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HOMAS JOHN WATSON BEGAN HIS LIFE AT AGE 40, after Dayton, Ohio, nearly ruined him.

He'd lived his first 29 years in Upstate New York, most of it as an affable, determined, but lost young man. Over the next 11 years in Dayton, Watson learned how to win at all costs, deceive others, and gain power. The city showed him how to get to the top and enjoy wealth. It brought him a woman's love, and soon after ripped nearly everything from him except that love. In Dayton, Watson experienced fantastic success and near destruction. All of it had to happen for IBM to exist at all, and for Watson to take his place among history's great business figures.

Watson rode into Dayton by train in 1903, summoned to the city for a clandestine meeting. A gangly young man, he stood six feet, two inches tall, weighed about 175 pounds, and had to duck as he stepped through the railroad car door onto the station platform. His dark hair had thinned slightly in front, and the rest he combed tightly to his head. His face was almost rectangular when seen straight on. Watson's chin dominated his features, jutting out like the cowcatcher on a locomotive. His deep-set brown eyes looked intense but could turn warm when he unleashed his natural charm. Watson hadn't yet acquired the overpowering glare that would rattle subordinates in later years. He dressed neatly but not in

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any sophisticated way—he'd recently sat for a portrait wearing a checked jacket with a clashing checked shirt and a bow tie. Apparently, he considered it to be his most natty outfit. He didn't like jewelry, and he was unmarried, claiming he wanted to take his time finding exactly the right woman. That was quite a scandal for a man of 29.

Watson bounded away from the station and turned onto Dayton's streets, walking energetically, like it was a waste of time to stop moving. The city at the turn of the century buzzed. Dayton had money. Its factories turned out railroad cars, paint, and butcher scales. The people had things to talk about, like Orville and Wilbur Wright tinkering in their bicycle shop with a flying machine. Watson turned down Main Street, walking past storefront after storefront: Reed's Shoes, A. Hewsalt Jeweler, dry goods shops, piano stores, haberdasheries, and hotels. Men wearing derbies and wool suits barreled down the sidewalks. The women wore long, full skirts and broad-brimmed hats. Trolleys clattered down the center of the wide road, past horses and rigs haphazardly parked along the curb. An occasional automobile sputtered past and backfired, startling the pedestrians and horses.

Watson made his way through Dayton's center, climbed a slight rise at the edge of downtown, and first saw the headquarters and factories of the National Cash Register Company. One of the nation's most successful and innovative businesses, NCR looked nothing like any industrial company at the time. Beige brick buildings stood in a campus-style layout, overlooking a pond and lush gardens. Shrubs around all of the structures hid the foundations. Second-story walkways topped with bursting flower boxes stretched between buildings. In a company-owned field nearby, local boys sowed plots of land for vegetables for their families.

The whole place was built on the cash register, a relatively new phenomenon that had taken hold among merchants and saloonkeepers who liked the idea of being able

to keep track of sales at the push of some keys. NCR, known to locals as "the Cash," monopolized the business.

At NCR's main building, behind the grand entrance framed by six gleaming white pillars, were the offices of the company's visionary, hard-driving, tyrannical founder, John H. Patterson. He and his second in command, Hugh Chalmers, had asked Watson to come see them in Dayton. As Watson approached the building, he didn't know why he'd been invited there. In the NCR organization, he was nobody special. So far, he'd been a good cash register salesman, and after a promotion showed he could effectively manage an NCR branch office in Rochester, New York. Chalmers only told Watson to get on the train, and not tell anyone where he was going. The visit was to be kept secret.

Inside the main building, Watson found NCR's executive offices to be small and spare. Dark wood lined the doors and windows and set them off against plain white walls. Patterson's office had a blackboard, a stand that held a large pad of paper for writing and drawing during presentations, and a framed black-and-white drawing of an aerial view of the NCR factories. On the floor was a stand-up folding display that could be flipped to different lists that had been professionally printed in large, bold letters. One list laid out major things to do for NCR. One other documented the people who were going to rent a cabin in an NCR-owned park for \$100 for the summer. On Patterson's mahogany desk was a candlestick telephone and a rectangular box with five buttons on top, each for buzzing a different secretary or subordinate.¹

Chalmers and Patterson invited Watson to sit down, and the executives told Watson their plan. Watson was to set up an NCR-subsidized used-cash register operation. The purpose, Chalmers and Patterson explained, was to try to undercut and "knock out" the entire used-cash register industry, which was slicing into NCR's sales of new cash

registers, damaging the company, and interfering with its right to control the cash register market. Watson should go back to Rochester, where he'd been living, pack, and immediately return to Dayton.

It's not clear whether Watson learned at that meeting everything that he was going to be required to do, but he certainly felt good about his assignment. On that trip back to Rochester, Watson stopped at his family home, outside of Painted Post, a town of 600 in New York State near the Pennsylvania border, to visit his seriously ill father. Watson described the mission for NCR and how important Patterson and Chalmers made it sound. He told his father that he'd have a budget of \$1 million, an amount that was unfathomable to both father and son. "Well, I'm very pleased about that because what you have been doing hundreds of men can do, but now you're doing something different—something new," Watson recalled his father telling him. "It's a great opportunity."²

It was Watson's big break. Patterson and Chalmers had liked the way Watson handled himself in Rochester, where he showed he could be aggressive and competitive. Now Patterson and Chalmers were giving him a chance to make a major impact on the company. He would've celebrated, except that his father died that night. The timing left Watson determined to live up to his father's faith in him.



In 1903, Watson disappeared from NCR records, not to reappear until 1907. He went undercover while creating The Watson Second-Hand Cash Register Company, a phony entity set up and funded by NCR, but disguised so well that it even had its own stock certificates. NCR wanted the secrecy so it could slip into the used business quietly and ruin it from within. One scrap of paper in Watson's scrawled handwriting adds up 572 shares in Watson's name. The

company later was renamed American Second-Hand Cash Register Company, based in Chicago, and identified Watson as president. It advertised using fliers and postcards, and grew into a successful, profit-generating company, and it was all a ruse. The profits were an unintended consequence. The business's real purpose was to destroy the competition.³

Patterson was vicious when it came to competition. He believed, as did many of that era, that a monopolized industry worked better than an industry that had heated competition. Monopolies could provide uniform quality, gain economies of scale, and, of course, set prices so the monopoly business could thrive. The formula would work for companies ranging from Standard Oil in the early 1900s to Microsoft at the end of the century. Patterson also believed he had a God-given right to the cash register business. He regarded competition as a personal affront. He would not tolerate it.

In the late 1890s, Patterson realized that NCR was creating its own competition problem. NCR was so good at making cash registers that the machines tended to last for years. Independent dealers started buying used cash registers from establishments that either went out of business or bought newer models. The dealers buffed them up and sold them, more often than not to someone who otherwise would have bought a new NCR machine. It was maddening enough to Patterson when a competitor emerged to try to make a better product than NCR's. But these dealers were beating NCR with its own products. Patterson wanted it stopped.

As Watson ran it, the business worked like this: He would move into a new city and find a commercial neighborhood where one or more used-cash register businesses had storefronts. Watson would set up his storefront nearby and, for all anyone knew, open a legitimate used-cash register business. However, because Watson was backed by NCR and had no need to make a profit, he could pay more

to get used cash registers and then sell them for less, both starving and undercutting all the competing stores. Watson's affable style then came into play. He or someone he'd trained would make friends with the guys running those competing storefronts. When the competing businesses started to crumble because of Watson's pricing, Watson's company, as a friendly gesture, would offer a deal. He'd buy the business out, usually for more than was necessary, which would help to prevent the competing owners from feeling railroaded. Watson would get the owners to sign a contract saying they wouldn't again get into the cash register business, except in some desolate state like Montana or Nevada. Watson would be left with the only used-cash register business in town, which he'd continue operating, eventually raising prices, making profits, and funneling the money back to NCR.

Watson aligned his operation with the wishes of NCR. In one letter dated September 7, 1907, NCR executive T. L. Ditzler ordered Watson to make sure that he shut down Messrs. Urban & Son, a second-hand dealer in Quincy, Illinois. Ditzler thought Watson had bought out all of the dealer's inventory and that the Urbans had agreed to get out of the business. But apparently they hadn't. "It would be well for you to get after them," Ditzler wrote to Watson.⁴

For nearly five years, Watson ran the used operation and ran it well. It was an extraordinary success. In city after city, used-cash register businesses were devastated. Watson did everything Patterson had hoped and more.

Of course, the whole operation stank. It was Watson's beginning and, six years later, nearly his end. The courts would rule that the operation was illegal. It was also morally wrong-headed. It involved deceit and intentionally hurt people whose only sin was opening a business that NCR didn't like.

Why did Watson take the assignment and then do it with such vigor? Watson was young and eager. He was plucked

out of nowhere to come before the legendary founder of the company. Watson was in awe of Patterson, who no doubt passionately described to Watson an assignment that was extremely important to NCR. Watson had probably been told that success would bring him a promotion to NCR headquarters. Turning down the assignment would have hurt or ruined his career with the company. If someone of Patterson's stature was ordering this, Watson saw no reason to question it. If Patterson sermonized that it was right—that NCR had an obligation to rid the business of interlopers, at whatever cost—Watson would have seen no reason to argue. Watson had grown up poor and had failed in his early attempts at business. He wanted to escape his past. Add it all up, and Watson probably never considered saying no. There also is no evidence that he thought he *should* say no. He apparently had no crisis of conscience over his role in the used business. Right or wrong, Watson put everything into his new job, and had to atone for it for the rest of his life.



The used-cash register business remade Watson. First, it brought Watson to Dayton. Then his success gave him confidence that he could run his own business. In 1908, it won him a position as an assistant sales manager, a high-profile job at NCR headquarters. The promotion put Watson in constant contact with Patterson, who would be the most influential man in Watson's life for the next 30 years.

John Patterson was one of the meanest, most dynamic managers at the turn of the century. He didn't invent the cash register. He first saw one in a store in 1881. At the time, he and his brother Robert owned a Dayton coal business. The cash register was invented and sold by a 13-employee company called National Manufacturing. Intrigued, Patterson bought one of the machines for his retail coal office. Two years later, the Patterson brothers bought National Manufacturing, eventually renaming it National Cash

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Register. In 1890, NCR sold 9,091 cash registers; in 1902, it sold 42,403 in the first 10 months.⁵

The brass-and-metal NCR cash registers could barely be carried by hand. Some models were decorated with so many ornate design flourishes, they looked like they should have been cash registers at Versailles. The machines were entirely mechanical—the keys pushed levers to add up sales, and a crank and gears rolled out the drawers that held the cash. Retail proprietors discovered that the contraptions could save them money. Clerks couldn't steal as easily, because the cash registers kept tabs on sales. The information from the receipts—information almost never before available—helped owners control inventory and operate more efficiently.

Patterson ran NCR like a Napoleonic dictator. He was short—no more than five feet, seven inches tall—and had a bushy white mustache, a high-pitched grating voice, and a seemingly permanent scowl. He was a tyrant. He wanted total control of NCR and of the lives of everyone who worked there. He fired men without reason and promoted them equally without reason. He was a master of manipulation.

When Watson ascended into the executive ranks, he found that Patterson regulated the details of his workers' existence. There were rules about when and how often to bathe. Posted in a shower room built for workers on the NCR campus, a sign stated: "Employees may bathe twice a week in summer and once a week in winter on the company's time." Other rules governed how much to tip hotel waiters, and what to pay for neckties, and where to buy them. The NCR sales manual, called the *Primer*, told salesmen exactly what to say, word for word. The salesmen were not to deviate from it.

Patterson manipulated his employees like a maestro in front of an orchestra. He would send rising executives overseas and tell them to spend lavishly. That way, as Patterson

freely admitted, they would get a taste of the rich life and return to Dayton, hungry to make more money and ready to please Patterson to get it. During a physical fitness fad that swept up the nation, Patterson set up recreation facilities for his employees. He then ordered them to play. Executives wearing white shirts, vests, and ties would stand in unison behind their desks with arms outstretched, then touch their toes.⁶ Patterson didn't promote recreation out of concern for his employees. He thought it would make them work more energetically. A contemporary biographer of Patterson wrote: "He really did not know what pleasure was. He did not know the meaning of the word recreation. He thought of pleasure and recreation not as things of themselves but as aids to efficiency."⁷

Whatever Patterson's motives, he turned NCR into an inventive and luxurious place to work. Officers each day got hot meals, which they ate together at a single circular table that sat 350. The grounds had baseball fields, tennis courts, and walking paths. Classes in a colonial-style NCR Hall of Industrial Education trained foremen and salesmen. A country club, with golf and horseback riding, was open to all employees, as was a 1,100-acre park of woods and campgrounds called Hills and Dales.

Patterson developed a system for motivating his sales force. He set up a quota system and each year welcomed those who met their quotas into what he called the Hundred Point Club. The members would go each year to a convention, where they would be wined and pampered at NCR's expense.

Watson sopped up Patterson's methods and believed in many of them. Later, at IBM, Watson would rule his company like a dictator, start an IBM school, and build an employee country club. He would create a quota system and a Hundred Percent Club.

Watson was in his 30s; Patterson, his 50s. Patterson

made Watson his protégé, and in 1910 elevated Watson from assistant sales manager to sales manager, putting Watson in charge of more than 900 salesmen in 200-plus branch offices.

Watson brought energy to the job. Though never athletic, he was slim and coiled, and seemed incapable of tiring. You can see it in a photograph of NCR's top 11 officers. Patterson sits in the middle on a bench with Watson to his immediate right. The others sit or stand around them. All look relaxed and patient, except Watson. He has a hand on one thigh and is leaning forward, ramrod stiff, as if he's ready to jump up and get going the second the flash pops.

As sales manager, Watson proved he wasn't simply a Patterson puppet. Open-minded and curious, Watson was willing to try new ideas at NCR. That's how he fatefully encountered inventor Herman Hollerith's tabulating machines.

He first saw one in Rochester, New York. Watson's mother had moved to Rochester after his father's death, and Watson still had friends in the city on the shore of Lake Ontario. On one visit, Watson stopped at Eastman Kodak, the film and camera company based in Rochester, to see Bill Ames. Watson had known Ames for years, and Ames had the same kind of job as Watson—sales manager—at Kodak. Ames told Watson that he had a new system that could monitor the performance of each salesman.

"He had a chart on the wall," Watson recalled. "He said, 'Here is Hambley in Kansas City, and he did so and so, and on such and such a day he was in St. Louis,' and he went through this and my head began to swim around because I thought—in fact, to tell you the truth, I thought I was just about as good a sales manager as Bill Ames. I said, 'Bill, by gracious, I would like to find out how to do that.' "

Ames walked Watson to the accounting department and showed him the Hollerith machines, which tabulated

information using holes punched in stiff, rectangular cards. Ames asked a colleague, Jack Gorham, to pull out some cards on Kodak's salesmen. Ames would name a salesman, and Gorham would find the corresponding card and recite the salesman's numbers.

"That just opened my eyes," Watson said. When he got back to NCR, Watson contacted Hollerith's Tabulating Machine Company in Washington, D.C. Some time after the machines were installed and running, Watson called his district managers together. Without telling them about the machines, he started rattling off statistics about each district—numbers that headquarters never before could compile.

"I can see Walter Cool and Meyer Jacobs and Fred Hyde," Watson said, "because they were the three men that just always knew everything about their territories and what their men were doing, and they always got their heads together and exchanged ideas, and all three of them were writing in their notebooks. Finally . . . Mr. Hyde stood up, a great tall man, with great dignity and charm and everything else, and said, 'I want to take off my hat to you and your organization. I have always thought I was keeping track of my men. I have come out here . . . and you have told me a lot of things that I didn't know when we left home.' "

Watson let the men stay baffled all through lunch. Finally, he took them to the accounting room, showed them the machine, and let them in on his secret.⁸



Watson's openness helped him win the loyalty of his salesmen. In 20 years, no one inside NCR had challenged the sales *Primer*. The *Primer*, however, stifled creativity. It told salesmen exactly what to say, and even when to point. An asterisk in the text signaled the moment to point. An example from the *Primer*:

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This, * Mr. Merchant, is a National Cash Register of the most approved pattern. Now, sir, this register * makes the entries. The indication * of the transaction shows through this glass. *

As sales manager, Watson convinced Patterson that the *Primer* was too rigid. Watson and one of his most reliable staffers, Joe Rogers, wrote a new *Primer* that gave a salesman leeway to react to a situation, be creative, and develop a style that suited his personality.

NCR salesmen liked the more lenient approach. They became loyal to Watson, who, unlike Patterson, could be one of them. At a Hundred Point Club convention, Watson and a group of salesmen staged a raucous photograph. In the photo, the men are in a hotel room pretending to be doing their nails, pouring drinks, and pampering a large mustachioed man wearing a robe. Watson stands holding a pitcher, about to dump water on the large man's head—a devilish grin on his face and a cigar in his left hand. His jacket is off, exposing a white shirt and vest. Another photo shows two men, jackets off, wrestling for fun. Watson stands in a half-circle of cheering salesmen gathered around the wrestlers.

The salesmen performed for Watson. In 1911, NCR's sales of cash registers topped 100,000 for the year, more than double the sales of two years earlier.

Watson's success and popularity with the sales organization made him a star at NCR. Patterson embraced Watson, building a townhouse near his own, at 428 West First Street—Dayton's upscale neighborhood—and letting Watson live in the house rent-free. Patterson gave Watson a Pierce-Arrow car and introduced Watson to Dayton's elite, taking him to dinners and clubs. The two rode horses together, and at times seemed inseparable, often standing together at events, Watson towering over the compact Patterson.

Patterson, though, could change abruptly, and he never

tolerated challenges to his power. That became clear to Watson when he saw what happened to Chalmers, the man who plucked Watson from Rochester. Chalmers challenged Patterson's devotion to a health faddist who advised Patterson to impose rules about smoking, eating habits, exercise, and behavior. This was an age when businessmen usually filled meeting rooms with cigar smoke, downed cocktails at lunch, and enjoyed roast beef smothered in gravy. Chalmers, reading the dissatisfaction among employees, wanted it stopped. Patterson's reply was to fire Chalmers—along with six of his friends.



Growing up, Watson never dreamed he'd live a life of society dinners, expensive cars, and business success.

Born on February 17, 1874, to Thomas and Jane Fulton White Watson on the family farm in East Campbell, New York, Watson lived nowhere near anything that could be called a city. The nearest real town was Painted Post, a few miles west of Elmira and about 250 miles west of New York City. The farm, preserved as the Watson Homestead, was a flat piece of land settled in a dip between the region's rolling hills. The rocky ground made farming difficult. In back of the boxy, two-story house ran a stream, and nearby stood a barn that Watson's father built in 1825. (In the 1950s, an aged Watson built a replica of his childhood home on its original foundation. Between Watson's fading memory and inept contractors, the replica looked nothing like the real house of the 1870s.)

Watson's father never knew success. He combined farming and lumbering but fell victim to calamitous luck and his lack of business savvy. An early family home burned down. The depression of 1873 to 1879 kept the family struggling all through Watson's youth. The 1889 Johnstown flood killed a stand of trees the family owned for lumbering.

Thomas and Jane Watson had five children. The first four

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were daughters: Jennie, Effie, Loua, and Emma. Tom—called Tommy—was the youngest and the only son. The family valued persistence and optimism. It couldn't have been lost on Watson that despite his father's many setbacks, the elder Watson never gave up hope that he could improve the family's life.

For his education, Tommy Watson only had to walk a few hundred yards to a one-room schoolhouse. Inside, six two-seater desks lined up on either side of a center aisle. A pot-bellied stove stood in the middle of the room, the only source of heat in the winter. As Watson entered his teen years, he moved on to The Addison Academy in Addison, New York, a tidy town a good half-day's walk from the Watson farm. Across from the school rose a tremendous Victorian-style house that belonged to a local banker. Watson boarded there and paid his way by caring for the family's horses, which were kept in a stable out back.⁹

The teenage Watson suffered from asthma and looked as skinny and bony as a goat's leg. His face had an angelic choir-boy look, which made him seem younger than other boys his age. To friends, Watson was a playful prankster, but he also seemed overly responsible, always ready to take care of his sisters or his mother, whom he adored most of all.

Watson didn't seem to have any outstanding talents. He wasn't musical and wasn't at all athletic. He achieved good grades and could handle horses. He seemed to have his mother's warmth and a knack for being likable.

After Addison Academy, young Tom went to a training school called the Miller School of Commerce in Elmira. Finding little of value at the school, Watson returned to Painted Post in 1891 and took a job keeping the books at Clarence Risley's Market, a general store in the center of a one-block commercial part of town. One year later, Watson jumped over to Willard Bronson's hardware store, which looked out on the steel statue of a native American standing in the middle of the town square. Bronson loaded sewing machines and

musical instruments onto a wagon, and sent Watson to call on potential customers—Watson's first salesman job.

The work frustrated him. Making little money, Watson quit and moved to Buffalo to try selling sewing machines for a manufacturer called Wheeler & Wilcox. Whether Watson could sell anything or not, he fit in with traveling salesmen of the day, wearing clashing, loud clothes; growing a mustache; and ending most days at a local saloon. One evening, according to Watson family lore, Watson stopped in a bar and stayed until closing. When he came out, his horse and wagon and the sewing machines on it had been stolen. Watson reported his loss to Wheeler & Wilcox and was promptly fired. Irrationally superstitious about personal disasters, Watson concluded that alcohol could never be mixed with business.

With his father's persistence, Watson tried selling shares in a building and loan company for a man named C. B. Barron, until Watson eventually figured out Barron was more of a huckster than a salesman. Next, Watson opened a butcher shop in Buffalo. The shop ran out of cash, and Watson had to sell it.

Hammered by failure, his confidence tattered, Watson trudged to the local NCR office to transfer the installment payments on his store's cash register to the butcher shop's buyer. Watson enjoyed talking to people in any situation, and at the NCR office he talked with salesman John Range. Watson asked Range for a job, and continued calling on Range until Range said yes. Watson began working for the company in November 1896 as a sales apprentice to Range, who pushed Watson hard and taught him salesmanship.

"He checked me every night and every noon," Watson said. "I was checked once or twice every day, and every man in his organization was checked to find out what we had been doing.

Watson said he told Range: "I didn't get any orders but I got some good business in sight."

"How far away is it?" Range barked. "Can you show it to me? Can I see it? Don't come and talk to me about business in sight. You bring in the orders so I can see the signature. That's what I want."¹⁰

Watson liked Range and soaked up everything Range could tell him about selling. Nine months after joining NCR, Watson moved up to full sales agent in Buffalo. Four years later, NCR assigned Watson to run its struggling Rochester, New York, office. Watson, only 27, turned the branch around and made it one of NCR's best, which caught the attention of the NCR brass. Watson had a chance to work with Chalmers, who 30 years later wrote Watson about their good times in Rochester, like "when we knocked out that Hallwood in Mr. Mutter's place." A Hallwood was a competing brand of cash register. In NCR lingo, *knocked out* meant that they got rid of the Hallwood and replaced it with an NCR model at that establishment, perhaps even by sabotaging the Hallwood—a not-uncommon NCR practice at the time. Those days made Chalmers think of Watson when NCR went looking for someone to run the secret operation.¹¹



By 1912, Watson had traveled to Dayton, run the used-cash register business, and climbed to one of the most powerful positions at NCR. Watson became polished, finding a taste for impeccable clothes, fine horses, parties, and the luxuries that came with money. Always insecure about his roots, he was working his way into friendships at the top tiers of Dayton's establishment, searching for status by association—a trait that would follow him until he died. Watson became the treasurer of the Dayton horse show. He joined an exclusive group called the Club Men of Dayton. Its members included the top officers of NCR and many local company presidents, including Arthur Kittredge, who ran the Barney & Smith Manufacturing Company, maker of railway coaches. The

club produced a book that is a collection of caricatures of its members. Watson is shown on a snorting horse. The caption says: "If there is any recreation Mr. Watson prefers to a spin in his automobile, it's a jaunt across the hills a-horse."¹²

Watson found a handful of lifelong friends inside NCR. Among them was Charles Kettering, who later moved to General Motors and became one of the greatest product developers in American history. Kettering's influence would later lead Watson to embrace research and development as a key driver of IBM's success. The two had an easy, fun, intellectual relationship all through Watson's time in Dayton. "Ket," as everyone called him, was two years younger than Watson. Tall, witty, and warm, Kettering had an engineering degree from Ohio State University. Watson's job as sales manager often put him in contact with engineers who were developing new features or products. Watson pushed for an electric cash register to sell. It would be modern and peppy, a machine of progress. Others had tried, but they couldn't come up with a motor that was small enough, or powerful enough, to slide out the cash register drawer at the push of a button. Electric motors of the day were designed to deliver a constant level of power over time, but this problem required a motor that would produce a strong burst of power. Kettering came up with a solution and took it to Watson for a demonstration. "Wonderful," Watson told Kettering, "but will the motor work when it's damp?" The machines would be used in fish markets and other places where it's damp all the time, Watson pointed out. Kettering, typically nonplussed, brought in a bucket of water, dropped his invention into it, and suggested they all go home and try the motor in the morning. Next morning, they pulled it out of the water, and it worked.

Kettering left NCR in 1909, but stayed in Dayton, starting an engineering company called Dayton Engineering Laboratories Company, or Delco. Henry Leland, president of

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the carmaker Cadillac, wanted a self-starter for Cadillac's 1912 models. Until then, cars had to be started by turning a crank sticking out of the front grill. The solution for a car self-starter was related to the solution for an electric cash register. It required a small motor that could deliver a powerful burst of energy, except that a car starter needed a much bigger burst than did a cash register drawer.

Under contract with Cadillac, Kettering worked on the invention in secret, unable to tell Watson until it was almost ready. He learned that Watson was due into Dayton on a 4 P.M. train. Kettering drove to the station in a Cadillac roadster, turned off the car, and waited. When Watson arrived, Kettering invited Watson to get in, and then slid into the driver's seat without turning the crank. "I started to laugh," Watson recalled. "I expected him to hand-crank the car. Instead, he pushed a button and it started, and I said, 'What the Sam Hill is going on?'" Watson was the first person outside Delco or Cadillac to see the starter in action.¹³ Kettering sold his company to General Motors in 1916, then ran GM's research labs for 31 years.

Kettering proved to be an important bridge for Watson between engineering and sales by showing Watson how inventions could drive a business. Watson genuinely liked Kettering and found him fascinating. Their congenial relationship helped Watson, who was not naturally comfortable with science or mechanics, to learn how to work hand in hand with engineers and how to understand them.

Though Watson had numerous friends in Dayton, he didn't have a wife. Watson, according to family stories, broke off engagements twice. Watson insisted that he was choosy. He must have had plenty of opportunities with women. Watson's face had filled out and lost the look of a small-town innocent, making him more handsome than when he first arrived. He was well liked and well off. His most obvious quirk was his abstention from drinking, convinced that if he touched alcohol again, he'd be wrecked.

The Dayton social scene led Watson to one particular country club dinner party in the spring of 1912. A young woman he'd briefly met before, Jeannette Kittredge, meandered around the room, talking with guests. She was 29 years old, unmarried, and the daughter of Arthur Kittredge, one of the Club Men of Dayton and a person of stature. She had smiling eyes and cheekbones so high they formed a ridge on each side of her face. She dressed well but not stylishly. To Watson, Jeannette must have seemed quiet, proper, and shy. And aside from Watson, she was the only person at the party who didn't have a drink. As the party turned into dinner, Jeannette would always tell her children, she noticed that Watson never touched his wine glass. She decided she wanted to talk with him.

They began to see each other, and they fell in love. Jeannette turned out to be an excellent complement to Watson. She could modulate his ego, his energy, and his volatile temper. She was happy to remain in the background, but she could be, underneath her shyness, tough and protective—helpful to a man of power.

Later in 1912, Watson asked Jeannette to marry him, and she said yes. It was the best thing that happened to Watson at a time when the rest of his world came unglued.



On the morning of February 22, 1912, five inches of new, slushy snow covered Dayton, muffling its sounds and scrubbing the air. Charles Kettering, Arthur Kittredge, and the rest of the city's residents opened their newspapers to a sensation. The lead headline across the top of the *Dayton Daily News* read: "NCR Men Indicted by The Federal Grand Jury." Datelined in Cincinnati, the first paragraph bore the news: "Thirty officials and employees of the National Cash Register company of Dayton were indicted on charges of criminal violation of the Sherman anti-trust law by a special federal grand jury here." Two paragraphs

down, the story listed those indicted. First on the list was John H. Patterson. A few names after: Thomas J. Watson.

Other NCR men charged included characters who were part of Watson's past or would be part of his future. They included John Range, who first hired Watson; Jonathan Hayward, one of Watson's best friends and a one-time roommate; Edward Deeds, a rival atop NCR; Joe Rogers, who had become another close friend; and Walter Cool, a mystical, elliptical NCR old-timer to whom Watson often turned for business advice.

The administration of President William Howard Taft was on an antitrust rampage. Working Americans felt uneasy about the growing power of business barons who were assembling giant corporations that could utterly control an industry. Taft's attorney general, George Wickersham, won antitrust suits against American Tobacco and Standard Oil and filed another against U.S. Steel. Wickersham sued two companies that allegedly sought to monopolize the butter industry, and he went after the manufacturers of sanitary enameled iron, dubbed by newspapers as the "bath tub trust."

NCR was not going to escape in that atmosphere. The company plainly dominated the cash register industry, controlling 90 percent of the business. Its rough tactics were widely known. Antitrust investigators had poked into NCR for years, but Patterson defiantly refused to worry about them. Now, though, Justice had a star witness: a bitter Hugh Chalmers, the executive whom Patterson had fired. Chalmers intimately knew about Watson's used-cash register operation.

The government filed three charges against each of the 30 defendants. The first count was built around restraint of trade, saying that NCR drove companies out of the cash register business by bribing employees of competitors and bribing transportation and telecommunication companies to

lose orders or damage equipment. The charge also said that NCR falsely damaged the credit of competitors and libeled competing machines. The second and third counts had to do with monopolizing the business using those tactics.

The government made the charges criminal. Almost all other antitrust cases had been civil—the companies could be fined or broken up, but the officers weren't threatened with fines or jail. However, for NCR, the government used a section of the Sherman Antitrust Act that allowed it to seek criminal indictments. Each of the three charges carried a maximum fine of \$5,000 and a maximum prison sentence of one year. If guilty of all three charges, the NCR officials would each face a possible \$15,000 fine and three years in jail.

Tom Watson could go to jail. He could go to jail for three years.

It's hard to imagine how horrific that must have been for Watson. He had risen from nowhere. He'd become a comet inside NCR. He had a house, a life, and a mother and sisters who often relied on him. After flying so high, Watson had to face the fact that he could wind up a criminal.

From February to November, the two sides prepared their cases. The trial, in U.S. district court in Cincinnati, began on November 19, 1912. It lasted three months—about 50 days actually in the courtroom. Patterson, Watson, and the others from NCR attended almost every trial day, at night staying at the Sinton Hotel in Cincinnati.

NCR got creamed in court. The government detailed practices that made NCR look like a gangster operation: NCR harassed competitors by using patent litigation, claiming rights to 14,000 patents when it owned just 140; NCR sold machines at a loss in certain regions to drive out rivals; NCR showed potential customers defective cash registers made by competitors and libeled those machines by saying they were all defective. Patterson's coarse language about

"knocking out" and "killing" competitors was quoted throughout the trial. Chalmers, safe from prosecution because of the statute of limitations on the law, took the stand and laid out the story of the used-cash register business and Watson's role in it.

The government did not show that Watson ordered or created the worst of the practices. Many of the practices had been part of NCR since the 1890s, the government said, ordered by Patterson. Still, Watson's organization carried out some of the tactics. If he didn't support the tactics, he also didn't stop them. When both sides rested their cases, the judge, Howard Hollister, made a point in his instructions to the jury: "These men are not on trial for what others may have done," Hollister said before sending the jury into deliberations. In other words, if Watson or any of the others were guilty, they'd have to be guilty because of what they did, not what their superiors or employees did. Watson believed unwaveringly in his innocence. Even later in life, he never acknowledged doing anything wrong.

On February 13, 1913, at about 10:30 P.M., word sifted through the Sinton that the jury had reached a verdict. Watson and the others gathered coats and hats and made their way into Judge Hollister's courtroom, which soon filled with spectators, reporters, curious Cincinnati lawyers, NCR supporters from Dayton, and family members of the defendants. Edward Morrow, foreman of the jury, would later tell reporters that every member of the all-male jury had made up his mind before deliberations began. On the first ballot, they unanimously voted for a verdict of guilty. All of the defendants except for one—Edgar Park—were found guilty on all three counts.¹⁴

The courtroom exploded with gasps and chatter. Patterson's daughter, Dorothy, and son, Frederick, walked to Patterson and cried on his shoulders. Nowhere is Watson's reaction recorded. However, the shock of the reality of a

jury proclaiming him guilty—of being labeled a criminal—had a profound and lasting impact. If there was a single moment when Tom Watson changed—when he decided that a squeaky-clean image and reputation were paramount in business and in life—this was that moment. “People underestimate how badly that trial hurt him,” said writer Peter Drucker, who came to know Watson in the 1930s and 1940s. “He was portrayed as a villain. I don’t think he ever recovered from it.”¹⁵

That Watson didn’t recover was to his benefit. The trial and verdict forced him to realize that there were bigger things than his job and his advancement. It also gave him something to prove—that he wasn’t a self-centered crook. If Watson had never been brought to trial, he wouldn’t have become the kind of leader who could build IBM.

NCR attorney John Miller immediately asked for a motion for a new trial. The judge released the defendants on \$5,000 bail, pending sentencing. The next day, newspapers across the nation blared the guilty verdict on their front pages, spreading Watson’s notoriety. In Dayton, the story spilled all over every newspaper. The *Dayton Journal* treated it as the ultimate defeat of Patterson. Its front page ran a somber illustrated tribute to Patterson’s family, titled “Patterson Made Ohio History.”

At the sentencing, Hollister scolded the defendants. “You have lost the opportunity given you by the methods you pursued,” he said. “In your desire for gain you forgot everything else.”¹⁶ The NCR officials were, in the court’s view, guilty of behavior that has infected business through the modern age. Hollister’s disgust would’ve rung true 90 years later during scandals such as those at Enron and WorldCom.

Hollister sentenced the defendants to one year in jail, pending appeal.

The trial, the verdict, and the sentences were the biggest

THE MAVERICK AND HIS MACHINE

news in Dayton so far that year. But those stories would pale compared with the gravity of the city's next event, which would take the lives of hundreds of Dayton residents, and perhaps save Watson's.



In the weeks after the verdict, life at NCR marginally returned to normal. Patterson continued running his company. The other 28 who were convicted, including Watson, went back to their jobs. All were convinced, or at least hoped, they'd win on appeal and that America's new president, Woodrow Wilson, might look more favorably on the company than did Taft.

On the morning of March 25, 1913, Watson awoke at the Waldorf-Astoria, a grand and elegant hotel on Park Avenue in New York. He was in the city on NCR business. Elsewhere in the hotel were Jeannette Kittredge, Watson's fiancée, and her mother, Mary Kittredge. Arthur Kittredge had been with them but had returned to Dayton. Jeannette and Mary planned to take a train to Dayton that day, but were halted by an urgent telegram from Arthur. Don't start for Dayton, the telegram informed them. Jeannette must have alerted Watson that something was wrong.¹⁷

In Dayton that morning, Patterson had been driving into NCR when he saw the local rivers swelling. Heavy spring rains were soaking Ohio. Patterson believed a disastrous flood was possible—he'd often told unresponsive city officials this would happen someday. He arrived at NCR and by 6:45 A.M. gathered a group of executives on the roof. The meeting lasted 15 minutes. Patterson ordered NCR into action. The company stood on high ground, a long gradual slope up from the main part of the city. If there was going to be a serious flood, NCR might be the only place of refuge. Patterson ordered the executives to collect food, medicine, drinking water, beds, and blankets. He ordered the wood-working department to drop everything and immediately

start making flat-bottomed boats.¹⁸ The executives thought Patterson was overreacting, but they wouldn't argue with him.

Patterson quickly set up a "Flood Relief Temporary Organization," with a pyramid of who would report to whom. Robert H. Grant, an up-and-comer at NCR, was made head of the Relief Supplies Committee. He worked directly at Patterson's side, in Watson's usual role. Watson, marooned in New York, was not listed on the pyramid.¹⁹

By 8 A.M., yellow running water coursed through the streets of Dayton. Residents ripped up rugs and hauled prize possessions and food to second floors. At 8:30 A.M., a crack startled the whole city as one of the levees broke. Waves of water raced through the town as giant whirlpools sucked in horses and wagons. The window of downtown's Harvard Clothing Store shattered and well-dressed mannequins floated out. Furniture, pianos, wooden shacks—all bobbed down Dayton's streets. The water kept rising—past first floors, to the tops of streetlamps.²⁰ It was the beginning of one of the worst floods in U.S. history.

By midmorning, train tracks in many parts of Ohio lay underwater. So many telegraph poles went down that few messages got out of Dayton. The city was all but isolated.

In New York, Watson hurried to NCR's offices at 1172 Broadway and found that the dedicated telegraph line linking NCR headquarters to the New York office still functioned. Watson started getting news of the flood from Patterson's office. As the *New York Times* reported, when Patterson couldn't get through to Watson's office, Patterson would wire the *Times*, which also had a link that was still working. Someone from the *Times* would then run the message over to Watson. By midmorning, Watson began hustling to secure a train and crew willing to attempt to carry relief supplies from New York to Dayton.

By the afternoon of March 25, water covered most of Dayton. "The principal corner, at Third and Main streets, is

three feet underwater, and the classic old Greek courthouse is like an island in a sea of mud," wrote an eyewitness reporter from the *Cincinnati Times Star*. "The whole central portion of the city is flooded; the beautiful residence district lying east of the exclusive boulevard district is a Venice." The townhouses belonging to Watson, Patterson, and the Kittredges—all in that exclusive boulevard district—were flooded nearly to the second story.

NCR, on high ground, remained relatively dry. Residents rushed there by the hundreds. Handwritten signs pointed to a makeshift cafeteria, places to sleep, a barber shop, and a dental office. In one building, NCR created a morgue. As the woodworking shop finished flat-bottomed boats, men grabbed them and rowed out looking for others to rescue. At times, the scene was heartbreaking. "A big sturdy man is crying like a child here at the offices of the National Cash Register Co., where nearly 1,000 homeless flood victims are sheltered," reported the *Washington Times*. "He has been to the hospital, the schools, where refugees are housed, to the churches—at none of these is his family."

As the night passed, heavy, drenching rains layered on the misery. "Every time one of those big thick drops hit the water it made a bubble as big as an egg," a McClure's account said. The water continued to rise.

By the morning of March 26, Watson had a train ready. He'd roused officials of the food wholesaler Austin, Nichols & Company and had them stuff 39 truckloads of food into the railroad cars. Watson sent a Western Union telegram to Patterson: "Am arranging for relief train. Wire what you need most. Watson."²¹

That evening, a locomotive hauling four baggage cars and a sleeper pulled out of New York heading toward Toledo, Ohio. Watson had worked his contacts through the day, pulling in donations from businesses and wealthy individuals. On board were food, tents, overcoats, blankets, medical supplies, and one car full of bottled drinking water.

Two NCR employees traveled with the train: Lee Olwell and Watson's old friend Jonathan Hayward. Also on the train, according to the *Sun* in a next-day story, were a half-dozen newspaper reporters and a nurse who had a sister in Dayton.

Watson cabled Patterson: "Olwell left tonight New York Central via Toledo with special relief train, food, medicine, blankets, and water."

The train crawled as far as Liberty, Ohio, where a bridge was out. Someone—perhaps Watson or Patterson or citizens of Liberty—arranged to float the goods across on boats and load them on another train. The following morning, March 27, Watson cabled Patterson again: "NCR relief train passed Cleveland. Loading second relief train today. Our office here is headquarters. Send all information possible and instructions to me. Newspapers are looking to our New York office for information." From the wording, it sounds as if Watson, sensing his remoteness from the real action, wanted to make certain he was a prominent figure in the NCR relief drama.

By the time the second train was ready, sensational Dayton flood stories filled New York's newspapers, and many of them mentioned Watson's relief trains. New Yorkers started contacting Watson, ready to make donations. "New York City responding nobly to your appeals for aid," Watson cabled Patterson. At the same time, other cities—Detroit, Salt Lake City, Toledo—were sending Dayton their own relief trains.

By March 28, the floodwaters were receding and the publicity about NCR's efforts cascaded through the media. Patterson's actions during the flood were genuine. However, he also knew a great public relations opportunity when he saw one—particularly when he needed supporters so badly. Patterson brilliantly played to the press. He invited reporters to follow him around, sleep at NCR, eat there, use its typewriters, and send stories over its telegraph wires. When water covered the *Dayton Daily News* presses, Patterson let the

newspaper print on presses that NCR owned. Once again learning from Patterson, Watson from that moment understood the benefits of performing for the media.

Newspapers around the world portrayed Patterson as the "flood hero." His photograph appeared on the front pages of newspapers in Syracuse, New York; Cleveland, Ohio; and Salem, Massachusetts. The *Chicago Evening Post* wrote: "Patterson was revered by Dayton people before the catastrophe, but is now an idol for whom thousands would lay down their lives." The front-page story in the *Buffalo Evening News* was headlined, "Millionaire Who Aided in Relief." *Leslie's* magazine sent a writer, Edgar Allen Forbes, to do what amounted to a revisionist piece on Patterson. The central theme was that Forbes thought he'd encounter an abrasive, domineering bully, but instead found an unassuming, sociable man "without a trace of arrogance about him." Those who knew Patterson must have wondered if Forbes interviewed the wrong person.

The publicity was all Patterson's. Hardly anyone else from NCR was ever mentioned in the stories. Except for references to Watson's trains in New York newspapers, Watson wasn't mentioned, either. Later in life, when Watson recalled the Dayton flood, he was certain he played a crucial role. But at the time, he was not given much credit in the press.

Still, the wave of good feelings for Patterson aided Watson and the others convicted in the antitrust trial. The stories about NCR and the flood often contrasted the company's heroism with the fact that Patterson and his men might go to jail. By late March, pleas for a pardon showed up in major newspapers across the country. In Dayton, a petition circulated to send to President Wilson asking for a pardon. Patterson, still milking it for all it was worth, said he appreciated the gesture. However, he told any reporter in earshot, "I don't ask a pardon. All I want is a fair trial in a

higher court. I am guilty of nothing. If I am guilty, I want to go to jail the same as any other man."²²

Wilson asked his attorney general to look into the matter. By early April, the administration said it wouldn't pardon Patterson unless Patterson sought it himself and promised that he would accept it. Wilson didn't want to get set up by Patterson for a grandstanding refusal. Patterson wouldn't ask for a pardon, which would still leave him marked as a guilty man. Sensing that the swing in public opinion would greatly help his cause, Patterson insisted that his case continue on its way to the court of appeals. He seemed certain that he and the other NCR men would be cleared.

Jeannette Kittredge must have been pretty confident that Watson wouldn't land in prison. As soon as trains could again travel through Ohio, Jeannette and Mary Kittredge and Watson rode from New York back to Dayton. On April 17, 1913, Jeannette and Watson married in the newly scrubbed Kittredge townhouse, which had been under more than four feet of water during the flood. Only family and a few friends, including Patterson, attended. Hayward was Watson's best man. The couple then went on a honeymoon to the West Coast. Jeannette became pregnant almost immediately. When the couple returned to Dayton weeks later, Patterson surprised them by giving them a wedding present: a country house near Patterson's on what used to be the Patterson farm just outside of Dayton.

Compared with the dark days after the verdict, everything suddenly brightened for Watson. It didn't last long, though. Soon after showing Watson such generosity, Patterson decided he wanted Watson gone.



Throughout his life, Watson would say that he chose to leave NCR. Some IBM documents dated after Watson's

death say that he was fired, as do a number of Watson profiles in books and magazines. The only certainty is that Watson left the NCR buildings for the last time in late November 1913, and officially was no longer an employee as of December 1 of that year. Watson remained a director of NCR until February 10, 1914. After that, his association with the company terminated.²³

What happened between April and November? How could the relationship between Patterson and his protégé go from sublime to sour in so short a time?

For one, the atmosphere at the top of NCR turned contentious. The officers had just gone through a few months that would have turned anyone inside out. Aside from Patterson, 28 of them sat through a difficult trial, and then found themselves guilty and sentenced to jail. Think of any workplace, and one can only imagine the tension between those 28 and other executives and managers who were not accused. Many in the latter group no doubt wanted to distance themselves from the supposed criminals. Amid all of that, the flood hit Dayton, further mixing up the dynamics atop NCR. Patterson emerged from the flood with a resurrected reputation and sense of power. New heroes and stars rose out of the crisis, among them R. H. Grant, who was not among those tried for antitrust. New patterns of bonding must have been formed among those in Dayton who gave their all in the relief effort. Watson, stuck in New York, played a heroic part, but he wasn't part of the Dayton experience.

A letter from Walter Cool to Watson hints at what must have been going on. Cool had been a regional sales manager under Watson, working out of Denver. He was older than Watson, and Watson admired Cool's Zen-like personality. In later years, Cool wrote to Watson describing a time around January 1914, after Watson had left NCR. Cool was still with the company. "Those were crucial and decisive days for

me and I did not know it," Cool wrote. "You were gone from the NCR organization and insidious scheming and plotting was at work. I found out that nothing is fixed in this world."²⁴ Cool left NCR soon after.

Patterson turned on the executives who were his codefendants in the antitrust case. Within a year after the flood, almost all of them would be gone. Perhaps Patterson decided to flush away any taint on NCR. Perhaps the changed dynamics from the trial and flood gave some executives an opening to scheme against rivals at the top of NCR.

Ed Deeds might have been just such a plotter. Both he and Watson would have been contenders to take charge of NCR once Patterson decided to leave, or died. Deeds could have whispered to Patterson that Watson was becoming too powerful. "The men love Watson," Deeds might have said. "They're more loyal to Watson than to you." If Patterson believed it, he would have rid NCR of Watson in a second.

Yet there are letters between Watson and Deeds, who eventually became president of NCR, that suggest otherwise. In September 1914, Watson wrote to Deeds asking for an advance payment on his contract, which Deeds granted.²⁵ If Deeds got Watson fired, and Watson knew, they probably wouldn't have dealt with each other. In a letter 20 years later, Deeds opened with the salutation "My dear Tom." Only friends addressed Watson by his first name. Deeds joked in the letter: "Maybe some time they will provide an institution for indigent business machine executives. If they do, I would like to pick out a bench that would hold a half dozen people. I would put you in the center, and I am sure the old veterans would have nothing on us." That doesn't reflect a rancorous relationship.²⁶

Whatever schemes swirled around NCR, in the autumn of 1913 Patterson was making life uncomfortable for Watson. Patterson excluded Watson from decisions and meetings. At some point, according to one account, Watson

arrived at work to find that his office had been given to someone else. The final blow came at a convention for NCR's Hundred Point Club. As sales manager, Watson was always at the center of such events. He loved rousing the sales force with grand dinners and go-get-'em speeches. At the 1913 convention, Grant spoke before Watson. Grant was the rising young executive who worked next to Patterson during the flood. Watson then took the podium.

Partway through his speech, Watson heard a trumpet-voiced shout from somewhere in the audience. Patterson stood, interrupted Watson, then turned to the assembled salesmen and effusively praised Grant. Patterson ranted for some time, humiliating Watson. Watson got the message. He'd just been publicly stripped of power. He had no choice but to leave.

Did he quit or was he fired? Like many instances when a top executive suddenly leaves a company, it was a little of both. Patterson made sure Watson left but Watson apparently "voluntarily" resigned. The parting wasn't so bitter that Watson would hold Patterson in contempt. In following years, he'd often talk about Patterson in meetings and speeches, always in a generous way. Yet, even though Watson couldn't hate Patterson, he would be driven to beat his one-time mentor.

Toward the end of November 1913, Dayton enjoyed unusually mild weather. Temperatures hovered in the sixties for more than a week. Occasional showers kept the air damp. On one of those days, Watson, impeccably dressed in a suit, stiff white collar, and richly textured tie, walked out of NCR's main entrance, past the white pillars that had so impressively welcomed him on that first secret trip to Dayton, and stood on the sidewalk outside. With him were Joe Rogers and Robert Houston, two sharp men closely associated with Watson at NCR. Back when Patterson fired Hugh Chalmers, he also fired six of Chalmers's friends. It was Patterson's way of purging. Similarly, Rogers and Houston

were kicked out right along with Watson. Before leaving the NCR property for the last time, the three of them commiserated. Watson, according to stories passed down through IBM, turned and looked over NCR's buildings, then told Rogers and Houston that he was going to go out and build an even bigger business. There's no way to know if those words were spoken, but the sentiment foretold what was to come.

First, however, Watson had to face his grim situation. He had been at NCR for 17 years. They were mostly wonderful years, sweeping Watson from nothingness to a position at the top of society and business. NCR was where he found many of his closest friends and where he found his business father in Patterson. Now he had to leave behind the company he loved.

He had to leave Dayton, too. The place was too small. Watson would always carry the stigma there of Patterson's deposed executive, and Dayton wouldn't likely have a range of new opportunities from which to choose.

At the age of 40, Watson lost his job and felt the need to leave the city he'd adopted as home, while his wife was about two months shy of delivering their first child.

Worse, he still had a jail term hanging over his head. What company was going to hire a top executive who might soon go to prison?

At least his situation wasn't desperate. Patterson had given Watson a generous \$50,000 in severance, and he let Watson keep the Pierce-Arrow car.

Watson left Jeannette at the townhouse and started making trips to New York to see what he could find.



THE MAVERICK AND HIS MACHINE

"WHY THEY CALL US IBM"

(To the tune of "A Little Bit of Heaven")

Have you ever heard the story—how the IBM was named?
I'll tell you so you'll understand from whence this Big Three
came.

No wonder we are proud of this successful company.
For here's the way Old Father Time revealed the tale to me.
Samuel Hastings came from Dayton with Computing Scale one
day.

Met George Fairchild and financiers of old Wall Street and
Broadway.

They owned Hollerith Tabulating Systems—wondrous line.
And International modern methods of recording time.

Sure, immediately they recognized that Moneyweight meant
"dough."

With Hollerith and Bundy—this triumvirate would go.
Then they found a genius, Watson, greatest leader of all men.
Now this great and prosperous company is known as IBM.

—Songs of the IBM