



The DIGITAL Management Legacy:

Knowledge, Innovation and Collaborative Advantage

Remarks by Debra M. Amidon
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Digital was a management enigma, particularly in how innovative ideas were brought to market. Debra will explore the roots of the company's value system, and how it has become the managerial standard in enterprises around the world. Ken's philosophy, evident in his infamous parables, became the learning environment to emulate...engaging, networked, and empowering each employee and stakeholder - all in the quest of quality and corporate success.

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[OPTION #1]

*"Mayor Flynn is very busy; he takes care of all the people in Boston.
Governor Weld is very busy; he takes care of all the people in Massachusetts.
President Bush is very busy; he takes care of all the people in America.
Ken Olsen is very busy; he takes care of the people all over the World."
Leadership Book¹*

The year was 1993; and my daughter Kendra, then 7 years old, drew a gift for Ken Olsen. As I reflect on the legacy of Ken Olsen and Digital Equipment Corporation I realize the gift he provided for us.

[OPTION 2]

*"In the memory of man, no invention, and no work,
whether addressed to the imagination or to the understanding,
ever produced such an effect.
A universal mania for the instrument seized all classes,
from the lowest to the highest,
from the most ignorant to the most learned,
and every person not only felt, but expressed the feeling
that a new pleasure had been added to their existence."
Kaleidoscopic Renaissance²*

Imagine for a moment that you are peering through a kaleidoscope, one with many vibrant colors of glass, elaborate pearls and a variety of precious metals - silver, gold and copper. As you

¹ Rogers, Kendra Amidon, *Leadership Book*. Gift to Ken Olsen (1993).

² Baker, Cozy. *Kaleidoscope Renaissance*. Annapolis, MD: Beechcliff Books (1993), Pgs. 11-12.



turn the barrel, the images change shape...a little. You turn the barrel again the same amount and the image changes again...a little. Then, you touch it ever so slightly and the entire image takes a new form. For some reason, the combination of your movement and the natural laws of physics have changed the reflection...forever. At that moment, you realize that you cannot return to the previous shape and you must move forward.

Change is anything but predictable. Every dimension of the management enterprise has been transforming - moving toward an integration of performance measures, behavioral outcomes and technology to support collaboration required in 21st Century management. No longer can changes be viewed exclusively. It is the compounding effect - similar to the completely new images in a kaleidoscope - which must be taken into consideration as an organization charts its new direction. Once these forces are understood and embraced, they can become linchpins for the process rather than hindrances to success.

Similarly, enterprises have undergone unprecedented change. Some adjustments have been by design; the remainder has naturally evolved. Each has had an impact on the other. Some adjustments - however carefully constructed - have not produced anticipated results. In many instances, the reverse effects may have occurred. Then, there are those times when the unexpected just happens and you cannot seem to trace the roots of a successful venture. Who would have predicted the success of Google, E-Bay, I-Phone or The orb-like Tata Nano - even a few years ago? These are breakthroughs of sorts - the effect of a multiplicity of factors which, coming together, produce a certain result.

Introduction:

Ups and downs of the Innovation process

And you are Badge # ???

Connect on an emotional level

My own perspective...every person in the audience could provide theirs.

My own entering: DEC Dictionary, Open Interviews (5, including Ron Smart – who was the Secretary for the kitchen cabinet and the architect of GIA)

Digital was – at the core – an original Knowledge-based firm, networked competent organization (1991 memorandum)

- Knowledge and yes – even Intellectual Capital
- Innovation strategy defined according to the flow of knowledge, not technology or finances
- Collaborative (not Competitive Advantage)

Heart-felt sense of community – not just the Christmas turkey and the corporate picnics

Digital had a heart and soul as a company

This is an extraordinary story – consider the year 1959 and a man who was only __ years old. Product of MIT, he wanted to create a research environment (spirit of inquiry, curiosity and imagination...and a playground for DOING) in the form of a commercial enterprise. It was a university with a corporate P&L...and we all played a role in that evolution.

Demming vs. Doriot



Where we came from (Roots/Heritage):

The Digital Mystique/enigma; Digital Management Cultural Norms; MIT (academic research organization) with a Corporate P&L; The organization: networked, learning

Ken's parables

The 'churn' (not turnover) factor

The "corporate jewels" – responsibility to share

MIT alignment, including the DTN!

Brilliance of the Engineering Leadership Forum (Glorioso and Eichorn)

President of Europe – posters on 'vision'

Courses in Cross-functional Management and Advance Cross-Functional Management

Too much focus on the competition

IVIS running on a PC in

Ken said (and he was RIGHT):

- No one should lose their job, we're not defining the market properly
- Innovate, do not waste time being obsessed with the competition...innovate!
- Do not be a customer-centric company; balance technology prowess with market need.
- Always be better than others think we are.

Foundation for MANY initiatives, such as MCC, OSF, Alvey, EU Metaframes and even offset accounts (e.g., Australia)

Digital was a place where you could make things happen

BUT, we did become obsessed with (and perhaps underestimated) the competition, confused the marketplace with our excellence, and ultimately became hierarchically managed...and the rest became history.



What we became:

Evolution; challenges in managing the Dynamic Tension (delicate balance): Success for over 30 years; Met with a force – globalization (size?), complexity, uncertainty

Largest User Society in the Industry

Embracing Change/Complexity

David Stone – information utility -> knowledge utility

DECtown and DECWORLD...and rotating globally

Integral community involvement

Focus on ethics with Win Hindle and in the office of the President

Strategic Alliances – over 100...led to the first VP of Strategic Alliances (Henry Krouse)

Foundations we established in the organizations we served – and the customers from who we learned and with whom we innovated.

We left the company – most of us; and took positions in other companies, started our own companies, assumed academic roles, took government posts – all 130K of us and from 80+ countries. My PREMISE: Ken's influence – and those values of Digital – spread. And because they were so solid (e.g., based upon knowledge), the notions and practices have spread like wildfire.

The Digital Press – books that shaped thinking

Management Systems Research (MSR)

Management Sciences

Quality Circles

Of course, there were other companies downsizing at the same time; and those who enjoyed such a networked competence and value-based also had an effect. Not the collective intelligence that was unleashed around the globe – some might argue – was unprecedented.



Where the world is headed (Future):

Digital's Entrepreneurial Legacy; what does management lead to over time; Venturing; social networking

Just because the corporate walls may have been taken down does not mean that we stopped learning...stopped interacting...applying what we learned...sharing own knowledge...learning from others

Look today at the examples of knowledge-based organizations: Dubai Knowledge Village, the Knowledge Corridor linking Connecticut and Massachusetts, Desert Knowledge Australia, Intellectual Capital and cover stories of BusinessWeek on measuring intangible wealth - hardly an organization (profit or not-for-profit) or country for that matter that is not dedicated to building entrepreneurial capability represented in the human networked competence that was (and maybe still is) Digital.

- Knowledge-based Economy
- Knowledge-based Society
- Knowledge-based Infrastructure



In summary:

With due deference to Dr. Ed Schein who I admire immensely, Digital is NOT dead. It lives and breathes in the minds, hearts and hands of every employee and stakeholder with whom we came in contact. It was a privilege to work with one another. Indeed, the values, culture and progressive management style have been shared with all those with whom we have interfaced while employees and since our departure.

The Company did not fail.

Isn't it appropriate that