Oral History of Grace Gentry

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<u>Grace Gentry</u>

Conducted by Software Business History Committee—Oral History Project

<u>Abstract:</u> *Grace Gentry reviews her personal background, how she met and married Richard Gentry, how she pursued her education after marriage and three children, and how she got into the data processing field. In the early 1970s, after Richard had become a freelance computer consultant, she joined him at Gentry, Incorporated, initially working as a computer consultant as well as having the primary responsibility for running their business. After a couple of successful years with large contracts for the County of Alameda in Oakland, CA, she began to work fulltime at managing and building the business. Gentry, Inc., was a pioneer in developing a business model that uses independent contractors paid on a "per hour worked" basis instead of salaried employees. Under Grace's direction, Gentry, Inc., built a substantial customer base and also expanded the business into developing their own software products and into the turn-key implementation of hardware/software solutions for their customers.   The transcript includes clarifying comments, in brackets, inserted by Grace after the interview was completed and an addendum she wrote describing the sale of Gentry, Inc. to Personnel Group of America.*

Luanne Johnson: It's May 24th, 2006, and this is Luanne Johnson. I am at the Computer History Museum with Grace Gentry to interview her for her oral history. Grace, I'd like to start with your personal background, where you grew up, what your family was like, what your interests were as a kid, your educational background, and so on. So, just tell me what you can about your background.

<u>Background and Marriage to Richard Gentry</u>

Gentry: Okay. I was born February 15, 1938. My father, Curtis Hill, was a very brilliant trial attorney. My mother was a housewife. I have one full brother four years younger than me, and a half brother and half sister by my mother's second marriage. The divorce was a major event in our life, and my mother remarried and moved to the small town that she was originally from.

But I spent most of my formative years in Dallas, Texas. My father always encouraged me to read, to pursue my intellectual interests. My mother did not. In fact, she told me one time that no man would marry a girl who used long, polysyllabic words, as I tended to. I told her at the time that I didn't care; if men were that stupid, I didn't want one any way. At that point, I think she resigned herself to something, an unmarried daughter, perhaps.

My father experienced severe ill health when I was probably about ten or twelve. I think, in fact, they didn't realize it, but I think that's what caused the divorce. And from being a very wealthy, very powerful attorney, over a period of time, he kind of drifted down into a shell of his former self. He said to me around that time, "Baby, I had expected to leave you an estate. Instead, I'll help you get the best education money can buy, and you'll have to get everything else for yourself."

Well, I thought that was a perfectly fair deal. So, when he could ill afford it, he actually paid to send me to Hockaday School for Girls in Dallas, Texas. It was - and still is - one of the top five or ten girls' college prep schools in the nation. I went back recently for my 50th high school reunion; and it's just an amazing school. I feel so privileged to have gone there. We had a small class of 50. When we met in classroom sessions, we had a maximum of – I don't think more than twelve were allowed - but most of the time it was eight or ten. Everyone in the school was extremely bright. You had to pass qualifying exams to be admitted, etc. As a result of that, I received a really strong math background. We had a very brilliant and dedicated math teacher. Although math was not one of my interests, I was always very good at it. And so I took four years of math, four years of history, four years of foreign language, three of Latin—no, it must have been five years of foreign language, three of Latin, two of French—and English, and that was pretty much a full course.

Upon graduating, a little bit to my surprise, I won a four-year scholarship to Harvard, which at the time was Radcliffe. We were in girls' dormitories but attending classes at Harvard. And my class, in fact, was the last class that received a Radcliffe degree, which was written in Latin on a sheepskin. Harvard degrees were written in English on paper. So we felt that being merged into Harvard was a real comedown. Couldn't be avoided apparently.

After my freshman year at Radcliffe, Richard Gentry, my husband of 50 years as of this coming July, proposed. We had just actually...

Johnson: You knew him from Dallas?

Gentry: I knew him from Dallas. His mother and my aunt set up a meeting between us. He was very shy. He had never asked a girl out for a date, never kissed a girl, and he was a freshman at Texas A&M. His mother, who later learned to dislike me because she thought I was—well, because she was a very strong woman and had expected to boss her daughter-in-law. It didn't quite work out that way. But at any rate, prior to her knowing that much about me, she and my aunt decided that they would try to get us together and said to me, "Well, there's this boy, and would you like to meet him?" And I thought to myself, you know, I really don't want to date a guy whose mom is out pimping for him.

So, they then apparently developed a Plan B, where my aunt at the last minute said, "Oh, we're going over to some friends' house and they're going to have homemade peach ice cream." Well, I mean, who could resist homemade peach ice cream? Now at Richard's end, his mother goes in at the last minute and says to him, "Some people are coming over and there's this nice girl that I'm sure you'll want to meet, and I promised them that we'd serve them homemade peach ice cream, so you need to go get the ingredients for homemade peach ice cream." Richard was so offended that she had done this without his agreement that he started to just get in the car and drive off and let her explain to these people why there was no homemade peach ice cream. On the other hand, he really liked homemade peach ice cream.

So, he came in and made homemade peach ice cream. And he remembers exactly what I was wearing. Apparently, he had a collection of Sigmund Romberg music: light operettas,"Indian Love Call", etc. I was standing at his record player, I guess, looking at his records. As he walked up, I said, "I approve of your taste in music." And he said he immediately wanted to marry me, that, plus the fact that I never giggled. He said he had never wanted to have anything to do with a woman that giggled.

Johnson: So you went off to Radcliffe, but then he proposed after your first year?

Gentry: I just thought he was a very nice guy. To me it was not a serious relationship. But when I came home the end of my freshman year, he picked me up at the airport. By then, he had graduated from A&M - when we met, I was 15 and he was 17 - and he knew he was reporting to duty for pilot's training with the Air Force. He said he figured it was the last time he was ever going to get to see me. He knew he was in love with me. He had $400 in savings. And so he decided that he was going to spend it all on having a good time with me prior to going off to the Air Force.

So, I guess we blew through that in about a month. And it was just very odd, because if he had proposed to me even a week earlier, I would have said, "Thank you, you're very nice, but no." But, it was a hot Texas day, and I was working in a men's clothing store. Father's Day was coming up so they had hired extra help, me. He was working with Atlanta Richfield in their lab because he was a Physics graduate. They were hoping, I think, by giving him a kind of internship, that he'd come back after he got out of the Air Force.

And he said he'd gone home from work and showered; and he said he knew it was a good day, he knew he looked really, you know, cool. The door opened to the shop, and I looked over as he walked in. I'd known him for years, but, all of a sudden, I was in love with him. Only a few nights later, we went to see the movie, "Oklahoma", which had just come out. It was at the downtown theater, not just a suburban theater. We had to stand in line to see it. And, as we were watching it, they sang "Don't Throw Bouquets at Me, People Will Say We're in Love." I

looked over, and, being a Southern belle I was very good at flirting, and I said, "Do you think so?" And he looked back and said, "I think they already have."

So, when he drove me home that night, he parked in front of the apartment and said, "There's something I want to ask you." And I thought, oh, boy, here it comes. And then we sat there in silence for twenty minutes until he worked up the courage because he said he was absolutely certain I was going to say no. I'm sitting there thinking, oh, this poor guy. Maybe I should put him out of his misery and say, "Well, you know, it's really late, I need to go in." But then I thought he'd never work up to this again. So, finally he did ask me to marry him, and I said yes - but I had some conditions. One was that I'd be engaged but we wouldn't get married for ten years because I wanted to get my doctorate and I wanted to teach and do research. And I didn't want any children because I wanted to have a career, and I had never met a woman who had both a career and children. So he agreed to all of the above. He said, "I'm not marrying a mother of children. I'm not marrying a housekeeper. I'm marrying a companion."

We proceeded to tell the family we were engaged but not going to get married any time soon. Then he started this campaign to talk me into getting married right away. "Well, now that you've said you will marry me, why wait ten years? Let's get married now. And you can keep going to college, etc." We set a date in August, and the wedding preparations started grinding forward. And I began to think fairly quickly that I had made a terrible mistake that he was a lovely, lovely man, but I did not want to marry anyone because I wanted a career. So I was beginning to feel increasingly trapped.

He left to report to duty and then was going to get a leave of absence to come back to be married in the church on August the 11th. I had resolved that when he left, I was going to pack my bags and leave town. I wasn't quite sure where I was going, but I was running away. Well, apparently, he sensed this and talked me into eloping the day before he left for duty. Then, of course, we didn't tell anyone. We went ahead with the church wedding. But I guess it took a lot of pressure off of me.

Johnson: So then you went back to Radcliffe, and he went to the Air Force?

Gentry: No. No, it didn't work quite that way. His first assignment was in Tucson, Arizona, at Marana Air Force Base, and I went to the University of Arizona.

Johnson: Oh. Okay. So you transferred to be with him, then.

Gentry: Yes. And then I got pregnant. That was before the pill. A week before our first wedding anniversary, we had our first child. And I truthfully thought my life had ended. I loved my baby, but I thought, this is it.

Johnson: When you transferred to the University in Tucson, what were you majoring in?

Gentry: At Harvard I had been in what we called Soc Rel. It was Social Relations, but it wasn't a discipline that existed at any other school. So when I went to the University of Arizona and, then later, the University of California in Berkeley, etc., I had to switch to Sociology.

Johnson: Okay.

Move to California and Community Activities

Gentry: At any rate, he got out of the Air Force at my—well, not at my insistence, but certainly I pled with him to leave the Air Force. He was a wonderful pilot. He apparently had outstanding prospects for a great career. But we were basically at their mercy. During his training session, we moved every six months. I kept saying, "We're never going to be anywhere even long enough to register to vote, much less put down roots and raise kids."   So in 1960, he applied for admission to the University of California at Berkeley, to their graduate program in Physics, and got out of the Air Force.

We came out to California. In fact, it was kind of funny because, now, if I moved somewhere, I would research the weather, the population, the economy, etc. But we were just kids, so we were going to go there to get our Masters Degrees, somewhere else to get our Doctorates, and then go teach somewhere else. So we didn't even look it up on the map. We didn't know whether Berkeley was a big town, small town, in the mountains. We knew it was in California, and that was the extent of it.

Richard and my brother, who was going to live with us while he worked on his Bachelor's Degree, drove out in advance and then I was going to come out with the kids. We couldn't afford to rent a motel so they had to come out and find a house for us to move into. And he called me where I was waiting at my mother's in Texas and said, "You're going to love it out here!" And I said, "Really?" He said, "Yes," he said, "It's right near San Francisco." And I said, "You're kidding. How near San Francisco?" He says, "It's fifteen or twenty minutes away. It's beautiful." And I said, "Ah!".

Johnson: Well, he was going there because of the Physics Department at UC Berkeley.

Gentry: We had, you know, looked into the reputation of the Physics Department. We just didn't bother to look into anything else.

Johnson: That was 1960?

Gentry: That was 1960. By then we had two children. And I guess the youngest was about 20 months at the time. The oldest was about three and a half. So out we came, and he started in the graduate program at UC Berkeley.

Richard was, and is to this day, an absolutely brilliant teacher. His vision of being a professor was to teach. He understood research would be part of it, but his focus was very much on teaching. We really did not realize then the difference between universities and colleges that are focused on teaching versus those that are focused on research. But by the time he had finished his first semester at UC, he realized that he was in a very research-oriented school and he was concerned. He didn't know whether he had made a poor choice in terms of graduate schools to attend or whether he shouldn't even be working on his...

Johnson: Were you staying at home while he was working, and while he was at school?

Gentry: I was at home.

Johnson: With two little kids.

Gentry: Well, we had a third child, and I was at home. [After he began working for IBM], we purchased a home in an integrated community, which was very unusual at that time. Brown vs. Topeka had just happened. One of the reasons that I had so much wanted to leave the South was because I was extremely unhappy, upset, angry over how blacks were treated in the South at that time. So, the opportunity to move into an integrated community, as far as we were both concerned, quite frankly, was wonderful. It was a very interesting community because most of the whites there were, in fact, graduate students—our first home cost $17,300—and very well-educated blacks because that was an expensive home for an African-American couple to be able to afford at that time.

And so I was very active in the PTA. I got very active in civil rights issues. I conducted political campaigns for candidates and issues in the civil rights area. It was one of the happier periods of my life because all of us involved were young and we felt we were changing the world. At one point, Richard said to me, "You know, I think it will be really good when you go to work for money, because right now you're working really hard but you're not getting paid."

Johnson: So he was feeling that UC Berkeley was too research oriented for him?

Gentry: He was trying to decide, so he applied for a leave of absence. And while he was on the leave of absence, he decided that he would get a job and think it over. Because his father was a Vice President of Data Processing for the First National Bank in Dallas, Texas, he suggested that Richard apply at IBM. They were, at that time, hiring anyone, really, but they

loved math, science, any of those types of backgrounds. So, at his [father's] suggestion, Richard applied in San Francisco to IBM and was accepted and trained as a Systems Engineer.

Johnson: They trained him in computers?

Gentry: Yes.

Johnson: Had he done any of that in graduate school?

Gentry: No. No, he hadn't. We're talking about 1960. And he actually was rather unusual, because normally, you trained as an SE [Systems Engineer], you went out in the field, and then, if you were really good, they would bring you back into the Education Center (Ed Center) and let you teach. Well, he performed so outstandingly during his training that they kept him in the Ed Center. In fact, he had to threaten to quit several times before he was able to get out of the Ed Center and into the field. But that's his story.

Johnson: At some point, according to your resume, you actually went into data processing work yourself. So when did that...

Resumption of College Education and Training as a Programmer

Gentry: There's a whole story there. Richard knew that even with three children and as busy as I was in the community, what I really wanted was a career. I wanted to go back to college; and I wanted a career. The dear man has done many wonderful things for me but one that stands out in my mind is the day he came home from IBM - and I knew that that day he was going to have a personnel review - and he said, "I got the raise - and you're going back to college!" And I burst into tears because that raise was going to take us out of the poverty bracket. We were actually going to be able to make it all the way to the end of the month without kiting checks to pay for groceries. I know, everybody's been there when they're in college. Especially back then.

Johnson: You can't do that any more, though.

Gentry: No, you can't.

Johnson: You used to have a three-day lag time.

Gentry: You used to count on it.

Johnson: You could kite those checks for about a week before it caught up with you.

Gentry: But I burst into tears and said, "We can't afford it." And he had worked out this whole little logical argument about how, no, it was important for me to do this because when I graduated I would earn money that would more than pay it back and we could save on insurance premiums because we wouldn't have to have as much insurance because if, God forbid, he should die, I would be able to support myself and the children, etc., etc.

So, somehow when he finished this argument, it was like, I had to go back to college. If I did not, I would be somehow failing the family. And I have to add that at that time, when some of his friends that he worked with at IBM—mostly men, of course—heard that his wife was going back to college, they said things like, "Why are you letting your wife do that? Why would you let your wife do that?" And Richard said he told them, "I don't *let* my wife do anything." But he did. I mean, I could not have done it without his support.

So I did. When my youngest child was a little over two years old, I did go back to college. I went to UC Berkeley. I was still, at that point, majoring in Sociology. The second year [I was] there, the Free Speech Movement sit-in occurred, so it was very exciting times. As I got towards what would have been the last semester of my senior year - or at least so I thought at the time - I served on the board of directors for the City of Richmond [Federally Funded] Poverty Program. Lyndon Johnson's [War on] Poverty program was being implemented at that time. As a consequence, I saw a lot of money being spent on research that I knew was based on sociology. And quite frankly, I felt it was a waste of money. I couldn't see how its application was going to be of any assistance to anyone. And I essentially lost faith in the field of sociology as something that I wanted to spend my life in, or even wanted to pursue further.

In thinking about what I could do instead, I realized that I was very, very good at statistics. I had enjoyed the statistics courses you were required to take to get your degree in sociology. And so I decided that I would switch majors and get my doctorate in statistics so then I would design and execute research studies. I, in fact, had met a woman who did this; and she explained something to me that I had already observed myself, which was how many professors can be quite brilliant and they can come up with hypotheses, but they simply do not have the background or ability to actually create and execute and do a statistical analysis on the study. So, they—guess what—they contract it out. So Richard and I both agreed that it was a good path for me to pursue.

Well, to do that, I was going to have to go back and pick up some math courses that I hadn't been taking for a sociology degree. And Richard said also—brilliant man that he was—"Well, now, if you're going to do that, you know, you should also go and get some programming experience because all the research in the future is going to be done on the computer." Well, okay, that made sense. So, then it seemed as if the best thing to do would be for me to get a

programming job and take the math courses that I needed to take. And then once I had caught up, I could go back to school full time, get my Bachelors, Masters, Doctorate, etc. So I started applying for programming jobs.

Johnson: As a programmer trainee?

Gentry: As a programmer trainee. Oh, well, I missed one step, and it's a fun story, so I want to tell it. When he said, "You should go back and learn programming," my first reaction was—me? That's for physicists and scientists. And, sure, I was good at math, but I thought of myself as more of a soft science type of person. "No, no," he says, "You'd be excellent at it. You have the most logical mind of anybody I've ever known." Well, I wasn't totally persuaded. So he borrowed a copy of the PAT, the Programmer's Aptitude Test that IBM used to give to people before they hired them. He brought it home and sat down with a stopwatch; and I took it that night. He scored it and said, "Well, you made a"—whatever, I don't remember the score. And I said, "That's terrific. Is that good, bad or indifferent?" Well, he'd forgotten to bring the key home. So he didn't know. I said, "I can't believe this. I'm going to bed. I don't know whether I flunked or passed."

Later I met one of the secretaries at IBM, and she said it was so funny, that that morning, first thing, the elevator door opened and Richard came firing out, going, "Quick, quick, what's a 620? What's a 620?" And then, of course, he called me and said, "You're terrific! You're over the top." So, at any rate, he saved his bacon. Then he did an even - well, not a more amazing thing - but he did something very nice. He got permission for me to take a class—because I said, "Okay, okay. So you're saying I am going to be good at it. But who's going to say I'm going to like it?" He got permission at IBM for me to take a programmer training course along with a client's employees.

And, apparently, this was very unusual. They did not normally do this. But Richard was at the Ed center, and he was very highly regarded at the time. So I went and took a class in Assembler, and thought, yeah, okay, I can do this, and it's even kind of interesting. Richard asked the teacher later, he said, "Well, do you think she'll be good at it?" And he said, "I think she'll be good at anything she tries to do." So that was very encouraging.

Acceptance into Federal Government Management Training Program

So, I did apply for programmer trainee jobs; and, at that time, governments were how you got programmer training. And so I applied at Alameda County and also with the Federal Government, because they had a number of programmer trainee jobs. To apply you had to take an exam. I remember that the exam was given on the UC campus, and there was a room full of people. So I took the programmer part; and, when it was finished around noon, I started to get

up and leave. The guy next to me said, "Aren't you going to stay and take this next exam?" And I said, "What's it about?" And he said, "Well, it's a management intern program for the Federal Government." He said, "It's a really great opportunity. Of course, most people can't even pass it. It's really hard." So I sat back down and took it. I didn't even know if they'd score it because I hadn't signed up to take it; but just the fact that he said it was really hard and most people couldn't even pass, made me want to take it.

Richard had expected me to call him and tell him to come pick me up at noon. When I called him to come get me at about three, he said, "So, what was the delay?" And I said, "Well, there was this really hard exam that I couldn't resist taking, and I don't know if they're going to score it. But I'll tell you something, if they do, I bet I aced it because it was one of the easiest exams I ever took." As I left, I had heard these PhD students discussing how hard it was. But to this day I think that their heads were full of theory while I was just using common sense. Part of it was an IQ test and part of it was management skills. In the management skills section, they would pose a question like "You have a staff and this and this and this," and if you didn't have your head messed up with theories, you just dealt with it the way you'd deal with a bunch of kids. Really, you know, as a mom.

At any rate, this turned out to be a fairly amazing opportunity because with this program, in two years, the government would advance you through roughly ten to twelve years of experience. That is, instead of being in a particular position for two years, you might be in it for six weeks. And they would get you up to a GS-12, which at the time made a phenomenal salary of $12,000 a year. Well, Richard made $12,000 a year. And so this was a great opportunity for me to catch up on the time that I'd been home raising kids, etc. So it was very dazzling because first you did the written exam, and then you had to take an oral exam where they sat you and a number of other people around a table and evaluated you.

Johnson: Where were you actually working? Which Federal offices were you actually working in?

Gentry: No, no, this was just the test to get admitted to this program. I don't even have my degree yet, remember? I'm kind of—I thought I was going to go into programming. Now I'm going into management training. But who could resist this opportunity for rapid advancement? And I think I was told at the time that over three hundred thousand people took the exam and under three hundred were selected for the program. And I was very fortunate in that Richard and I agreed that I would accept one of the positions offered if I did not have to leave the Bay Area. There were three positions offered in the Bay Area, and I was offered one of those positions. It was with the Social Security Administration, DHEW [Department of Health, Education and Welfare]; and I think it was the 7th Regional District.

We also agreed that at the end of the two-year program, if I was still happy with DHEW and the Social Security Administration, it was very clear that to advance in that organization, I would need to relocate to Baltimore, Maryland, because that's where their headquarters was. So, he said that at that point, he would ask for a transfer. But we kind of left that open because who knew how I'd feel about it.

Well, after I had accepted the offer, I knew that I had to have my bachelor's degree in order to start this program in January. And based on my calculations, I had about 14 or 15 units left to complete. However, when I went to UC Berkeley to get them to do an assessment of my credits and courses, etc., I discovered to my shock that they had taken all my Radcliffe and Harvard credits—at Harvard we took five-unit courses, and that included three lectures, two three-hour Teaching Assistant sessions, and a 10 to 20 type-written page paper per week. UC Berkeley only had three-unit courses, which were basically three classes and one paper per semester. On the transcript from Radcliffe there was this little explanatory paragraph saying these really are five-unit courses, please give this student five units. Well, UC Berkeley had not done that. So, by their count, I needed 30 units to graduate by January. Today I would go back and protest. Being young at that time, what I started doing was looking for a place that I could transfer to. Oh, and UC Berkeley had shifted from the semester to the trimester so it wasn't even possible to get 30 units by January.

So I started looking for a school in the Bay Area that was still on the semester system and, furthermore, did not stipulate that I had to be in residence for a year, because many of them did [require a minimum of two semester's attendance, in addition to fulfilling other requirements, to qualify for a degree]. So I discovered that San Francisco State College—at the time, it wasn't even a university yet—that if you read their catalog carefully (and I read it about a thousand times) it never said you had to be there a year. It only said you had to earn 30 units because they didn't imagine that anybody would be able to do that in less than a year. I did. Ten courses.

Johnson: Wow.

Gentry: Richard cooked every night - instant mashed potatoes and hamburger patties and frozen corn. The kids thought they'd died and gone to heaven, and I thought I'd died and gone to hell. So I graduated. I entered the management intern program.

After a year, I had decided that it was unlikely that I really wanted to stay. When I left, they did an exit interview, of course, because losing one of their Management Interns was pretty devastating, because they had so few. And I did talk to the Director of the 7th District. He said, "I feel we failed you because I feel that I did not spend enough time giving you the vision for what you could do through this organization to help our society." He was such an inspiring man

that I do believe that, in fact, if I had had more contact with him, I would have stayed. But it had begun to seem very bureaucratic, and etc., etc.

Data Processing Position with the University of California

So just when I was trying to decide what to do, I was approached by the UC Statewide Data Processing Department. This was a new department being created, the idea being to implement systems at all nine campuses simultaneously, something that had never happened before. The nine campuses were more like Indian tribes. And because one of the administrators at UC had known me in my political organization work in Richmond during my civil rights days, he had recommended me for a position that came open there. So they called me in to interview me and didn't offer me that position - which I'm grateful they didn't - but did offer me a position as a Business Systems Analyst, which I accepted. And that was in 1965. No, I take that back. That was in 1967.

Johnson: Okay. So at this point you went into a data processing-oriented job with statewide MIS with the university...

Gentry: University of California.

Johnson: Were you doing programming or were you what was called an Analyst?

Gentry: I was hired originally as a Business Systems Analyst. Now I'd still not been taught any programming; but, as so many people did at that time, I taught myself programming. The first programs I wrote were in RPG, and I think I was assigned to do that. There was some little crisis or something. But then I designed and developed and did my own program. My first language was PL-1, which UC Statewide had agreed to be a "beta site" for. IBM was really trying to promote it heavily, but most customers just weren't buying it.

And I remember that in my first program I discovered variable label paragraphs, where you could actually change the name of a paragraph and then call it—and I do believe it was an undebuggable program. I finally got that sucker to run, but I never used those things again. They were dangerous. You could whip yourself to death with those things. But it was interesting because I did teach myself to program. And I did get so that I designed and then programmed and implemented and trained and tested the systems. I started to think about it and thought, wow, Programmers are making more money than Business Systems Analysts. I should go ask for a raise. Well, that was really scary to me to do. The Director of the Department had, for whatever reason, noticed that I had done this; and so they called me in one day and told me that they were reclassifying me as a Programmer-Analyst, which, of course, was very thrilling - especially since I didn't even have to ask.

I will say that I never in my life asked for a raise. I'm not proud of that. I'm just saying that that was something that to me would be very scary to do, to ask for something for myself. I could always ask for something for someone else. I was very good at that. But to ask for something for myself, to this day, is a scary thing to do. At any rate, so I was there [at UC Statewide] through 1973. One of the reasons I stayed as long as I did was because Richard left IBM and joined Systems Dynamics. [Systems Dynamics was Bill Millard's first company after he left his position as DP Director at San Francisco County and before he started IMSAI and Computerland. Systems Dynamics was funded by Carter-Hawley-Hale of department store fame. This was their first (abortive) venture into funding a high-tech company.]

And so, since we considered Richard's job [as Vice President of Technical Development at Systems Dynamics] to be less secure than my job with the University, obviously, or a job with IBM, and we had three kids, we agreed that I would stay in my secure job until he felt that his situation was more secure. Systems Dynamics, he felt, was insecure because it was venture capital funded.

Johnson: It was a startup?

EDP Auditing Position with Bank of America

Gentry: Yes, a startup. You know, how insecure can you get? And then, when they closed their doors and he was working as a private consultant, well, now we'd really achieved the pinnacle of insecurity. However, at a certain point, he felt that he could see that he had enough contracting work. His name was very well known because of the Gentry Monitor and FASTER and other things that he'd done, and he developed some confidence that he had a secure position.

So we agreed that if I wanted to look for something more challenging, I could. I was kind of working up to it when a recruiter came to me and recruited me for a position. I went through interviews at several places, but the position I accepted was in EDP Auditing at Bank of America. That was in 1973. There were several unique things about this position with Bank of America. One was that, at that time, I was being hired at one of the highest levels that they [Bank of America's Auditing Division] had ever hired a woman into. That's kind of unusual, if you think about it, because, by then, there were a lot of women in programming and analysis for a variety of reasons. One was that a lot of programmers were ex-bookkeepers. In fact, that was kind of traditionally, historically, the way a company selected their programmers - because they were going to put all these bookkeepers out of business, right? Payroll clerks, bookkeepers, etc., and clearly they were made for programming, since they knew all about numbers, so they often were the ones that were trained as programmers. And men already had their jobs, careers, etc. So, you know, this data processing was a little risky, a little different.

And hence, there were, I think at that time, probably as many women as there were men, a situation that has not been true for many years now, but was true at that time.

But, women typically did not make their way up to the management level. And I remember being interviewed by the Director of EDP Auditing, which was within the overall auditing division, and he'd never interviewed a woman because he only interviewed people above a certain level. And so I walked in and sat down, and there was a silence. And he kind of looked at me and he said, "Well," and I could see that he was nonplused. He literally didn't know what to say. He'd never interviewed a woman in this situation. Finally he said, "Well, you don't look like a housewife." And I burst into laughter and said, "That's because I'm not one." And I've told that story to young women today, and they're shocked. They think, <gasp>. And I say, "No, no, you don't understand. He wasn't being mean or nasty. You know, we were all feeling our way. This was new. It was new to him. He was being nice." I was never offended at anything like that. I mean, I always assumed people were of goodwill and that we were all just holding hands and stumbling forward together. But one of the explanations they gave me at the time for wanting to hire a woman in that position—and we're not talking about a really high position, you know, but higher than before—was because they had missed the boat on African-Americans. They had waited too late, and they had only gotten the dregs. So they didn't want to do that when it came to women - like they were going to run out of the few good women out there and then they were only going to get to hire the leftovers! I didn't take offense at that either.

Johnson: They probably had management strategy meetings specifically about that subject, and nobody would have thought it was strange.

Gentry: Well, then it was kind of funny because not too long after I arrived, the Auditing Division decided to do what they called a "vertical audit", which was the first time they had ever done this. This was auditing payroll and personnel functions throughout the entire bank. They wanted someone to volunteer to lead this project. Well, the old B of A-ers—and they weren't old, I mean, they were all young, but they'd been there longer than I'd been because I'd been there three whole months—all ducked for cover because they saw the potential for disaster. There was also the potential for glory, but the potential for disaster; and they didn't want that to be attached to their name or reputation. Well, I, of course, you know, hey, nothing scared me. I was too dumb to be scared. So I stepped forward and volunteered, and as a consequence had the dubious honor of heading up what we laughingly referred to as the "Intergalactic Interstellar Personnel Payroll Audit for the Bank of America."

Beginnings of Richard E. Gentry, Incorporated

I think they abolished that concept shortly afterwards, but it was a very interesting project and it actually got me a lot of visibility. It was pretty clear that I could have a pretty interesting career there. Well, around then, Richard had been approached by Ron Forsey, who was at Alameda

County and was in charge of the bi-weekly payroll program development. This was a mandated systems development because I guess a [state] law had been passed that you [governments] had to pay twice a month instead of once a month. It was a major, major project. Ron wanted to hire Richard, but Alameda County had a policy that they could not hire individual contractors or even self-employed business people. They could only hire through a corporation. So Ron urged Richard to incorporate so that he could hire him. Well, Richard wasn't sure he wanted to go to all that trouble. He wasn't quite sure what was involved but finally did a little research and decided that it wasn't such a bad idea because he could have a retirement program, where he could put in tax deferred funds, etc., etc. So he incorporated. Well, as soon as he incorporated, then Ron came back and said, "Okay. Now I want to hire three more senior analyst/programmers for this project through you." So Richard came home and said, "Well, now what do I do?" Well, I knew what he could do because I knew three women who were still at UC Statewide who would be thrilled to make the outrageous money we could pay them - $10 an hour!

Johnson: Wow.

Gentry: Whoa! Well, at that time, a good Senior Analyst/Programmer could make about $12,000 a year. We charged Alameda County $12 an hour. We had all of these individuals develop themselves as self-employed business people, so they were [considered] Independent Contractors. We paid them $10 an hour, kept $2, and, voila, everybody's happy. It worked well for the women because, at that time, everyone was married, everyone's spouse had family benefits - and they were thrilled at the thought of making $10 an hour. They, I think, all fantasized they would work for six months a year and then take six months off.

Johnson: What was the term of this contract? How long did they expect this to take?

Gentry: Well, this particular contract we knew was going to take two years. The other thrilling thing was that they would actually get paid for every hour that they worked, and then in data processing, as now in the computer industry, typically, particularly towards the deadline, we worked many hours. I certainly put in 48-hour stretches without sleep; and I was only one of the gang when I did that. And so that was why $10 an hour looked so good. I mean, it looked as if, you know, $10 an hour X 2000 hours a year. Heck, how could you spend that much money? So we contracted with three women that I had worked with at UC Statewide. They performed so outstandingly that the other departments at Alameda County discovered that they now had access to this great source of what actually was cheap labor [based upon the County's overhead for their Civil Service equivalent].

Johnson: Were you still at the Bank of America at this time?

Gentry: I was still at Bank of America, and Richard was [contracting] over at Alameda County. So we got more job orders for more people to the extent that Richard, who is not a multi-tasker - I am a multi-tasker, that's my strength - he is goal-oriented, focused, and please don't distract me with, you know, something else. Richard said to me at a certain point, "If you don't come help make this all happen, then I'm going to shut it all down because it's just not worth it to me."

By then we probably had—I know the first eight contractors we hired were all women and, in fact, the people at Alameda County used to call us "Wonder Woman, Incorporated." I knew that things had shifted when one of the women mentioned to me that her husband would be interested in a contract if we had another one coming up. I realized then that the men had been watching and had decided that perhaps this wasn't as high risk as it had initially looked.

I had only been at Bank of America for six months. I went around to all the managers and all the way up to the head of the department and explained to them this opportunity to go into business with my husband. They all predicted that this would result in divorce because we would fight. And I will add that we have never fought over business because we literally never discussed it at home or at work. I did my thing, he did his thing, and that's how we got along. But I made all of them promise that they would hire me back if it did not work out, and with both excitement and anxiety and just everything else that you can imagine when you're kind of stepping off into space, because now there were going to be two of us.

We still had three kids. We still had a mortgage. We still had bills to pay. Now there were going to be two of us in this company unlike any we had ever heard of, doing this thing we'd never heard of anyone else ever doing before. But an opening came up to develop a budget system. No, the first system I developed for Alameda County was a personnel system; the second was a budget system. So I was working full time as a contractor; but I was also hiring and...

Basis of Gentry, Incorporated's Business Model

Johnson: Did you consider at all hiring those people as employees as opposed to contractors?

Gentry: We couldn't possibly. The way that it worked, we paid them when we got paid. There were no benefits. We get $12 an hour, we pay you $10. How hard can that get? Our teenage son and then our teenage daughter were our payroll clerks; and I had to explain to them, "It's not like doing the dishes. You can't say 'I'll do them in the morning.' This is the payroll, has to happen today." We just simply could not have afforded to do it the other way. It never crossed our mind.

Johnson: So you had periodic progress payments from the county and when you got your progress payments…

Gentry: We paid the contractors. [This is how it worked. Once a month the contractors submitted their timesheets and billed us for their time. We then billed the County once a month, submitting their timesheets as proof of services provided. The County paid us within 30 to 45 days, and then we paid the contractors within one business day. I hand-delivered the checks to them each month. They were, effectively, self-employed business persons; they were not incorporated. They were responsible for paying their own Social Security and State and Federal Income Taxes - and for providing their own benefits by acquiring any health insurance or other coverage they felt they needed. Frequently, they were already covered by their spouse's benefits. They could deduct certain business expenses when they declared their income for tax purposes. They could deduct mileage and a home office and related expenses if needed (most did not at that time).] So we didn't need any up-front capital. And we weren't making a fortune on that extra $2 per hour. [It was just enough to cover our legal and other operating expenses.] I felt as if I was helping friends. It wasn't a business. Ron Forsey was our friend at Alameda County. We had other friends there. We were helping them do what they needed to do.

Johnson: Because he couldn't find this kind of resource anywhere?

Gentry: He couldn't hire them through the civil service and put them in the system - and then do what with them when it was done? So the County had a problem that they needed a solution to, and we were helping solve that problem. We were also helping our friends who were thrilled at this opportunity to do this interesting work for this great pay, get paid by the hour, and then get to move on to something else. So, the $2 an hour just about covered attorney's fees and stuff like that.

Johnson: But you were also making...

Gentry: Now he's working as a contractor, and I'm working as a contractor.

Johnson: Okay. So, you considered yourself as a contractor status as far as the company was concerned even though...

Gentry: Right.

Johnson: Okay. So you weren't even an employee of your own company. You were a contractor to your own company.

Gentry: I'm sorry; I don't remember that exact detail. [Actually, I later confirmed with Richard that we were our own employees but paid ourselves by the hour for hours billed to the client, not for hours worked for Gentry, Inc.] But that's how I thought of myself, as a contractor. And again, the quality of the people that we provided was so outstanding that every time we turned around, there was someone else at the county that wanted to hire someone from us. A Budget Analyst in the County Administrator's Department (CAO)—I developed a budget system for the CAO, which got us very high visibility—explained to me that he had done the analysis and that it was cheaper to hire these people through us because they [the County] didn't have to put them in their retirement program, they didn't have to pay all the different taxes on them, they didn't have to pay benefits, etc., - and they weren't on the civil service hook forever. They had the flexibility of letting them go when the system was completed and having a more junior programmer support the system from then on instead of having a senior analyst programmer that they had to figure out how to use now.

Johnson: Because once they were in the civil service system, it was very difficult to fire people.

Gentry: Absolutely.

Johnson: Or lay them off really. "Fire" implies they weren't performing.

Gentry: Right. They were performing; but we have no need for this level of service any more. So as far as the County was concerned, this was just an answer from heaven.

So then one day not too long into this process, I'm sitting there and I'm thinking—I had to laugh because one of the questions on your list was about what kind of business background did I have, and the answer, of course, is virtually none. I always say I earned my MBA the hard way. I'm sitting there and I'm going, gee, my husband and I and ten or twelve of our best friends are all working for the same client, and if that client decided tomorrow not to use contractors anymore for some reason - we'd all be unemployed! And that's when I came up with the idea of diversification of clients.

Expansion of Gentry, Incorporated's Client Base

So I heard of a company that sounded to me as if they needed a contractor - and it took me two weeks to make my first sales call. I'd get up in the morning and think, well, its early morning. He's probably coming in. He's busy. I'll wait a little bit. Well, it's ten o'clock, he's probably on his coffee break. Oh, well, it's noon. Well, two o'clock. I'll call him tomorrow. So, I finally called him—and incidentally, this fellow and his company were my clients for many years; I did a lot of business with these guys—and asked if I could come meet with him. I understood he had some

needs we might be able to address. And he said, "Sure." And that is one of the times that I know for a fact that Richard's name was a big help, because he said—at that time, the name of the company was Richard Gentry, Inc. We later changed it to Gentry, Inc. And he said, "That's not by any chance *the* Dick Gentry, is it?" I said, "Uh... yes, it is. *I'm* not *the* Dick Gentry."

Johnson: Were you president of the company at this time?

Gentry: Richard, after about a year or a year and a half, made me President of the company because he said I effectively was and I should get recognition.

Johnson: And you were the one also going out and doing all the customer interface.

Gentry: Yes. He is a very fair man. He was wonderful. I'll tell you one other thing. The fact that he supported me in going back to college, the fact that he acknowledged that I was functioning as president and therefore should receive that title, and there's one other thing the man did for me that I will never forget. I was working on the budget system for Alameda County. They had very cleverly figured out when they went into negotiations with the union, their annual negotiations, that we could use this budget system to plug in temporary numbers, so if the union asked that we increased the salaries in these positions, I could go in, increase those salaries, run the budget forward and project the ultimate cost to the county, something they had never been able to do before. And they told me later that it saved them $3.5 million, which at that time, was a whole bunch of money.

But, as you can imagine, this involved a lot of turnarounds and tweakings, etc. I had been working for almost 48 hours straight without any sleep. I had not been home. Richard was working and then going home with the kids. And I had a test shot—that was when we used decks of cards. I was so, you know, groggy by then, I set up my Job Control Language (JCL) wrong. I had waited for six hours for that one test shot. This all had to be ready by first thing the next morning. They were going to meet with the union. They [the computer operators] put that deck in the card reader; and it just flushed through - and they brought out this little skimpy listing telling me, "You just wasted those six hours."

I went and called Richard. It was about 2 in the morning; and I said, "I cannot do this. I cannot do this." I have to believe that many other men would have said, "You don't have to. Come home. We don't even need the money. Blah-blah-blah." God bless that man. He said, "Yes, you can. Go put some water on your face. Get a drink of water, sit down, calm down. You can do this." And of course, the next shot ran and they went to the negotiations with the union and they saved $3.5 million and the CAO thought we walked on water. I just believe that was wonderful of him to—I was very, very fortunate in my life in that my father, my husband, my sons, all the men that I've worked with, my Chief Operating Officer at Gentry (COO)—they've all

been 500 percent in terms of believing that I could do things that I didn't myself believe I could do.

Early Sales Efforts

At any rate, I set up this sales call and didn't realize that I did not have a business card nor did I have a brochure. For our back office operations, Richard had bought a secondhand IBM Selectric, which had this interesting trait in that it had that little ball, you remember? And if it wasn't in perfect alignment, then the typed lines, instead of going like this [straight] went kind of like this [very wobbly]. He had also bought a secondhand copy machine that used that thermal paper; and it was huge. Later I had a copy machine salesman tell me, "Oh, yeah, that was called the 'pants presser'." You put the paper in and you put the thing you wanted to copy and then you pushed this button and this big lid came down and went "Shhhh…" and then lifted up.

So I typed up this little description of the projects we'd done at the County and why they'd want to work with us, etc. and we copied it off on the pants presser. Forget a card. I wasn't going to be able to get a card together at this last minute. And so I went in and sat down and introduced myself and handed him this brochure. Oh, and I had listed all my references. He looked at it and threw it in the wastebasket and said, "You'd only give me good references anyway. I'm not going to bother checking those." I reached in and pulled it out and said, "That's every reference I've got, good, bad and indifferent, and I spent a long time writing that down, and you should call them." I don't think he ever called them, but apparently he decided I was sincere.

So we got a contract with him and then more and more [work with his company]. And then I decided, well, it would make a lot of sense for me to go over to Bank of America because the people over there still knew me, and explain to them what I was doing and see if they would like to hire contractors. Now, at the time, the Bank of America had set up their own separate corporation. And I've forgotten the name of it—it wasn't Lambda—and they were hiring all their contracting from that company. [That company had full-time employees whose services they provided by the hour, same business model that IBM and all the big consulting firms used.] Since they owned that company, you know, it was just shifting the money from pocket to pocket. They had never had an outside contractor come in. So I went over and I asked for and got a meeting with the Director of Data Processing for Bank of America.

He remembered me; and I explained, "Well, I left, and this is what my husband and I have been doing, and this is how we do and it, blah-blah-blah." And he said, "Hmm, well, that sounds kind of interesting." He said, "Yeah, I might be interested in using something like that. Do you have a business card?" Gosh, I still hadn't gotten around to that business card! And I said, "Well, remember how I explained to you that most of the dollars that you spend with us go to what you want it to go to, which is directly to the person doing the work?" And he said yes. I said, "Well, tear off a piece of paper right there, and I'll make you a business card - because we have low

overhead. Tear off a piece of paper right there, and I'll make you a business card." And he actually called me later.

Now, this is one of the many ways in which, quite frankly, being a woman was to your advantage. I think if a man had done that, they would have laughed him out of the business. Nobody knew what to do with women. We were new. We were an unknown quantity, if you will; and I'm sure he just thought it was cute. Am I offended that he thought it was cute? No, not as long as he called me to do business later. He could think I was as cute as a button.

Johnson: So did B of A turn out to be a long-term client then?

Gentry: Well, oddly enough, B of A very quickly figured out that hiring independent contractors was a really clever way to do business, and they ended up developing one of the early "short lists" [requiring that contracting agencies provide deep discounts in exchange for the opportunity to provide services to the customer]. And we didn't make it onto the short list. And so we did some business with B of A, but they didn't end up being one of our big clients. We had many large companies that were our big clients. Hewlett-Packard was one of our big clients for decades. [IBM, Wells Fargo, Long's Drugs, the Sierra Club, Informix, a long list over the almost 30 years we were in business, in addition to the county and state governments and public agencies we did business with.]

Success of the Independent Contractor Business Model in the SF Bay Area

Johnson: One of the things that was really interesting to me with my exposure to the industry all over the country because of my involvement with ADAPSO was the fact that this model of using independent contractors was very strong here in the Bay Area.

Gentry: Because we started it [meaning the business model started being used so early in the Bay Area compared to other parts of the country].

Johnson: You started it, yes. There were companies that were using that model all over the country. But in other major metropolitan areas what you tended to see was a split, where the big employee-based firms that had a national presence would slice off the top part of the market with the big companies and the independent contractor-based companies would then have the mid-size to smaller companies, but none of those big employee-based companies ever got a foothold in this area. Do you have any explanation for why that occurred? Was it because you were there so early and established this model?

Gentry: I do believe it's because we were so early, because, as far as I could tell—Gentry was founded in '74 and the first three years every—well, by the second year I got a call from David

Hicks, who was at that time a partner at Computer Resources Group. He's still in the business today as Hicks Consulting. He was calling because he had just interviewed someone who had worked as a contractor [for Gentry] but was now looking for a permanent position; and his agency only did perm. And when he had asked them what contracting was, and they explained to him what it was, he called me and said, "You should come over so we can talk because sometimes we have people that we can't find a job for immediately, so you could use them on contract while we look for a permanent job for them. And you could split your $2 an hour with us." And I thought, well why would I want to give you any of the money? I mean, one, it's not that much, and two, I'm not having any trouble at all finding all the people that I want.

But at a later date, I met with David and his partner, Rick Green, who went on to become one of the big players in this area in the computer contracting industry. Next thing I know they're competing with me. And they were visible enough as a permanent placement agency that once they started doing it, then the word really spread. So for the first three years as I did cold calling on clients throughout the Bay Area and asked them if they were interested in using contractors, I had to explain what a contractor was and why they would want to use one and why they would want to, if they used one, hire one through me instead of just writing an ad in the paper, blah-blah-blah. About three and a half years into it, I realized I wasn't having to do that anymore. And that was because—I always said I made it look too easy. They obviously thought, well, if that dumb gal can do it, I can do it, too. Because it just exploded. At that time, Lambda and GE Consulting—there was another company, the one that Bank of America had started, it started with a D, I can't remember the name right now—were all selling consulting services using salaried employees, as was IBM. But, we can provide you - for $12 an hour - with someone that IBM would charge you $35 an hour for, or Lambda or GE, because, of course, they had to keep them on payroll even when they didn't have work for them.

Johnson: Plus provide benefits.

Gentry: And the benefits, etc., etc. And, quite frankly, their people weren't as motivated. They didn't get paid by the hour. And contractors quickly figured out that it was really performance. If you didn't do well on this project, you might not be dropped off the project because the deadline would require that they keep you on; but you wouldn't be used for the next contract. And so, we just ate their lunch [meaning the big companies using salaried employees to provide services. And the really sharp, hard-working people were those who were most likely to become independent contractors because they had confidence on their skills and ability to get extended and re-hired. And because they were already working so many hours for which they weren't getting paid while on a salary basis that they could see a real potential for making more money. In addition, they were interested in doing the design and development of systems rather than being stuck in a maintenance position, limited to updates and upgrades.]

The other interesting thing I always thought about this area [the Bay Area], is it developed so early and the companies that were local were so successful, that as the companies that provided computer contracting [in other parts of the country] tried to expand into the Bay Area, we ate their lunch. You would laugh. They would open up an office for $3.5 million; and within a year they would close it and leave. And it was just very early, very well entrenched.

Development of Industry Code of Ethics

Also, I believe that we had a lot of companies here that not only provided good service but had a lot of integrity. Most of us had learned from the permanent placement, the headhunter business. The headhunter business had developed such a terrible reputation for stealing from clients, you know—okay, you're my client; I place someone here; then I take someone out of your back door; and then I try to fill that position for you—that customers just hated them, but they couldn't live without them. A lot of us were aware of how bad that looked and the fact that during any recession or depression, the first thing that the clients did was cease doing business with those guys. And we resolved that we would try not to let this new type of providing personnel services sink to that level. I mean, you know, there are always the ones who do; but there were some companies in this area that had great integrity so that when, in fact, we founded SCBA in 1985, one of the first things we did was develop a code of ethics. The owners of the [different company members] sat down and discussed ethics at great length and defined a lot of things. It was interesting because, for instance, to me one of the big rules in the business was you do not steal personnel from a client. Well, that sounds pretty self-evident. But what's a client? One I've got someone working at right now? Someone I worked with six months ago? A year ago? Someone I'm making sales calls on but have never worked with? So we actually sat down and worked all of that out and then required that you abide by that code of ethics or a complaint could be filed against you. And you could be fined if you were found guilty of one complaint. And you could be ejected from the association if you were found guilty of a second complaint. And I truly believe that one of the reasons the contracting industry was so successful in this area was because even people who didn't belong to SCBA had to abide by the rules because the clients...

Johnson: Expected it.

Gentry: Right. Exactly. We spent a lot of effort educating them.

Johnson: That's a great story about establishing that kind of standard of conduct without regulation. How a voluntary compliance with something like that spills over to the people that aren't even within the organization. That's a great story.

Gentry: Yes. One of our sales points was: Here's our code of ethics; and if you're not dealing with one of our member companies, at least insist that the non-member companies provide you this same level of professional and ethical service. And so the customers did.

Assumption of Full Time Management and Marketing Responsibilities

Johnson: Okay. I am going to back to Gentry a little bit. At some point in time, did you begin running the company full time?

Gentry: Yes.

Johnson: When did that occur? When were you no longer one of the contractors but were spending full time running the company, doing sales, etc.?

Gentry: I can't put a precise date on it. I would say probably by 1976.

Johnson: Oh, that early?

Gentry: Yes, fairly early. By then I had twelve contractors out at the County and now I'm making sales calls and putting people into other places, and I said to Richard, "You know, I'm about to have to make a decision, which is whether to continue to work myself as a contractor and keep this business limited—this would be very limited –or whether I am going to devote full time to the sales." And quite frankly, I felt an obligation to find that next contract for our contractors. I mean they quit their permanent jobs. They took our contract. It's a year later - now what are we going to do?

Johnson: Did you have any uneasy feelings about becoming a "salesperson"?

Gentry: Well, yes, of course. I always said I was raised to be the lady at the country club. When I was at Hockaday, we were all being groomed, effectively, to be the wives of wealthy men, certainly not in sales. And when I had said I wanted a career, I had imagined getting my doctorate and doing—I certainly hadn't imagined calling people and, effectively, knocking on doors. I had done a little selling before. A couple of times when we needed money, I had sold children's portraits door-to-door. It's called "proof passing." And I'd also sold Great Books of the Western World door-to-door. My mother, after my parents divorced, had been very entrepreneurial, particularly for a woman at that time. She had worked as a real estate agent. She also at one time sold some kind of exercise machine that women used in their homes. And looking back, I realized that she did not have a college education, but she had a lot of spunk. She was a very upbeat woman, and she enjoyed people. I've always enjoyed people. And I always said I loved what I did. I mean, I've known people that have owned this type of company

and have been in this business for years and made a lot of money and said they hated every minute of it. To me, my clients were my friends, my employees were my friends, my contractors were my friends. I loved every minute of it. It was so great! You never got bored because, just the minute you thought you understood something - the technology changed. Then Section 1706 came along - and we had to learn whole new ways of doing business. And we [at Gentry] did some product and turnkey installation business.

Expansion into Software Products

Johnson: There's just so much to cover here, because I do want to go into the impact of Section 1706 a little bit. But even more important, I think, is how you ended up getting in the product business. That was in the 1980s, wasn't it?

Gentry: Yes, you're right. REX was 1980. In about '75, '76, minicomputers were just coming out. DEC, and I think Hewlett-Packard brought the HP3000 out.

Johnson: About then.

Gentry: It was a commercial machine right about then – Tandem… There were a lot of competitors coming out. We looked at that; and Richard said, "This is the wave of the future. You know, these are affordable computers. This is going to be explosive." And I said, "Okay, then we should get into it." So I spent the next couple of years chasing minicomputer contracts, in many instances on a break-even basis. But what I was trying to do was to build up a group of contractors who had experience working on minicomputers. Now, back then, you could sell someone with only a mainframe background as a minicomputer contractor because there were no minicomputer programmers. So everybody was learning.

And I did my first government bid. I decided that I should learn how to respond to government bids. This was not government; it was kind of quasi-government. It was the National Sheriffs' Association. I can't quite remember—I think I may have read some announcement in the back of the Wall Street Journal that this RFP was going out and inviting people to respond and so I sent off for a copy of the RFP. For whatever reason, we decided we would do it on Tandem. I think the Sheriffs' Association thought it was very important that their system always be up [and running]. This was a system that they were going to make available to sheriffs throughout the nation to use. So I took the RFP and took the manuals for Tandem and filled it out almost the way you would write an exam. It was funny because at the time I didn't know that most big companies had standard verbiage that they would just kind of plop in, you know, when they say, "Well, does your computer do this?" -- plop. And so when we got invited back to Washington, DC, for the verbal interview that would allow them to select among us three finalists, one of the things they remarked on was the fact that our proposal or response seemed so personalized.

They said that we actually answered every question directly and that we were the only vendor that had done that.

Johnson: Instead of the boiler plate?

Gentry: And when they said that, I thought, oh, you mean that's not how you always do it? But at any rate, we did some work on the HP1000. In fact, I'm sure Richard will spend a bit of time in his interview on that because that one almost took us down. We fixed-priced a bid to do a purchasing system for Computer Election Systems, which was the vendor that had gotten the contract with Alameda County. And it was on the HP1000. We looked at what was involved and gave them (Computer Election Systems) a bid, only to discover when the manuals arrived that the 1000 was a scientific machine, that it had a limited Fortran compiler -- period. It did not have a screen painter. It did not have an ISAM. It did not have an application subset.

Johnson: Why did they choose that machine?

Gentry: Probably because it was cheaper. [To make things worse] It also had partitions—I've forgotten whether they were 8K or 16K but unlike the 3000 where you could just kind of keep expanding the partitions, you had these extremely limited partitions. So, oh, God, Richard worked literally 14 to 16 hours a day 7 days a week, holidays, you name it, for 13 months. And we also had two contractors working with him. I was out selling anything I could to cover the money we were losing, because first they [Richard and the two contractors] had to extend the Fortran compiler, then they had to create a database, then they had to create a screen painter. There were 240 screens in this particular system. We were one month from having to mortgage our house to pay our other contractors because we were just taking money from other contracts and putting it on this.

Well, one day Richard came home and he had a tape in his hand, and he threw it on the table, on my desk and said, "There's your system." He'd just done a backup of the system. At that point, we were probably eight months into it, so we'd had the equivalent of four full-time people working on this. The next day the dust filter in the disk drive clogged; and the whole system went down! And if he had not done that backup at that moment—it was the first backup they had done in months—if he hadn't done the backup that day, we could have lost everything. I don't know what we would have done.

At any rate, in the process of working on the HP1000, we got to know people down at HP; and I had gotten some HP3000 work and so we began to develop a reputation with HP as a provider of contracting services, and even as a company that could develop systems. That led us to develop a programming language that we laughingly, but accurately, referred to as "Pascal without tears," called REX - that stood for Report Expediter. And in 1982, we came out with

PAL, [which stood for Programmer-less Application Language. It really was so easy to use that even secretaries with no training or experience could create reports. And this was before micro-processors, or what IBM called the Personal Computer, were really available. REX was a compiler operating on the HP3000; and Pal was developed using REX, that's how powerful Rex was.]

Johnson: Who developed that? Did Richard develop it or was it one of the other contractors?

Gentry: No. Richard had nothing to do with any product development. Richard was always our leading contract person.

Johnson: He had the very specialized high-level skills.

Gentry: Yes. He had the high-level skills, right.

Johnson: Keep him billable. Keep him billable.

Gentry: He's billable. He's out there sending money back for us to pay other people to develop products. And, in fact, I'm not sure if it had been entirely up to Richard if we would ever have gotten into the product business.

Johnson: Did you develop it in conjunction with a client? Was this a client financed development effort?

Gentry: Yes. You know, I had forgotten that story. Yes.

Johnson: Because so many of those products were.

Gentry: What happened was that I had hired a contractor who was just unmanageable. He was brilliant but unmanageable. If you told him to do this and this, you'd come back tomorrow and he would have done something else entirely because he decided it was a really cool idea. But I became aware that he had developed a really good simplified programming language for the scientists at UC within the Federal domain [because it was federally funded,] it was in the public domain. At that time, the HP3000 didn't have anything like that; and we thought, well, gee, that would be a good product to be on the HP3000. So we used his design and Werner Erhard's EST called us in as one of the - well, probably HP proposed us - as one of three vendors to bid for a very elaborate reporting system that they were generating for EST, Erhard Seminar Training. Yes, part of the Bay Area history.

We went in, looked at what they wanted done, realized immediately that if you wrote these reports in almost any language, it was going to take far more than they told us their budget would allow; and, furthermore, that this was a type of report that they were going to want to change a lot. They were going to want to tinker with them and ask what-if questions, which would mean going back in and recoding and debugging those reports over and over again. It was just going to cost a fortune. So what I proposed was that we would charge them cost to develop what ultimately became REX. And then we would charge them our regular contracting rates to take that product and use it to generate the 300-and-some-odd reports that they wanted. And that we would end up owning the product that would be developed and we would pay them, I don't know, ten percent of net sales or something. Although I think that ended up just kind of skittering off the table. I don't think they were very interested in it.

I truly believe that only because they were just kind of a wild and crazy organization, were they willing to say, "Yeah, sure, fine, cool, go for it." So we did. So that's how we developed REX. Once we had developed REX, we started selling it, and then we used it to develop PAL, which stood for Programmer-less Application Language, also another HP3000 based product. We purchased our own HP3000 for a quarter of a million dollars.

Johnson: Ooh, that was something.

Three Divisions of Gentry Incorporated

Gentry: Oh, it was very scary. And about a month after it was moved into the 6000 square foot office building in Oakland that we had managed to buy...

Johnson: Is that the one on 40th?

Gentry: Yes. We still own it. We have two tenants in it. Those horrible floods happened—let's see. What year was this? We were trying to figure it out. I'm not sure we ever managed to nail that date. But those horrible floods that happened in Marin that year occurred. As a consequence, one of our programmers who lived in Marin, instead of going home that night, went to our building to work on the HP3000. He was developing one of his own little products or something on that.

Well, Seymour and Phyllis Rubenstein had just flown back from one of his early meetings with one of his investors for Micropro; and they couldn't get home because they lived over in San Rafael. So they called us from the airport and asked if they could come spend the night with us. Richard went over and picked them up and brought them home. We were all sitting around, you know, just shooting the shit; and the phone rang and it was our programmer down at the building and he said, "The computer room is two inches deep in water." Well, Richard and

Seymour and my brother—we called my brother, who lived about a quarter of a mile up the road from us—all went down and started bailing and sweeping. We had financed that piece of hardware with our mortgage. If it had been destroyed, we still would have owed for it. So they bailed it out, saved the computer. We sold time-sharing on it. That was '79. Oh, so that's probably when that flood was, too.

Then because we had that computer, we could develop REX and PAL; and we sold those products. We called that the Gentry Products Division. We were selling contracting services using independent contractors. And we also had what we called the Third Party Products Division. HP came out with their OEM program, and so we could sell a client the hardware, the MCBA accounting software, we could do any customization, develop any additional programs. If appropriate, we could sell them REX and PAL. We could sell them the services required to do the training of their staff, the documentation, the implementation, whatever—turnkey. So - three divisions.

Johnson: Okay. Were you still primarily doing the sales on the turnkey systems?

Gentry: No. By then I had hired Lannie Keithly who was head of the Third Party Products Division. I would be involved in things like writing their proposals and...

Johnson: But you had somebody else that had the responsibility for it?

Gentry: Yes.

Johnson: Because that's a different kind of a sale than a contracting sale.

Gentry: Yes. But believe it or not, I was good at both. Most people aren't. Most people are good at one or the other.

Johnson: Yes. When you got one of those contracts, then did you service it using contractors primarily?

Gentry: Yes.

Johnson: You still weren't employing these people?

Gentry: Yes, I'd hire contractors from our Contracting Division to work in our Third Party Products Division.

Johnson: Okay.

Gentry: But you have to understand, some of our contractors worked for us on contract after contract after contract. I mean, we treated them extremely well, and it was like family. And the good ones we used over and over. We shifted them around, always tried to give them new challenges. Back then you could actually get a client to hire someone at the next level. I'd say, "Look, this guy right now is a Senior Programmer and we're going to charge you Senior Programmer rates. But if you use him as an Analyst, too, he will be thrilled. You will get a very inspired and motivated worker; and you'll be saving some money." And so we helped a lot of people move their way up. And then at a certain point, people...

Johnson: That's kind of unusual in the contracting business, I think.

Gentry: It became unusual. At a certain point, they wanted someone to do exactly what they hired them to do. They didn't want to ever take a chance.

Johnson: I know that lots of people felt that they didn't want to be independent contractors because it's so difficult to get a career path that way, because you don't have an employer who's committed to training you on new things. So I'm sure the fact that you offered that made a big difference in the loyalty of the people that worked with you.

Gentry: Well, I've been there. How many times do you want to do that frigging update program? You know, that gets really old.

Johnson: What about selling the products, though? Selling products is a whole other ball game. Did you only sell those in conjunction with contracting services? When you were selling a contracting services contract, did you also sell REX and the PAL if the client could use them? Or did you sell REX and PAL independently of the contractor services?

Gentry: All of the above. The big mistake that we made, I believe, is that I didn't understand at that time about venture capital and so we were always shoe-stringing it. For our advertising, for going to the conventions and sales conferences, whatever, we were always shoe-stringing it. We had a competitor at that time - whose name has mercifully faded from my memory - and they were very clever. They went out and got quite a few million dollars, which at that time was just an immense amount of money. Their product was vastly inferior to any of ours, everybody agreed. But they would go to one of these HP conventions and take all their prospects out on their yacht beyond the three-mile limit and let them gamble. And we're sitting at our, well, okay, it's a little more than a card table, but not a lot more, saying, "Drop your card in our little fish bowl and maybe you'll win a free…whatever."

However, I have to say, in the long run, they didn't win at any big level either. And that was interesting, that was kind of frustrating. It was very, very clear that we were the innovators in that product area, that whole easy report programming area. So we'd get all ready. We'd poll our clients to find out what updates, upgrades, etc., they wanted. We'd get it all ready. We'd take it to the HP3000 Conference. And all our competitors would come over, ask for a demo, go back home, and implement that by the next Conference. So we had to have something else new, flashy and brilliant. But we had a lot of fun. And I do have to tell you that we had some fascinating experiences, not just a lot of fun. We did all the original computer work for the Monterrey Bay Aquarium.

Johnson: Yes. I just noticed that in your brochure.

Contract with Monterey Bay Aquarium

Gentry: There's a terrific story there. As you know, David Packard was one of the original funders and founders of the Monterey Bay Aquarium. And because we were an HP OEM, we had an HP salesman that we worked with. He sold the HP products that we bought [for wholesale and then we resold them, hardware and systems software, for retail. At least that's the easiest way to explain the OEM business.] But also he kind of represented us to the other salesmen within HP. And so, when something came up that seemed appropriate for us to bid on—you know, they didn't have people within HP that could do a turnkey implementation; they sold hardware and systems software.

Johnson: And they knew nothing about applications.

Gentry: Right. And so if a client indicated that he didn't have his own staff ready to leap on this machine and do everything, then they would bring us in and say, "Well, these people will do that." And one of the things that we were particularly good at is working with a staff that was transitioning from a mainframe to an HP or some other computer or technology. We would include them in our project development so that, by the time we walked out the door, they were ready to take over; and the client wasn't dependent upon us forever and ever. Some clients wanted to depend on us, but many of the clients wanted us to do it and get out. So, whichever they wanted, that's what we did.

Anyway, our HP salesman was fairly nervous because he was supposed to put together a proposal for the HP solution for the Monterey Bay Aquarium system. And he even brought in his proposal and showed us what he was proposing. And, man, he was going top-of-the-line for everything. You know, the machine, all the bells and whistles, etc., etc. And I remember Lannie saying, "You know, this is a not-for-profit. Maybe you shouldn't aim for top-of-the-line." "Oh, no,

you know, David Packard's on the board of directors. He's going to see this proposal. No, no, no."

So, apparently, he walked in with this proposal—the joke used to be that HP stood for higher priced—and presented it. And apparently David Packard just went berserk. He thought the price was ridiculous - so he told his staff to find a cheaper solution. Well, guess what? Guess who had a cheaper solution? We did. We knew a guy who dealt in second-hand Hewlett-Packard 3000's.

So, when the Monterey Bay Aquarium started, instead of getting this horribly expensive top-of-the-line solution that the HP guy had proposed, we installed a second-hand HP3000 and MCBA applications that had been modified for their needs. Our contractor had gone in and done whatever custom development was necessary; and I think it cost—I can no longer remember - but it certainly cost at least no more than half of the original proposed solution. I think it was more like a third.

Now where it really got exciting, from my personal point of view, was when they opened. Well, I'll tell you one story. One day Lannie comes home. He's been down there overseeing our guys doing the work. He said, "Ooh, big excitement at the Aquarium today." And I said, "What happened?" He said, "The sharks went into a feeding frenzy." I said, "Wow!" He said, "Ate up, I don't know how many valuable specimens that were in that great big tank." And I said, "What happened?" He said, "You know, if a shark smells just a little tiny bit of blood, I mean, maybe just a fish cut itself on coral," he said, "it's an instinctive response, and they just literally...." And I said, "Well, so what did they do?" And he said, "Watched in horror." He said, "There's nothing you can do."

So they got it all finished. And I mean, that whole aquarium was just such an amazing story. We were invited to the Vendors' Night which, God bless them, they had before they even had Founders' Night. The Founders were their original contributors. And that was when Lucille Packard was still living, although I think she was suffering from her stomach cancer because I recall how miserable she looked, but the whole [Packard] family was there. They had a first class catering act. The docents who had been training for a year showed us around. They lowered the water in the tanks to half tank and they didn't feed the fish until we got there so we could see them up close and personal. That was incredible. Then, when that part was over, we went into where you eat at the Monterey Bay Aquarium. And at one table, there were these guys in suits and they are as drunk as I have ever seen a group of grown men be. I mean - and they've got white hair! One of them gets up on the table and says, "Okay. This party's over. Now we're going to the Holiday Inn and we're gonna dance. And if you don't know how to dance, we're gonna teach you how to dance." And I said to Mike, the Business Manager [for the Aquarium], "Who are those guys?" He said, "Those are the engineers. They have been

working on this for seven and a half years. This is probably the most amazing thing they will do in their life." And I said, "Let them dance away. We'll be there at the Holiday Inn."

Re-licensing of MCBA Software Products

Johnson: That's a great story. Let me go back a bit. I want to clear up about MCBA.

Gentry: Yes.

Johnson: Who created the MCBA products?

Gentry: I've forgotten what that stood for. But it was a software company in the Bay Area. They'd originally been created on a DEC or Data General.

Johnson: Okay. And you in essence were a re-licensee?

Gentry: Right. Yes.

Johnson: So when you had a situation where those particular products would be the solution for your customer, you would use those and pay a royalty? Is that the way that worked?

Gentry: Well, the package cost 15 hundred bucks, and so we'd pay them 15 hundred bucks and just pass it through.

Johnson: Oh, okay.

Gentry: Well, because it doesn't make sense to redo a general ledger, to charge your client by the hour to do that. They were priced very affordably. They were very basic; and it was clean code so you could go in and modify it to suit a particular requirement.

Johnson: So in that case, you would do customization, and charge the customer for the customization work?

Gentry: Yes.

Johnson: Okay.

Gentry: And you know, sometimes it was such a simple application, you'd just pop the packages in and then generate a lot of reports or whatever.

Johnson: You had a lot of different kinds of things going on in your business. You had products you were selling.

Gentry: That's right.

Johnson: And re-licensing agreements with other people who were selling those products.

Gentry: Yes, we did.

Johnson: And then you've got products from other people that you were using.

Gentry: Yes. We had Third Party Products, Gentry Products, and Gentry Contracting. And we did a lot of fixed-price jobs.

Johnson: When you did fixed price, did your contractors do fixed price?

Gentry: No. And therein lies the problem. In fact, one of the reasons that we stopped doing fixed price was because we would always make money up front and then we would lose it at the back end. And one of the reasons we would lose it was because—I knew how the Big Eight firms did it. They did it the way a vendor almost has to do it. You make up a very rigid set of specs, and if the client wants anything changed, you charge him by the hour to do it. Well, we were softies; and they'd say, "Oh, you know, it'd be so perfect if you'd just do...." and "Oh, we're running out of money." And we frequently were brought in to solve situations where systems or solutions had gone awry and the client was close to running out of money. HP in particular loved to bring us in for that. Because, okay, you're about to have a fiasco, you're about to hit the front pages, at least in Silicon Valley—well, it wasn't Silicon Valley yet - but Gentry can fix it. Well, yeah, Gentry can. Gentry can hardly resist fixing it. Unfortunately, at that point, your client is almost out of money, so you're not going to make top rates. You're not even going to get to charge for every hour. So, it wasn't the best business to have; and, yet, we had enough pride in ourselves, I guess, we just kept doing it.

Relationship with Roger Sippl

Johnson: You mentioned a Roger Sippl story. Tell me that story for the tape.

Gentry: Okay. Normally, I did not hire a contractor who had less than ten years experience. I think at one point we finally dropped that to five, but I just felt it took a certain number of years for people to get their act together and have enough experience to earn the rates we were paying. I mean, we were paying $15 an hour, for crying out loud. You had to be pretty good to earn that!

We undertook a project for Genstar Container Corporation. They leased shipping containers. For a while they were very hot and very high flying. And then I think they crashed and burned for probably the high flying reason. I had assigned two contractors to work on the project; and they recommended that I hire Roger Sippl, who was just coming out of college. I think Roger might have had a little work experience in addition to his college, but, basically, he was just graduating with a degree from UC Berkeley in Computer Engineering, which was hardware design, effectively, that's all you could get a computer degree in at that time, from Berkeley at least. And they assured me he was very, very good and that I would not regret it. And so I hired him, and he ended up being on the project with them. When the project was over, Roger came in and said, "You know, wow, that was really boring. I mean, you write one update program, you've written them all, except, you know, just the details change."

And, remembering that he'd really been trained to design hardware, which always seemed very sexy to us, or, at the very least, an operating system or something, I said, "Well, Roger, welcome to the wonderful world of commercial data processing. I agree with you."

He said, "Well, I am going to go design a solution so that people don't have to do that any more." And I said, "Well, I think that's a good idea. I think you ought to go do that." And I wasn't saying that ironically or cynically or anything. I just think young people are amazing. I know Richard and I were. And the most amazing thing was most of the time we had no idea that what we were trying to do was impossible.

So off he trots. I didn't hear from him for, I don't know, maybe three years, which wasn't surprising. I thought he got a job or went back to graduate school. And one day I got a call. He needed to meet with me. Well, my experience in my business was that when people called me after I hadn't heard from them for a couple of years, it generally meant they needed a job. So I was kind of prepared for that. So Roger came in and explained to me that he and Laura...

Johnson: King.

Gentry: King, yes. I think she was Porter then, but she married and became King. And Bill Hedge, I think it was. The three of them had been working for quite a while developing what ultimately was the Informix Relational Database. And they had completed it. They had tested it. Roger had funded this by money that he had raised from his parents and his parents' friends and neighbors. They were almost out of funds. In fact, Laura and Bill were to the point where they had to get a job to pay the rent or they were going to be evicted. Roger thought he had sold the first copy to IBM, but the contract negotiations or the purchasing approval or whatever had gone into a stall. And, literally, they were at a crisis stage, because if Laura and Bill went and took jobs, then they wouldn't be able to install the system and Roger wouldn't be able to do the selling he needed to do - everything was going to be lost and Roger was in despair.

Well, I looked at this young man who was clearly feeling distraught because he felt he had failed the people who had believed in him and invested money in him. So I said that we had just gotten a fixed price contract to develop some RPG programs for a customer on the East Coast on the HP3000. "Roger, have you ever written any HP3000 code?" "Nope. Never seen any." "Well, you're about to become one." Because RPG is a language that a good programmer can pick up in nano-seconds. So I asked him how much money he needed to get them through this crisis, and I think it was about $3500. So I said I could pay him $3500 if they would write these programs. So that was fine. [I paid him up-front.]

I didn't see Roger much after that. I saw Laura and Bill running in and out. They did develop the code. We did deliver to the client, who later did make the comment that it was the strangest RPG code they'd ever seen, but it all worked. And then Roger disappeared again, which I assumed meant that everything probably failed and he was too embarrassed to come back. And then one day, out of the blue, I got a note from Laura, saying, "Grace, thank you. We owe everything to you. We couldn't have done it without you." And I thought, well, that was strange. What was that all about? I asked a few people if they knew where Roger Sippl was. And they said, "Oh, yeah, he's got this company, Informix; and they just went public." And I thought, well, okay, that's interesting.

It was still more time passed before I realized that this wasn't just some little company, this was a big company. And so I went down to see Roger and congratulate him; and he introduced me to the people there. He never said, "Give this lady your business." But the fact that we clearly had his confidence meant that people were open to the idea of using us, and I provided a lot of contractors to Informix over the years - and to the other companies that Roger started after that. He was a very good client of mine. And for many years, I teased him about where is Grace's cheap stock? Because he would start a company, and I wouldn't know about it until, you know, cheap stock was no longer available. And I said I was going to embroider a sampler and put it on his office wall, "Don't forget Grace's cheap stock."

But he was a very good friend, and we did a lot of good work for his company. In fact, at one point, the young woman who later became my daughter-in-law moved out here and was looking for work. She had her master's from Penn State in Computer Science, majoring in Relational Databases. So I called Roger and I said, "I have a candidate for a position. I won't charge you a fee, and I'm not asking for any favoritism. But I want to present her resume to you rather than your HR department because I don't want her to get lost in the shuffle. I want her to be given proper consideration if you have a position that is appropriate for her or if she has skills that you need." And I'm happy to say that Kate Kansas at that time, and now Kate Gentry, worked for Roger at Informix for many years. And he told me after he left and she left and he went on to these other companies that he formed that I should consider that I just had a standing job order for Kate. And any time I could deliver her, he'd be happy to pay me any fee I wanted to charge.

Selling Gentry, Incorporated

[Editor's note: After the interview had been completed, Grace was asked to provide a description of the process of selling the company – what that had meant to her and Richard and how they had gone about finding a seller. The following is her written response to that request.]

As friends and acquaintances began to sell their companies, I finally agreed to consider selling Gentry because Richard wanted to retire. Since we had never operated the company with maximum profit as a goal, and certainly never with the intent of selling it, I knew we would have to invest both time and effort into getting the company ready to sell. We did not have a standard approach to managing but, rather, a loose arrangement highly dependent upon self-management by our employees. We also had products that were no longer profitable but that we continued to support out of loyalty to the existing users.

After researching what would be needed for a successful sale, I searched for a Chief Operating Officer with experience both in managing under a standard corporate model and in getting companies ready to sell. We were fortunate to find Dave Dunbar. Dave had very impressive and relevant experience and had been our client for over twenty years. During that time he had been President for three different companies, taking one public and arranging the successful acquisition of the two others. Dave and I knew and trusted one another. My main concern about hiring him was that we couldn't pay what he was used to earning. He solved that problem by proposing an arrangement involving a lower salary, a bonus based on performance and 10% of the company (which he purchased at the then book value). All this seemed eminently fair. My other concerns were whether he could "tote his own luggage" after so many years in large companies with his own personal secretaries, etc., and whether he could quickly master an entirely new industry, having spent his entire career in software products. As it turned out, he could do both; and we were a good team. Later, after my retirement, he remained as COO of Gentry under its new owner.

In considering selling the company, Richard, Dave and I shared several concerns. We wanted the acquiring company to possess certain characteristics:

1. Honesty in business dealings. Gentry had always worked this way; and we wanted it for the protection of our customers, clients and employees.

2. Dedicated to developing long-term and personal relationships, involving mutual trust, with clients. To do this requires a willingness to put the client's needs ahead of the company's immediate need for profit. Again, Gentry was known for this; and we wanted it for our clients' protection.

3. Decent and fair treatment of employees.

We also agreed we wouldn't negotiate a purchase price based on a per cent of performance (measured solely by EOY net profit) during the one to three years following the signing of the acquisition agreement. At that time, many acquisition agreements included this feature. We had seen other companies virtually implode when their pursuit of the highest net profit for cash-out purposes destroyed their customer relationships and, as a consequence, their company's reputation, irreparably. Last but not least, we hoped to find someone wise enough to leave the acquired companies alone, rather than changing their operations. Again, we had seen so many acquired companies destroyed in relatively short order by this action on the part of the acquiring company. In fact, we never understood the psychology of someone saying, in effect, "Gee, you are so successful that we'd like to own you, BUT we are going to change everything about your operations because we know how to do things better than you do." Our experience was that the computer contracting business looks simple, deceptively so, because it is actually very hard to do successfully (to wit, the many computer contracting companies that fail each year or do little more than struggle along for years on end).

As we were "getting our act together", I received a call from a friend, Rick Green, who had just sold his company, Computer Resources Group, Inc., to an acquiring company called Personnel Group of America (PGA). Knowing me well enough to understand our concerns, Rick thought we should talk to Ed Drudge, the President of PGA. Rick said Ed was honest, upright and clean and had a stated policy of keeping his hands off his companies so long as they met their goals – and that the goals were reasonable. I trusted Rick's judgment and let him arrange a meeting with Ed Drudge. Around this time, other acquiring companies also approached us directly. I met with several but, for different reasons, wasn't satisfied with any of them.

I cannot recall whether I met with Ed before or after we selected John Hamachek, a local Merger and Acquisitions Specialist with a good reputation for respecting his sellers. I think it was before because I do recall more or less saying to John, "Package and sell us to Ed Drudge and PGA." Of course, John gently explained we should be more open-minded and should talk to other interested parties or we would not know what other arrangements were possible. This made sense so we worked with John to "package" the company, assembling all the materials and information any acquiring company must have before deciding to make an offer. He then approached several that were looking for target companies with our profile (size, location, type and size of client companies, percent of profit, etc.). We met with several interested parties and met again with Ed (who now had more specific information about us). Ed and PGA still looked best to us so we entered into more detailed discussions and negotiations. Ed offered us two options. In one, we would receive $8.5 million in cash. In the other, we would receive $12.5 million of PGA stock by "pooling" our stock/company with PGA, instead of being acquired. The second offer was higher for two reasons: first was a tax aspect that worked to PGA's advantage, enabling them to afford the higher offer, and second was the higher level of risk for us because

we couldn't sell our PGA stock for six months. At that time the risk didn't look very high since the whole industry was still booming and PGA's stock was climbing, stimulated in part by Ed's great acquisitions but mostly being pushed up by the market's burning passion for our type of company. Of course, this passion was "too hot not to cool down" (thank you, Cole Porter).

The sale to PGA was completed on July 20, 1998. By the time we could actually sell our PGA stock, it had dropped from $15 per share to $6, so the $12.5 million melted down to @$5 million. Fortunately, Richard had "collared" half of our PGA stock, thereby keeping its price at the $8 level or we might have considered postponing our retirement plans. As it turned out, we took the money we received from selling the PGA stock and went on to lose part of it in other stocks purchased on the advice of highly regarded (and well paid) financial advisors. Ah, well, easy come; easy go. It only took 28 stress-filled years of hard labor to get what we lost in just a few years.

Fortunately, we had acquired some income-earning real estate over the years (the building we housed Gentry in), a source of a modest but reliable income. Further, before everything tanked, we set aside almost $759k in a Charitable Remainder Trust which generates a small income but will also allow us to leave money to the schools we attended (on scholarships, so we want to give back) or other educational institutions. So we're happy with what we got out of our years in "the industry": a lot of good friends, the opportunity to contribute to the lives of others (including helping our own children pursue their careers), pride in our accomplishments, interesting challenges - and the feeling that our work was meaningful because we were one of the many who created an amazing industry - and by this I mean both the larger computer industry and the computer contracting industry. Not bad for two kids from Texas!