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February 7, 2011

Ken Olsen, Who Built DEC Into a Power, Dies at 84

By GLENN RIFKIN

Ken Olsen, who helped reshape the computer industry as a founder of the Digital Equipment Corporation, at one time the world's second-largest computer company, died on Sunday. He was 84.

His family announced the death but declined to provide further details. He had recently lived with a daughter in Indiana and had been a longtime resident of Lincoln, Mass.

Mr. Olsen, who was proclaimed "America's most successful entrepreneur" by Fortune magazine in 1986, built Digital on \$70,000 in seed money, founding it with a partner in 1957 in the small Boston suburb of Maynard, Mass. With Mr. Olsen as its chief executive, it grew to employ more than 120,000 people at operations in more than 95 countries, surpassed in size only by I.B.M.

At its peak, in the late 1980s, Digital had \$14 billion in sales and ranked among the most profitable companies in the nation.

But its fortunes soon declined after Digital began missing out on some critical market shifts, particularly toward the personal computer. Mr. Olsen was criticized as autocratic and resistant to new trends. "The personal computer will fall flat on its face in business," he said at one point. And in July 1992, the company's board forced him to resign.

Six years later, Digital, or DEC, as the company was known, was acquired by the [Compaq Computer Corporation](#) for \$9.6 billion.

But for 35 years the enigmatic Mr. Olsen oversaw an expanding technology giant that produced some of the computer industry's breakthrough ideas.

In a tribute to him in 2006, [Bill Gates](#), the [Microsoft](#) co-founder, called Mr. Olsen "one of the true pioneers of computing," adding, "He was also a major influence on my life."

Mr. Gates traced his interest in software to his first use of a DEC computer as a 13-year-old. He and Microsoft's other founder, [Paul Allen](#), created their first personal computer software on a DEC PDP-10 computer.

In the 1960s, Digital built small, powerful and elegantly designed "minicomputers," which formed the basis of a lucrative new segment of the computer marketplace. Though hardly "mini" by today's standards, the computer became a favorite alternative to the giant, multimillion-dollar mainframe computers sold by I.B.M. to large corporate customers. The minicomputer found a market in research laboratories, engineering companies and other professions requiring heavy computer use.

In time, several minicomputer companies sprang up around Digital and thrived, forming the foundation of the Route 128 technology corridor near Boston.

Digital also spawned a generation of computing talent, lured by an open corporate culture that fostered a free flow of ideas. A frequently rumpled outdoorsman who preferred flannel shirts to business suits, Mr. Olsen, a brawny man with piercing blue eyes, shunned publicity and ran the company as a large, sometimes contentious family.

Many within the industry assumed that Digital, with its stellar engineering staff, would be the logical company to usher in the age of personal computers, but Mr. Olsen was openly skeptical of the desktop machines. He thought of them as "toys" used for playing video games.

Still, most people in the industry say Mr. Olsen's legacy is secure. "Ken Olsen is the father of the second generation of computing," said George Colony, who is chief executive of [Forrester Research](#) and a longtime industry watcher, "and that makes him one of the major figures in the history of this business."

Kenneth Harry Olsen was born in Bridgeport, Conn., on Feb. 20, 1926, and grew up with his three siblings in nearby Stratford. His parents, Oswald and Elizabeth Svea Olsen, were children of Norwegian immigrants.

Mr. Olsen and his younger brother Stan lived their passion for electronics in the basement of their Stratford home, inventing gadgets and repairing broken radios. After a stint in the Navy at the end of World War II, Mr. Olsen headed to the [Massachusetts Institute of Technology](#), where he received bachelor's and master's degrees in electrical engineering. He took a job at M.I.T.'s new Lincoln Laboratory in 1950 and worked under Jay Forrester, who was doing pioneering work in the nascent days of interactive computing.

In 1957, itching to leave academia, Mr. Olsen, then 31, recruited a Lincoln Lab colleague, Harlan Anderson, to help him start a company. For financing they turned to Georges F. Doriot, a renowned Harvard Business School professor and venture capitalist. According to Mr. Colony, Digital became the first successful venture-backed company in the computer industry. Mr. Anderson left the company shortly afterward, leaving Mr. Olsen to put his stamp on it for more than three decades.

In Digital's often confusing management structure, Mr. Olsen was the dominant figure who hired smart people, gave them responsibility and expected them "to perform as adults," said Edgar Schein, who taught organizational behavior at M.I.T. and consulted with Mr. Olsen for 25 years. "Lo and behold," he said, "they performed magnificently."

One crucial employee was Gordon Bell, a DEC vice president and the technical brains behind many of Digital's most successful machines. "All the alumni think of Digital fondly and remember it as a great place to work," said Mr. Bell, who went on to become a principal researcher at Microsoft.

After he left Digital, Mr. Olsen began another start-up, Advanced Modular Solutions, but it eventually failed. In retirement, he helped found the Ken Olsen Science Center at Gordon College, a Christian school in Wenham, Mass., where an archive of his papers and Digital's history is housed. His family announced his death through the college.

Mr. Olsen's wife of 59 years, Eeva-Liisa Aulikki Olsen, died in March 2009. A son, Glenn, also died. Mr. Olsen's survivors include a daughter, Ava Memmen, another son, James; his brother Stan; and five grandchildren.