the same time, science provides a defense for truth, authenticates Christianity, and stems from the nature of God." This building will be named the Ken Olsen Science Center—the first time Mr. Olsen agreed to have his name associated with a building.

The Ken Olsen Science Center will continue the quest for the knowledge and truth of science, with an openness to explore new ideas and debate multiple viewpoints in the context of Christian faith and principles. It will be a place where our expert faculty, fine students, challenging curriculum, state-of-the-art facilities, and education-enhancing technology will enable the College to achieve its mission.

It is a privilege and honor that Gordon's new science center bears the name of Ken Olsen, the inventor, philanthropist, entrepreneur, leader, CEO, technologist, scientist, visionary, pioneer, and Christian.²

Elected 1999

DAN TYMANN

Vice President for Advancement of Science and Technology
Gordon College

² This article was previously published in Gordon College's *Stillpoint* summer 2006 magazine.