

An Executive With Peripheral Vision

By WILLIAM D. SMITH

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Personality:

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The story of a man's life-trek from Wausaukee, Wis., to Herkimer, N.Y., isn't the stuff to inspire television dramas.

If the man is Virgil "Ed" Johnson, however, it would make a fine case study of how to carve business success out of modern technology.

Mr. Johnson is chairman and president of Mohawk Data Sciences, of Herkimer, one of the largest and most important of the independent manufacturers of computer peripheral equipment.

Peripheral equipment is everything involved with the hardware of the computer except the central processor. The myriad input and output devices and communications elements that enable man to deal with computing machines are the stock in trade of the peripheral equipment industry.

The peripheral equipment market is one of the fastest growing segments of the computer business, which is itself the fastest growing major industry in the world.

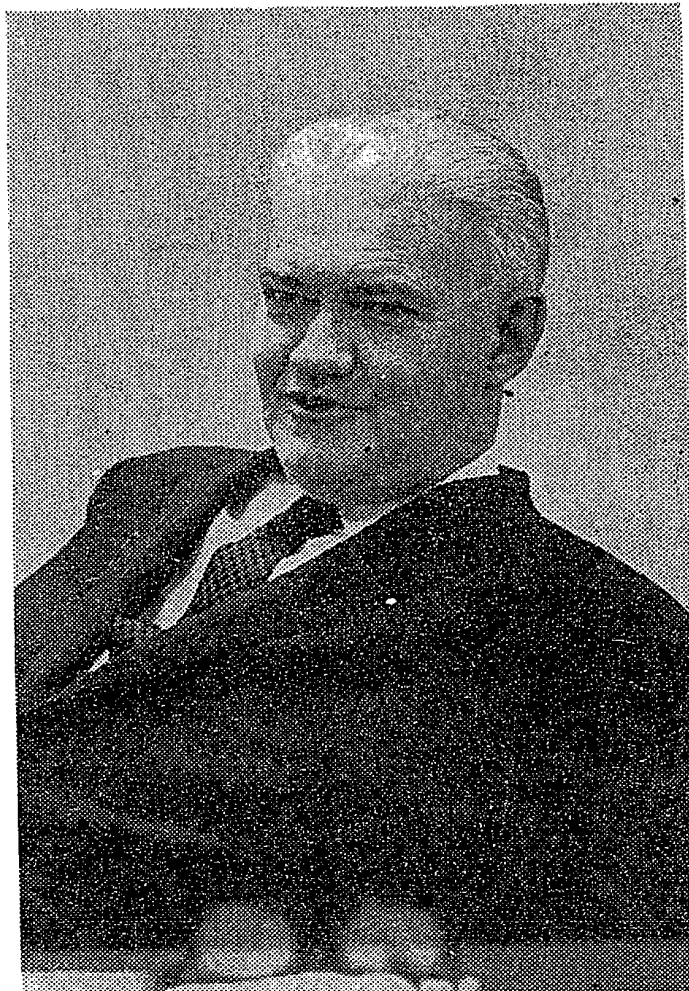
Mr. Johnson began life as the son of a farmer in Wausaukee, Wis., "where almost everyone was a Green Bay Packer fan."

His work career, beginning in 1935, spans the brief history of electronic data processing. "I've seen it from the beginning. I've seen companies rise and fall. It was exciting business, then it's far more exciting now and is going to be even more exciting in the years to come," the tall, broad-shouldered executive commented.

To make sure that Mohawk is in on the future excitement, Mr. Johnson announced on April 8 an agreement in principle to acquire Photon, Inc., a pioneer in the field of phototypesetting.

Mr. Johnson sees the merger not only as a perfect marriage of technologies but a good mixture of external corporate capabilities.

Mr. Johnson said, "By taking advantage of common facilities, jointly developing new products, supplementing Mohawk's large field-service network with Photon specialists, and combining Mohawk's entry, communications data collection and media conversion equipment with Photon computer and key-driven phototypesetting systems, the company will have an un-



Virgil (Ed) Johnson, president and chairman of Mohawk Data Sciences Corp., in an interview here.

matched line of auxiliary data processing equipment and marketing support services."

Mohawk was formed in 1964 by Mr. Johnson and five other employees of the Sperry Rand Corporation. "We knew for several months we were going to form a company. We had several products in mind but had to decide which one to make the big pitch with," he said.

The group finally decided to make its initial product a device that transcribed source data information from documents and other media directly to magnetic computer tape. The machine, dubbed the Data Recorder, was a direct challenge to the ubiquitous keypunch machine that was the standard method of putting information into machine-understandable language. It punched cards that

could be electronically read by the computer.

The first shipment was in April, 1965. Today, there are more than 17,000 Data Recorders in the field.

In 1965, the company's revenues were about \$100,000. In fiscal 1968, revenues soared to \$53-million and earnings totaled \$3,050,535.

Although the Data Recorder is still the company's leading product, it has diversified, mostly through acquisition, into other areas of the peripherals field.

In October, 1967, Mohawk acquired the Anelex Corporation, adding to the company's products a line of high- and low-speed printers. The company acquired Soroban Engineering, Inc., adding a line of high-speed card and tape punches, readers and interpreters. Ohr-Tronics, Inc., a manufacturer of paper tape

and ticket punches and readers, and the H.M. Storms Company, a maker of special-purpose inked ribbons for business equipment, were purchased in July last year.

While expanding its product line, the company has also greatly increased the scope of its operations. The company now has more than 3,000 employees, 13 manufacturing plants and 110 worldwide sales and service offices.

"We're still looking for opportunities," Mr. Johnson commented. "Optical character recognition is one area we are giving a particularly hard look."

Mr. Johnson began looking for opportunities in 1935 when he took a job with the Wisconsin State Tax Division as a foreman on an experimental tabulating machine operation.

"It was obvious then that the concept of electronic data processing was a concept with a huge potential," he said. He followed the potential to several other jobs involving business and tabulating machines.

"I enjoyed getting the machines to do something they had not done before." In 1944, with three other men, he formed a management consulting firm specializing in the business uses of tabulating machines. "We were a little ahead of our time but nonetheless we were successful."

"After the war, things were unsettled and we drifted apart. I went to Remington Rand, which later became Sperry Rand." When Sperry Rand entered the computer field, Mr. Johnson pioneered with it.

Mr. Johnson stayed with Sperry Rand until the founding of Mohawk. "I saw the problems inherent in the computer business and my colleagues and I thought we knew how to solve at least some of them and at a profit," he noted.

Mr. Johnson's basic management principle is to "hire the best men you can get hold of and give them as much authority as they want." He added, "I am also a great believer in committee management."

Mr. Johnson lives in Herkimer, less than five minutes from the office. "I hate coming to New York City," he said.