FULFILLING THE COMPUTER'S PROMISE

THE HISTORY

OF

INFORMATICS

1962 — 1982

VOLUME 1

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TABLE OF CONTENTS

A detailed table of contents will be found
at the beginning of each chapter.

AUTHOR'S PREFACE

The idea for this history of Informatics General Corporation had its beginning during 1978 when I was employed by Dataproducts Corporation as a graduate student intern to write its corporate history for the first ten years of its existence, and to advise on how best to maintain and preserve its historical records. This effort ultimately became my thesis for my Master's Degree in history, and allowed me to become employed as Dataproducts' first corporate historian/records administrator responsible for the establishment of a corporate archives and a companywide records management program. It also led me to Informatics, a former subsidiary and successful investment of Dataproducts. In researching the past of Dataproducts, I embarked on a rather ambitious oral history project involving tape-recorded interviews with approximately 65 long-term employees and significant management members who contributed to the growth of the corporation. The project, of course, led me to conduct oral history interviews with three founding and long-term management members of Informatics who had served with their company during Dataproducts' years of ownership.

These three men were the company's president Dr. Walter Bauer and senior vice presidents Werner Frank and Frank Wagner--all founding members of Informatics Inc. and pioneers in the burgeoning computer industry of the 1950's. Bauer had been personally associated with Erwin Tomash, the founder of Dataproducts (and my patron for that company's history project), during those early years. It was this acquaintanceship between the two men that permitted Informatics to begin business as a wholly owned subsidiary of Dataproducts Corporation in March 1962. It was a combined effort to fulfill a double-pronged entrepreneurial strategy--leading to the establishment of independent and successful businesses of their own direction and serving the computer industry-- with Tomash and Dataproducts focusing its attention on computer hardware and the manufacturing of computer peripherals (printers, discfiles, etc.) while Bauer and Informatics focused on the programming of computers and the design and development of software (the programs or detailed instructions and supporting documentation required for a computer to accompish a specific task). During their early years together, the achievements, revenues, and profits of each company helped enhance and bolster the image and financial performance of the other. However, both businesses were fundamentally different right from the beginning. It was this difference, the pursuit of different goals and directions, which led to Dataproducts' divestiture of Informatics, its first subsidiary, in 1969.

Although their business objectives, products, and markets differ and they formally parted ways, the two companies possess much in common due to the enterpreneurial drives of their respective founders, the contributions of these men to the computer industry, and the fact that both companies have grown up over the past 21 years with the commercial computer industry. It is perhaps this commonality which first planted the desire for a corporate history within Informatics. At the conclusion of my oral history inteview with him, Frank Wagner, senior vice president of Informatics, curious about what I was doing for Dataproducts and why it was interested in its own history, showed the first sign of interest by Informatics. Wagner inquired as to my future plans after the completion of the Dataproducts' history and if I intended to do similar work for other companies.

Although Wagner's inquiry was stated rather innocuously, I took it as a possible sign of interest that Informatics management might also desire a history of their own company. In fact, interest did exist and was much greater than I originally suspected. Walter Bauer, a founder and trustee of the Charles Babbage Institute, had already assigned a company secretary (originally Jean Browning and later Sidney Wrigley) to serve as an unofficial part-time company archivist to collect and gather any pertinent corporate documentation relevant to Informatics past. This action was totally unknown to me. The company did request guidelines, which I had previously prepared, to identity what business records were historical, but I was unaware that the company had initiated any collection effort.

During a temporary break in my employment with Dataproducts in April 1980, I took the liberty to contact Walter Bauer and inquire if Informatics would be interested in a written history of itself. This initial telephone call eventually led to a written proposal, meetings and finally a negotiated agreement with Informatics in February 1981. Frank Wagner (whose interest in the subject was evidenced by his position as a departmental editor of the <u>Annals of the History of Computing</u>) was appointed manager of the project and Mrs. Sidney Wrigley was assigned to provide research and secretarial support on a part time basis. By the time I began the project, Sidney Wrigley had gathered together over five file cabinets of records needed for research. In addition to the information supplied by this material, I interviewed 32 Informatics managers and employees, both past and present, who contributed to the company's growth. Initially it was contemplated that the history would end with 1980. However, since it was a part time effort for all concerned, the project took longer than expected but gained additional quality from the extra effort put in both by Informatics personnel and myself. The review process (primarily by Frank Wagner) was strict and hence, weaknesses and mistakes made in my first effort at writing a corporate history (of Dataproducts) are not, I hope, repeated here. As a result of the stretch-out, it was decided to cover events through the end of 1982. This was a natural milestone in Informatics history since it was the time that two of the founders, Werner Frank and Frank Wagner, left the company, and Bruce Coleman became president and chief operations officer.

The primary purpose behind this internal history of Informatics is to educate and enlighten new management members and employees on the company's past accomplishments, failures, growth and traditions, and how these have interacted over the years to create the strategy and motivation for one of the largest independent diversified software companies of today. While this history does discuss the contributions of the company founders, it is not a piece of personal aggrandizement or corporate promotion either for public or internnal consumption. Failures are recorded along with successes. Although it is not a complete history and does not discuss all aspects and activities of Informatics, it is a comprehensive history that discusses the evolution of the company's major lines of business, technological and marketing achievements, financial growth, and operational setbacks. It is a highly factual history, compiled during one year of research, discussing the many endeavors of Informatics to continually expand and refine its corporate strategy and fulfull its business goals. It is essentially a reference book that provides, depending on the needs of the reader, both fast look up and in-depth discussions on numerous areas of the company's past activities, people, products, and services. It can be used

to find quick answers to reference questions or provide basic historical
information required for company reports, presentations, or publications.

Consequently, this history is essentially a "historical encyclopedia" of
Informatics for the years from 1962 to the end of 1982. Like encyclopedias and
other reference books, it is organized topically. Each of the 12 chapters is
dedicated to a major aspect of Informatics business and past performance. The
first five chapters are more general in nature and provide an overview of
Informatics history. The final seven chapters are devoted to specific lines of
business, products, and services providing more detailed information for those
who are interested. The areas covered in the first five chapters are the
company's founding; significant people, professional contributions, and
development of human relations programs; organizational structure, business
planning and financial performance; acquisitions, mergers and joint ventures;
and the technological areas in which it operated. The following seven chapters
deal with professional (custom) software services provided to the government
marketplace; information systems and services; professional software services
provided to the commercical market; MARK IV products; insurance industry related
products and services; software products other than MARK IV and insurance
industry related products; and finally computer data processing and timesharing
services. Each of these final seven chapters in turn is structured to provide
general information in the initial introductory section with more detailed
information in the following sections. The reader may simply "skim" through
these chapters by reading the introductory sections for an overview or read an
entire chapter for areas of particular interest. The various topical sections
and subsections for each chapter are listed in its table of contents. This
organization thus permits the required chapter or specific information of
interest to be referenced in an "indexed" fashion.

The source materials are listed as references at the end of each chapter and
in Appendix I. Although many documents exist from the early years, it is
understandable that in a new company, fighting to survive and grow, little
effort was spent on preserving everything of historical interest. So a great
deal of data herein concerning these early years relies on the memories of those
interviewed and cannot be verified by documentary evidence.

This history was composed, revised, and prepared in final copy using a word
processor and is available on floppy diskette. I am grateful to Informatics for
initially making their word processor available and providing instruction. This
positive experience soon provided me with enough motivation to acquire my own
personal computer. I was then able to write at home rather than at Informatics
on Saturdays and week day evenings. The benefits provided by the microcomputer
and word processing have been a total blessing, as any experienced writer knows,
in eliminating countless drafts and permitting quick and easy revision. In the
two years of writing of this history, Sidney Wrigley (my secretarial support)
and I (neither one of us of technical background) grew from simple novices to
experienced and knowledgeable users of office computers. In working on this
history of a computer software company, we directly benefitted and participated
in the office automation revolution that computer technology was bringing to the
business world and into the home of the early 1980's.

The most important benefit from this automation is that this history, by virtue of being recorded on floppy diskette, can easily be updated. It can be added to, shortened, and changed in whole or in part at will. It therefore has the quality and ability to be a dynamic document, similar to a corporate strategic plan which is updated annually, and not a static one that can become easily outdated. With future additions and revisions, this history has the potential for becoming an increasingly valuable reference aid and tool to company personnel and others interested in the development of Informatics General Corporation.

The writing of this history was a major and successful undertaking for me--both personally and professionally. This effort would never have been completed without the assistance of a good number of people who offered support services, consented to oral history interviews, and provided insight and advice. In particular, I am especially indebted and thankful to Dr. Walter Bauer for his foresight and willingness to support this project and his patience with its numerous delays and to my project teammates, Frank Wagner and Sidney Wrigley. Frank Wagner became my "unofficial" co-author, supervising the project, meticulously reviewing and thoroughly editing rough drafts of chapters, while frequently authoring individual sections for which I lacked adequate source material or expertise to do justice to the topic. Sidney Wrigley was our research assistant, constantly and faithfully performing the necessary support work--the collecting and maintaining of the company archives, researching them to correct errors of fact in the drafts, indexing and abstracting oral history tapes, arranging appointments, typing correspondence, inputting corrections on the word processor, keeping the references straight, and reorganizing the whole book into a consistent format. Finally, I owe thanks to Erwin Tomash without whose original sponsorship at Dataproducts I would never have known of Informatics at all and probably would not have had the entrepreneurial ambition to approach the company with a proposal.

Richard L. Forman

Woodland Hills, California
December 1984

EDITOR'S FOREWORD

Although I have long been interested in the history of computing, this project was my first opportunity to work with a professional historian, the author Richard Forman. It was a great pleasure for me to observe him and learn from him as he brought a discipline of scholarship to the research for and writing of this history.

He did it in the face of great obstacles. He was employed full time at other jobs, so this work was done on evenings and weekends. Informatics provided him with far from an unlimited budget. But the biggest problems arose out of the great diversification of Informatics, both geographically and in type of work done. Although the corporate archives (if they can be dignified by such a title, since they have not yet been indexed) contained many documents, a far greater number were buried in "dead files" in numerous offices of the company throughout the United States and abroad. I am sure that, on every page, the author felt frustrated, as a professional historian, by his inability to confirm the facts by reference to the original source document--in most cases he had to rely on second or third level summaries of what was supposed to have taken place or upon the fallible memories of the participants if he could locate them. Another problem, which the reader will appreciate if he peruses this work in depth, was that the author had to familiarize himself with virtually every type of work that went on in the computer services industry. He knew little about them to start with, and was not helped much by the (frequently illogical) jargon with which they were described in our records. In spite of all of this, he did a tremendous job, and Informatics is deeply grateful to him.

As an editor, my task became more than simply improving the readability of the text and watching out for errors in grammar and punctuation. Fortunately, I had the qualifications to mitigate in some small measure the difficulties described above that confronted the author. I had the opportunity, as a founder of the company and chief operating officer for most of the period covered herein, to know about and in many cases participate directly in every activity that went on in the company. Coupled with my penchant for knowing every detail, and my love of reading voluminous reports and cross examining their authors, my memory was an enormous warehouse of information about Informatics. The difficulty, of course, is the unknown accuracy of the retrieval mechanism. Nevertheless, one task that I took on was to find and correct errors and resolve contradictions.

Another task arose out of the three-year length of the project and the topical nature of the format. This inevitably led us into uneven coverage of various subjects. Where the author had good source doucments available to him, he was able to write at length. Where he had little or no data, he was forced to write very little or nothing, even though the subject was of significance. Moreover, the nature of the organization of this work required considerable duplication so that the reader would not be bothered by continual reference to other chapters. In the case of duplication, I exercised my editorial privilege to keep it to the minimum necessary. In the case of omissions of significant topics, I inserted a discussion based primarily upon my memory, confirmed where

possible by numerous phone calls to and final review by the participants concerned. In particular, I relied on the prodigious memory of Robert Heckathorne who has served Informatics since early 1963. I am sure that the reader will realize that what is scholarly and accurate is attributed entirely to the author--all errors are entirely the fault of the editor.

The 14 executives of Informatics whose biographies appear in Section 2.1 reviewed the various chapters of which they were cognizant and commented copiously, as did Robert Johnson, Molly Wolfe, Geno Tolari, and Robert Heckathorne. All such comments were incorporated; where they were contradictory, I did my best to find an accurate resolution. I am very grateful to them for their help, as well as to the other 18 people who were interviewed by the author.

This work would never have been completed without the untiring devotion of Sidney Wrigley. I relied very heavily upon her for doing the research to confirm or reject innumerable alleged facts. She successfully did so either by tirelessly searching through the documents available to her, or relentlessly hounding, by phone and letter, Informatics people in all offices of the company to track down elusive facts. In addition, as each chapter was heavily edited and frequently rearranged, her ability to keep the proper numbers assigned to each reference was, to me, almost miraculous. Of course, she did a superb professional job of word processing; the typographical format of the book is entirely her design. The author and I will be eternally grateful to her.

Francis V. Wagner

Woodland Hills, California
December 1984