



Richard Holway

Interviewed by

Roger Graham

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My name's Roger Graham, and I am at Richard Holway's house, delightful house, in Farnham, Surrey, and I am going to interview him, and the day is Tuesday February the 28th 2017.

First, Richard, let's talk about your personal background, when you arrived on the planet, in this world,, and something about your parents and family and grandparents.

Sure. Well I've just literally celebrated my 70th birthday, because I was born on the 2nd of February 1947. I was therefore one of the baby boomers, of which I understand a very large number of people are turning 70 this year for exactly that reason. My father had been, just like, you know, most people, most men in the UK of that age, had been called up to fight in the Second World War, and indeed had gone over on the Normandy Landings, and had then made his way, all the way through France and Germany, and was indeed away from my mother for about eighteen months. But clearly, the very first thing he did when he came back [laughs], was to, was to create, was to create me. And, my... I've come from a, a very, it's not a, it wasn't a rich background. It was a very, my parents were I suppose what you would call middle class, they didn't have very much money, and indeed, my grandparents, all of which had died before I was actually born, and I think that is significant, but I think that, again as we come on later on to the work that I've done for the Prince's Trust, I think that the one thing that my parents provided me was a very very loving and very supportive background, and family, and family life. And, I suppose for most of my early life I thought that everybody, you know, had two parents who cared for them, who wanted the best for them, who would sacrifice everything for them, that would, you know, really wanted them to do well in life. And I think it's only in the last ten to fifteen years of working with the Prince's Trust that I realise that for the very very large number of people, certainly those the Prince's Trust help, is not the case. That's very much my early background.

[02:41]

I went to a state school, both for infants and primary, and then I took my Eleven Plus. And at that particular time, because, if you came in the top one per cent of those people who passed the Eleven Plus in Somerset, they then gave you a bursary or a, a place in a public school. And I got into Wellington School, not to be confused by the

way with Wellington College. Wellington School in Somerset, which was at that particular time a direct-grant school, it is now a full public school. And, I therefore, went there at the age of eleven. One of the first things I do remember, and again it goes back to the background, was, although it was free to my parents, they had to pay an absolute fortune for all of the school uniform, for the rugby kit, et cetera et cetera, and I remember my mother raiding all the lucky jars and the gas jars and the rates jars in order to get enough money in order to pay for my school uniform. And I also remember that we didn't have our one week in Weymouth that year because all the money had gone on, on the school uniform.

[03:34]

And then, I, I think another thing happened. It was a very good school, but, we've got to remember what the years are. I was eleven, 1958, but it also meant that I turned a teenager in the very early Sixties, and I, I only got six O Levels, and scraped into the sixth form, but I must admit, my, my mind was on other things. I saw the Beatles in 1963, I saw the Rolling Stones in 1963, I saw many of the, of the rock stars which have now, you know, become part of our heritage during that period. And, music and, I must admit, having a good time, were actually far more important to me from 1963, which is when I was meant to be studying for my A Levels, than studying for my A Levels. And, again, I only got one A Level, which was in physics, and, my parents – my, my careers master at school, having heard this result, said that, and this is honestly the case, there is a cartoon on my wall which indicates this, he told me that I would be a failure if I didn't go to university. My parents could not afford for me to be out of work for another year. And again, at that stage, one must remember that, I think only five per cent of the British population actually went to university in 1966, and, I... And also, there was much pretty much full employment for anybody leaving school.

[05:35]

And, I initially had a, a very short-term job with Somerset County Council as a clerk, which was the most boring thing I think I've ever done in my life, for about two or three months. And then, a neighbour of ours, Winifred Hector, who was actually the senior tutor at St Bartholomew's Hospital, she came down to see her mother who lived in the road, and she had always been very fond of me, and gave me an advertisement which had appeared in the *Daily Telegraph* for a trainee computer programmer for the King's Fund, for London, which was experimenting in how

computers might be used in the administration of the Health Service. And I went... I applied. I think probably, to be fair she might have put in a good word for me, and I got an interview. And I went for the interview. I did not know what a computer programmer did, I have to be honest with you. But, the guy who was interviewing me asked me a question, which I've actually used in many of the interviews I've held with people since, and he said, 'Mr Holway,' he said, 'I want you to imagine that you are the leader of a road gang,' he said, 'and your job,' he said, 'is to dig a hole in the middle of the road, and I want you to ask me all the questions you need to know about that.' And I thought, I've come for a job as a computer programmer, not to dig a hole in the middle of the road. And I said, 'Well, you know, obviously, where in the, is the hole to be dug; what is the purpose; how many people have I got in my road gang, et cetera. He said, 'Keep going, keep going.' And I had to ask questions like, have the police been informed, so that they could install traffic lights? Are there, if I dig down, am I likely to hit any gas pipes, any, so-and-so?' He said, 'Kept going, keep going.' And then, it was, I, even after the interview I thought, why was he asking me all these questions? And it was only when I started, particularly as an analyst, that I realised that he, that what he was, what he was really after, and that it was a really, really, really good question. And then, I...

[07:45]

Just to pause for a moment if I may. Back to school days.

Mm.

OK, no fantastic results academically. But what were the big influences, you were at Wellington, otherwise? What about the teachers, what are the things that, apart from the Beatles, were really important and you learnt there?

Yes. And... Well, I, and it's a good point that you, you raise that, because, it was very much a sports-oriented school, and I've never been particularly good at sport. And, it was compulsory rugby, compulsory cricket, et cetera et cetera. And I remember, again at the age of sixteen, my form, my housemaster, a guy called Michael Store[sp?], came to me and said that he was going to make me a prefect, and that I was the first person in the school who had been made a prefect that hadn't

actually played for a school team. And I think, one of the reasons for that, and again, looking back on it, I now realise the significance. I had been the editor of the school magazine, and clearly that was something which I, I really liked, and all the artwork, all the design, all the, all the interviewing, all the things that actually went, went into it. So, I think in a way, you could see some of the elements of the things that I did later on, and I think, you know, give them their due, I think that they realised, you know, that, all right, this guy might not be so good at sport...

So it wasn't just physics; it was the arts, and, you know, composing the material and so on.

Putting all the things together, yeah. Yeah. And I, I've always been really interested...

[09:17]

Do you regret not going to university at all?

Well, no. In fact I think it was the best thing that ever happened to me. I think that, first of all it gave me a three- or four-year advance on everybody else, so that, when I started in the computer industry at the age of eighteen, all of the other people I was up against were in their early, indeed mid, mid-twenties, and again, as you'll hear, I became, you know, the youngest senior consultant at Hoskyns when I was in my very early twenties, on the board of Hoskyns, you know, when I was 30, and so and so and so and so. I mean these were, these were things that perhaps wouldn't have occurred...

So you would be a big supporter of apprenticeships today?

Oh, very much so. Very...

I think, I know you are, and I, I share your view on that.

Yes. No, I think that, I think that, I've been at the forefront of arguing, and you may have seen my campaigns which consist of a little diagram on everything I write

saying, 'What do we want? Entry level jobs. When do we want them? Now.' And, I think that, you know, many of the companies now are offering, particularly degree-level apprenticeships, where you go in and you study for, not three years but study for five years, but you're doing a job at the same time. It's a... And also of course, you get paid, so you don't come out with 40,000 of debt or whatever that you would have done in other, in other ways.

[10:40]

So, I, I joined the, what was then called the Hospitals Computer Centre for London, on the 1st of January 1966. Yes, we did work on New Year's Days back in those days. And, because I didn't have a, anywhere to stay in London, they said that they would put me up in the nurses' and doctors' home, which was in the Duke of Marlborough's house in Lancaster Gate, which was a very palatial place. But I can assure you that at the age of eighteen, suddenly going into swinging London in a nurses' home was also, you know, something that was... And I actually met my first wife there. So there we go. So that was, that was a, it was a really interesting period. But, I did realise I think that, this was a huge chance, and I remember going on the programming course to learn to programme in PLAN, which was basically the BASIC assembler language for the newly launched ICT, not ICL at that stage, ICT 1900 range, and the Hospitals Computer Centre had bought a 1905, and that was what we were programming in PLAN. And we... And looking back now, I was only there for two years, one of the first programs they asked me to develop, just as a test, was a program for a consultant at one of the hospitals who was looking at the causes of testicular cancer. And this, this particular consultant had all these trays of records, and they wanted to see whether there were any items in people's backgrounds that made them more susceptible to testicular cancer than other things. And I wrote a program to do this, which apparently was, was quite interesting. Of course now, these kind of things are totally taken for granted, but back in those days, running those kinds of, of analyses...

Did you get good training? Was the training quite...?

Well it was, it was, it was... Well, when I say good training, I mean, there weren't, there wasn't very much classroom training. I mean it was reading manuals, it was... But it was being alongside people who knew just a little bit more than you did. And, and I think that that's been a situation throughout my life, that I've just been that tiny

bit ahead. As they say, you know, one page ahead in the manual to somebody else and you're an expert. And honestly, that was what it was like back in those days, I mean were all learning, we were all feeling our way on, on what to do. But, we wrote a complete system for all of the London teaching hospitals and all the five hundred and some odd hospitals in the south-east of England, to do their, first of all their payroll, and then to do their administration. And we did the whole lot in two years, and it... But it was of course extremely basic, but on the other hand, it just shows that if you, if you start off with a relatively simple objective, then you can achieve it. I think sometimes computer systems always get, they always die because they get far too sophisticated and complicated too early. People start with the basics...

Over-specified. Exactly.

Yah. And then, and then add to those things later on.

Yes.

[13:58]

But, then, after two years, and, perhaps, this is a bit unfair, the King's Fund had got then the National Health Service to take over it, which is of course what the King's Fund is so good at doing, to pioneer and then get the National Health to take over the things that they've done. And, at that particular stage, I saw an advert in *Computer Weekly* for programmers at Hoskyns, and again, joined in 1968. I went on the same induction course as Geoff Unwin. And again, you ask about being, going to university. Of course Geoff Unwin had been to university, and had also had a job for a couple of years, and then joined as a senior consultant. I was, I think I'm now about four or five years younger than Geoff, but we were on the same induction course, and indeed he was always sort of, one or two grades above me in the organisation. But we've stayed as huge friends ever since, and I know that you've interviewed Geoff for this particular programme.

Yes.

And indeed, Geoff was, came to my, to my birthday lunch a couple of weeks ago, and we've stayed friends all the way through that whole, that whole period, and a huge, huge respect for him. But again, at Hoskyns, I mean they, they just threw me in at the deep end. I mean, I remember that they asked me to act as the programming manager at J Sainsbury's. I was in my early twenties don't forget doing that. They were putting in a 1900 in their Stamford Road headquarters, and I was asked to go in and run their programming department for six months. And then, they asked me to go over to the States to do the same thing for the Equitable Life insurance company on Sixth Avenue, and, again it was a, an incredible, incredible opportunity for somebody in their very early sixties – in their very early twenties. Actually, I could tell a, a story, because, at the end of the six months that I was at Equitable Life I, the project had gone really well, and it was my last day, and I was going back the following day, and I was asked to go and see the head of Equitable Life who wanted to say thank you. He had one of those offices, you can always tell how important somebody is because, it was a corner office that looked down both ways on the, on the avenue, and it was, you know, on about the thirtieth storey. And I went up, and I went through various different anterooms, and got sat behind his desk that was something like the, the deck of an aircraft carrier. And, he said to me, 'Well Mr Holway, I gather that, you know, you've done a fantastic job here, and, we'd like to thank you for it.' And I said, 'Well, of course,' I said, 'it wasn't me,' I said, 'we had a fantastic team here,' I said, 'and they, of course, you know, did all the hard work.' And in typical American style, he turned to me and said, 'Oh,' he said, 'I've been misinformed,' he said, 'I thought it was you.' [laughs] He didn't understand the sort of, self-deprecating sense of humour that, that people in England tend to have. But I, I've always remembered that, because he really was serious, that...

He expected you to say, 'Yes, I was there, I did it all.'

I did it all, you know. [laughs] I, it was all of my effort, and, nobody else helped me at all. Whereas of course the British way is to say, no, it...

[17:22]

How did that job get started? I mean here was Hoskys, not a very old company. I remember John leaving IBM, Hoskyns himself, in 1963 I think, and, starting the company, and here were you what, in '66 or...

Mm. Yes. Well '68, '68, yes. Yup, yes.

'68. In America.

Yes.

On your own.

Yes. Yes. Ah well no, there were, there were a few of, other...

A few other Hoskyns people.

...Hoskyns people there, yes.

But you were the lead man.

No, well, Hoskyns had set up a New York office, all right, under John Pearce, who you may, may remember.

Right.

John Peace was running the American...

We have interviewed him too.

Oh, OK. Well he's another great, another great guy. And, I was, I mean I, I mean they were, they were managing directors. I was, you know, a lowly consultant, and I... But I was, I was, obviously I was, I knew about programming and modular programming in particular.

Oh.

But Hoskyns you see, again, it may be just worthwhile talking about, you know, the industry in the 1960s, because, as I've already said, first of all we were working on UK British built computers, we were working on an ICT, but obviously, you know, very, in the mid-1960s they merged with English Electric Leo Marconi, so, we had... and indeed changed the name to, to ICL fairly soon after. But you know, they were a leader. We were leaders in computer hardware. I mean this was, this was, you know, all of the things that we were using, even down to the peripherals and the disk drives and whatever, were developed, built and whatever in the UK. Here was, here was Hoskyns. Hoskyns in that period, and again I have the press cuttings for it from *Computer Weekly*, first of all, they undertook the very first facility to management, which is now of course outsourcing, contract with Willis Faber & Dumas in 1969, and also, they developed... Of course, at that stage there weren't any standard application packages. The software you had was, was basically the system software which came with the machine, but if you wanted something to do something, you had to develop it yourself. And, Hoskyns, John Hoskyns in particular, said that, this was really not the way that computing was going, and that people were going to want standard applications, and he developed a thing called the modular application systems, which were developed for both ICL, Hewlett-Packard and IBM computers. And again, this is 1969 that they were launched. So, 1969, Hoskyns basically introduced facilities management outsourcing into the UK with Willis Faber, and also the concept of modular application systems, application systems rather than system software. And indeed, if you look at the companies that operated, then and indeed for the next 20 years, they were predominantly UK-owned companies, like CAP, like Systems Designers, like Logica, all of these companies were formed in the 1960s, largely by people in their twenties, sometimes early thirties. And we sometimes think that, you know, here we have, you know, a vibrant technology scene in London in the year 2017, which is largely 20-, 30-year-olds, and we think, oh well this is something new; it is not something new at all. This was the scene that existed back in the 1960s, and one that, you know, I was very proud and pleased to be a part of. It was a hugely exciting time, absolutely hugely exciting.

And the Americans and others from Europe didn't really arrive here until the Seventies.

No. No.

And quite well on into the Seventies.

Absolutely. Well, as, again, I don't want to, to go on to later on, but when I produced my very first Holway Report, which I've got here in front of me, in 1988, in that year, our base year for doing the analysis was 1985, and the top ten providers of software and IT services in the UK, nine of them were UK-owned and headquartered. The only one in that top ten was IBM. Only one. Now, we've just produced the latest one, and there isn't one UK-owned company in that [inaud] period.

Oh well we'll come back to that later on I think. Yes.

[21:53]

Let's just focus, then, back into Hoskyns, about the way the company was run, and how you would develop, and about the individuals.

Mm.

Whether there was good mentoring. Because I think that facet goes back to the apprenticeship style probably, people help people, and good managers are very important in this field.

Mm.

Tell us a bit about the way the company was managed.

I couldn't agree with you more. And, you know, Hoskyns had, well I've already talked to you about Geoff Unwin, but you know, there were just a huge number of people, from Alex d'Agapeyeff to, already mentioned John Pearce, a whole range of others that, you know, were really able in their own right. It was a company that, you

know, you, you sat beside people who knew what they were doing and you learnt from them, not that they taught you, but that they showed you by example, and they helped you. And, they were always open to, if you asked for help, that wasn't considered as a, a point of weakness, it was considered as a point of strength. And, I learnt a huge amount during that period. A good example, which has gone all the way through my, my life, which again is something that I quote. I remember that I was given a profit centre for the first time, and, Hoskyns had a thing called M Reviews, which I think back in those days was fairly exceptional but now, you know, every company I've ever run has got an M review. We do a rolling six-month forecast, we do a budget at the beginning of the year, and basically that then becomes history, because what we do is, a rolling six months forecast on a monthly basis and we would review everything on a monthly basis, and re-forecast on the basis of that. And I first of all remember going in to see John Hoskyns with my M Review, and, he... I hadn't actually made my figures, and I hadn't made my figures for two or three months in a row. And he said, 'The trouble is, Richard,' he said, 'it's not that you're not making the figures,' he said, 'you're just not forecasting correctly,' he said. 'What you must understand,' he said, 'is, if you had forecast these figures,' he said, 'I think you knew what was going to happen; just you didn't want to tell me what you thought was going to happen.' And he said, 'If you had told me that, then we could have done something about it,' he said, 'and you must come and, and, if your forecasts are low,' he said, 'you must tell me about them. They must be your forecasts. Because then we can do something about it.' And he said, he said something to me, he said, 'If you can't forecast where your business is going, I can assure you Mr Holway you won't have a business.' And it's something again that I've instilled into every company that I've run since, you know, tell us the truth. If you, if you say that things are not going well, then we can do something about it. That is your job as a manager, and if you don't know where your business is going, if you don't know you've a downturn, then, to all honesty, that, you know, that is your problem, that's a big problem you've got. And, and if you can't even see where your business is going... I agree that, you know, doing something about it is more difficult, but if you don't know where it's going, [laughs] then you really do have a problem.

[25:07]

Let's talk a bit about PCs, because...

Ah, OK.

Hoskyns were up front in moving into the PC environment. And, tell us about how successful they were, and whether it was a good idea strategically.

OK. Well, I actually have to go back a little bit further. I, again, in this stack of papers that I have in front of me, I have a report that I wrote for Hoskyns in 1977, and it was called 'Why Micros?' And, I, I pestered the board that we should be doing something about micros. And I do have to say, and this is against Hoskyns at this stage, I remember at a board meeting somebody said that, you know, real computing, you know, will be done on, always be done on mainframes, it will never be done on micros. Obviously, a very very very short-sighted statement. But, Hoskyns, again, were very much into, a bit like, if you mind me saying, Goggle today, you know that Google have got two companies under Alphabet one is Google and the other is a thing called Other Bets. And Other Bets are the things that they, they do all of their things, Google Glass, driverless cars, to drones and so and so and so and so. And Hoskyns in a way had that attitude. They said, you know, well OK, what they basically said was, OK, why don't we do something, why don't we build something from micros? And, with two guys called John Phips[sp?] and John Barefoot[ph?], who were the real technicians, I was the marketing and sales guy, but basically was leading the project, we built a, a hotel system based on the Intel 8080 chip. And, it was purely just to see whether we do it. It did reservations and it did overnight billing so that you got your bill the following morning. And it was all open large floppy disks, you know, incredible things which I'm sure that you've got in your museum. And, we, we introduced it. And, it was the most incredible period of my life, because, we were, at one stage we had installed it in over 50 per cent of all of the, of all of the hotels in the UK with more than 100 bedrooms. And we had done that within the space of a couple of years. It was an incredible situation.

[27:38]

And again, it leads me on to another story, because, Trusthouse Forte were using it in all of their big hotels, but at that stage had huge numbers of hotels called Posthouses around the country. And, their buyer said, 'Well what we really need is a cheaper version of this which we can install in our Pothouses.' And, I had been negotiating

this. And he gave me an order for 150, 150 of these computer systems. It was amazing. And he, he said to me [laughs], he said, 'What do I put on the purchase order?' He said, 'What are you going to call this new system?' And I said, 'I don't know,' I said, 'we haven't got a name for it. What would you like us to call it?' And he said, 'I'd like you to call it Tuffy,' for, for Trusthouse Forte. And I said, 'Well, if you're ordering 150, [laughs] we'll call it Tuffy.' And he wrote out this order for 150 Tuffy systems.

And tell me, how much were those selling for, do you recall the price?

Oh they were under... The, the main configuration was about 20 grand. But the new Tuffy system was coming in at about 7k or 8k. So, it really was affordable.

With one PC, or with...?

Basically, it was a, it was a...

Single.

We... It wasn't a PC. We had built the whole thing, built the operating system, the, the... We even had a factory in Spain for, we were putting these things together. I mean, it was, it was just a fantastic period of my life. And, and we, it taught me, goodness, so many things. Again, I could, I could spend the whole of this interview talking about the hotel systems and what we did with them.

[29:22]

But, at the end of that period, which, we're now taking us into the, the late 1970s, early 1980s, by that stage I had been appointed to the Executive Committee, which is in essence the board, of Hoskyns. Hoskyns had been taken over by an American company called Martin Marietta by that particular stage. And 1981, if you remember, was the launch date of the IBM personal computer. And we, I again had been arguing with the board that we really should take on personal computers. Geoff says, and he does take the mickey out of me, he said that, I was becoming such a bore that, that the board decided that they, that I should go ahead and do it just so that I wouldn't bring it up at every board meeting. And, we, we, I got permission to start a thing called

Hoskyns business centres. And we became a dealer for IBM computers. If you remember, DEC had got a thing called the Rainbow, we were a big DEC distributor. Hewlett-Packard had their own equivalent of it. And again, we became, in a very short period of time, the largest provider of personal computers into the corporate marketplace, and again you'll see how this is important later on.

[30:53]

But, something, again, happened to me. 1983, we had been going for a year and a half, something like that, on the business centres, and Apple had been knocking at my door all the time saying that they, why didn't we stock Apple? Why didn't we stock Apple? And, well you know, Apple was just not a corporate computer in any way, shape or form. Anyway, I remember one Friday, Keith Hancock, who ran Apple in the UK at that stage, he phoned me up and he said, 'I've got something,' he said, 'that you might like to see.' He said, 'You've got to sign an NDA,' he said, 'but we'll deliver it to you today. You can use it over the weekend, and I want it back on Monday morning.' Anyway, delivered to Africa House in a large box with this machine. And I plugged it in, and it was an Apple Lisa. And, I switched it on, and it had a happy face and things on it, and it had a mouse, and it had a graphical user interface, and it had a dot matrix printer which actually printed pictures. It was amazing. I, I remember, I, I just couldn't believe what I was seeing. And, and to such an extent, that Hoskyns, in Africa House, you're meant to be out by seven o'clock, eight o'clock, they locked the front door, and I was still there at half past nine, ten o'clock and couldn't get out. And I had to phone somebody to come and let me out of the building. It was... But it was, it really did... And we became, indeed, an Apple, an Apple distributor, and obviously, therefore took advantage of the Mac when it came out. And the Mac changed my life. I mean I've run all of my businesses on Apple and Macintosh computers, particularly the desktop publishing side of it, and again, as we come on to what happened when I left Hoskyns, you'll see what a significant effect that actually had.

[32:41]

Yes, Hoskyns was one of the few of the companies established in the Sixties that really took on board these smaller computers, Apple and the... Whereas people like CAP and SPL, and others like that, really didn't to any great extent I would say.

I think you're right. I think that it really wasn't considered as being something that people would use in a proper... You know, you know that old, that old joke, you know, real men don't eat quiche.

Yes.

And it was a bit like that. You know, well, that's toy land, you know, this kind of thing.

It's not for a serious business. No.

Not for a serious business. And, whatever. But don't forget, Hoskyns had, although they started off on mainframes, they really pioneered distributed computer systems. They were the biggest DEC distributor and the biggest HP distributor, and don't forget that both of those companies really made their mark on, on smaller computers that became affordable by, not only by smaller companies but by branches within larger companies. And they really majored on that, rather than necessarily building, you know, the huge monolithic systems which some of the other people...

And that was the time that IBM was introducing their smaller computers.

Oh indeed, indeed. System...

System/32, 4, 6, and on went to the AS/400.

Yes. Yes.

Which is the way that I was involved in building a global business for banks.

Absolutely.

Based on small computers.

Yes. Yes, indeed

[34:11]

Let's move on. You moved to Wootton Jeffreys.

Well indeed. Yes, well...

What, about '83 or 4?

'84. Again, I had, I was getting paid very well at Hoskyns, but there wasn't any chance of having any equity. It was owned by Martin Marietta. As I said, you got paid a lot, but the chances of making a capital gain, were not there. By the way, that was a short-sighted thing, because, [laughs] Hoskyns eventually, as you know, got bought out and then went onto the stock market and people did make money, but, but I didn't know that at that particular time, for obvious reasons. Though we were...

More adventure.

More adventure. And, I, I was, I was recruited to be the CEO of Wootton Jeffreys, and I was given...

Can I just interject. Did you apply from an ad?

Yes, we applied for it and it went through.

You made a conscious decision...

I think, I think I was, I think I went, I think I was headhunted.

Headhunted.

When I think about it. No, I think, I don't think I applied. And, it was quite good, because it was, they were headquartered near Woking, and I had spent the whole of my life commuting up to London, and the thought of being able to drive to work was something which was very appealing. I had got two young children at that particular

time, so that was important as well. And, I was given this... Wootton Jeffreys at that stage was a partnership and it was owned by four gentlemen, and they each held an equal share in the partnership. They were all in their late fifties, early sixties. And my role was to go in and basically over a period of time sell the company. And we, we again, we built it up, we grew 70 per cent in the first year that I was there, which was very good. But then, in the second year, when we really started to look at who might come in and buy us... Whether this was the right thing to do, I don't know, but anyway, my team said that what we would really like to is to put together a management buy-out. And we approached 3i's in the area, and we got finance for about 2.2 million for Wootton Jeffreys. And we went back, and they said that that was not enough. And the reason, and I know this may sound simplistic, but there were four partners and they all wanted a million. I mean, you know, it was as simple as that, they wanted a valuation of four million. And, anyway, it, it was, it was friendly, but they realised that I really wanted to do a management buyout. I couldn't raise the money that they wanted. And we had a fateful board meeting. It was on a Friday, and they said that they were going to go another route to sell the company, which I'll tell you about in a moment, and they had had an offer from a company called Headland, and Headland had been put together by Robb Wilmot and a number of other people, and that they had offered them four million but the vast majority of it was in shares of Headland. And, but, it still meant that it was in excess of four million so that each, they each would be a millionaire. They, Wootton Jeffreys were very good. I had got a ten per cent share option, but I had bought one per cent of the shares, and so they immediately gave me the value for the one per cent of the shares. They gave me a year's salary; they told me I could keep my BMW and I could keep the computer kit that I had in my office.

[37:42]

And, I went away that Friday afternoon with my Apple Mac in the back of my BMW 7 Series, and I drove home. And, I, I had actually got divorced in the previous year, and I was, had a significant amount of debt, and, which is what one does when one gets divorced. And, my two children, who I was paying maintenance to my wife, my first wife, for, but they had both decided, maybe this is getting a bit personal, but they didn't like the new guy that she had run off with, and so they both decided that they were going to come and live, and stay with me. And so, that weekend it was very typical, you know two kids and whatever. I didn't tell them anything that had gone

on, because, I didn't really know what was going to go on. And then on the Monday morning I woke up, took them to school, and I thought, what the hell am I going to do with my life? [laughing] And, and, I, I, again, all... I... People phone me up now and they tell me the same situation, 'I've lost my job Richard, I don't know what...'. And I say, 'Congratulations. This is the best thing that could have ever happened to you. This will give you, on the assumption that, you know, you, you've got enough money to pay the mortgage,' and clearly, I did have enough, they were very good, they gave me a year's salary. I did have enough money to pay the mortgage, I wasn't worried about the finances, and I could really make a decision about what I was going to do next. And the problem with so many people, and it had indeed a problem with me, is that inertia means that people stay in jobs far, far, far longer than they ought to. And that isn't just, you know, the people that aren't very good, it's the people that are very good that stay in those jobs, and they, if they really had some kind of kick up the backside to do something... So again, that's what happened. And, a number of very good things happened to me.

[39:33]

Just pursuing that point, I think that's really interesting. Because actually, in your career in Hoskyns for instance, and by then you had been with them what, fifteen, sixteen years, something of that sort...

Yes.

You had had in effect, new jobs every...

Oh absolutely. Yes. Yes. Absolutely.

And again, I share that experience.

Yes.

That, you know, we bought companies, and, my job changed, blah blah blah, as it was. And I think that is terribly helpful, you learn in a new environment much faster than you do by simply plodding on.

Yes, absolutely. And, and I, that's a thing I respect for, you know, companies like IBM or whatever, you do have reorganisations on a very regular basis, and, and people, you know, are expected to, you know...

Shuffle the deck.

...move countries, move this, do this, do, et cetera.

Yes.

And again, one of the things I learnt from John Hoskyns, which again is something I've always applied, I remember going in for an annual review, and one of his set questions was, 'Well Richard,' he said, 'who can I put in to do your job?' And I remember the first time that he asked me this. And I thought, well, I don't know, I haven't thought about this. And he said, 'Well, next year,' he said, 'think about it,' he said, 'because I ain't gonna promote you,' he said, 'unless you've got somebody that can move into your shoes.' And from that point on, you know, I've always made sure, in everything I've done, that there are succession plans, in the Prince's Trust, in TechMarketView, in every company, and the number one thing is to say, right, who's going to do, who's going to do my job, who's going to do my things, if I'm not actually here? Because, it's not that I'm not going to be here, but how am I going to move on and do the next thing I want to do if nobody's going to do...

[41:10]

Just back to Wootton Jeffreys for a moment. If they hadn't decided they wanted to sell, and pay you handsomely when you left, would you have liked to have stayed with them, and grown the business under your leadership?

Oh I think so. Yeah, I think so. We, we had, I think we were doing quite well. And, they said they'd give me a ten per cent share option, which I think could potentially have been worth quite a lot of money. We had moved into personal computers and so and so and so and so. And, it was local. I would, no, I would have liked to have done that. It's worthwhile saying that, they, they took the shares from Headland but within

two years Headland had appointed the receivers, and so, the shareholding that the partners had got, and these partners had worked for many decades in building up their company, actually sold out to something in shares which were then valueless. And I've met a number of them since and they were, they've been very bitter about the whole situation, for obvious reasons. [laughs]

[42:18]

Right, now, it was time for you, Richard, to move off on your own, to be the real entrepreneur. You had seen a lot of entrepreneurs around you. Tell us about how that really all started.

Well, again, Apple comes into it, because, Hancock contacted me when he knew that I was on the market, and asked me whether or not I would go in to be the corporate sales director. [background noise] Are you all right?

We have pause.

Yup. Is it going?

I don't know. It looks as if, for some reason...

[pause in recording]

So you're recording now? Yup?

We're recording.

OK, right.

[43:03]

Yes. We... You left Wootton Jeffreys, and after a pause you went on to found Richard Holway, as Chairman and CEO of it, built a team of people. Had an interesting start, with some of, your market research consultancy, but tell us about it.

Yes. Indeed. Well, as I've already said, I lost my job at Wootton Jeffreys. That Monday morning decided, I didn't really know what I was going to do, but I didn't want to rush back into another full-time job. And I had got a call from Apple in the UK, who offered me a job as their corporate sales director, because Apple had, to all intents and purposes, no penetration in the corporate field. But, I didn't want to, as I said, to go back and doing that job on a full-time basis, and I cheekily said to them, 'Well, it's not really a full-time job. Why don't you allow me to do it on a day-a-week basis for a year, and I'll, you know, do what I can.' And that seemed to fit them very well. So, I went in as a, as a consultant on a day a week, and Apple at those stages were clearly paying very well, and, I think actually I was getting nearly as much for a day a week as I was getting for a full week. I mean that was how it was in those days. So, that really did give me the security. But very early on...

What year? Just give us a clue. What year are we in now? Eighty...

We're now in, '86, '87, all right? So...

'87, 6/7, yah.

'86/87. Late '86 and then going into '87. And, one of... I then went out to get various other consultancy jobs, because I thought that's what I was going to be, an independent consultant. And again, one of the early assignments I had was from IBM itself. As we talked about before, they had a range of System/38 and then AS/400 agents, over 200 of them, and a number of them had recently hit the skids and had gone broke, on quite a high profile basis. And, IBM said to me, 'What we want you... We'll give you the names of the 214,' I think it was, 'agents, distributors that we have, and we'd like you to do a financial report on them to show their viability, their growth rates, their profitability, number of employees, net assets,' blah blah blah. A whole range of different things. It was quite a big assignment. And I developed some 20 different ratios to apply to the financial performance of a business, and I went out and I did this analysis for all of these 200 agents. And produced a report. IBM were very happy with it, paid me for it. And then, almost on that week, in 1987, I, I was having a beer with Geoff Unwin, and Geoff Unwin asked me what I was doing. Told him about the report. And he said, 'God, Richard,' he said, 'can I

have a copy? Because they're all my, my competitors.' Because they, Hoskyns were included in the report as well, as an AS/400 agent. And I said, 'Well, that's unethical, I can't possible do that, that, you know, IBM have paid for it.' And he said, I think it's long enough now ago that IBM won't come back and sue me for this. But he said, 'Why don't you,' he said, I think he was at that stage the President of the Computer Services Association, the CSA. And he said, 'Why don't you,' he said, 'include all the other CSA members,' he said, 'so it's not just AS/400 agents in your analysis.' And he said... And he, out of his top pocket he got, it's true, a Hoskyns visiting card, Geoff Unwin. And he turned it over, and he said, 'Order for one Holway Report.' He said, 'There we are, he said, 'you produce a Holway Report with that stuff in it, and I will buy it.' And I thought, this will never work. Anyway, I, I went out, and I produced the first copy of the Holway Report, which is this one here. All right? As you can see, it's beautifully, beautifully photocopied, at Top Print in Farnham, and it's spiral bound. I thought, I'm only going to ever sell five copies of it. We went down to Top Print in Farnham. Well we sold 50 copies of the first report.

And how much did you sell them for?

I think they were about, £1,000 or something of that sort.

Not bad.

It was not bad. It was... And it really did show that... I was going to say that, before that time, there was a very famous report called the Green and Co Report.

Oh I remember that.

Which, which, I've got a copy of it here. And this was the only report which gave the financial, bothered to report on the financial performance of stockbrokers.

They were stockbrokers weren't they?

Stockbrokers. Yes. And they were of course indicating whether or not you should buy the shares.

Elizabeth, and a chap.

Yes, and a chap. Yes. He was a very well-known chap, who...

Yah. He was.

Sorry, you should have given me notice, [laughs] I'd have remembered who the guy was. But... Simon Knott. Simon Knott?

Yes.

Yes, Simon Knott, that was it.

You're right.

Yup. Yup. I'm sure...

It was before there was any public company...

Correct.

...in the United Kingdom.

Correct. Absolutely.

And I think my old company was there and clearly Hoskyns and blah blah blah. Yes.

Yes. Yes, that's right. Yes. Absolutely. So, you know, and again, I, I would say that, you know, I did copy a number of things from their ratios and the things that they, that they did. But it, it basically was a report, and it had, you know, three or four hundred different companies in it, and they were all analysed by profit margin, by growth rates, by revenue per employee, profit per employee, blah blah blah. Oh, 22 different things that we did. And it became, quite quickly, the bible of the

industry. And people would quote it and say, you know, 'We're the fastest growing company,' or, you know, we, 'We do better than other people for this ratio,' and, so and so and so and so. And of course from that we were able to deduce, not only the ranking table for how big people were in the various sectors, but also how big, how much the industry was growing. And, that was important, because, again I don't want to down rate my competitors like IDC and Gartner, but, they tend always to have a very optimistic view of the growth of the industry. And the reason that that is, is because they've never ever looked at the report and accounts that back them up. So, I would say to you, Roger, you know, how much has your business grown? And you would say, 'We grew 20 per cent last year,' right? But what you actually meant was, that you had actually stopped two bits of the business, because, which weren't doing very well, all right? And they, they had been disbanded. But the bits that were doing very well, which were the bits you were quoting on, had grown by 20 per cent. But of course, the industry had not grown by 20 per cent, because, you know, there were various bits that had been sold or had been stopped or had been discontinued and whatever. But of course, the report and accounts, you have to put all of that in. So we, we took, you know, fundamental information. And again, at that stage most of the companies were UK-owned, UK headquarters, and therefore you could get report and accounts for them. And for those that weren't, we developed a really good relationship with the managers in the UK, who by the way often couldn't tell us officially what their UK revenues were, but because of the relationship, they said, 'Well, you know, we'll tell you in private. You must never, ever divulge it.' And they, they therefore, it used to come out as, 'Holway estimates', so and so and so and so. And I remember EDS, Bill Thomas at EDS, was asked, in front of a parliamentary commission, how much EDS made in the UK, and he said, 'I am not allowed to disclose that,' he said, 'because, it's against the, the rules of my parents company. But,' he said, 'if you look in the Holway Report, they estimate our revenue to be,' so and so. [laughing]

How wonderful. That's great.

So there we go. So, so it did sort of serve a purpose of allowing people to show how big they were, but got around some of the rules. And we, you know, dare I say it,

we've never, other than now [laughs], we've never ever thrown people in the, divulged where people actually were.

[51:34]

Going back to '87. Here you are, you've started a business.

Yes.

Doing very successfully.

Yes.

Tell us, could you, how much sort of, you earned yourself in the first year of that new business.

Well I'm, you see I'm very tragic. Because you've got to remember that, Richard Holway Limited was just Richard Holway and a guy called Mike Wright, who was a 50-year-old retired bank manager, who I still know, he's now nearly 80 years old, and he, he came in, and he, he did, you know, all the analysis on, they put all the stuff into the... He never went out of the office. All he did was, get microfiche of stuff from Companies House, order it from Companies House. It used to come on microfiche, and he used to transcribe it all onto this big database which we, which we had developed, again, developed in, in-house.

On an Apple.

On an Apple. Absolutely, it was all Apple.

All the data...

All the... We did all the desktop publishing ourselves on Apple, Apple was particularly good. But we, we, it was just Mike and I. Don't forget, Mike was working part-time between then and when Anthony Miller joined in 1998, all right? So the first ten...

For eleven years, yes.

Ten, eleven years, it was just me, all right? And, I now look back on it, and I wonder how on earth I did it, because, in 1988 we... Every... 1988/89 people were saying, well, you know, a lot happens in a year. You're only publishing the whole report every year. Can we have something in between? And I, I developed a, a magazine... Can we just stop it for one second?

Yup.

[pause in recording]

[53:26]

Right.

In 1989 I launched a monthly, which we called *SYSTEMhouse* which you can probably see here. This is the very first edition, and I have on my shelves every single edition we ever published during that period of time. So, we were producing an annual report, and we were producing a monthly newsletter in print. By the way, it was, it was in pink, because we wanted it to look like the *Financial Times*, although my wife says that I chose the wrong pink. She calls, she called it boudoir pink [laughter] rather than *Financial Times* pink.

I think she was right. [laughter]

Anyway, it was, that was the reason why we did it. So, we were producing a monthly; we were producing an annual. Oh, and by the way, at that stage I was also the non-executive director of a number of different companies, like BOS software and TIS and a number of others. I joined the board of NMW, which was a quoted company. And, I...

Investment... Weren't you involved with an investment business?

I, I... We had a number of things where we put money in. You asked me... I mean, I think those, those yearly days, I mean we had... I was working from home, we had next, well we had no overheads. I mean let's be honest with you, no overheads at all. And I think we were, you know, in the first couple of years we were up to a quarter of a million, and, I know that may not sound a lot but, you know, I had gone from earning sixty, seventy thousand pounds a year as the Managing Director of Wootton Jeffreys, and that was the kind of salary you got at Hoskyns by the way in the early 1980s. And that, by the way, was a good salary, don't get me wrong. Sixty, seventy thousand pounds a year was...

Very good.

Very good. And so... And then, you know, suddenly, you know, in 1988/89, you know, it was quarter of a million, or 300,00. We, we then bought a new house, which, I do remember we bought, and I got a huge mortgage on it, and, within, the mortgage rate was five and a half per cent, and within three years it had gone up to fifteen per cent in 1988, if any of you were around at that stage, and that is pretty terrifying...

Yes, yes.

...when that kind of thing happens to you. But we, again, we were very fortunate in that we were earning a decent amount of money so we weren't... And this, *SYSTEMhouse* and the Holway Report just grew and grew and grew. And then, in 1996, really at the beginning of the, of the use of the Internet. I mean I think people don't... I, we had dial-up, all the way through to, to about 1999, 2000. I mean, we had our first ISDN line installed in 2000. Up until that stage, that, remember that ringing tone [vocal sound] that it used to make with the modem? And that was, that was how it used to go. And people were sharing a line, so somebody had to put the phone down on one in order to access Internet on another computer. It was, I mean I don't know how we managed, but that was, that was how it was done. But we were producing, you know, we had, we had literally... Now, if you add up the, the Holway Report sales and *SYSTEMhouse* in the 1990s, we were, we were talking thousands of items that were being sold. And indeed, Mike Wright's major task, because all print was, it was a logistic exercise of, of stuffing these things in envelopes. We had, we

had cardboard boxes, which, I still have a number in my garage, that were made in order to, in order to house the Holway Report. And can I just say, this is, I have every single one of the Howlay Reports. This is the one for 2000. People... That if you didn't actually read it, you could at least use it to prop your table up with. [laughter] But I don't know many, how many trees were, were cut down for it. The first volume, which I have here, was a complete summary of everything that happened in the industry in that year, and all of the graphs et cetera that related to it. The second volume had 1,000 companies, of which we produced a, a review of every one of those companies and what they had done during the year, all their takeovers, what their financial performance was. And then, the last volume was a datasheet, as you can see, with the financial performance of every one of those 1,000 companies. And it was all printed. [laughs]

And what sector was it Richard? Was it the SITS. the...

Yes.

Tell us who were in it. I mean, what companies were...

OK. The, the companies... SITS stands for software and IT services. Some people call it scuzzy[sp?] SCS. And indeed if you look in the *Financial Times*, they still have a scuzzy[sp?] Index, a FTSE SCS Index which, it's composed of the computer software companies, computer software and services companies. And they would comprise, we have relatively few software companies, today of course they would be, Sage and Micro Focus would be the two of the leaders, but we have a large number of smaller companies in that sector. But the big revenue earners are the IT services companies, of which back in the 1980s people like Hoskyns and CAP and Sema, Logica, Computer Sciences from the States, companies like that, were the, the main players. But then of course a large number of smaller ones too. And of course, the people that bought our reports were the very people that we were reporting on, because they wanted to see how their competitors were doing in relationship to them, what their particular results were.

And has the constituency of those thousand or so firms that were in the earlier reports back in the 1990s changed much in the succeeding 25 years?

Oh, hugely. Hugely. Because, the... First of all, practically all of those UK companies, actually all of those UK companies, have been acquired in the intervening period. Every single one of them. Again, there's a chart which, well I'll show you later on, you can put in, which shows what happened to the top ten companies in 19... in the report, and what has happened to them since, and every single one of them has been acquired. And interestingly, because people, people all the way through have said, 'Oh well, you know, we're, we're not as big as the US.' Clearly, the US is what, six, seven times bigger in population probably, in GDP as well. So, if you, if you are developing a market, then clearly the States market is the one that, if you can dominate there, then the chances are you'll dominate in the world. But if you're British, then that will not be the case. Indeed, it's interesting that we have always done really well in accounting software, because accounting software has always been a very local activity, with everything from sales taxes et cetera et cetera. The... But, you would therefore imagine that the companies that would be dominating the software and computer services scene in the UK today would actually be American owned, but that's not the case. Of course there are some big American companies, like IBM, like Hewlett-Packard Enterprise, like Computer Sciences, but the really interesting thing is how many are French, how many are German, and how many are Japanese. And when you consider that, I'm exaggerating now, but those three markets are not that much different to the size of the UK market, why is it that the French have got a Capgemini, an Atos, a Sopra Steria? Why has Germany got an SAP and a T-Systems et cetera? And of course, the Japanese have got a number, but most importantly have got Fujitsu, which of course owns ICL, which is again one of the top ten players in the UK in terms of IT services. So, it isn't a case of, of the Americans dominating the takeovers; it's the fact that we have allowed in one way shape or form our industry to be decimated from an ownership point of view over that period from the French, the Germans and others..

[1:02:19]

That clearly goes back to individuals, the leadership of the industry. In the UK, what would you put it down to, where have they come from, in terms of their ambitions, that are so different from, say, the French?

I... Well, first of all, let me just correct one thing. If... We... We have, I believe, produced some of the best managers in the world in our business. People like Geoff Unwin, for example, went on, he was the very first Frenchman – the very first Englishman, to be the CEO of a French company, of Capgemini. And Stringer of course went over to be the CEO of Sony. And, and indeed, Duncan Tait even at the moment is very likely to be the next president of Fujitsu. So we do... And I could go on. There are a huge number of fabulous managers that we have produced in the UK in the technology industry. We are very well regarded from that point of view. If you go over, even now, if you go over to America, to San Francisco, the next most popular language that you will hear will be, not American, it will be an English accent, because we are very well regarded in terms of both our technology and our management abilities, throughout the world. I think the real problem is in terms of, first of all investors and their short-sighted activities, and also I think that, when managers, or even, dare I say it, people like myself, form a company, there is always a reluctance, and it doesn't occur in other countries, to allow a founder to actually have some decent amount of money whilst he's still running the company. It always seems to me to be the only way in which you can get, to realise your capital, is to sell your company. And that is wrong, because, you know, I, I worked for, you know, a long time where, you know, if somebody had come in and said, you know, 'We will give you a couple of million for ten per cent or 20 per cent of your company,' I would have been delighted, but people were not prepared to do that, because they thought that enriching a founder would, you know, remove his, you know, his desire and ambition to work hard and whatever. Whereas Americans don't have that attitude. I mean they give, they give their, they give their managers huge stock options and various other things, and realise that, you know, that them being able to buy a big house and whatever, even when they're working for a company, is not, not a bad thing.

[1:04:55]

But coming back to the French. There's no real public market in this industry I don't think in France.

No.

Where there is something of a public market in the United Kingdom.

Yes.

Usually quite small companies. Tell us your view about how that has come about.

Well, first of all, I mean, again, I think the French are somewhat different in that they, they do have a parochial and guardian attitude toward the ownership of their companies, and often when a French company comes up for sale, you know that it's going to be bought by another French company [laughs], because, you know, that is, that is the way that it is. I mean when Bull came up for sale, I mean it was clearly not going to be bought by anything else but a French company, which is exactly what, exactly what happened. And so we, so the list will go on. And we don't have that attitude.

It's the École Polytechnique running through business.

Yes. I mean, you, any, any look at what I've written about SoftBank's acquisition of ARM, I mean I thought that, you know, that was terrible. I thought that, you know, the investors in this country would have supported ARM in whatever cash call they may have had. But clearly, you know, that wasn't the case, and we now find, you know, probably the best technology company that this country has created over the last 20 years, actually in foreign ownership.

Yup.

Whether that is good or bad, we'll have to debate, but I personally think that, a strong industry is good. On the other hand, we have been extremely good in this country at developing technology which has then been bought by the likes of Google, Facebook. Well the email system that was the foundation of Microsoft Mail was developed in this country. And so, the list goes on and on and on. And indeed, there are a lot of

my friends, and I'm sure a lot of your friends Roger, that, even if not yourself, you know, that have been serial entrepreneurs that have sold one business and then invested the money in another, and sold that one and whatever, and, and sometimes we, we don't perhaps understand how much, how good, how much good that's actually created for this country. This country is a great start-up country, it's a great place to build a small business, but then perhaps what we haven't done is to be able to scale it up and, you know, produce the Googles and the Facebooks.

[1:07:16]

One of your classic awards, or expressions, is a so-called Boring Awards, which the Financial Times writes about, the heavy media, but it's singly of your own creation. Tell us a bit about it and...

Well it was again purely a, a mistake. I... In 1992 Alan Cane, who you, I think is involved in this particular project, was the technology correspondent, very well-known technology correspondent, for the *Financial Times*. And he called me up for my view on a company called Admiral, who were, had produced consistent results over a long period of time run by a guy called Clay Brendish. And I said that, Admiral's results were boringly consistent. And Alan Cane, the following morning, said, 'Richard Holway, the IT analyst, said that Admiral's results were boring.' And, I had a number of facetious calls from people who said, 'Our results are just as boring as Admiral's.' [laughter] And, we decided to turn this into a thing called the Boring Award. You could only get it if you, your company had had ten years of uninterrupted earnings per share growth. Ten years uninterrupted. And, it is actually really difficult to do that. We actually have given away in the last twenty years five proper awards, and every single one of those companies that we've given it away to has lost the award. So there are no, now no technical winners. Although people have got the Boring Award, the two that held it for longest, and have only lost it in the last year, have been Sage and Capita. Capita in fact had an uninterrupted run since their IPO in 1989, during that whole period up until this current year, whereas, you know, their share price has died, they're in a real mix, a real fix, have lost it. And indeed, people, people have written many articles now about why boring is actually good, and, and I think it is good. One of the things as an analyst is that, I do get very annoyed about companies that consistently make losses, bigger and bigger, bigger

losses, and investors plough more and more money into it. There are companies like Salesforce and whatever at the moment which have actually never made what you and I would call proper profits; they've made them, if you look at it when, if you take out share options and share op pay and all what we call EBITDA, which basically getting rid of all the, of all the bad bits, and then probably you can make a profit. [laughs] But you know, on the kind of ways that we do our accounting, which is adding all the bad bits and whatever, then, you know, companies like Salesforce have not made a profit. There's hardly any cloud-based software service providers today that actually make profits, but their share prices have, have gone up and up and up. And all I'm saying is that at the end of the day, all companies have got to make profits. And, not only make profits, but generate cash. Now those are the two things that all companies have to do, you know, in the fullness of time. All mature and boring companies do that, that's why I like them.

[1:10:50]

Coming back to Salesforce for a moment, and I use that in my work with many smaller companies in this sass arena, where, the early stage of those companies, it's very hard to produce profit...

I agree.

But, Salesforce does generate cash.

Mhm.

And the reason that it doesn't make a profit is that it applies the cash to growth. And it does grow as a large corporation, I think now its revenues are something like £3 billion. I may have got that number... May be more than that.

Yes.

But in any event, it grows and they apply, I think it's capitalised at 30-odd million.

Yes, that's right.

But they apply the cash to growth.

Yes.

Which I don't think's so bad.

Well...

But they don't have cash.

You can't do it forever. And, and the problem with many of the software service providers is that they believe that all they have to do is to turn off much of their R&D and much of their marketing, and they say to me how profitable they would be if they did this. The real problem is that I've never known any company in those kind of areas who can ever turn off their R&D [laughs], and certainly can't turn off their marketing. So... And they all, a number of them try and persuade me that ultimately they will be more profitable than the on-premise providers way, and I find that a difficult point to, to grasp to be honest with you.

Good, that's a good point.

But, but you know... And that's the reason why, you know, there are companies, I mean Apple is a classic example of a company, you know, which has not only grown very fast, but has been hugely profitable, and has generated huge amounts of cash as we well know. Facebook by the way has gone exactly the same way as well today, which is one of the reasons why I admire them so much.

Facebook has done well hasn't it, really.

It has done very well, and it's been very profitable, and it's produced a lot of cash. And I think that, certainly in the last year or so, investors have, have really warmed to [laughs] boring companies that produce profits and then cash, and generally, if you've been an investor on the stock market, you will know that those are the kind of

companies that people have really favoured of late, whereas perhaps they didn't do that in the famous dotcom crash of the 2000s and, and since then.

[1:13:10]

You've mentioned the way that you started with SYSTEMhouse, and that was a monthly. But then more recently you developed a daily blog, which again is exceptional. I think that, it's not clear to me that there's one in the United States quite like yours, or indeed in Europe. Tell us a bit about how that started and how it's developed over the 21 years you've had it.

The first morning edition was produced in 1996. I'm not for a moment suggesting that we were necessarily the first, I think there were some other ones that may have been going around, but I don't know of any that's been continually produced during that period, because, I'll come on to selling the company to Ovum in 2000, but they, they then continued to produce it until they decided that they weren't, and then I, I decided to take it on myself and produced the Holway's HotViews every day, and then, with TechMarketView we've continued on up to... So, it... And indeed, we now have some 25,000 people who look at the morning newsletter that we produce.

The morning edition.

Which, which is being very satisfactory.

And that's a freebie.

It is. And it's a difficult one to, to, to justify, because, many people... Hoskyns... Ovum really didn't want to produce it as a freebie, but we find it's the most valuable part of our marketing. Maybe I should just quickly come on and then we can talk about TechMarketView, because otherwise, some of the things I say won't make sense if I don't talk about that.

[1:15:02]

In the year 2000, having taken on Anthony Miller in 1998, and, I think about two or three other people including Georgina O'Toole, which you'll understand in a moment. We, I had sold Richard Holway Limited to Ovum, I sold it for a valuation of £6.8

million, of which half of it was in cash, of which I gave an amount to the staff, and half of it was in Ovum shares. And I had a two-year, I had to contract to work with Ovum as a director for a two-year period. You all know what happened in 2000. Ovum had gone out and raised a large amount of money in the marketplace, in the pre-dotcom days of 1999 when it was very easy to raise money for technology companies. They then bought Richard Holway Limited, and to be fair, the business after that, not the Richard Holway business, but much of Ovum's business, collapsed in 2000 and 2001, to the extent that sitting on the board, I think, again, I'm not going to get into trouble if I said that in late 2001 we were probably close to trading insolvently, and the bank wouldn't give us more money, et cetera. And we did at that stage what's called a friends and family round at Ovum, and I actually bought back, I used some of my money to buy back the shares, at, by the way, a considerable discount to what was there in the beginning. And indeed, worked very closely with the CEO called Chris Dines to, to build Ovum, to the extent that we went on to the AIM market, we did an IPO in mid-2006 when Ovum was valued at £25 million, and within a couple of months we had had our first and then our second and then our third bid from a guy called Mike Danson at Datamonitor, and he offered in the end £45 million for the company that had only a few months earlier been floated at £26 million. And again, I remember the board meeting, because, we, none of the directors wanted to sell. Dare I say it, Mike Danson didn't have the best of reputations for the way in which he treated people. And our, we basically wanted to say, no, we were not interested. And our adviser said that we were in dereliction of our duty as directors of a publicly quoted company not to take this seriously, and if it ever got out that we had been offered this kind of money for the company, we are, you know, we would be... And which shook us, and we then went back and we negotiated a better deal for the staff, and various things like that, and accepted it. But I, no way did I want to work there. And so, I, I left at the end of 2006. And to be honest with you, thought at that stage, I had just turned, well just about to turn 60, and I thought, well, you know, that's fine, just great, you know that's me over. I had got a number of non-executive directorships, I had been appointed, and still am, a non-executive director of the Allianz Technology Trust, which I thoroughly enjoy doing, and that had just started. I had been working with the Prince's Trust, and I then took on a board position with the Prince's Trust, which occupy one to two days a week of my time. And I thought to

myself, Richard, you know, you're all set up, you've got enough money. Now, life is going to be OK.

[1:19:01]

And indeed it was for a couple of years, until in 2008 Anthony and the rest of the team came back in this very room that we're sitting in today and said that they were really unhappy with what was going on, with what they were doing, and, what about forming it again? And, we decided, cut a long story short, to form a company called TechMarketView. TechMarket, because that's what we analyse, and View because, that's what it's about, giving views on it. And, we, we formed a partnership called TechMarketView LLP, of which I own 60 per cent and Anthony owns 40 per cent, and we got back most of the analysts that we really cared about, people like Georgina O'Toole and, and Tola Sargeant, and Kate Hanaghan, and a number of others, and, we, we did pretty much what we did before. [laughs] We had a daily newsletter, we call it Hotnews. We produced, you know, all kinds of ranking tables on every... We have a number of different streams, on public sector, on Fintech, on business process outsourcing, on AI, on infrastructure, on security, and cybercrime, on software, et cetera, all with stream directors. We now have well over 100 clients, of which they are all the same clients as we had before, in other words, IBM and HP and Atos, and, Capgemini and so and so and so and so and so. I mean, that's not giving any secrets, they're all the top players, and it's what we've always done.

[1:20:41]

And how much does the report cost for the...?

Oh now, Fujitsu is our biggest client, and they pay about 80,000 to 90,000 to put all of our research on all of their people's desks. And it, it's interesting. Here I am surrounded by all this paper, and we don't produce a single piece of paper any more.

Today, all on the Net.

It's all web-based, it's all, it's all searchable, it's all... So, if you pay that, you get, all your people have passwords to get behind the paywall which gives you access to all of the real guts of the research.

And 100 clients, and how many people do you have now on...?

Well, we have developed a company which again I think is pretty ground-breaking for a number of reasons. First of all, we don't have any offices. Everybody works from home. And I don't know of any company that has grown to the size of about, a million and a half to two million pound turnover, and, very profitable, we have very low overheads, in fact there are no overheads to be honest with you. I mean the overheads are purely the analysts that we pay very well for. So we don't have any... We have... There are eighteen people that are associated, but the number... but, practically all of them don't work full-time, all right? Even Tola and Georgina, because they have young kids, work four days a week or three days a week. So what's called a full-time, the FTE, the full-time equivalent, is about nine, I think, in total, of people in the company generating that kind of revenue. But the other interesting thing, and this has happened by accident, not because of any, any, any wish of, of Holway, but, we are now over 60 per cent female within the company, because we particularly appeal to people that had, you know, fabulous jobs before, but had to commute up to London, and now they've got young children, and being able to work from home. We have... There's no hours in, you don't... If you signed a contract to work here, there aren't any hours, you just have to do the job. And, I find, when I look at, you know, where people are most active on emails, and it's very early in the morning, six o'clock, seven o'clock; then, when they take the kids to school there's a dip. And they go to assembly or whatever with their children, and then they come back. And they will probably go to London for a lunch or for a meeting or, analyst briefing. Come back in the afternoon, pick the kids up. Give them tea. And then, eight, nine o'clock you'll see a flurry of things happening all over again. And, I, I mean I, I'm very sort of, proud of that. I think that, you know, the fact that, that people can have a damn good career and earn a considerable amount of money, make a name for themselves, and have the time to look after their kids and bring them up the right way.

And do you meet regularly as a group?

We do. We meet in this room, which is... And, actually, I'm growing it a bit now, but it's one reason why you see so many chairs around, is that, we, we all sit around

the table once a month. But there's an awful lot... And we have a team meeting. We, we actually then have a lunch where we ban any talk of the company, so people can talk about their kids, you know, things like this. And that's for an hour. And, we, we have a huge amount of social, I call it social intercourse, I hope you don't mind the expression, but the, a lot of, a lot of things that go on on our computers, and there's often, in the morning, you know, people telling jokes and gross things like this.

Yah.

This morning...

Fun place.

This morning it was because, PwC had been rapped over the knuckles for the audit of Redcentric, which is one of the companies that we follow, and they've been, they had not spotted a £20 million hole in their accounts, and we were of course making a joke about, well you know, this is a, if you can't spot £20 million in Redcentric's account, how can you hand out the right envelope at the Oscar's ceremony? [laughs]

Oh God! Very unprepared.

That's the kind of thing, you know, which, which goes on in the background when people are writing...

Just for the record, for those who are watching this and hearing it in the future. It's just two days since the Oscars, when the wrong envelope was handed to Warren Beatty, and he read out that, I'm damned if I can remember it now.

La La Land had won.

La La Land had won, when in fact it was Moonlight that had won.

And, the significance to this is that PwC were the people handing out the envelopes.

PwC.

[laughs] The only people that knew what, that the thing was wrong.

Right.

[1:25:33]

But there we go. So... And, you know, what, what will happen in the future to TechMarketView is another matter. We've appointed Tola as being the CEO, and we, I've just turned 70, Anthony has just turned 65, and, we clearly will be looking for a management buyout in the next period, and, and I've made that quite openly, I don't make it as a, as something we'd want to hide, but, clearly, I, I won't, I can't be around forever, and I think that, I think, when you're over 70 I think that, you know, your ability to work, you know, quite the pace that you worked at before, is clearly not there. And, so, I think within one, two, three years I will be, I would be very surprised...

More gardening.

More... [laughs] Well no, more, more cruises. [laughs]

[1:26:26]

More cruises. Yes. Well just before we get into cruise land, let's talk a bit about some of your other iconic approaches, one of which is that, over the years you've given several annual speeches to large members of the, large numbers of people in the industry, and you've used music as a way of communicating. And, it occurs to me that that links well with the change of the industry, and you might want to pick out one or two of those musical items.

Well, as I said in the very first few minutes of this interview, I'm a child of the 1960s, and the Rolling Stones and the Beatles and many other rock groups were a very important part of my life. And by the way still are. And I think that, that's an important thing. I still go to lots of concerts, I went to one on Sunday, which was very enjoyable, but, with the Pet Shop Boys. But the... I've, I've since, the very first

time I used this was in 1999, and, I really, I was, again, I don't want to be big-headed, but I'm still to this day reputed, and you can look it up on the Web, as being one of the only analysts who said that we were in crazy times, that this was a bubble, and it was all going to burst, it was all going to end in tears et cetera. And I introduced my, my speech in 1999, with Nat King Cole's *There May Be Troubles Ahead*. And indeed wrote a number of articles after that which were, which, I think the emperor's new clothes was probably the one that people remember most of all, which, you can see the obvious connotation. But I also invented a term called dotcom, which was, again, very widely used as, you know, because so many investors had been conned into investing in the industry. And I think the one that I personally liked best was Freejellybenz dot... Freejellybenz. Now, there were, there was a company which Robert Morton had produced, which had risen high in 1999, called JellyWorks. There was Freeserve, which if you remember was the number one provider of free Internet services. And, there was a company called Benz, who, b-e-n-z[sic], who had basically created a, what was called Green Shield Stamps for people who bought on the Internet. So I put them together into Freejellybenz.com. And I wrote an article about how you could change, how you could develop this into a company which would sell for half a billion pounds in a six-month period, and I itemised... And I'm still sure to this day that a lot of people actually thought it was a real company [laughs] that I had parodied in this manner. But...

It was very moving. [laughter]

But, but then, from then on I've, I've actually always used a theme. And I think that the, again, the one that I have, I got the biggest amount of press comment on, was in 2002, when I used the Rolling Stones *It's All Over Now*, IT is all over now, as being my theme, because I said that the days when this industry would grow at two or three, or four times gross domestic product were over, and that I said that, that our sector, software and IT services, would be lucky to grow at one times gross domestic product in the future. And I got absolutely pilloried for it. And I, again, I don't want to bore you, but, you know, I have literally two A4 lever-arch files full of press comment and letters saying why this was wrong. In fact, what, we would have been absolutely delighted if it had actually at one times gross domestic product. If you look at, even today's results well last week's results from Hewlett Packard Enterprise, you know,

they've got double digit decline, double-digit declines, in their market over, in their revenues over the last year. And, it, it... What we, what I think people... People look at all these fabulous young companies that are growing at, you know, 100 per cent per month, and it's a bit like the difference between, for example, the records that I used to buy back in, in my teenage days, that used to be two weeks of my pocket money just to buy one single. Whereas now, people are consuming far more music, but they're paying almost nothing for it. I mean, the consumption of, and buying of music now, is, is a tiny fraction of the market that existed back in those days. Very interesting that, if you're a rock singer now, whereas in the 1960s you would go on a tour in order to sell your records, and you would almost give away the tickets to go to the concert, now it's completely the other way round, where every concert I go to, it's way north of £100 just to buy the ticket to, to go to...

One ticket is £100 now?

Well the Rolling Stones ones last time were over £300 a ticket for example. [laughs]
It's the reason why they can make millions and millions just from one concert.

Well what about the one you attended at the weekend?

Ah that was £50, but it was in the BIC in Bournemouth, right, to see the Pet Shop Boys. But, you know, you could... You could buy... Well...

And how many were there, how many people?

Oh, 3,000 people.

Wow.

But, but you could... The interesting thing is you see, you, I spend £50 on a ticket to the Pet Shop Boys. I could buy every single record that the Pet Shop Boys have made on iTunes for, well, a quarter of that. Do you see the point I'm trying to make here?

I do. Oh no, I see it entirely.

It...

The medium has changed.

The medium... And it's, of course the same thing is happening with local newspapers which, where, you know, they in the past were full of classified ads for plumbers and whatever. When was the last time you looked for a plumber on a classified ad in a newspaper, or in a Yellow Pages?

Never.

I mean how you just go on Google and put, 'Farnham plumber' and...

Yes.

We all do, all the time. And that's the way...

And it works.

And it works. And it works, and... But, you know...

Let's come on to predictions a little later, because, we really value those. You've done so many.

Yes.

[1:32:52]

Let's just talk if we could, for a moment... Perhaps before we go to the Prince's Trust, you could tell us, give us an overall picture of the way the industry has changed in terms of the various sectors of it, growth and decline, over the last years. I think you started doing this in '69, or you have a slide that talks of '69.

Yes.

And you come up to the present day.

Yes. Yes. Well, back in the 1960s it was, there were two major parts of our industry. If we get rid of hardware for the moment. But hardware actually, no. Let's actually say, the hardware was... If you were in, if you were a user of computers, you would spend the vast majority of your money on buying the hardware, all right, buying the mainframe, buying even the distributed systems. That is not the case nowadays, hardware is, under 25 per cent of the total spend on technology is actually on the hardware, and that's getting lower and lower and lower. And by the way, anyone can realise that if you look at the cost of, of... When I bought my first Apple computer with laser its printer, it was almost £20,000 for it. Now you can buy a laser printer and a very decent personal computer for, well, way less than £1,000. [laughs] It really is remarkable. And indeed that's happened all the way through with everything from the cost of your broadband connection all the way through. But back in those days, it was consultancy, which, I've already said, that was a major part of what I did, and that included bespoke software development, again, paying for programmers by the day, by the week, et cetera et cetera. And, also, bureaus, and that is where, if you couldn't afford your own computer, you would rent time on somebody else's computer. And that was the industry back in the 1960s, that was basically what most of the companies did. Logica and whatever were consultancies, and developers, systems developers, obviously, companies like, system designers did exactly what it said on the tin, they went out and designed systems for everything from, you know, missile control systems, all the way, all the way through. And there were big companies like Barrack[sp?] and whatever, Centre-File and whatever, that were, that were bureaus that ran, that ran stuff for people, and in the case of Centre-File, ran payrolls for banks and ran smaller companies. So, that was how the industry developed.

[1:35:32]

And then, in the 1970s and 1980s two major things happened. First of all, software was developed in a huge way, and obviously Microsoft really formed in 1984, that was, you know, really the, the spur that gave, you know, huge emphasis to systems software and productivity software, everything from Excel and Word, but of course there were a lot of other people, like Lotus and, Lotus 1-2-3 and whatever. We tend

to forget, it wasn't only Excel back in the early days, a lot of other people had similar products. There were a lot of, if you were putting in a personal computer, or even a distributed system, then you couldn't afford to develop it yourself, so you went out and bought stuff in a package, and that was the creation of, if you remember, Sage was created, not because of the IBM PC, but because a guy called Alan Sugar created a thing called the Amstrad, and it had absolutely nothing on it. And David Goldman said, well, wouldn't it be great if we could produce an accounting system that could run on an Amstrad. And that was how the foundations of Sage were created.

And he was an advertising guru, wasn't he.

He was, he was a great guy, I loved...

He wasn't a technologist in any way.

Absolutely, yes. Yup, yup. No, he was a great guy. Unfortunately dead now, but, really... And he, I'm very proud that, we talk about the Boring Award, I actually had the great pleasure of presenting him with a Boring Award, a cup, on stage at one of my presentations, and I was very delighted, just before he died.

Yes. Super guy.

[1:37:04]

Yup. And, and so, first of all, software, both applications software and systems software, developed. But the other major thing was that, where, the people who had bought computers, and particularly in Government, but private sector as well, really decided that they didn't want to run them, and what they wanted to do was to hand over the running of them, and then we... This was initially called facilities management. Now facilities management tends to be, tends to refer to premises management, whereas then it tended to refer to the management of, of a computer. And now of course we call that outsourcing, and outsourcing developed, not just into running of your computer, but the running of your business process, which of course is where we bet business process outsourcing, which is now, you know, the biggest, the biggest single part of our industry, of which many many many of the companies,

like Atos and whatever, are huge capita, huge players in that particular marketplace. So we've seen that develop dramatically over that period of time. We've also by the way seen huge fragmentation in the industry. [laughs] I think, you know, people, people, again, who may be listening to this in the future, probably can't understand that, that in the 1960s and '70s, people would say, we're an IBM shop. Well what they meant was that everything that they had came from IBM, the printers, the software, the systems, the operating software, the, the white-shirted, blue-suited consultants who came in would be from IBM. That was how it was. The same thing with Oracle, people would say, 'I'm an Oracle shop..' They may run it on an IBM computer, but everything they had was from Oracle. Now you go into any, even a small company like TechMarketView, we have, I don't know, I would imagine if you added up the number of suppliers that we have in terms of software, cyber security, hardware, ISPs, broadband providers, it's probably what, 100 I would think, if you added them all up together, of different people that are, are... And we integrate them all together, they're expected to operate altogether. And certainly, if you, everything we do is in the cloud, but that doesn't mean we have one cloud provider; we have a number of different people...

[1:39:31]

How many technology people do you have at TechMarketView?

Well we don't, we...

I mean, people who maintain the whole environment.

We have, we have a, a guy called Adam Roberts, who isn't even on the payroll, but is a local contractor, and he, he's contracted for a day a week as a troubleshooter. But we're all pretty technology literate. And, again we outsource everything, so, the running of our website is outsourced to a company called S-Digital; we have a local company called DCSL who have developed all of the databases that we use, and they have the experts. So, we wouldn't think of employing, to be honest with you, technicians. We do what everybody else in the industry does, we specify it and put it out to other people. I mean, I can't believe that you would want to do it differently. And everything's run in the cloud, so, we have no on-premise systems that I can...

You know... But again, in a few years' time when people are listening to this, they'll say, why is he thinking that this is exceptional? But a couple of years ago, you know, all the data for a company would be on-premise. And, and the only way sometimes you could access it was by walking to that office, and using one of the computers there. You couldn't do it anywhere else. Whereas I, I can do my, I can look at my accounting systems, I can look at, I can write a HotViews post, I can do anything, from anywhere, and I have done. I have done it on trains, I have done it on, on cruise liners in the middle of, in the middle of oceans, and I've even done it on a Singapore Airlines flight, on an A380, which, they were offering free Wi-Fi, and I thought I would do it.

Free Wi-Fi. Is that right? On a 380. Really? Yah yah.

There we go. So you, you could... I can do it everywhere. And, you know, that I think is what, is what one would expect to happen. But that of course has created a plethora of small companies which, again as I've said, has been, have been where the UK has been very successful in creating fabulous ideas, fabulous young companies, which have then been bought. And, you have to ask yourself, why has Google got their development centre in the UK – their innovation centre in the UK? Why is Apple creating it in Battersea? Why is Facebook, why are they, 500 people in the UK, looking at all this technology, and then saying... Because you see, if you were a large company now, it's going to take you many years to get, to develop an idea, and bring it to market. It's, it's actually better to go out and pay, over the odds, but, for something that is proven, that somebody else has done, so... Of the, of the 100 companies, you know, they are, 99 will fail, so you haven't got those. You've got the one that has succeeded in that particular area that you want. The hottest area at the moment, as we all know, is artificial intelligence. One of the biggest sales that has been made in the UK in the last couple of years was a company called DeepMind, sold for £400 million, \$500 million, to Google, and they are a totally UK-based company, with a very small number of people working for them.

And how is it doing, do you know how it's doing?

Well they're doing, they, as you know, Google took them over. They were plastered all over the newspapers in the year after, because, they were the first ever AI system to beat the world's Go champion. I understand that Go has got more variations of moves than chess, I mean by factors more, and nobody ever believed that you could do it. And now, they are using that artificial intelligence, Google are, that they bought from DeepMind, in a couple of NHS trusts in the UK, helping them to run things like their 111 services and whatever. So, we, we in the UK have been hugely innovative from that point of view. What we haven't done is to develop a company the size of Google, a company the size of Facebook, or even of IBM or of Atos or whatever in the UK. And people will debate whether that is a good or a bad thing.

[pause in recording]

We just got the last word.

OK.

We're coming... We're getting chased again.

OK.

I don't think we should go on very much longer. And then we can go and have some lunch. Let me just get this going again. [pause] That's good. That's very good. Let's strike that up. That's good. Right, that's been running all the time. That's, that's on.

OK. Good.

[1:44:26]

You have made an absolutely outstanding benevolent charitable contribution, through the industry, with others, but leading the Technology Group of the Prince's Trust, and you have raised many millions with the help of others for that wonderful charity. Perhaps you could tell us something about, how that all started, and, where you are now with it.

OK. Well, it started in 2002, when I was invited to a reception at the House of Commons, and, as we all know, if you're invited to a reception at the House of Commons you tend to say yes, because it's still a really exciting place to go to. And I was sat next to, deliberately I guess, this guy who had been helped by the Prince's Trust, and he really made an effect on me, because, dare I say it, he was a, am I allowed to say this? He was a... He, he was a black man. He was the kind of person that probably I'd have been scared of meeting in a... He had been in prison and goodness knows what else. And, he told me his story, he told me how he had been, he didn't really know who his parents were, he had been in foster homes, he had been in care homes. He told me how everybody that he had ever met had told him that, he would never make any good of himself, and, et cetera, using words that perhaps I shouldn't use on this interview to describe what they thought he would do. And he got into prison, and, even his probation manager told him that he wouldn't do any good. He came out of prison, and he was helped by the Prince's Trust. He was clearly quite good at developing simple websites, and he wanted to develop a business for his locality, where he could put the local shop onto a website and whatever. And the Prince's Trust gave him a mentor, and they also gave him £1500 to buy a personal computer set-up. That's all that they did. And, he was then at a stage where his business was up and going, and he was, he told me that the mentor was the first person in his life who really believed in him and really thought that he could turn his life around. And I found often, you know, that, the people that the Prince's Trust helped... We all think that, you know, people that, that don't get on in life, you know, it's somehow to do with the fact that, you know, they're thick, or they're, you know, they don't work hard enough and whatever. That is not my experience. My experience is that, that life really has dealt a lot of young people some really, really bad hands. You know, their parents have been, well, often they don't have parents in the way in which I had a mum and dad, who were lovely. They have dysfunctional parents who are often on drugs and on alcohol. The system in this country often lets them down in terms of care homes, in terms of foster homes et cetera et cetera. The people that they look up to are often the people that are the worst people to look up to, they're the people, you know, who have stolen the car on the street, and, are doing the drugs, and so and so and so and so. But all, none of that means that these people are necessarily bad, and it certainly doesn't mean that these people are thick. In fact, the

drug, the ex-drug dealers that I've met, they are some of the brightest people I have ever come across. [laughs]

Right. Yes.

So you know, we, we must be...

Market traders you'd call them.

Market traders, yeah. Many, many... Well, you know, a drug dealer on a street will get somebody hooked on a drug by giving the drug for free, and then, when the person is really hooked on it, then they'll say, 'No, it's going to cost you £100,' and the only way you're going to get that is to go off and steal, all right?

Yes.

[1:48:12]

What do we do in TechMarketView? We give away our daily for free, people get really intoxicated by it, and then they say, what we really want is some hard stuff from TechMarketView. Very sorry, you've got to pay for that. [laughter]

Pay for that. So you're at it too Richard.

Exactly. Yeah, so we don't advocate people going out to steal to pay for TechMarketView subscriptions, but, it's not too, too different. And indeed, as we've known with people like Duane Jackson for example from KashFlow, who was in prison in the States for drug dealing, and then, again was helped by the Prince's Trust, and has recently sold his company for £20 million, all right, £20 million.

Did he get 20? I...

£20 million.

Because as you know, I joined it, very much, sitting round the table with Duane, ten years ago.

[1:49:00]

Yup. Yup, I know. And, he gave, you know, a six-figure sum back to the Prince's Trust, which is what it's all about. So, it's helping people like this, who have had, you know, pretty rough lives, very bad deals, to, to get a start, a restart in life. And in fact, that person that I met, if I can just complete the story. Because about, I met him in 2002; in 2008 I wanted to give a speech, and I wanted to mention him. And, I had had, I knew what his company was, and I phoned him up, and I said, 'Do you mind if I use your case study?' And there was a big silence at the end. He said, 'Well, Richard,' he said, 'no I don't want you to name me. I don't want you to name my company.' I said, 'Well why not?' He said, 'Well because, I'm now married,' he said, 'I've got a couple of children,' he said. 'My local community doesn't know that I was in prison, that I was a bad boy in the past,' He said, 'I've got a couple of employees and whatever,' he said, 'and, it's no advantage.' And then I suddenly thought, well, that is about the best outcome that you can possibly have isn't it. That is what, you know, wow.

Wonderful.

That is, that is the kind of outcome... And I've never ever mentioned his name. You know, the description I've given is so vague, it could be anybody.

Of course.

But, but you know, it is a real person, and it's somebody that, that the Trust really turned around, and is now an upstanding member of the community. And that's what the Trust tries to do, with, with many businesses. And basically what we did together, and again, I mean, be self-deprecating, all I've done is be a catalyst, and I've got a huge range of fabulous people, you know, who have helped both within the Trust, and they've had some fabulous people there, but even, perhaps even more importantly, the leaders of our industry, people like James Bennett and John O'Connell and, huge

range. Adam Hale. A huge range of other people. Now Ursula Morgenstern, who's the chair of the, of the Technology Leadership Group. These are all great people in our industry, and they're the people who have done all the hard work. And since that period, we, we, I think by revenue, 75 per cent of all the companies in technology in the UK by revenue are now supporters of the Prince's Trust. We've, we've now got a whole range of other leadership groups in other areas, like retail and construction, financial services. And when I got involved with the Trust back in 2002, less than one million pounds a year was coming from the corporate sector; in the last year £20 million came from the corporate sector, and is now the biggest single part of the funds of the Trust.

From technology?

No no, from corporate...

Corporate sector, across...

Of the £20 million, about six to seven million comes from technology and, and, Internet and media, which, we've got people like Google and whatever involved in it now.

And your role in that has been really, very key.

Well, yes, but, but you know, let's not overplay it. I've been a, I've been a catalyst, I've, I've been very fortunate with a lot of very good people around me. The Trust has been, you know, I, I was awarded an MBE in 2012 for my charity work, not for my business work, for my charity work, and the citation says, 'For services to young people.' And I'm very proud of that. And of course I would not have got that without the Trust. And of course, you know, during the period I've had opportunities. I mean we, we had a, a dinner at Windsor Castle in 2007, where we sat... Because I was the Chairman at that stage, we sat next to, my wife sat next to Charles and whatever on the top table, and, to her, and to me, it was probably the highlight of my life. I mean, to sit in the Waterloo room...

What an amazing evening.

Yes. Yes.

I was privileged too to be there.

It was amazing wasn't it.

Through your encouragement et cetera.

Yes. But, so I've had lots of, of great opportunities, and... And I'm, I am, I am desperately proud of the fact that we've achieved that, and the fact that it is continuing to grow.

[1:53:08]

Let's move towards a conclusion then, talking about lessons that you have learnt in business, through this amazing set of experiences, that you would like to see passed on.

I, I think that, and again I don't... Sometimes one can come over as too self-deprecating, but, I think, if you replay this interview, you will realise that, I didn't have a degree, I don't think I'm that bright an individual. I know that sounds a bit weird, but I don't think I am. I think, however, what I have been able to do, and this is quite rare in people, I, I can understand things across a very wide area of, of technology. Because, I don't really understand the deep silos, and a lot of people in technology, and the reason why they're called nerds and geeks and whatever, are the people who really do understand the silo right to the very bottom of it, understand all of that. I've never been, I've never been very good at that level, but I've always been very good, as you can see from various things I've been saying, here is a, here is a new chip from Intel, 8080. What could we do with it? Not, not, what wonderful technology it is, but what could we do with it?

How could we apply it?

How could we apply it? And, and looking at, you know, the various ways... And that's what I've done throughout the whole of my life with, with technology. So I understand it from a helicopter point of view; don't understand the deepness. And that, that leads on to the second point, and you always read this in management books but you really do wonder whether people really apply it, and that is, you should always recruit people that are brighter than you.

Absolutely.

And, and because of, you know, that, I, within this company, even now I have people who understand software, you know, to a depth that I could never imagine. And, and they are brilliant. And it's the same with every other area. But, I've got them there, I think they respect the fact I can, that I run a decent show and that I can understand all these things linked together. But the fact that I've got these fabulous people who really are expert in their areas...

High quality, intelligent.

...is what makes it, is what makes it good. And, and I, and I've always believed that you should treat people, you know, really, really, really well. I think that, there's an old Greek expression which says that, fish always rot from the head down, and I think that, the example that people at the top give their companies I think is hugely important. And if you are ethical, then, the chances are that you will grow a company which is also ethical. Whereas if you are a boss who's constantly telling people, 'Oh, you know, don't tell them about that, you know, we'll go and screw this customer for that.' And, you know, 'You go out and tell them that, you know, what you are selling doesn't actually exist [laughs], you know, get the money in and then we'll worry about that later.' I mean, that happens all the time. Well, you know, that is not something that I can do, and, and I would be really annoyed at any of my people who ever did that kind of thing. And we are very ethical, very honest, the way in which we approach our customers. And, and you know, sometimes that means that perhaps we, we haven't got the extra cent that we could have got if we had screwed a bit harder, but to be honest with you... And I often say that, you know, I could, I could be on the

front page of the *Financial Times* tomorrow with all the things that I know about, that they'd love to print. And all I can say is that nobody would ever speak to me...

Trust you again.

...ever again. So, you know, and that's the reason why I would never do it.

So in summary, your lessons are, certainly to have a broad view, if you're going to run a business. You need people who have a deep understanding, broad view. Hire people who are very bright. And be ethical, honest, and honourable.

Yes. No, I think that's, that's a very good summary Roger. And I think that you're, I know, I've known you for many many many years, and I think that the same would apply to you. [laughs]

[1:57:25]

I hope so. I hope so. So moving on again now, as I say, towards the end. You have a view about the future of the industry. There may be other things that we could discuss as well, but, we've been going for the better part of two hours and ten minutes now. Tell us about the future. And what I would also like to get in there somewhere is your, you've prepared a few soundbites, which I'm very keen to have it on video, because, those will be helpful in our work and promotion.

OK. Well maybe, let's cover the soundbites, because, Roger, and the project did ask me to have a few of those. And I did prepare them in advance, [laughs] unlike the last two hours which has largely been off the cuff and based on a, on a structure. But my soundbites were basically this, that, over my 50 years in IT, I've seen UK companies lead in every area of tech, hardware, software and services, again as I've described today, but to my deep regret in 2017 we don't have one major global market leader any more. And it's not just the US, it's the French, the Germans and the Japanese that have all built and retained several global market leaders, but not the British. Conversely, we have created a nation of serial tech entrepreneurs, who have built and then sold their companies only to do it again and again. And they've created considerable wealth in the process, much of which, as I said, has been ploughed back

into the industry, into the young companies. And I actually believe that the future belongs to the nimble of mind and the fleet of foot. People who create start-up companies that can meld technology and link it to real commercial need. And I think it's something that the UK excels at. So I think the future of UK tech is actually very bright. And let me go on by saying that... I've talked about music a lot. We in this country, I mean we, we are world leaders in our rock music and in the music... We actually provide more music to the United States than they do to us. Isn't that a remarkable statement to...? But then you could say the same in films, in CGI, for everything from *Harry Potter* to the building of buildings, with Richard Rogers et cetera, the building of bridges, the building of, the design of F1 motorcars, the fashion industry, et cetera et cetera. Our creative industries are world leaders. Now, what I believe that we are good at, and where I believe that the future is, is in the melding of those creative bits with our technology and innovation, because the two things are melded together. And that is the reason why we are really good at creating the kind of, you know, for example the gig economy type of things which is going on at the moment. I mean look at the number of companies in London that have, that have produced, you know, new gig economy type things. Hassle for example, or Alcove or, companies like this, that are melding real needs in society with what you can do with technology. And I think that's really exciting, and I think we can excel in that. And, and you know, maybe I've been wrong over the last 20 or 30 years. Does it really matter that we haven't got a Google or a Facebook? You know, maybe Google and Facebook won't, you know, be around in anything like the, the size or the dominance that they, that they have at the moment in ten years' time. We all said that, you know, HP and IBM were going to rule the world forever. Well that's certainly not the case. So, is it the case with Facebook or Google? Maybe. If we can create a society where young people really want to work, given real opportunities, where we create a, an investment opportunity. Not just in London. We've identified 34, 34 significant tech hubs in the UK, all the way from Bristol to Bournemouth to Cambridge to Oxford to Aberdeen to Edinburgh. Even Belfast now, you know, a great technology scene. Not, obviously not to, the same, to rival Cambridge or, or London, but still significant. Even the, the BBC's move to Manchester has created a fantastic video hub in Manchester in the visual...

[2:01:57]

Is the Government involved in these 30-odd tech hubs?

I think... Well, all right. I, I'm going to be outspoken here, but, I've often been asked what the Government can do, and I think in very many respects the best the Government can do is often to keep out of things. And I think that, that, one of the problems is that they keep tampering with, with things, so that... A good example of this would be, the rate that entrepreneurs are taxed, which, you know, if you set up a company today, I don't know how... and you sell it in five or ten years' time, there's no way that you could estimate what kind of tax you were going to pay on it. Well that's not where it should be. People should, there should be much more predictability in what you're going to do, how you're going to be taxed, et cetera et cetera. Look at all at the moment, look at all those small businesses. Suddenly they're being presented with a 50 per cent rise in their business rates. Well you know, that is really difficult for a small company to assimilate. And so all I'm saying is, stability, predictability, forecastability, not, not tinkering, I think is what we need in, in the country.

[2:03:07]

And then, tell us, perhaps to conclude now, your vision of the future, particularly the way in which technology is going to affect the way we live, the stuff we have. You have some pretty clear views of how that will develop.

Well, I think, you know, I know, again this going to sound so big-headed, but you know, predicting what's going to happen in two or three years' time is really difficult. Predicting what's going to happen in ten, 20, certainly 30 years' time is much easier. And I know that sounds mad, but, if you look back 20 years, we looked at all of the embryonic things that are happening in 20 years' time, and, and most of them couldn't succeed in those days because they were too expensive, they were too slow, they were too big, they used up too much power. The battery didn't... Well, you know, a whole range of things that meant that those kind of things couldn't occur. Technology always solves all of those problems. So if you look today at the, the issues that we have, I believe that over the next, the things that are embryonic now, in 20 years' time will become commonplace. And you know, the key to that, undoubtedly, is artificial intelligence. During my lifetime we have seen automation completely transform blue

collar work, that's work in factories, working on, in agriculture, working in mining: practically anything that you want to say has, has been automated. I mean, it, it is amazing. You didn't mention the fact that I've been a very keen *Archers* fan for most of my, for most of my life, and, you know, you, you go into a farm nowadays and it's all robotic milking; the way in which people pick up carrots today is not by people going stooping around picking them up, it's by, you know, fantastic machines that go and, and harvest them, and get them onto the shelves within a very short period of time. And, we've seen all of that in those areas. We will see it in the next 20 years in our white collar industries, and particularly everything from insurance, financial services, even in health. I mean, there is not a single white collar or professional area which I do not believe will be severely and significantly affected. You look at, you know, some of those jobs at the moment, a good example would be buying and selling a house, which is the bedrock of the legal, solicitor's profession. [laughs] It's totally automated in 20 years' time. Absolutely no reason why anybody should be involved in any of those processes in 20 years' time. It just ought to be, you know, literally, as easy as buying something on Amazon. They would then do all the property checks, would do all the, this, that and the other, all the titles, all the, so and so and so and so. And there's no reason why a solicitor should be involved at all. I wrote an article recently, because of the Japanese company that had got rid of 34 of their loss adjusters, also on the same day we wrote about the chatbox – bots, which the National Health were introducing for their 111 service. So you can phone up and you, rather than get a person at the end of the line, you will get a chat, an automated service that will ask you for your symptoms and would then say what you should do. And, some wag wrote in to me and said that, when was I going to write an article about an automated insurance adjuster suing on behalf of the, suing the National Health on behalf of somebody who had been given the wrong advice via a chatbot. [laughs] And of course, you know, this is not so farfetched, because, in the headlines in the paper today is, who will be responsible when a driverless car crashes? Will it be the driver or will it be the maker of the driverless car?

And you're a great believer of in driverless cars.

I believe... I gave a lecture to, as I do every year, to Wellington School sixth formers, and I said to them that they will probably be the last generation that will be allowed to

drive a car. And they were, oh, they said, 'No! The one thing we're looking forward to, we're now seventeen, we can go out and, got my driving lessons. We really want to have car.' I said, no, I believe that, particularly in cities, you will not be allowed to drive a car. In 20 years' time they will all be driverless cars, because that's the safest way. You don't want to mix the two together in a city, you want them all to be driverless. And lorries and cars and whatever. And, and you will have people that will go out for the weekend onto private land and drive cars.

Drive away, madly. [laughter] Still have their incidents But, out of the city.

Yes. So... And, you know, and the same thing applies to, that we've talked, we've joked about our love of cruise liners. You know, if you take a cargo boat, there's absolutely no reason why you shouldn't have a cargo boat that has no crew on it at all. I mean it would be, the lookouts would be much better if they were all manned by people who are only on a two-hour shift back in, you know, some place, rather than having to spend all their time trying to peer through telescopes for what was, what was there. And of course, aeroplanes are largely flown by...

That anyway now, they're... Mm.

And so the list goes on.

[2:08:36]

So what are the residual jobs, the other side of...?

I know. I know. It's a... And I think that, the effect...

Supervision. Management. Getting people to do what can be done and what needs to be done.

Yes. People who build the robots will be the richest people won't they. But, we have to accept, and indeed, here we are in 2017, 2016 rather, with, you know two events, the Brexit and the election of President Trump, and both of those, many people believe, were caused because people at the bottom, or in the lowest couple of

quartiles, did not believe that they had shared in the riches that have been created by people at the top. Now, I believe this is going to be a severe problem to society, not only in this country but around the world. If you remember, in my lifetime it was things like the closing of the pits, it was the fact that many many many areas of this country had their old industries overtaken by advancements, but, which I think is right, but on the other hand, the people that were very proud of being able to put a loaf on their families' tables were, were then made to do jobs which they did not consider, were particularly the right kind of jobs. And they, they, I think that a lot of society has suffered from it. The unfortunate thing is that I think that will go on. And... But there will be many areas that will, you know, the service areas. Even in my own town of Farnham, 20 years ago when I moved here, it was full of small shops selling things. Farnham is now largely full of coffee bars, restaurants, nail bars, hairdressers, et cetera.

That's right. Service.

People doing... Rather... And, because even I, I mean, I, I am one of... My lightbulbs went a couple of weeks ago, and I could have got in my car and driven down to the town to the hardmonger's, hardware shop, but because I'm on Amazon Prime, I just bought the lightbulb. It came in an enormous box. It cost me £2.50 and was delivered free of charge. I mean this is the trouble, this is what I do. I am, I am the one who's guilty of putting, you know, that local hardware shop that I could have bought the lightbulb, out of business, because it's just so much faster when I do it.

[2:11:10]

Coming back to the IT world itself, and one of the reasons for our Archives of IT through leaders, is that, the industry in 70 years has grown from very little, a few tens of thousands 70 years ago, to about two and a half million people who are professionally involved. I don't mean users, because clearly most people are involved. And that is pretty well twice the size of the mining industry at its peak. And its peak took 140 years to get to, about the turn of the last century. What do you think the future holds? Would you send your son, daughter, grandchild, into the IT world in the future?

Well, you see, the trouble is that you're, you're absolutely right, but you... People believe that, you know, the people that were down the mines, or in the fields pulling the carrots, or, or even the people that, you know, went in the Army or the Navy or whatever, that they would be the kind of people that will be suitable to go into the, the IT industry. And, and the problem is that, that they're not. And, and we, it's all very well, I think we are, we are elite, and I am elite, you are elite, and practically everybody that we speak to is elite, and we don't understand that you do actually have to have the jobs for those people in those areas and with that kind of, of level of intelligence or whatever you want to put it, to do. We had those jobs in the past. At the moment, many of those people, you know, in our industry, do have jobs as solicitors' clerks, or, as call centre operators or whatever. What's going to happen to those people when even those jobs are automated? I mean, the real problem is that we, you know, we might... The jobs for those people might in the future unfortunately be the, you know, working in a McDonald's, or stacking the shelves in a supermarket, or maybe even those jobs won't exist. But, the point is that we, those people must have a gainful employment, otherwise I think society will suffer, and it will be damaged. And you and I, Roger, will be the people that at the end of the day will be affected, because, you know, in a democracy, that tends to be what happens. So we do have to care about them, we do have to make sure that we have the right kind of jobs.

Oh, absolutely. And isn't the sort of answer one, or would you agree with the notion that, really the only jobs... I remember giving a speech years ago to a computer audience about, there's an unlimited capacity for individuals to consume the services of others. And I would change that slightly today. Just as you go on cruise ships, I go on cruise ships, and we spend a lot of time in coffee bars, or, in restaurants. Wouldn't you now say that the jobs are service jobs, and it's not just serving human beings, but it's serving robots and technology and machines.

Mm. Yes. Yes.

You go to Toyota, you go to a car manufacturer, what you see? You see very few people,. And what are they doing? They are working with the robots, the transfer machines, to make them ever more effective and efficient and need less of them.

Indeed. Indeed. No, I, I, entirely. And, you know, it leads on to the fact that, and here I, again, I'm not, I think, like practically all of my friends, I mean, our cleaning lady's in today doing the ironing, doing the this, that and the other. Tomorrow the gardeners come, we've got two young lads who are here for a day a week, who do all the, what I call the heavy lifting, the, the grass-cutting, the digging, the pruning, the felling of trees and so and so and so and so, so that I can do the project work. Now, I think that those... There was an article in the paper only a couple of weeks ago about how youngsters today don't have any do-it-yourself skills, which were all taught to me by my, you know, I can change a washer, and I can do this, but a lot of young people can't. I can wallpaper, I could emulsion, I can actually do some painting, but, but I can't remember the last time I did it. [laughs]

Yes. That was a long time ago.

Long time ago.

And you had those skills, the desire, the interest to...

Absolutely. Whereas now, you know, if we want something done, we'll pick up the phone and someone will...

And the young do even more so. Yes, absolutely.

Yes, yes. That's right.

Richard, let me thank you so much for the time you have afforded us today for Archives of IT. I've certainly enjoyed having this discussion with you, and listening to your remarkable life story. Thank you so much.

Well thank you very much indeed, it's been a pleasure.

Thank you.

[End of Interview]