Peter Morgan MBE

Interviewed by

Richard Sharpe

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Via Zoom

Welcome to the Archives of Information Technology, where we capture the past and inspire the future. It is Wednesday, the 21st of April 2021, and as you can see, we're in Zoom land. I'm Richard Sharpe, and I've been covering the IT industry, researching, writing about it, since the 1970s. Before that, I was an IBM user and my major subject, when I became a journalist on IT erm, was IBM. So, I know a little bit about this organisation, and it is a fascinating one.

The man who is making his contribution to the archives today, Peter Morgan, MBE, is a prime example of what IBM, at its pomp, was able to do, which is to recruit or retract very intelligent, mostly men, train them well, manage them well, give them, er, a lot of experience and expertise, empower them, and watch them help build a company. And from thereon as well, in this country particularly, under Margaret Thatcher, it produced a whole cadre of experienced people from IBM UK who went forth and organised many parts of the private sector and the public sector and also worked in areas such as the Institute of Directors where Peter was a director of it.

So, welcome to the archives Peter, I hope that was a erm, a sufficient huh, introduction for you. Erm, you were born on the 9th of May 1936, in Neath in Glamorgan.

[00:01:43]
Yeah.

[00:01:43]
What were your parents doing?

[00:01:45]
Well, Neath was where the nursing home was, I was living, or my parents were living in Ystalyfera. My mother was a retired school teacher, er, married women were not allowed to teach in those days, and my father was a bank clerk in the Midland Bank in Ystalyfera.

[00:02:02]

What did your mother teach when she was teaching?

[00:02:06]
I, well, well, I-I-I'd, her-her interest was English.

[00:02:10]
What do you think your parents gave you?

[00:02:14]
Well, it-it of course, my parenting was somewhat disrupted by the war. My father was away for 5 years, erm, in-in various places around Britain, he didn't go, er, abroad. Erm, my mother, as a teacher with nothing but me to look after me, taught me [laughs] so-so, I was ready to do the 11 plus at 10, but they wouldn't let me 'cause I was only 10. Erm, I went to Swansea Grammar School, where I was erm, way ahead of everything 'cause I was getting home-schooled as well as-as well as grammar-schooled. Uh, uh, then I went to… away to school in Llandovery, where erm, I think everybody thought it was time I-I tried to do things for myself.

[00:03:03]
Erm, you… what did you think of schooling?

[00:03:06]
What, my schooling?

[00:03:08]
Yes.

[00:03:09]
Erm, I-all I-I enjoyed it because it came easily to me, uhm, and so, er, once I-once I had done something I tended to remember it, so, I didn't have big agonies about examinations. Erm, it-it my what-what-co-in-in Swansea Grammar School, I was very well-taught. In-in Llandovery College, I was less well-taught, but I had a solid base from the grammar school. But I did things like, I joined the Combined Cadet Force, I mean, I didn't have any option, you did join the Combined Cadet Force, that, I-I-I

became a prefect, those two things by themselves, virtually, got me a commission in National Service. Erm, uh, also, I got into Cambridge. So, erm, s-s-school did everything that was necessary for the next steps.

[00:04:09]
None of your family had been to university?

[00:04:12]
My mother had, erm, my mother went to Cardiff University, er, and her sister, in fact, went to Aberystwyth, so, on my mother's side, two out of three did go to university. On my father's side, none had.

[00:04:26]
This was always an aspiration for them for you, was it?

[00:04:29]
Yes, erm, they spent all my youth telling me that I needed to go to somewhere called Oxford and Cambridge. And-and the trouble was that they never told me about what I should do afterwards.

[laughter]

So, I-I-I got to Oxford, I-I-I had 2 places at Oxford and one in Cambridge, erm, I-I went to Cambridge. Erm, er, er, around about the beginning of the 3rd year, it became awfully apparent that I now needed to do something else in life.

[00:04:56]
You erm, you say that you-you went to college, were you in sport because you were in an area erm, which is passionate for rugby?

[00:05:05]
Yes, I-I played rugby in school although I didn't get my First 15 XV, erm, I-I was on the sort of… i-i-in the First XV environment but didn't get my colours. Erm, I did get my colours at Trinity Hall Cambridge… uh, er, what I-I got cricket colours at

Llandovery, er, I was quite a good er, off-spin bowler. But er, after the break of National Service, I really didn't pick it up again.

[00:05:31]
National Service was compulsory.

[00:05:34]
Yes.

[00:05:35]
You, er, ended up a 2nd Luitenant in the Royal Corps of Signals.

[00:05:38]
Yes.

[00:05:39]
Did you choose Signals or was it chosen for you?

[00:05:42]
Yeah, it was-it was erm, th-th-the… my, one of my predecessors, er, called Peter Davies who was a very good rugby player, had gone to Trinity Hall and had actually played at-for Cambridge for 3 years at full-back and he had been in the Royal Signals. And for a lo-for want of any role model otherwise, I went into the Royal Signals, it was a choice.

[00:06:13]
And what did that teach you, your national service?

[00:06:18]
Well, it-it-it, er, er, obviously, you got used to being in charge um, a-a-also, actually, as a young 19-year-old or 20-year-old National Service 2nd Luitenant, you learned to rely quite heavily on grizzled 40-year-old sergeants. Erm, but-but y-y-you learned the way of the world I suppose. I saw something of Europe, of course, I lived there for 13 months. Erm, and-and if you live in an officer's mess you learn a certain lifestyle, a-

a-a lifestyle that was actually er, compounded by going to Cambridge, where again, you are exposed to a certain lifestyle. By the time I left Cambridge, I had come… moved on quite a long way from Ystalyfera.

[00:07:12]
What were you actually doing in the Signals, was it…?

[00:07:16]
Well, my-my unit was a-a-is a very specialised, I mean, Signals… people went everywhere because they were providing the army-army with signals. So, mostly, you were attached to er, foot, and armoured regiments. But in my particular case, I ended up in a-a s-service called Special Y. and the purpose of that service was to intercept er, signals traffic of the enemy and er, to send the… and those signals were then sent to GCHQ for interpretation. In those days, signals traffic was largely morse code, and our particular role, why I was sent initially to Austria, and then we moved only into the American zone of Germany, after the Austrian Peace Treaty, was that our role in life was to listen to the Red Army in Hungary. And er, w-we were 200 men and er, we had 4 troops that, on a shift system just did the signal… th-the-the work and I-I varied from being the most-motor transport officer to being responsible for one of the shifts, um, or rather for the-for the whole listening system. But it was-it was very much supervisory, I never got down to er, intercepting morse code.

[00:08:38]
So, you were a Y station?

[00:08:40]
Yes.

[00:08:41]
And y-you planted it on to GCHQ which was the X station in that setup?

[00:08:47]
I'm not sure if-if that was [laughs] if that's what it was called, but-but certainly, GCHQ's role in life was to… I mean signals traffic er, erm, today, it's c-c-completely

different obviously, they're now into-into intercepting internet and that sort of thing, but in those days, it was all radio traffic and-and morse code largely. It was rather interesting in fact, because the Red Army, erm, in its command structure, had fixed mathematical relationships between the frequencies that connected the various units. And they changed all their frequencies a-a-at midnight on the 1st of the month. And erm, uh, you… morse code, is-is very personal, every sender has his own pattern, and our guys would scan the airwaves at midnight of the 1st of the month looking for their man, and when we found one we had them all because of mathematical relationship; very interesting.

[00:09:49]
Very good, very good. So, you left that, and you went up to Trinity Hall to study history?

[00:09:56]
Yeah, yeah.

[00:09:56]
Not literature or English, but history, why history?

[00:10:01]
Well, I-I-I suppose er, t-to some extent you were obviously influenced by the personalities of your school teachers and I suppose the history master had the most er, it was-it was an ex-army major and probably made the biggest impression. I-I could… I mean, I could have… I-I was pretty good at maths and I was pretty good at classics, um, so, I could have done… I could have… I could have been anywhere in the arts spectrum I suppose, but I enjoyed history and I found it quite easy because, as I-as I think I said, I didn't have to learn, I only had to read and write an essay and then I knew that. Erm, that made it quite easy when it came to revising for exams.

[00:10:47]
No technology at all?

[00:10:49]
I always took… I always the view I mean, to take history a little further, I always took the view subsequently that history was an excellent, erm, a-a- preparation for IBM, and business in general because, you know the sort of thing that would happen, one of my… one of my supervisors in-in er, Trinity Hall was the Dean, who's name Robert Runcie and he taught me for a year, ancient history. And the sort of thing that would happen was as you were leaving, after having read your essay to him, er, y-you had 3 different courses in a given year, so, you read him and essay once every 3 weeks. As you-as you left the room, he would say, "Next time, I would like you to explain the Decline and Fall of the Roman Empire. [laughs] Erm, wh-er, which-which meant 2 things, you had to go and find all the facts and get organised, then you had to write it out in a coherent fashion and then you actually had to read it and present it and debate it, which is what Cambridge supervision is all about. And I found you know when I got into IBM and I got into sales and the-the task was to show how IBM machines could solve the problems of a given company, then you were doing the same thing, you were analysing the problem, you were writing the report, you were presenting the results and making your recommendations. A-a-and I really believe that history… I still think that history is an excellent preparation for life. And of course, in later years, um, I-I-I find it very engaging as-as an interest.

[00:12:15]
Towards the end of your period in Cambridge, erm, you faced another step, what was going to happen after you left Cambridge.

[00:12:23]
Yeah.

[00:12:23]
[coughs] Did you talk about that to any services within Cambridge, with the career services?

[00:12:29]
Yes, there was an appointments board, and erm, the-the appointments board took-took the view that I was a Welshman coming from South Wales and therefore, what I

would understand was what was done in South Wales. So, they sent me for interviews with 2 steel companies, the Steel Company of Wales and Richard Thomas and Baldwins. They sent me to Metal Box Company a-a-and they sent… a-a-and to-to provide a little bit of variation, they sent me to ICI. And-and of those, I suppose ICI was the more interesting because they said that by the time I was 35, I would probably be a plant manager and I would be earning £2000 a year. Erm, a-as I was leaving the appointments board on one afternoon, they said, you might be interested in this, and they gave me a piece of paper that was Gestentnered… if you remember what Gestetner was… Gestetner on both sides and it was from a company called IBM. And um, er, er, I-I asked some friends had they even heard of the company a-a-and they said… one said, yes, he thought it was bigger in America, but didn't know that it was in Britain.

Um, anyway, I-I told the appointments board, they-they had talked about solving problems and what have you, and it sounded interesting. Um, so, I-I um, went for an interview, er, Bill Jeffries the personnel manager conducted the interview and h-h-he sort of said, "Well, thank you very much, if you're interested, call me" and left the room. And I think that was s-s-sort of an initiative test. So, I called him in London, and I said, "You told me to call you" and he said, "Oh, fine, good, come down to London in your Easter vacation and we'll give you lunch" and-and-and in fact, they gave us aptitude tests. And I was at-in a group of 3 or 4 Cambridge almost graduates, um, and we went from there to meeting a branch manager. I went, because I was from South Wales, that was covered by Bristol, I went to the Bristol branch manager and-and he said, that I would be earning £2000 a year in-in 2 to 3 years, and that… er, er, and he explained the whole system to me, um, compared with anything offered to me by British industry, it was just another p-planet.

So, I'd had very little problem with accepting although my parents, particularly my mother, who thought that I should have entered a profession, if not teaching, then perhaps accountancy or law, erm, had great difficulty accepting the fact that I was going to become a salesman.

[00:15:01]
Now, this IBM that you joined, and you joined in 1959.

[00:15:06]
Yeah.

[00:15:08]
There were about… about 5,000 computers in the world then. And IBM was very dominant, not in the computer industry, but in the tabulator industry.

[00:15:21]
Yeah, on-on accounting machines, yeah.

[00:15:22]
Punch cards. It was also the year that IBM came up with its first transistor computer, the 1401.

[00:15:30]
Yeah.

[00:15:30]
It was the Digital Equipment launched the PDP1, and it was the year in which COBOL erm, was specified, the specification of COBOL was put out. [coughs] When Sir Anthony Cleaver made his contribution, erm, to the erm, to the archives, and I'm sure you know him well. Sir Anthony erm, said, he was offered a job by Burroughs and by IBM, and he asked what would he be doing on the first day, and Burroughs said, "You'll be out selling things" and he asked IBM, and they said, "You'll be training" they put you into training right away. This was part of the ethos of IBM, train, train, train. So, you get your technical training, how was that?

[00:16:14]
Well, it-it-it-it took 2, approximately 3 months periods. Erm, I-I started on the 31st of August 1959 and in early December… and I-I learned punch card accounting er, machines… tabulators that… they were all controlled by panels, where y-you connected the-the dots literally to make the machine do what you wanted, er, with

punch… of course, with punch cards, all the information was on punch cards, what the machines did was read the holes in the cards and either sort them or do arithmetic on them or print from them. So, w-w-we learned all of… and so, what we learned to do was how to sort of handle these control panels. We then… I was then at the beginning of December sent to South Wales, where I was assigned to a-a-a salesman and to 2 of his accounts. O-one, er, one was British Nylon Spinners in Pontypool and one was Girling at Cwmbran… Girling the great manufacturing part of-of er, the Lucas Group, er, who had both in… erm, ordered IBM punch-card machines, and I assisted with the wiring of the panels.

And then in January, I went back to London for my computer course, which er, was meant to be just on the 650, which was the extant computer. But the 1401, as you say, having been announced, we were also trained on that. And I left that course… well, I went to work on Easter Tuesday, 1960, and I joined… I was the Bristol branch, er, er, a-a-assignee, on a 3-man project team, whose ob-objective was to win the business of the National Coal Board for IBM. Um, the-the er, ICL also had a team and one or two other people, I think English Electric were also involved. And at the end of the day, th-th-the… and I spent, er 6 months, I-I-I ch-I bought a new car and changed it after 6 months having done 20,000 miles. Um, and we were dealing with the North West Division, er, where er, I-I which were based around Bolton, the South Wales Division, based in Cardiff, the er, Eastern Division, based at Mansfield Woodhouse and the Western Division based in er, Cannock Chase at Staffordshire. And we… I handled one part of the application for all those 4 proposals. But when we had put in proposals, I-I-I then er, joined th-th-the same salesman who, with whom I had worked previously, who had just sold a 650 to the Steel Company of Wales to replace power ciphers and for most of the rest of my training, I worked on the 650 project at the Steel Company of Wales.

[00:19:14]
What were the applications?

[00:19:16]
Er, in-in-in the Steel Company of Wales, we were doing sales analysis, not very grand, but it was er, it was sort of an up… an upgrade from what they must have probably been doing on-on accounting machines.

[00:19:28]
And what programming language did you use?

[00:19:32]
Uh, what did they use or… or wh-wh… basically what… I can't remember, what did you use on the 650… I don't remember. Erm, was it… I-I-I think it was basic, I can't remember. I mean, it is-it is about 60, 70 years ago.

[00:19:47]
Yes, surely, surely. One of the other characteristics, apart from training with IBM, was that people's careers were somewhat plotted for them and they were picked out early on as high and fast risers and they were moved around so that they would gain various experiences.

[00:20:08]
Yeah.

[00:20:09]
Within a few years, you were a branch manager.

[00:20:12]
Yeah.

[00:20:13]
In Liverpool.

[00:20:15]
Yes, I-I-I think, I think it j-j-just to-to… I think-I think that what you've said w-was correct. By the time that I was a-a senior manager in IBM, uh, we-we were… we had

this high management potential programme going and we had people identified and we certainly gave them exposures all over the place. I think it would be wrong to suppose that we had such a sophisticated programme in place at the time when I started, but I-I guess then people w-were then doing it intuitively rather than systematically.

[00:20:50]
You were, erm, 2 years as a branch manager in Liverpool, who were your clients?

[00:20:56]
Oh, we had a very interesting… th-th… we had just begun industry marketing and so, between our, um, Manchester office and Liverpool office, we split the market so that they had retail and finance, and I had particularly the process industries. So, I had Shell at Stanlow, ICI at erm, Mond Division, ICI in Manchester, Unilever at er, Lever Brother Associates on the Wirral, Lever Brother Research on the Wirral. The John Summers Steel Company in North Wales, to name a few. Ah, it was essentially a-a-a process industry, not manufacturing industry, Manchester had the manufacturing industry.

[00:21:41]
This period…

[00:21:42]
I-I-I also… I-I also had local government.

[00:21:45]
Right. Erm, 1964, an important date in IBM's history was it not?

[00:21:52]
Yes, indeed the 360.

[00:21:54]

IBM bets on the business on a compatible range erm, of computers, erm, with the same tub of peripherals, and different sizes [coughs] excuse me [coughs] different sizes of processors erm, and-and a jolly complicated operating system.

[00:22:11]
Yes, it-it all sounds wonderfully logical now, um, er, we-we w-w-within 10 days, between the announcement date and my wedding date, there were 10 days and in that 10 days, the last date being the 18th of April, we had sold our branch quota for the year. But from then, to about 2 and a half… well, almost by th… until I left Liverpool, it was… we then had the agony of getting these early ones installed. W-we… the software was a real challenge, and it took a lot of time. Also, er, the deliveries didn't come very easily and very quickly. So, it was a-a-a very… I mean it was a huge… it was called a-a- was it a 5-billion-dollar gamble at the time and that-that-that's when a billion dollars was really money. But IBM jettisoned the whole of its product range, most of which were not compatible w-with each other, and went for the single compatible range. But i-it meant that nothing was… nothing was upgradable, nothing was transferrable, everything had to be redone, it was unbelievable. There-there… a huge task.

[00:23:21]
Ultimately successful.

[00:23:23]
Well, of course, it-it gave us a… it gave us a-a huge position in the market from there on, but it was a hell of a gamble when it happened.

[00:23:31]
An IBM branch, erm I consider IBM branch managers, they're really the centurions of this army, are they not? They are… they're young, erm, they're dynamic erm, and the senior executives have to really listen to what the branch managers say because the branch managers are the ones who really do execute the policies.

[00:23:54]

I-I-it's even more than that a-actually because, um, the-the-the one precept that, in my day is right until the end, the the-the company followed um, to the letter really, was that you never lose an account without bringing the company down with you. So-so-so, if whatever was needed, you escalated… a-a branch manager was a man who had to make this happen. You took it up the company until you got there. I-I remember quite a lot later, when I was, I think probably the divisional director, at that time, er, NCR, had some very good machines for desktop er, applications in banking. And I had to take it to the top of IBM Europe, and then I had to take it to the design labs in the States and have boxes made for… I think it was the Royal Bank… we were not going to lose the account. And-and we turned the company upside down to win it. and it-it-and-it-at-at different degrees of intensity, that happened all through the company, but it was the branch manager who was the lynchpin, and of course he made the critical calls to customers to give them the undertakings that IBM would deliver. And of course, they had to be credible in that respect.

[00:25:24]
The first computer I really knew was a lovely little 16-bit computer called the IBM1130.

[00:25:31]
Oh, 1130.

[00:25:32]
Yes.

[00:25:34]
Yeah.

[00:25:33]
And for some reason, I don't know why IBM decided not to upgrade and not to create a conversion path to anything else.

[00:25:42]
I-I-I think… I had nothing to do with the 1130, I think that was the applied science start of this… part of this. I did know the 1620 a bit, erm, I-with the applied science rep in Cardiff we sold one to Gaskin Iron and Steel, but that was the only time I-I-I really came across one of those computers.

[00:26:02]
I meant the role of the branch manager because that was the only time we saw the branch manager when he came to us and said, "I'm sorry, there's no future for this machine or for you as an IBM customer." Okay, thank you.

[00:26:15]
Well, th-th-that sounds very… I would have thought most likely branch managers would find a way of keeping the customer.

[00:26:23]
C-couldn't do it, erm, we had PDP11 within months, of course. Now, someone was looking after you by the looks of it, maybe you didn't know, but you had an angel on your shoulder because 2 years after you had been appointed branch manager, you were sent away, for another 2 years, to Paris to be an administrative assistant to the head of IBM Europe, Jacques Maisonrouge.

[00:26:48]
W-w-well, the background to that is again, s-slightly different. The… IBM had begun a programme which I think they only did twice. They had begun a programme to send people to the Harvard Business School and a contemporary of mine who joined IBM from Cambridge at exactly the same time was the first candidate. His name was Myles Broadbent, he ended up as one of… well, probably the top senior executive er, head hunter in London. Erm, Myles, er, went to Harvard and while we were in Liverpool, we had an award trip to the States, so, we were told, go where you want to. And so, we took 3 days in Boston and went to see Myles and he actually took me to a case study session in Harvard Business School. So, when I came back, I told my manager, who, in turn, told the chief executive, Eddie Nixon, that I wanted to go… I wanted to be considered for Harvard because it looked absolutely fabulous. And they

considered this and came back to it and said, no, they had another plan for me, and that was… turned out to be s-sending me to-to-to er, Paris. I'm not quite sure again, to what extent it was push and what extent it was pull. I mean Maisonrouge wants a-an assistant and I think he wanted an English-speaking one, so, he's probably the monkey on the UK's back to find one. So, I say, I don't know to what extent it was push or pull, but certainly, I had asked to go to Harvard, and I ended up in Paris.

[00:28:39]
Okay. What was your role as his assistant?

[00:28:45]
[coughs] I-It er, relatively undefined till I… when I got there. Erm, o-o-o-obviously, you sort of read the mail, and-and-and erm, where you could do things about it, you did do, and where you could send it to people you did that. That, to that extent, you were just a glorified secretary, erm, and-and of course, I was finding my way. But by the time he was replaced erm, Billy Christenson, an American, took over from him, I was in a very different position, and before Billy, I-I planned his year, I planned his meetings with the countries, I planned his staff meetings, I did some of the agenda work, but I gave him a complete management system structure, er, which was, you know, quite something.

And i-i-it was interesting that when I came back to the UK, um, th-the… I-I-I came back in June and arriving with me was somebody called Jim Foster, who had been in… working in Armonk, the corporate headquarters, and at this time, the company was… the UK company, was-was developing and exploding in so many different directions, that Eddie Nixon, the chief executive said he spent, late on every Friday evening, making absolutely critical decisions that he would like to get a better system in place. So, Jim and I were assigned the task of putting in place a management system for IBM UK including redefining executive roles and executive decisions. And we did that in the second half of 1969 before I became… a-and then I went off to become a district manager and Jim went off to become the head of corporate… erm, well, he was Eddie's sort of right-hand mand in corporate activities.

[00:30:44]

Jacques Maisonrouge was one of the first executives of IBM to, as they say, lift the kimono and to expose some of the workings of IBM in a very famous book around this period. And he managed to argue… erm, this is the suggestion that I want your comment on. He managed to argue that it was not unpatriotic for a Frenchman to work for an American company because it was to the benefit of France that IBM was providing this equipment and this technology. Was that your view?

[00:31:20]

Er, well, I-I-I my view, I would take th-that view and always did take that view of IBM in the UK. Er, I mean, France is a bit different because of, er, French er, you know Colbertism… French corporate, economic nationalism. Therefore, Jacques h-had a harder case to make. But the logic of his case was exactly the same logic of the case that IBM UK made month after month and year after year, because we had the situation until Thatcher, that the government supported ICL and almost all government department installed IBM equipment… ICL equipment. Erm, and er, it… the big thing about the Thatcher era, when I came back to the, er, UK from Paris, was that suddenly, I mean, in my first couple of years, we won BP for the first time, we won er, BT for the first time. Er, we suddenly had a surge of business because we could do a better job. And er, er, and Jacques's argument would be, you were better served by IBM if you need computers for your business.

[00:32:26]

And of course, during this period, ICL had one of its, erm, classic, erm, periodic crashes and had to be bailed out in 1968, etc., etc.

[00:32:37]

I-I see-I see a… had it… I mean it was a difficult thing that they set out to do. ICL had been the Hollerith concessionaires and when IBM established a world trade corporation in 1950… I can't… er, 1950, I suppose. But they prog… they had had, before that, they'd had concessions all around the world. The famously, in German Deutsche Hollerith AG Dehomag, and-and of course, erm, Hollerith, the Hollerith company in-in the UK. Um, a-a-when the Hollerith company in the UK decided that it would not become part of IBM and be bought by IBM, IBM said, well, fine, you

have all the patents and everything that you have but that's it. And it-from, I don't… IBM then put 3 people into an office in Wigmore Street, in er, Barclay Square, and started to build IBM UK. Um, the-the-the Hollerith problem was, of course, as the 1401 computer to which you referred, as that got going, it-it-it w-was-was barnstorm. And so, they were forced really into-into a merger with Powers Samas, which was the other British punch card machine company. And of course, they had to, starting from scratch, develop computers. So, they started, er, er, er, in the terminology, behind the 8-ball and they always had a hell of a problem to catch up. They were sitting, of course, on a very substantial Hollerith punch card accounting machine customer base and they had tremendous government support throughout the-the, er, '60s and '70s, but nevertheless, it was a tough task.

[00:34:30]
So, you came back from Paris, which you enjoyed, I presume?

[00:34:33]
I'm sorry?

[00:34:35]
Which you enjoyed, I presume, you enjoyed Paris?

[00:34:38]
Oh, absolutely, yes, yes, yes.

[00:34:40]
Did you enjoy the culture?

[00:34:43]
Yes, we did. People used to ask us, did we prefer Paris or London and we used to say apples and oranges. It's a different… completely different concept of life in a way. We enjoyed it very much, we also enjoyed the British one. But we don't try to compare them very much.

[00:35:00]
You then spent a year as a regional sales manager based in Birmingham?

[00:35:05]
Yes.

[00:35:06]
What was your role there?

[00:35:08]
Well, I was… we had… we were at that point… we'd gone to full industry marketing so, the Birmingham region, was, in fact, the, er, the-the, um, c-c-centre for the manufacturing industry and er, I was responsible for the branches that had the primary manufacturing accounts. And of course, you started off in Birmingham itself, where you had, er, British Leyland, Rolls Royce, Et al and of course… and then in North London where we particularly had Ford, um, and up in Manchester, we had other accounts. But I had-I had… and then Bristol, with all the aircraft industry. So-so, I had-I had the branches that had the major UK manufacturing companies.

[00:35:57]
During this period…

[00:35:57]
Most of which had become IBM customers for the reason that they-they needed IBM.

[00:36:05]
Erm, you were presumably a success there because you were very swiftly appointed as a sales director for IBM UK.

[00:36:12]
Y-yes, well yes, I mean, it's… it was-it was all-all relative, um, there… the-the-the um, I'm just trying to remember the sequence. There was-there was… The-the-the divisional director, er, I think had a very bad car accident. The sales director took his role, and they had, then had to look at the 5 regional sales directors to make er, an-an

appointment. Um, and they chose me, and I don't know whether it was my youth, huh, or-or whatever, but-but yes I got it but it-it, er, well, it-it there was a series… a chain of events that caused that to happen.

[00:37:01]
Again, what was your role?

[00:37:04]
As sales director? As sales director, you… the-the principal role was to deliver the country's quota. Um, the-the country was committed to IBM Europe to a certain level of sales and… er, following that a certain l-l-level of revenue. Erm, and you simply had to deliver, and I had 5, I think regional directors under me, who were all, a-a-as I've explained industry oriented. And er, I, er, the-the comb… there were a combination of things. The first one was to actually manage the business in numbers, that I used to h-have a meeting with each of the regional directors each month and a… a full-day meeting, where I would go through their business in quite a lot of detail to get… to arrive at my own estimate of what they were likely to achieve, so, that I could make my own commitment to er, er, er, my-my-my divisional director, the general manager, and Europe.

Erm, and-and then, from thereon, my main role in life was to sort of lead the sales effort. So, I-I-I would… I would visit every branch once or twice a year, visit some of their key customers, get a full presentation from the branch manager on how he was conducting his business. Erm, and-and-and speak at an open meeting, to all the branch people. A-a-and I think I had 20 odd branches at that time, I certainly visited them twice a year and beyond that, I would get involved in key sales situations, on this business that I have already explained about bringing down the company with you, I was one of the first stops on that process.

[00:39:07]
What is the Peter Morgan style of management?

[00:39:11]

[sighs], huh, I-I-I-I guess it's matured since I was in IBM, um, I… in-in IBM, I suppose, like everybody else in IBM at that time, I-I-I was really trying to identify the people who could deliver and then backing them, and putting them into the position, er, wh-wh-where that would happen. Um, I think I had a fairly open style, er, but as I said, um, my main, er, purpose in life was to be out there and visible and dealing with the issues.

[00:39:53]
IBM was known as a very ethical company, and yet… and yet, there are accusations constantly of propagating fear, uncertainty, and doubt, FUD in the marketplace.

[00:40:08]
Yeah. Well, that was all we could do, er, we-we-we really actually couldn't disparage. Um, all our competitors knew that we were operating under the terms of a US government consent decree, the con… a consent decree in principle, came after an antitrust suit, and it set out the terms by which you could continue to operate as you were. For a lot of my time at IBM, we were under an-under another, erm, investigation, where it was thought that we would be broken up and for the last period of my activities… well, for the middle period of my time at IBM, we'd separated ourselves into 2 businesses in the expectation that would happen.

But going back to the-to the consent decree, it really meant that you-you couldn't… you had to have a one price list, you had to have one contract. You couldn't do people favours, you couldn't bend the rules to secure Customer A versus Customer B, and you really weren't allowed to disparage. A-a-and particularly, when we got into competition against… w-we had new forms of competition, not your ICL's and your Burroughs anymore, but your Andals and Hitachi's, who were selling copycat IBM machines, and your leasing companies, that were selling IBM machines er, o-on-on a highly favourable financial basis, because of the way the leasing companies worked and discounted. Erm, but they were all, very, very keen to catch us for disparaging them. So, we had to be very, very careful, a-and it-it was very serious. I had one case where there was a complaint made against me which proved to be, er, without foundation. But it was always there.

Um, so, yes, we certainly… fear, uncertainty, er, and doubt, wasn't a… didn't take the form of disparagement, but it was rather the general arms around the customer, and y-y-you know, n-n-n-nobody ever got fired for choosing IBM kind of view.

[00:42:25]
IBM would never disparage, erm, customers, erm, never disparage the competition. I was once in a briefing about mainframes, and I suggested to the er, IBM person, that the Itel mainframes were better than the IBM mainframes, and the IBM-er said, "Itel makes very good mainframes" Well, there's a quote for you, he actually acknowledges there is such a company. But then he says, "But if you want the leading technology, it's got to be IBM because we control the architecture." A brilliant answer, I thought.

[00:42:57]
Well, I mean that was, er, again, the… these people who made lookalike IBM machines, represented a very serious threat. An-an-and we, I mean, w-w-when I was sales manager or sales director, rather, we put a task force together just to find a way of competing, given that we h-h-had in effect had one hand behind our backs because we couldn't discount… erm, we couldn't change our contracts, er, and these other guys had what-had what… and we couldn't stop them running our software. So-so, er, i-i-it was difficult a-a-and took to a lot of creative activity to… and i-i-i-in-in retaining customer loyalty.

[00:43:41]
And then it's off for another erm, year's stint or so as, erm, group director of marketing, IBM Europe.

[00:43:50]
Yes.

[00:43:50]
So, now, you've got some people reporting to you who are the sales directors of the different subsidiaries in Europe, is that right?

[00:43:59]
No, they didn't-they didn't report to me, I was in a staff relationship to them. I had-I had 2000 people reporting to me, but they were in a support centre, a-a-a-a- in Europe, and also, some of them in America, um, ma-mainly in Europe. And for example, we, er, we, I talked about industry marketing, so, we had a support centre for each industry, and that support centre reported to me. We also had support centres for some of the product lines and again, they reported to me. And then I had a staff in Europe… I-I-I… we had-we did routine things like, we ran, international sales conventions for th-th-the top performance. The countries ran their own conventions for the generality of their sales force, but we ran top per-per-performer conventions out of Europe. Erm, we-we-we were responsible for all the marketing support to new products, the announcement of new products, um, i-i-i-it was a general marketing task. Um, we-I obviously met with and held meetings with the country sales managers to take forward general marketing strategies. But in the end, they-they're line reporting was to the country general managers.

[00:45:10]
From 1973, for a decade, IBM worldwide was run by a man called Frank Cary.

[00:45:18]
Yes.

[00:45:19]
Who seems to have been extremely successful as a CEO of-of IBM. Did you interact with him, did you know of him, what was your reaction to him?

[00:45:28]
Cary-Cary, er, I think Cary was chairman and Opel was chief executive, and they op- and they operated as a pair, John Opel and-and Frank Cary. Erm, [coughs] they er, presided over the corporate management committee which was, of course, the vehicle that ran IBM corporation. Um, our interaction with them, as IBM Europe, I mean, th-th-the-the-the senior executives, I mean, the president of IBM Europe and some of the vice-presidents, would have had more frequent dealings with them. But my role, er,

as the marketing director, I-I-I another element of my role in life was to actually make a-a-a strategic and operating plan for marketing, for the coming year. And the strategic plan for the coming years, and the operating plan for the coming year. We presented the plan in-in-in June and the operating plan in early December. And those were presented to the corporate management committee and-and-that was when I met with them, making those presentations, which I did twice a year. They came over to inspect Europe on one or two occasions, and again, I presented to them then. But it never got beyond presentations, I don't think I had meals with them.

[00:46:49]
What was Cary like?

[00:46:52]
A very… I th-th-thought he was a very impressive man. I thought they were very impressive, in fact, the…one of the problems was that their successors were not so much, but erm.

[00:47:01]
Yeah, you're talking of John Akers presumably.

[00:47:05]
Well, I-I knew Akers because just at the time that I was sent to Europe as director of marketing, he became head of er, data processing division, the marketing arm of IBM USA. And in fact, in our high-performers, er, sales convention, which we held in Bermuda, he came as a guest speaker. So, I met him at a time where both he and I er, came on board. Erm, and he-he went on to run one of the US product divisions, and then he went on to become corporate, er, er, chief executive. Um, I-I-I never felt that he made the transition from marketing to the whole business, er, er, and-and of course, he… at the end, he-he… I think we should say he failed.

[00:47:52]
He did fail. He had to walk into the board meeting and say, "We can't pay the dividend."

[00:47:57]
Yeah, he, yeah, he failed.

[00:47:59]
By the end of the board meeting, he wasn't there anymore.

[00:48:01]
No, er, no, and… he, but it was… it was… it was obviously coming. In fact, I-I didn't think he did-did the product division job properly. Er, I-I-I was in IBM UK looking for the products to sell, and we had DEC breathing down our necks, and he wasn't really responding. Erm, IBM never responded to DEC, er, in-in those terms. I mean, DEC… DEC and all the mini people were taken out of business by the micros, and our response to DEC ultimately was the PC, which took DEC out of business. But-but, er, we never took DEC out of business on a face-to-face mini com…er competition.

[00:48:39]
And then you moved…

[00:48:40]
That was what Akers should have been building.

[00:48:42]
Yeah. Then you moved, um, '80 to '86, executive director at IBM UK, Portsmouth, and London.

[00:48:52]
Yeah, well, er, the first part of that was, er, I-I, first of all, ran, all the, er, d-data… the data processing division business. We had now created the general business group as a separate business group, I talked about splitting the company. Er, but then, er, er, after 2 or 3 years, the corporation… er, the antitrust suit went away, Regan dis-dismissed it, and so, we were able to p-p-put the business back together. And we then did it in-in the UK into 3 major units, er, one of which was the City and the South

East, um, which was, you know, the key business. Erm, and I ran that for a couple of years. Then I looked after something called business development for a couple of years where we were getting into things like robotics and telecommunications. But-but-but-but not very full-heartedly, it must be said, um, and then I even did a staff role for a period, where I had really all the staff function… all the corporate staff functions reporting to me. And I-I found myself becoming a-a-a- an advocate for and knowledgeable about the environment.

[00:50:04]
Erm, and in 1981, IBM dropped the bombshell of the PC. What was your reaction to that?

[00:50:11]
Yes. Well, [sighs] my-my, er, my-my first exposure to the PC was a rather interesting one because I had to announce it to the data processing division as it was then. And er, er, our staff, er, a-acquired a marketing company to manage the announcement and we had it done like a new car with a reveal. And we had a catwalk-type stage, and, um, I found myself w-w-walking up and down the stage and waving at dry-ice and computers, er, and PC's a-a-appearing by magic. It was a rather interesting s-start. Of course, we didn't know what to do with it and-and nor did anybody else. All we had was Lotus 1, 2, 3, and erm, d-d-d-d-Dragons, and Dungeons. Erm, a-a-a-and I r-r-remember trying very hard [coughs] to get the boards of banks to give all their people PC's so that they could play with them.

[00:51:25]
[laughs]

[00:51:26]
But i-i-i-it was only when we started to get serious a-application software onto them that w-w-we began to do something sensible with them.

[00:51:35]
I remember interviewing erm, Sir Eddie Nixon, as he then was, erm, on the day before he went on holiday once and he said, "I've just had a very interesting morning. I've been choosing the colour scheme for the IBM retail shops."

[00:51:49]
[Laughs].

[00:51:49]
So, IBM actually now had a presence on the high street.

[00:51:53]
Yeah. Th-that was… I was not involved, that was another division altogether. But m-my division, which was the mainline, er, mainframe computer division, was going to sell these an-and network them. So, we had them…er, we had the corporate accounts.

[00:52:11]
Yes.

[00:52:11]
W-w-when… er, in fact, of course, but ultimately, the-the retail a-a-area took over the corporate accounts as well. IBM got quite confused w-w-with the… with the PC in the end before it gave it up. But-but, I mean the tragedy, well, you know-you know the story very well, but the tragedy of-of the PC was the only product IBM ever produced that it didn't properly pat… er, secure with patents.

[00:52:34]
Yes. You were also, as well, selling… much, much more software than they used to, after the famous unbundling decision. And that is a very different type of sell to the selling of hardware iron.

[00:52:51]
Er, y-y-yes, but because it went with the hardware, erm, and because n-n-nobody was competing with us for operating systems or databases, or-or, you know. I-I-I and in

fact, our-our-our communications, er, software, the SNA system er, became the subject of a-of an EU er, competitive er, inquiry. Um, our-our software was-was pretty, er, pretty saleable and it sort of generally went with the hardware. The other one was CICS, and it was just another dis-distributed processing system. A-a-and they were all big sellers and didn't face much competition.

[00:53:31]
Erm, then you became a director erm, of IBM UK Holdings Limited?

[00:53:35]
Yes.

[00:53:35]
In '87 to 89, what was your role there?

[00:53:40]
Well, this is when I had all the corporate functions from, erm, intellectual property to corporate affairs, to all, you know sponsorship and everything we… everything like that. The-the whole… everything that wasn't mainstream… huh, mainstream business. A-a-and it-it was an interesting period because, in our-in, our c-c-corporate affairs activities, and in-in our charitable activities, er, w-w-we-we've had quite a bit programme and we spent a percentage of our revenue on it all. And while I was there, we got… er, er, my staff got me involved with erm, Mrs Brundtland's book, "Our Common Future" I think it was called, which was the f… she was er, a-a-a Scandinavian prime minister. And it was one of the first documents on er, the environment and er, er, y-y-you know, the-the reforms that were needed and the care that should be taken of the environment. And we embraced this, and we decided that we wanted to give the United Nations Environment Programme, based actually in Nairobi, a computer. And in order to p-p-persuade the IBM corporation to do that, um, I had to find out about the environment and everything. And so, it was arranged that I would meet everybody who was anybody, um, including, you know, the head of the-the-the Environment Agency, and the government's chief scientist and er, er, Jonathon Porritt, who was the big pundit at the time. I-i-it so much so… by the way, I con… convinced IBM to-to give this computer, but so much had I got involved with

this that, I-I found myself, um, when Jonathon Porritt was asked by the Prince of Wales, to organise a lunch at Highgrove, which took 3 or 4 hours, so, at which the environment would be discussed. I found myself sitting, um, on the left-hand of the Prince of Wales, on that subject. And indeed, when I went to the IOD, I found myself on television presenting the case from time to time. So, I-I-I, i-i-it-it… then, that was a period of my life which largely went away. I did join the, er, er, the advisory body for a period, but-but that period of IBM, it was very much about the environment.

[00:56:11]
And after 30 years in IBM, you decided to leave, why?

[00:56:17]
Well, clearly, having got into that staff position, um, I was not going to, er, t-t-t… have any more line management responsibility. And er, I was not, um, I was not going to become chief executive obviously, um, and while I was having a-a nice time, I-I-I was open to offers. A-a-and I was invited to consider a position at the IOD. I often wondered how that happened. I-I-I think I… I think I found out later on, um, that the trouble with the IOD job is that you have to combine some understanding of business with an ability to take on public policy issues, a-a-and therefore, be of a certain, I suppose temperament and background. And it is not easy for the head-hunters to find such a person and so, they go and ask the people they know. And I think Eddie Nixon was asked and I think he put forward my name. Er, he sort of suggested that, or he acknowledged that he had when I talked to him later on. Um, so, I went through the interviews, IBM gave me their blessing 'cause I had become supernumerary in effect, and er, they-they paid me off and I… off I went.

[00:57:37]
You became Director-General. Were you political?

[00:57:41]
Yes.

[00:57:42]
Were you…?

[00:57:42]
Well, I-I was a member of my local Conservative party, but I wasn't… I was not a political activist in any sense. And in fact, it-it was a condition of joining the IOD that one was apolitical, although there was a certain affinity with the Conservative party because my immediate predecessor, Sir John Hoskins, had run the Number 10 Policy Unit, er, and had…had been responsible for things like the process by which the trade union legislation had been brought in. Erm, and er, he-he-he handed me the baton of very much a free-market institute, um, i-i-in those days, somewhat in tandem with the Institute of Economic Affairs, which was also… the-the beacon of light for th-the free market for a word… in the previous era of Butskellism. But erm, so, no, we were-we-we… I wasn't political, but I-but I suppose we had an ideology, a free-market ideology.

[00:58:43]
That was the point I was trying to make, yes, thank you. Erm, and what… as he handed over the baton to you, what was the state of the IOD at the time?

[00:58:55]
W-w-well, we-we had… [coughs] we had a… we… our income… our income exceeded our expenditure, er, which is a… I can't remember what the membership was, but it was substantial, 20,000, 30,000, I don't know… er, maybe more than that. I-I-I can't… I really can't remember now; I think we were up to 50,000 at some point in my time. Um, it-it was… somewhat a function of the, um, of-of the economic climate, um, I remember that in the erm, in the middle of my time, we had the ERM catastrophe, which created a-a slump, er, er, destroyed the property market, created a lot of unemployment, saw inflation get… saw the interest rates go to 15%. And at that time, we lost some membership, but we had… that substantially rebuilt it and passed on by the time I left the institute in-in '94. Erm, we… our business, it was an interesting business, we had taken over from the Crown Agency, the property known as 116 Pall Mall, which had been the United… the United Services Club, and it was a traditional Pall Mall London club, er, with those facilities. We turned all the bedrooms into meeting rooms, we turned many of the function rooms into… in sort of open meeting rooms, er, we-we had restaurants and-and bars. And it was really quite a success… er, er, useful base.

Remember that the-the large corporations joined the er, CBI, we had… t-t-the SME's private companies, owner… owner, er, managed companies, many of them, not based in London and we provided an ideal base in London for-for them when they had to do business. W-w-we had branches around the country that provided meeting places for, again, the same businessmen, to-to meet each other and hold functions. We had big annual functions, which were attractive a-a-and also attracted t-t-to which customers could be taken, so, we provided a key service. We didn't have a lot of, er, FTSE 100 board members in our membership, but we had a lot of very interesting people.

[01:01:22]
You did, and it was a very good place to meet them as well, I must say because I often conducted interviews in that… in the IOD building… lovely…

[01:01:31]
Yes, absolutely, we-we, that was one of the key services we provided… th-that piece of property.

[01:01:37]
Erm, you've left IBM, which, in one part of your CV, you-you almost describe as being cloistered in IBM, you were well looked after in IBM. You leaned sideways, and there were people to support you in IBM, now, there isn't. This must have been a really radical change for you.

[01:01:59]
Y-y-yes, I mean, a-at-at the IOD, we had one person in charge of each activity, um, for example, a head of our policy unit, who was the very… in my time, a lady, a very qualified Cardiff University Professor, previously another lady, Judith Chaplin, who became, er, Lawson and Major's advisor. And then we had thinkers, and if you were thinking of a-a hi… you know, an organisational hierarchy, there was a gap of about 4 or 5 levels from the top to the next level. It was the same in the department that handled, er, er, publications and er, promotion a-a-and events, um, i-i-it was the same… well, we just had really one man and an-an assistant who handled communications and PR. So, we-we didn't have any depth behind any of our people, and they were a completely disparate group who couldn't easily take over each other's

roles. So, i-if you needed a new man, you had to… or woman, you had to go out and hire them cold, um, i-i-it was… it was just very strange, having been in a company where you had 10 people for every job.

[01:03:16]
Yeah.

[01:03:18]
And-and many of the jobs were interchangeable.

[01:03:21]
And you took on a number of directorships as well at the same time, did you not?

[01:03:26]
Yes.

[01:03:26]
As part of erm, a portfolio. This is the beginning of your portfolio period in your career.

[01:03:31]
Yes.

[01:03:32]
Zirgo Holdings was one of them.

[01:03:35]
Yes.

[01:03:35]
Tell us about that?

[01:03:37]
Well, Zirgo was founded by a fellow called Henry Becker, Professor Henry Becker. And they had some very interesting contracts providing, er, security for, erm, mainly city financial systems. I think they had CHAPS, for example, I think they provided the security for that. And they were successful, and after I joined, er, the… oh, Apax made an investment and they suggested that I join the board. And er, Apax got out when we went on AIM. The-the concern that Henry had, and I also had… er, shared, was that if you wanted to increase the business, it being er, sort of systems integrator and-and-and software writer, you needed as many more people as you wanted to do more business. It was difficult to leverage it and-and-and therefore, generate growth and-and increasing er, er, profits… profitability. And so, H-Henry's view was we needed a… he looked at Microsoft and he said we needed a shrink-wrap business, where we could-we could do that sort of thing. In fact, we made a big mistake because we-we, er, we went on to the LSE so that we had the money, but what we acquired was the Baltimore company… er, a-a-a Dublin-based company called Baltimore, which was in, er, er, public key, er, security systems. Which in-in effect, it turned out that there was about 1 or maybe 2 customers per country.

[01:05:24]
Oh, dear.

[01:05:25]
And for a small company to organise a sales force to handle that was more or less impossible. And-and in the dot.com boom period, everybody thought it was a winner, and we even entered the FTSE 100 for, er, for one quarter. But we had very little revenue, we had no profits, er, the-the short-sellers got hold of us and we ended up selling our software to people who could make it part of a bigger business, er, and a broader-based business and we created a cash shell, at which point, I left.

[01:06:02]
By this time… we're, er, coming towards the time of the millennium, what is your view, Peter, of, um, the, erm, appropriateness or not of the efforts to solve the Y2K bug?
[01:06:18]

Well, I-I-I was, I was i-i-involved with it in particular at NPI, which is an insurance company, where we spent an awful lot of money with Indian sub-contractors to get all our stuff re-written in time. I-I suppose accepted the… uh, the prevailing wisdom that this needed to be done. It was hellishly expensive, it was an opportunity to revise things as we went along, um, o-o-obviously, there were no disasters, one wonders whether… whether we were justified in doing all that we did.

[01:07:06]
And your conclusion is?

[01:07:09]
Well, I mean, the-the Y2K coincided with the dot.com bubble, erm, and-and-and [coughs], and the aftermath got completely caught up in the fact that h-half the dot.com in… half the dot.com industry just was in… was shattered. But-but the only company that I can think of that came through-through it with a strategy that set it up for the future was Amazon. And of course, they had a lot of surplus computer capacity and they turned it into Amaz-Amazon web services and the rest is history. Erm, I-I-I suppose I was only involved with Y2K with, a-a-at-at NPI… I believe we had to do it; it was very expensive. I-I saw nothing around the world otherwise that suggested it was, erm, i-i-it-it really deserved the focus it had got, but as I said, it all got subsumed in the fact that following that, the dot.com world fell apart.

[01:08:25]
Why can't the UK generate things like Amazon?

[01:08:29]
Well, it's a very good question. I-I-I used to sit in Europe… I was a member of a committee in Europe an-an-and I used to say to them… they spend all their time trying to slap antitrust suits on any successful, erm, global computer company that operated in Europe. And I used to say that in the… in the life of the-of the, um, European Union, the only companies that had-had succeeded were SAP, a-a-and Nokia until it stopped succeeding. Erm, in-in the UK, we did have erm, that software house… not software, sorry, the-the, um…
[01:09:13]

Autonomy?

[01:09:14]
Er, er, no, no, Autonomy, no, no, that was different, no, the-the people who were bought by NVIDIA, I think, um, they worked for… they worked for Apple, they're-they're a sort of-a sort of competitor of INTEL.

[01:09:28]
ARM.

[01:09:30]
ARM, ARM, ARM is the best thing we've done. Erm, why don't we do it otherwise? I-I-I-I… I've looked at America to try to understand what happens there and somehow, I-I think… apart from the scale of things there, it somehow seems to be in-in-in the blood. I-I-I-I look at e-Bay, a-a-and if you… if you look at the history of e-Bay, a g-guy had some capacity and started doing… a job with a few friends… er, er, doing a little bit of auctioneering between friends. And I-I-I looked at the people who…on the main YouTube… wasn't that some friends wanting to do some video sharing? And-and erm, er, I'm just trying… I-I-I and if you look… if you look at Steve Jobs and what he did, i-i-it's got to be that Gates and Jobs and people, h-h-had a combined, an entrepreneurial... an entrepreneurial approach, with a-a-a really great grasp of the technology and its capability. And er, Stanford University, obviously has a lot to do with it, if you-if you consider how much, er, er, of the world's technology is based in just 2 counties of California, a-a-a-around the Bay. Erm… we don't have… Cambridge, although it's got silicone, in fairness, it calls itself, it-it-it doesn't have the same effect at all as Stanford has.

[01:11:27]
Hmm.

[01:11:28]
Erm, and of course, we haven't had venture capitalists operating in the same way. I-I remember the caricature of Stanford that said, "Some guy qualifies with a great bright idea. In his flip-flops and shorts, he walks up the road to the venture capitalist, who

raises a million dollars, then he puts it to work." I-i-it's not an image that you c-c-can quite conceive of in the same in the UK. ARM to the extent that it-it was successful, did come out of Cambridge environment, but not enough does, of course.

[01:12:03]
May I suggest something else to you, which you probably will bat back straight to me? It is this, that in the light 1950s, very intelligent, bright, and energetic people, like Peter Morgan, and Sir Anthony Cleaver, decided to join IBM.

[01:12:21]
Well, yes, you could say there was a sort of brain drain in that direction. But-but, erm, I-I don't think it… I don't think it is only that because I-I-I look at the people in the States who succeeded. I think of Jobs, I-I-I think of… erm, the-the-the people who put… who put erm, Google together.

[01:12:52]
Yeah.

[01:12:53]
The-the man who has done Facebook, Zuckerberg, and you look at where they started, and it-it was just… a-an ability to use technology to meet a perceived need. And-and you have to assume that some of those needs, were lying around also in the UK, but-but they weren't addressed in the same way.

[01:13:18]
Mmm.

[01:13:19]
And-and it-it-it's something to do… [sighs] I hate to use the term enterprise culture, but-but-but for much of my career, that's what I believed was the issue. The-the… the first speech I ever made to an IB… IOD convention, it was about the enterprise culture, er… but in the IT environment, it really… the ability to-to see what the IT can do and then make it do it. There is some of that happening now, isn't there? Er, y-you-you've got… particularly you've got some stuff now coming out of Europe.

[01:14:01]
Yeah.

[01:14:02]
Er, Scandinavia, I think, there's some in Berlin um, there is something happening, er, and-and I think it comes from the same… from the same sort of background.

[01:14:12]
The games industry as well.

[01:14:14]
Yes.

[01:14:15]
Computer games.

[01:14:16]
Although I have to confess, games is something that I'm not engaged with.

[01:14:19]
Right. Now, you are, yet… you are a bit of a maverick, aren't you… do you think you are?

[01:14:26]
Why? Well, kind of, I suppose.

[01:14:29]
What about this publication; this is you, isn't it?

[01:14:35]
Which publication, I'm sorry?

[01:14:37]
Alarming Drum.

[01:14:39]
Oh, that, yes, yes, sorry, you're… I-I… y-y-yes, erm, that-that was… my-my… I-I-I-I was more seen as a maverick after my enterprise culture speak to the IOD convention… speech, to the IOD convention, where the-the radical society, which is, I-I think, a-a-a relatively short-lived phenomenon of the enterprise culture, actually made me the radical of the year. Erm, but-but-but my book was something different because, um, I-I-I never really believed… when I got to think… got to focus on it, I never really believed that the er, UK should have been an a-a member of the European Union. And I was… from 19… after I left the IOD, I st-I became a member of an EU committee, which took me over there many times a month and while I was there, I be-it became apparent… oh, while I was at the IOD, I got very much involved in the Maastricht Treaty, I even ended up on the Today Programme, talking about it on the morning after, having been briefed at 4 o'clock in the morning by Major's PA as I was driving into London and he was going to bed after the Treaty. Erm, I-I-I-I got very involved with things European, but-but around 2000, er, 2002 rather, as I was leaving the European committee after my first 8 years, I-I-I became aware that they were developing a constitution and that this constitution was going to take over Europe. And I didn't think anybody in the UK realised what was happening, hence the-hence the title, "Alarming Drum" where I set out to really explain what the European Union was.

As it happened, a-a-and of course, that was aimed at the… EU Referendum on the constitution, but because France and-and the Netherlands rejected the constitution, it didn't take place as such, and therefore, er, therefore there wasn't a referendum, and therefore the book fell on stony ground as it were.

[01:16:46]
But you were a pre-Brexit-Brexiteer?
[01:16:50]
Well, yes I… well, yes, I was, I suppose, but then I wasn't alone, there were lots of people who felt the same way.

[01:16:56]
This has something to do with IT, and I want to… I want to d-draw it back to IT. surely, big companies, particularly, IBM, want a completely level playing field.

[01:17:07]
Yes.

[01:17:08]
And big companies like IBM are very much in favour of the European Union.

[01:17:12]
Well, yes, I-I mean, when the European… when the Common Market came in originally, IBM went from making all its products in a factory and all its countries, er, the UK factory made everything, the German factories made everything, the French factories made everything for those countries. IBM within… with a very short period of time, went to product by plant, so that we had a PC factory, a mainframe factory, a disc drive factory, a printer factory, we… and then we just sent it around Europe because there was nothing to stop us doing that. Erm, and furthermore, because of the way the EU works, er, because it has an unrepresentative parliament, and-and anyway, is pretty much managed by an unrepresentative commission. The only representations that you get there are from lobbyists and of course, the people who have the monies to lobby are the big companies. So, the… you could say that a lot of the EU legislation works in favour of the big company to-to the exclusion of the small company, which could be another reason for the lack of enterprise.

[01:18:18]
That was very neatly brought back to that… that was v-very good. Erm, what are your biggest mistakes you have made in your career, and what have you learned from them, Peter?

[01:18:29]
I haven't dwelt on my mistakes very much, erm, erm, I-I-I at my age, I have done a little bit of biographical writing. And erm, I-I-I it-it's sort of the way-the way I would

sum things up is that the end justifies the means, by which I mean I am not dissatisfied with where I've arrived and therefore if I've made mistakes, they haven't really, erm, they haven't really got in the way of getting to where I am now, um.

[01:19:17]
Would you have wanted to be chief executive of IBM UK?

[01:19:20]
Well, I-I-I think events proved that erm, IBM didn't see me in that role. And-and in-indeed I-I would say that er, my experience across a w-wide range of companies, is that I'm a far better senior independent director than I am chairman. Erm, I-I-I am… I-I-I-I'm awfully perceptive a-a-and insights and initiatives and ideas, um, er, some of my chairmanships were quite challenging, although s-s-some, many… most of them were successful because I put a joint chief executive in place, which was always a cardinal tenet of my approach. But no, I-I-I don't think IBM saw me as a chief executive, and I'm not sure whether I would have wanted to be. It turned out that I wasn't but then, I-I, er, you know, in that period when I came back from Brussels, um, and Tony Cleaver ultimately became chief executive rather than myself, I-I-I was living in a… I-I-I-I wasn't working… I wasn't desperately stressed, um, I was enjoying a corporate hospitality programme with a lot of opera and what have you. Erm, in fact, it was quite a good thing that I got out of IBM and got on with life.

[01:20:49]
Do you think that… did you think that a boy, whose father was a clerk, and his mother was a retired school teacher would get this far, Peter, as you have?

[01:20:59]
Well, I don't see why not, I, er, I-I I think when I… when I was young, it was well within range the-the-the-the army helped. If you-if you-if you got a commission in the army, it helped a lot. But, I-I-I went to a grammar school, and from a grammar school, I would have probably have got to Cambridge. Remember it was much easier because it was men only basically, so, you get twice as many people going to Oxford and Cambridge then than you get now. But I would have got to university anyway, um, it-it-it… I-I don't know to what extent at that time IBM was hiring outside of

Oxford and Cambridge, certainly, all the people with whom I joined, were, well, basically Cambridge people and they remain my friends. Erm, and-and from-from thereon, you know, IBM gave you every opportunity to move forward, I-I-I-I don't think… I-I think it just… I think it just… one thing followed another. I-I never… I-I-I-I think some of my… some of my contemporaries had a far more clear game plan than I did.

[01:22:14]
Mm-hmm.

[01:22:15]
I think… I think… I-I don't know what your interview with Tony Cleaver sounds like, but I think he had a game plan. Er, I was perfectly happy to let it unfold, it unfolded in a very satisfactory fashion.

[01:22:27]
I'm very pleased for you.

[01:22:29]
I always believe that… er, you know merit would find its way forward [laughs].

[01:22:35]
Well, I'm very pleased for you and I'm very pleased for your contribution to the archives. Thank you very much for a very interesting contribution, Peter Morgan, MBE.

[01:22:46]
Thank you very much.

[End of Interview]