

DEC Connection
About Digital
So what went wrong?
So what went wrong?

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Author Topic: So what went wrong? (Read 3192 times)

Anker
 Newbie
 Posts: 20

So what went wrong?
 « on: April 10, 2007, 08:00:58 AM »

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A topic that comes up a lot, both in conversation and in books, is "what went wrong?"

I believe its very simple. The computer market evolved rapidly from 1985 and onwards, but DEC neither led nor followed, and was most definitely unenthusiastic about where the market was going. That was very much compounded by the fact that margins dropped dramatically, and the DEC way of doing business just couldn't be sustained.

What is more contentious is, "whose fault was it?"

My belief is that it was all of us! The DEC culture was that any individual in the company with a passionate enough belief, enough drive, and enough guts to stand by his/her convictions could affect incredible change. The problem was that most of us were happy to sit in the old comfort zone and blame "everybody else", or "management". There were a few individuals who did work very hard to change DEC, but they just couldn't recruit enough followers to reach critical mass.

A quick anecdote to make my point: In the mid 90's, before the Compaq takeover, and after my initial layoff, I was rehired to help Digital Engineering become more entrepreneurial. It was extremely depressing, because the group that I was supposed to do it with was willing to talk the talk, but as soon as it became time to walk the walk, they retreated right back into their comfort zones. I was hired as an hourly employee and after a couple of months I became disgusted and stopped showing up and submitting time cards. The interesting thing is that I never received any paperwork laying me off again! I still have my badge and a key card to Powdermill Road. I have often wondered whether somewhere in HP there's an Anker Berg-Sonne who is an employee who works zero hours every month!

Anker



[Report to moderator](#) [L 24.34.57.215 \(?\)](#)

romweis
 Newbie
 Posts: 3

Re: So what went wrong?
 « Reply #1 on: November 15, 2007, 10:15:43 AM »

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Good question. Here is my take on it. First off, let me say that I worked with some of the most dedicated, high-quality talent at DEC than I have seen anywhere else. The DEC company culture attracted a certain kind of person so there was a special feeling about working at DEC. It is too bad that it ended the way it did.

That said, I firmly believe that what went wrong is that

1 - DEC wasted money hand over fist

2 - extremely egotistical senior engineers did not seem to care about what was best for the company - they

did what was in their self-interest. This was the darker side of the comment made previously that dedicated and passionate

individuals could affect tremendous change. If that change is not in the company's best interest, disaster

lies ahead.

3 - DEC management was weak - see #2 above

4 - mgmt and senior engineers failed to anticipate problems, even when they were clearly visible way in

advance, and waited until they became huge crises before the panicked fire-fighting then took place.

My basis for these conclusions:

I was hired fresh out of college in 1987, during a hiring freeze. My supervisor proudly proclaimed this to me.

He managed this by strategically avoiding certain people - it is easier to ask forgiveness than permission.

The project (which will remain nameless) was an exercise in futility. We had 7 people who had worked for years

before I arrived on a project which had no chance at all to ever recoup its investment. The engineers were

very dedicated but completely out of their depth. As my project leader said to me: "Often I get asked why we

chose method A to organize our data instead of method B. I have to answer that it was because I have never

heard of method B." Why was this project allowed to continue when it was obviously a colossal waste of time?

Because the senior engineers who started it, protected it.

My friend worked on another project, that at one time had 5 other major competitors, inside of DEC itself! All

these projects did variations of the same thing. Why? How confusing must this have been to a customer?

Imagine what a spectacular product there would have been if all this talent had been pulling in the same

direction!

Shortly before I left in 1993, I became very peripherally involved in another nameless project that had used 80

software engineers at least 2 years - considering that each employee cost DEC about \$200k - you do the math! The

end result? As I was leaving, the decision was made to completely trash the entire project! It was so

incredibly complicated that it was apparently nearly unuseable, because when something went wrong, it was almost

[Report to moderator](#) 71.184.152.126 (?)**SEHarker**

Newbie



Posts: 17

**Re: So what went wrong?**« **Reply #2 on:** November 15, 2007, 12:27:40 PM »[QUOTE](#) [MODIFY](#) [DELETE](#) [SPLIT](#)

Anker & romweis

Apparently, my original response to your question, Anker, (reply #1) which offers a third perspective, got "wiped" by a website problem, so I'll repost it below, but I wanted to say you both offer extremely valid (and valuable) points of view. In particular, I am taken by yours, romweis, because you seemed to have been very close to the Development side of the business.

Those of us who were on the "Administrative" side could not – and would not - have seen, what you experienced, which makes it all the more intriguing, and, enlightening.

Being on the "Admin" side, we have our own, unique, explanation(s), but I'll come back to that in another Post.

But both of your responses raise a couple of questions (that may, or may not, have been raised or addressed in other venues): Could the philosophy of "Matrix Management", at least as it was reflected in DEC's operations, have had some role in Digital's demise?

I think – if you were to ask three former Digital employees what that term meant - you might get three different answers – with at least one scratching his or her head. My own is one employee with two or more managers, and a collection of dotted and solid lines, both business and functional, for the reporting structure (and that's from a MBA).

And the Second: To what extent could the responsibility for multiple "Cost Centers" have had a role in Digital's destruction?

For some Managers just the management of one was a test of one's financial acumen. With more than one, losing track of where funds were going was for many, a certainty.

I have some thoughts on the first, and virtually no experience with the latter, but I'd like to hear your thoughts and those of others.

[Report to moderator](#) 66.189.36.56 (?)**SEHarker**

Newbie



Posts: 17

**Re: So what went wrong?**« **Reply #3 on:** November 15, 2007, 12:33:44 PM »[QUOTE](#) [MODIFY](#) [DELETE](#) [SPLIT](#)

(This was the original "Reply #1", to your Question, Anker.)

I suspect many will find this is actually a very difficult topic to respond to, if, like myself, you had lived the dream that working for DEC represented for many, including myself. You don't want to remember the "dark side" of the experience. But, I'll jump in – with the caveat that I have read none of the materials published on this topic, or about DEC in general, since my departure in June, 1994 (although the book entitled "DEC is Dead, Long live DEC", is at the top of my "To read some day" list).

My own personal, gut-level, belief (supported by no facts) is that – at some level – Greed reared its ugly head. In 1987, or 1988 (the exact date escapes me) DEC's stock had reached \$180.00+ per share level (to the enthusiasm of all shareholders) and then, contrary to expectations, began to slide. This slide – for reasons not entirely understandable (financial types, no doubt, would have a better handle on that), was not lost on shareholders as their paper wealth diminished, or on the BOD, and decisions were acted on to take steps believed needed to satisfy the NYSE, and re-enforce, and justify, that price level – beginning with facility closings. After that, regardless of other factors, it was all down hill.

As I think back on it, your observation that "The problem was that most of us were happy to sit in the old comfort zone and blame "everybody else", or "management".", has validity after that timeframe. We DID seek out personal "comfort zones" more as a means of shielding ourselves (psychologically) from the events that were unfolding around us within the Corporation.

As I recall, there was a general feeling of helplessness as we read of more and more closings and watched as colleagues and friends were dispatched to the outer darkness. By 1992 the direction seemed evident and the general attitude was how could we (individually) survive. We all were seeking out our own "Comfort Zones", trying to believe we would survive the next round of cuts. There was no "happiness" in that process, per se, only delusion.

Of course, there were many more factors that were inter-operating during that time, but the quiet, paralyzing, fears of the individual employee had a significant role in the eventual outcome.



Report to moderator  66.189.36.56 (?)

Anker

Newbie



Posts: 20



Re: So what went wrong?

« **Reply #4 on:** November 16, 2007, 08:05:27 AM »

QUOTE 

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Scott,

Its great to read all of your posts!

To your questions:

My experience was that matrix management was much less prevalent than suggested. The ones I remember were liasons between organizations. For example, when I was in the Edu Product Line, Software Services had a liason who sat in on all of our staff meetings. I son't remeber a single situation where he did domething useful to our group.

Your cost center brings up something important liested in roweis' response. As a cost center manager I didn't see the connection from how I managed "my" money to the corporaqtte profits and some of the instructions I received from my management, like "you need to spend more because you are below budget", didn't make financial sense.

Anker



[Report to moderator](#) 87.49.44.132 (?)

will_emerson

Underwriting Technical Assistant
Jr. Member
☆☆☆
Posts: 90



Re: So what went wrong?

« **Reply #5 on:** November 16, 2007, 10:24:56 AM »

[QUOTE](#) [MODIFY](#) [DELETE](#) [SPLIT](#)

Hmm.. "and some of the instructions I received from my management, like "you need to spend more because you are below budget"", Seems to me I'd heard of such in other cost centers. Almost as if managers were evaluated more on their budget forecasting ability, than ability to accomplish the "mission" at a cost savings.. 😊



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This space for rent

[Report to moderator](#) 207.195.247.110 (?)



In land network
Hereshb Harry Chan
23 Feb 1929 - 08 Feb 2011



SEHarker

Newbie
☆
Posts: 17



Re: So what went wrong?

« **Reply #6 on:** November 21, 2007, 08:50:13 AM »

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Anker, a "thank you" for your compliment. I want to respond your comment – and Will's, but first a reaction to "romweis"'s Prelude.

I, too, feel that I worked with – and under – individuals with exceptional talent and dedication. In fact, in going back through the years I can't think of one I would not have worked with or for. This does not mean there were never times of disagreement. There were, but this did not stand in the way of doing "What was right thing for Digital".

Re: Cost Centers. I concur with both of you. There were times when the messages just did not make sense. I, too, heard my manager(s) – at various times – comment, at staff meetings, about the need to insure we spent to the limits (but not in excess) of a budgeted item. This was particularly confusing as we were also told that – as an administrative (overhead) function, we had to be much more conscious of our spending activity, with a focus on cost savings. Those of us – like myself - who had to travel in support of a business, often would find ourselves in the cheapest of hotels eating meals only a notch or two above a MacDonal'd's Happy Meal to insure we maximized the value of our business funding.

Re: Matrix Management. This too, became a confusing construct over time. In my last situation, however, it was reasonably clear. I reported solid line to a functional (Purchasing) manager, and a direct, but dotted line to a business (Corporate Telecommunications) manager. On the functional side that line continued straight up to a Vice-President, but on the business side it went down to an additional set of managers who represented various subdivisions of the business (Voice, Data, etc.). My yearly Performance Review (another "Topic" worth exploring) was written by my functional manager, but included a significant amount of input from my business manager who, in turn, had input from his/her sub-divisional managers. Further, a discussion – or revision - of my roles and responsibilities required both managers' involvement. If I attended a Staff meeting it was on a "as needed" basis to provide input on our "Mission" with respect to Supplier relationships or address project-specific relationship issues or negotiations.

Did it work? In my experience it, invariably, depended on the personalities of both managers but, in general, it did. On several occasions, though, I found myself in the middle trying to "mediate" business differences of opinion.



[Report to moderator](#)  66.189.36.56 (?)

romweis

Newbie



Posts: 3



Re: So what went wrong?

« **Reply #7 on:** December 19, 2007, 07:03:38 AM »

[QUOTE](#) 

[MODIFY](#) 

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[SPLIT](#) 

Hello all! Thanks for your positive responses to my comments. Yes, I was a software engineer while at DEC. As such, I never heard any of the budgetary discussions, but the point made above was something I'd never thought of before: who *was* responsible for deciding whether a product made financial sense? Hopefully somebody was running the numbers somewhere.

Which reminds me: when I first started at DEC, I was explaining my job to my father. He asked what a "cost center" was. My brother, an accounting type, explained that divisions in a company that make the product but don't directly bring in revenue from the outside are "cost" centers, while other divisions that make sales to the outside are the "profit" centers. I started laughing because I had never heard of a "profit" center. As far as I knew, at DEC they were ALL "cost" centers! 😊

re Matrix Mgmt: could this have led to blurred lines of responsibility when things started to go wrong? I know on the engineering side, I have clear memories of conversations about certain senior engineers who had time and time again led/driven projects with unfortunate results, but were never seen to be penalized and were given new large assignments. Was anyone ever called on the carpet to answer for bad decisions?

annemarie



Report to moderator 71.184.223.82 (?)

Isegal

Newbie
★
Posts: 23



Re: So what went wrong?

« Reply #8 on: January 22, 2008, 09:28:02 PM »

[QUOTE](#) [MODIFY](#) [DELETE](#) [SPLIT](#)

I was in the room at MRO when Ken addressed us (engineering) and stated that "nobody needs a computer on their desk"!

I contend that this philosophy was "the beginning of the end" for DEC.

The man with the vision to migrate from time-shared mainframes to mini-computers, failed to have the vision to see the migration from mini-computers to micro-computers on every desk!

It is also obvious that Ken's upper management team failed to see that forward vision too . . . and the rest is history.

There are a lot of other factors as well, but I think the above was "key" in us heading downhill as we did.



Report to moderator 66.31.158.61 (?)

SEHarker

Newbie
★
Posts: 17



Re: So what went wrong?

« Reply #9 on: January 23, 2008, 07:50:51 AM »

[QUOTE](#) [MODIFY](#) [DELETE](#) [SPLIT](#)

Isegal:

Thank you for your contribution. Your point is well taken. I've heard this mentioned before. Personally, it is hard to believe, given the ever increasing speed of the chipsets DEC, Intel and others were manufacturing, that one could not anticipate smaller, and more efficient systems.

SEHarker



[Report to moderator](#) 66.189.36.56 (?)

Isegal

Newbie



Posts: 23



Re: So what went wrong?

< **Reply #10** on: January 23, 2008, 08:49:35 AM >

[QUOTE](#)

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[SPLIT](#)

If I didn't hear it with my own eyes and see Ken's lips moving at the same time, I'd have a hard time believing it too!

Even after he left DEC, he and Ralph Dormitzer (plus others) formed a new company marketing racks of Micro-VAXes to some industries.

They still "didn't get it" that PCs weren't a fad.

I also was told by someone I respected and was "high up in the food-chain" that Ken's top advisers were lying to him about the condition of the company, to cover their butts.

There was also the untold millions that were probably lost when DEC double-shipped orders and had no idea it was happening! Even an Employee purchase I made was double-shipped and when the trucking company left the notice for me (it was a pallet full of software), I confirmed that it was a duplicate of an order that I had received weeks earlier and I refused delivery with orders to return it to DEC. How many customers kept their duplicate orders??



[Report to moderator](#) 66.31.158.61 (?)

Isegal

Newbie



Posts: 23



Re: So what went wrong?

< **Reply #11** on: January 23, 2008, 08:53:35 AM >

[QUOTE](#)

[MODIFY](#)

[DELETE](#)

[SPLIT](#)

Damn . . . not being able to edit after hitting "post"!

I really didn't "hear with my own eyes" 😏

I saw him with my own eyes and heard Ken say it very emphatically! The room at MRO was packed with engineers who had come to hear Ken discuss what he saw of the future of computing and DEC.



[Report to moderator](#) 66.31.158.61 (?)

Ava Schutzman

deconnection
Webmaster, ex-Digital
marketeer



Re: So what went wrong?

< **Reply #12** on: February 12, 2008, 04:34:31 PM >

[QUOTE](#)

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[SPLIT](#)

Administrator
Jr. Member
★★★★★
Posts: 73



My post-DEC EMC office. Now I'm semi-retired.



Isegal
Newbie
★
Posts: 23



Hi Len,

try the "Modify" button - I think I set this up so people can edit their own posts!

Ava



[Report to moderator](#) 76.109.125.44 (?)

Ava Schutzman
webmaster@deconnection.org

Re: So what went wrong?
« Reply #13 on: February 14, 2008, 05:51:37 AM »



Quote from: Ava Schutzman on February 12, 2008, 04:34:31 PM

Hi Len,

try the "Modify" button - I think I set this up so people can edit their own posts!

Ava

Ava,

I don't see a "Modify" button. Must be a Moderator feature only??

ETA (2/19/08): Cool, thanks now I can correct my mistakes. 😊



« Last Edit: February 19, 2008, 09:38:57 PM by Isegal »

[Report to moderator](#) 66.31.158.61 (?)

Ava Schutzman
deconnection
Webmaster, ex-Digital
marketeer
Administrator
Jr. Member
★★★★★
Posts: 73



My post-DEC EMC office. Now I'm semi-retired.



Modify Button and photo size
« Reply #14 on: February 15, 2008, 10:34:26 AM »



Hi Len,

You're right, I just found a place to let you modify or delete your own topics. So try it out.

Also I see your avatar photo isn't showing. Perhaps you uploaded too large a file. Can you make it much smaller - max size is something like 150 KB.

thanks,
Ava



[Report to moderator](#) 76.109.125.44 (?)

Ava Schutzman
webmaster@deconnection.org