

## New Technology

### My Computer And Me

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The profound impact of the computer on our daily lives is probably more pervasive than we know. That little gate which is always either open or closed, or an "0" or a "1", has the potential of converting our psyches into binary instruments. Everything becomes overly simplistic: either "go" or "no-go", "yes" or "no". There is little room for ambiguity or paradox.

Yet, we may have overestimated the computer's impact on society's productivity. One of my friends, an economic historian, writes of long waves of productivity from innovation, with true productivity gains occurring at the end of the cycle. He likens the computer to the electric motor, saying that a quarter century after its invention, the electric motor was utilized in the manufacturing process to shed illumination on steam and water driven shaft and pulley systems of production. The true harnessing of electrical power in the factory system did not take hold for 50-75 years.

Likewise, the impact of the computer on productivity is a long time coming. In the service sector, in fact, the computer may have become anti-productive. As new hardware is developed with 35 percent annual improvements in processing efficiency, new software must be designed. By the time someone has mastered the current configuration, it becomes outmoded. The endless process of change continues. There is hardly a steady state when one can master the equipment and its countless applications.

I have no doubt that early on in the millennium, we will arrive at more standardized systems for processing information, and the

true productivity gains, which occur at the end of a long wave productivity cycle, will be achieved. Control of the information base will afford dominant power in a business segment. Businesses which spend the capital and the effort to master this change cycle will be in control.

But why wait for the millennium? Indeed, some businesses already are experiencing these productivity gains, e.g., the air transport reservations systems. Therefore, I share with you the following story hoping that you, too, will be one of those dominant powers.

#### I've Always Been Online

I had always considered myself to be somewhat computer literate. My initial exposure to the computer began more than 35 years ago when I started my banking career at Morgan Stanley. There were 16 of us in the corporate finance department. We spent most of our time operating Friden's electro-mechanical calculators in the machine room, running present value investment calculations for oil pipelines and hydro-electric power schemes and even England's then proposed Channel Tunnel. It would take us days to perform a simple 30-year set of pro forma income statements, cash flows and balance sheets. The air was heavy, without air conditioning (and we smoked) and filled with the clatter of a dozen machines chugging through endless long division. Out of that inefficient and low pay cacophony came future CEOs of Morgan Stanley, First Boston, Smith Barney, U.S. Trust and the chief investment officer of the State of New Jersey. It also produced enough complaints that soon—even though we did not yet merit private telephones—permission was granted to hire a consultant and commence developing simple programs (later termed proprietary software) which we would

run in the evenings at the IBM service center in mid-town Manhattan. Later, when we were advising on Singer's acquisition of the Friden business, all the pro forma ratios were calculated by the client on its computer. I was summoned up to the old Partners' Room, handed the computer printout and told to check each computer calculation on an electro-mechanical Friden. So much for productivity.

Those early years of modeling project finance on the computer served Morgan Stanley in good stead. A decade later, when I was responsible for the real estate unit, we did, in fact, have proprietary software on in-house mainframes which we utilized to calculate investment returns and model real estate assets and projects. In that regard, we always thought we had an edge on our competition. Over-spending on computers and proprietary software became a strategic direction for the firm, and it resulted in keeping the edge on such esoteric items as geometry trading and multiple currency clearing. The multiple currency clearing software provided the firm with a significant strategic edge when the seat became available on the Tokyo stock exchange.

My continuing exposure to the computer in the early years came by osmosis from my then-spouse who worked as a systems engineer for IBM. She was part of that powerful customer support system which IBM developed and ascended upon. I recall her story of the mail order customer who

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wanted to computerize accounts receivable for the first time. The elderly lady who was in charge kept the records handwritten on yellow ledger paper locked in her desk drawer. My wife dropped by several afternoons a week to visit with her and drink tea (with a lemon drop added). After several weeks the lady finally trusted my wife enough to unlock her drawer and give her the records, another breakthrough for innovation. A great benefit from the IBM experience was that our three children became facile on the computer while they were in primary school. Two daughters ended up on Ph.D. tracks, and one is a professor of physical chemistry at Ohio State.

Throughout my 27- plus years at Morgan Stanley, I was beautifully supported by an efficient administrative staff, including an increasingly powerful computer group. And finally, at the end, I had a terminal on my desk which I used continually for data retrieval—stock quotes and news stories online. I recall talking on the telephone with the CEO of a communications company and reading him a broad tape announcement regarding his business, which he didn't know was out.

### On My Own

It was in 1990, when I retired from Morgan Stanley and became an independent real estate and business counselor, that I realized how extremely dependent I was on having clerical support service. The terminal on my desk was not indicative of computer literacy. I had never become facile on the computer beyond retrieval usage.

After considerable deliberation, I opted for a single office in a high tech executive services building which provided mail processing, telephone answering with voice mail and word processing with desktop publishing services. The cost for all this, including the office space and parking, was less

than engaging a good full time executive assistant. I had rapidly downsized to an office staff of only one, me: and I was going to be totally dependent upon others, whom I did not know, for important functions of my business existence. Only they had the needed technological knowledge and skill. It was a rather vulnerable position. I could almost see the buzzards circling.

I had mastered voice mail. In fact, I lived by it, wished I had thought of it first, and actually was disdainful of messages which only asked for a call back without including the reason for the call. My typing skills were excellent. I still used my old electric Royal at home for certain tasks. (I have come to regard typing, along with public speaking, as one of the high school courses which best prepared me for life.) I could always call on that skill if the word processing function at the office became tedious or inconsistent. Typing skills would serve me well if I ever decided I had to get on the computer myself; but, this was not the time in my life to welcome another major project. In addition to starting a new business, I was committed to a challenging array of volunteering, teaching and professional tasks. Besides, I could afford to hire as much computer support as I needed. I would make it work.

### Happy Birthday Baby!

In the first part of 1994 my wife went with me to an Urban Land Institute meeting in Scottsdale where we attended a lecture by Dr. Jennifer James, a behavioral psychologist from San Jose State, on the importance of staying in touch with the rapidly changing technological world. The audience appeared to be mostly 50-ish. Dr. James said we probably would live another quarter century, and if we did not have the will to master the computer, we would be left hopelessly behind, missing out on a rich and most exciting phase of

our professional life. Six months later, on the morning of my 57th birthday, my wife gave me a beautifully wrapped box of computer disks and informed me about the day and hour the remainder of the gift would be delivered. She had retained a consultant to design the package which included the newest, fastest CPU, fax, laser printer, CD player, software and, most propitious, nine hours of one-on-one instruction from a computer coach whose office was just down the hall from mine. The buzzards had landed. Technology had caught up with me. I was being forced to master the computer. For one who had successfully avoided such intimacy, it was not a happy birthday.

Being naturally compulsive and having a relatively light summer schedule, I inhaled deeply and set about mastering my new gift. I bought a dozen manuals on Windows 3.1, Word, Excel, Power Point, the Internet, Compuserve, etc. I sadly and quickly came to the conclusion that for me the best manuals were *Windows*, *Excel* and *Internet for Dummies*. I scheduled my private instruction for three hours at a clip, two weeks apart, so during the in-between time, I could master what I had learned.

My instructor, Fleichelle, started at the beginning, granting me no credit for my independent study. Even then, all did not go smoothly. My sense of exploration and adventure got me in big time trouble. I attempted to master mouse-clicking and file master simultaneously and blew out all the installed software by clicking and dragging much of it into the netherworld of computerland. This cost me an additional six hours of re-installation time. I had vowed that I would never allow the PC to turn me into a typist. My speeches and articles would continue to go down the hall for desktop publishing. Despite this vow, I attempted to compose an article. After several afternoons of

fruitlessly chasing consummate prose around and about the page and then losing it in the hinterlands of computerdom, I went home, poured a glass of Jack Daniels, and glared at my spouse. She is a fine woman, but she certainly misread me on this one. I wondered what kind of return policy she had negotiated.

But, Fleichelle did not give up so easily, and I am extremely grateful. Gradually, I began to experience some victories. The file I had saved the day before was still there the next morning. The words on the screen settled down. I was beginning to have some fun. Indeed, occasionally I was being chastised for making furtive clicking sounds on my computer keys while talking on the telephone. I graduated my nine-hour course with honors and reluctantly bid my instructor farewell feeling comforted that she was available to me by phone if I had any problems.

By the end of summer, I signed up for Compuserve. In the beginning, I tried out some of the forums; simple ones like the topic of religion. When I broadcast my desire to communicate with someone on the great German theologian, Dietrich Bonhoeffer, I learned it was not always so easy to talk in forums. Someone obviously did not want to discuss Bonhoeffer when I did, and I was "flamed" off the religion forum. Now I depend on Compuserve for news, weather, E-mail and stock quote updates throughout the day.

A bit later I attempted to get on the Internet. As recently as two years ago, this was still an adventure. Neither Compuserve nor AOL had Internet access. I had to go through a local supplier where access was controlled by a heavily accented gentleman who appeared to be completely self-assured and thoroughly anti-business. After he had canceled my account several times, I was

overjoyed to see Compuserve had developed direct Internet access. Now I can easily access such organizations as Morgan Stanley, Harvard Business School, The Wall Street Journal, the SEC filings, the Urban Land Institute and The Counselors of Real Estate. Everyday new names are being added to this list.

Now, two years later, I compose all my speeches, reports and articles, as well as lists, messages, travel schedules, and the like, on my computer. I can prepare slides on Power Point, compose a document on Word and then Win Fax it anywhere in the world. I get special satisfaction Win Faxing my cigar man in Hong Kong. I am truly operating in the 24-hour global marketplace.

E-mail is an absolute delight. People who before would never write, fax me, nor seldom call, respond to an E-mail within the hour. My address book is growing by leaps and bounds. Sons and daughters of friends have found me lurking in forums and E-mailed their surprise and congratulations. I E-mail my daughter at Ohio State almost every day. I can honestly say E-mail has brought us even closer together. When our pastor traveled to a church-sponsored hospital in Malawi, we E-mailed through his lap-top from each location that had a phone line.

My favorite CD-ROM is "Monty Python." I enjoy "Bible Soft," which gives me a bible literacy I hardly deserve. After a trying day of dealing with crustaceous secretaries and floating margins, it's a joy to turn to computer solitaire. Nothing is so fulfilling as the animated cards arching over the screen when I win the game. One of my manuals actually has instructions for cheating at computer solitaire.

I only allow myself to commence my browse of the Internet around 4:30 pm when I am in my

office. It turns out that I am a Bookmark junkie. I have a couple of 100 exotic and fascinating sites logged into my Bookmark. I have visited them only briefly, to date, but they are all there for when I have the time. It is compelling to have at one's fingertips the latest Stanford women's basketball scores, the program for next year's New Orleans Jazz Festival, the Los Angeles freeway speed table, a prayer for the day and *Time* magazine. It is exciting to see the current state of flux in all this and to imagine how it will all evolve, especially with bona fide credit card security on the net.

### Conclusion

So why do I tell this story? For me, it is my celebration that after 35 years, I am finally "online." I am constantly amazed that the computer is such an incredibly powerful tool. It has made me vastly more efficient in some tasks, but I am also totally non-productive when I take a spin on the Internet. The stretch of learning I've experienced has been personally rewarding. I am proud to be among the 2 percent of those age 50 or above who operate on "the Net." My self esteem, having suffered innumerable lows, has regained its hopeful equilibrium.

For us professionals in the real estate industry, I am more convinced than ever we will see incredible productivity gains from all this over the next 10-15 years. Massive databases of rentals, costs, comparables and the like will be developed. As usual, the firms which make the investment and master the productivity cycle will control the business.

As for all of us aging sole proprietors, with a quarter century to go, I can only echo the good advice which I received. Jennifer James says we can no longer leverage off others. Now is the time for us to master the computer. If we continue to procrastinate, we will be left hopelessly far behind.