Lost in Translation:

"Total Systems" from War Room to Boardroom

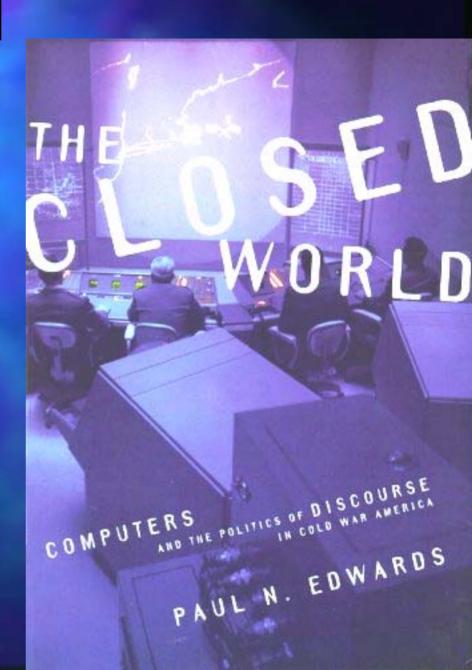


Thomas Haigh — <u>thaigh@sas.upenn.edu</u> www.tomandmaria.com/tom

The Closed World

 Cultural history of the SAGE air defense system and the SDI project

Edwards, Paul. The Closed World: Computers and the Politics of Discourse in Cold War America. Cambridge, MA: MIT Press, 1996.



"The Systems Approach"

Hughes, Thomas Parke. *Rescuing Prometheus*. 1st ed. New York: Pantheon Books, 1998.

Hughes, Agatha C., and Thomas Parke Hughes. *Systems, Experts, and Computers: The Systems Approach in Management and Engineering, World War Ii and After,* Cambridge, Mass.: MIT Press, 2000.

Systems, Experts, and Computers

The Systems Approach in Management and Engineering, World War II and After



edited by

Agatha C. Hughes and Thomas P. Hughes

The Corporate War Room...

"Third Generation" Management

New Concepts Of Running A Business

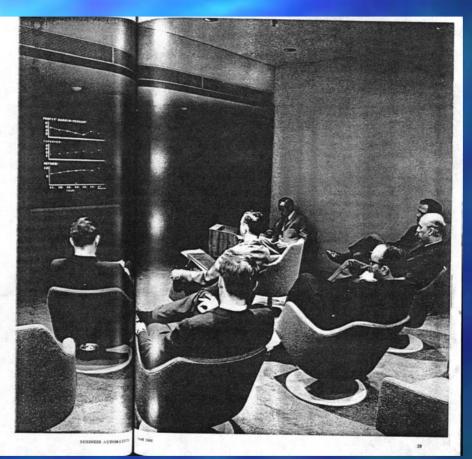
By W. Robert Widener, president Information Management Facilities, Inc.

O VER 23,000 computers are now operating in the business community. Most of the accomplishments to date have been of a tactical nature—payroll, order entry, inventory status, etc.—applications that reduce and simplify electical work and speed up paperflow. Top management has enjoyed little or no benefit from the computer as yet. However, as the "third generation" systems are ordered and installed, management is now turning more attention to the computer as a "strategic" tool. They are now asking for new applications that well directly benefit middle and top managers in the faut-oday running of the business.

in the regionally numming of the observes. The end product of these applications will be, quite unturally, the reports management needs to accurately review the progress of the business and to make more rapid decisions. Here is a preview of "third generation" management reporting and visiplay techniques, and a report on how some companies have already made significant progress.

The term "third generation" is being heard more and more wherever the newer computing systems are discussed. To my knowledge, no one has really defined it to everyone's satisfaction, so I will define my use of the term as I apply it to

An easy, relaxed atmosphere prevails when the "new" managers meet in the information management facility.

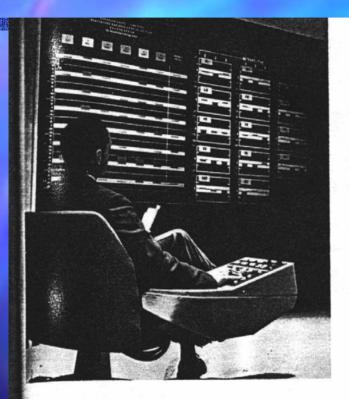


"the warroom atmosphere is growing up fast" (The Corporate Command Post, 1968)

"one by one, the same applications that are pioneered and proven in military use ultimately find their way into business" (1968)

38

...a Utopian Vision





Executive armchair control panel (closeup above) reduces need for paper reporting.

Widener, W.
Robert. "New
Concepts of
Running a
Business." *Business Automation* 13, no.
4 (1966): 38-43, 63.

"a more relaxed, leisurely management environment. The uneasiness will be replaced by a feeling of confidence in the completeness and timeliness of information and in the decisions based on that information...."



Business History Review

Special Issue: Computers and Communications Networks



(Burroughs Corporation photograph from 1961 courtesy of Charles Babbage Institute, Univ. of Minnesota, Minneapolis.)

SPRING 2001

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Haigh, Thomas. "Inventing Information Systems: The Systems Men and the Computer, 1950-1968."

Business History Review 75, no. 1 (2001): 15-61.

Thomas Haigh

Inventing Information Systems: The Systems Men and the Computer, 1950–1968

During the 1960s, many academics, consultants, computer vendors, and journalists promoted the "totally integrated management information system" (MIS) as the destiny of corporate computing and of management itself. This concept evolved out of the frustrated hopes of 1950s corporate "systems men" (represented by the Systems and Procedures Association) to establish themselves as powerful "generalist" staff experts in administrative techniques. By redefining the computer as a managerial "information system," rather than a simple technical extension of punch-card "data processing," the systems men sought to establish jurisdiction over corporate computing and to replace accountants as the primary agents of managerial control. The apparently unlimited power of the computer supported a new conception of information, defined as the exclusive domain of the systems men (assisted by operations research specialists and computer technicians). While MIS proved impossible to construct during the 1960s, both its dream of all-encompassing automated information systems and the resulting association of information with the computer endured into the twenty-first century.

During the late 1950s and early 1960s, a new and exciting concept swept through corporate America: the "totally integrated management information system" (MIS)—a comprehensive computerized system designed to span all administrative and managerial activities.

THOMAS HAIGH is a Ph.D. candidate in the History and Sociology of Science Department of the University of Pennsylvania. He would like to thank Richard B. John, Walter Licht, Mauro Guillen, Rosemsny Stevens, Walter Friedman, William Asperay, David Mindell, Burt Grad, Robert V. Head, David Hoursbell, John Agar, Siegfried Buchhaupt, Helmuth Trischler, Jeremy Vetter, Josh Buhs, Carla Keirus, Jeffrey Tang and Nathan Ensmerager for their comments on earlier versions of this paper. Its preparation has been supported by fellowships from the IEEE History Center, the Charles Bulbbage Institute and the University of Pennsylvania.

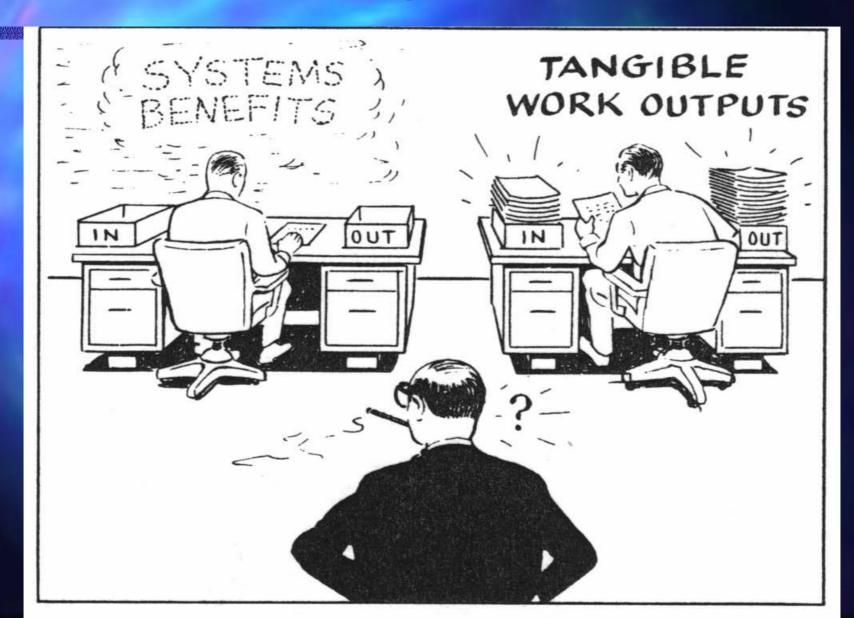
Business History Review 75 (Spring 2001): 15-61. © 2001 by The President and Fellows of Harvard College.

Great dreams...



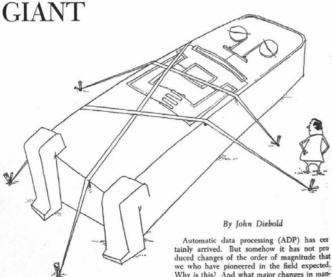
If he manages through systems, the boss will have time for leadership.

... but limited respect



MIS Will Realize Potential of computer...

ADP –
THE STILL-SLEEPING



Speedy and Spotty

agement still lie ahead as the revolution in information technology gathers momentum?

Let's take a quick look at the record since ENIAC and Mark I made their appearance 19 years ago. In that brief period five distinct phases may be discerned: (1) First, there was the coldness of potential users in the cardy 1950's. Typical of this period is the controller who quoted me Pope's "Be not the first by whom the new is tried, nor yet the last to lay the old aside." Everyone was from Missouri and had to be shown.

(2) Next came the status "kick" of 1956-1957 when corporate presidents decided they had to keep up with the Joneses. Four-color photos of walnut paneled, deep-carpeted, "showcase" installations graced corporate annual reports, and yet-to-be-realized savings by computers were what the presidents bragged about to one another out on the golf course.

(3) Then, with the onset of the 1957 recession, came disillusion as the initial installations failed to live up to expectations. Naive early projections of big payoffs changed in a matter of months to an attitude reminiscent of Damon Runyon's character, Harry the Horse, on his way to the track: "I hope I break even today — I need the money."

(4) The fourth era was ushcred in during the early 1960's. It was characterized by a growing sophistication on the part of business regarding at least the obvious data-processing applications (as more programmers and other trained personnel became avail-

able). Of especial importance, there was a growing appreciation by computer manufacturers of business data-processing problems, which affected computer design.

(5) Finally, today, we have routine acceptance of the electronic computer as an everyday tool of business. Almost 15,000 computer systems are now installed in this country alone. And, of even greater significance, more computers are now on order than have been built in the past 15 years.

Unrealized Potential

Of course, many of the 15,000 ADP systems in use are more than paying their way, and some are performing tasks that were not possible before. But even in the best applications we have not come close to realizing the computer's true potential. Let me hazard some reasons why.

Automatic Data Processing 61

*BE NOT THE FIRST BY WHOM THE

NEW IS TRIED, NOR YET THE

LAST TO LAY THE OLD ASIDEP



*OF COURSE OUR INSTALLATION
IS A SUCCESS – FOUR-COLOR
PICTURE SPREAD IN LAST
MONTH'S OFFICE INTERIORS –
NEXT MONTH,
HOUSE BEAUTIFULE





"I HOPE WE BREAK EVEN TODAY - WE NEED THE MONEY!"

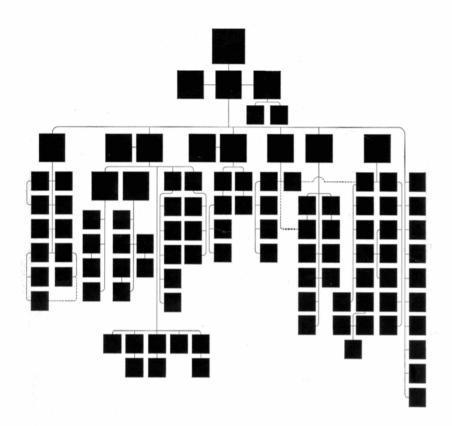
Deterring factors differ from installation to installation. Sometimes — but rarely now — the equipment is at fault. In most cases the problem can be laid right on management's doorstep:

- Inadequate planning, mostly parochial rather than corporate-wide in scope.
- Not enough fresh thinking, and too much reliance on canned approaches.
- Selection of the wrong people to plan the installation i.e., technical specialists who fail to acknowledge or even appreciate their limited understanding of business practice.
- Overemphasis on hardware and underemphasis on the design of comprehensive systems.

These are serious faults. But the basic problem lies deeper. It is far more subtle, yet in a

Univac Advertisement, early 50s







Your business.

Your business with a Univac Total Management Information System.

Management is no longer the remote apex of a pyramid but the hub of a wheel. Lines of communication are direct. Every area of activity is monitored on an absolutely current basis. And centralized control of decentralized operations becomes a reality. Painlessly.

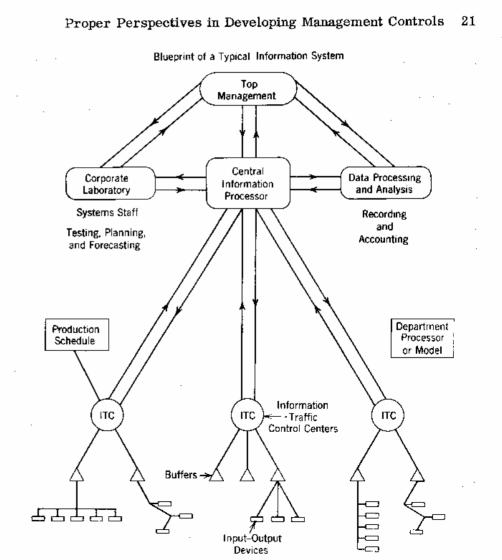
operations becomes a reality. Painlessly.

There are three distinct Total Management Information Systems graded for businesses of varying size and complexity and known collectively as The Univac Modular 490 Real-Time Systems.

For information about them, get in touch with the Univac Division of Sperry Rand Corporation.

"Blueprint for a Typical Information System"

Alberts, Warren E. "Proper Perspectives in Developing Management Controls." In Management Control Systems, edited by Donald G. Malcolm and Alan J. Rowe, 13-27. New York: John Wiley & Sons, Inc., 1960.



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- Papers (4 published, one forthcoming, one draft), including "Inventing Information Systems"
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