H. Ross Perot. Do you know that name? Well, there was a time—in 1992, for sure—when most every American adult knew the name "Ross Perot." That's because he was a strong candidate for President of the U.S. More specifically, Perot was and remains the most successful third-party candidate for President ever. Perot was an Independent—that meant he wasn't representing either of the two main parties in power, the Republicans and the Democrats. Perot earned a very surprising 19% of the popular vote in the Presidential election of 1992. That meant about 20 million voters were unhappy with the other options.

Now, that may not sound like much, but that level of support for a third-party independent candidate had not been done before, even for Teddy Roosevelt of the Bull Moose Party! Bill Clinton was elected President, and a common interpretation is that Perot drained off a lot of Americans' support for the sitting President, George H.W. Bush. But the truth was that Perot appealed to voters from both sides of the aisle.

So history was not just made, it was changed, because—as is always the case in these things—the dynamics of subsequent Presidential elections were surely altered. Would Bush's son George W. Bush have been elected in 2000 if his dad had served until 1996? Nobody knows, but that seems unlikely. Perot ran again for President in 1996 under the banner of the Reform Party that he formed, running against President Bill Clinton and Republican Bob Dole. Perot's political positions were attractively eclectic, and, again, he attracted voters from both sides of the aisle. Amazingly, he captured over 8% of the vote in '96!

What made Perot such an attractive candidate for many voters? And why is he worthy of this podcast? Well, let's start by saying that Ross Perot was one of the most unique, highly successful entrepreneurs in the tech industry that was just starting to truly bud in the 1960s. In fact, Perot was one of innovators that helped create and build foundational thinking and approaches for the tech industry that we know today.

Perot founded two major companies. The first was Electronic Data Systems, known as EDS, which was later sold to General Motors for billions of dollars back when a billion dollars was a very big deal. Then he started another tech company, Perot Systems, that was later sold to Dell for billions. These were big transactions back when there weren't very many large tech companies, so Perot was much in the news!

Ross Perot was very colorful as a human being. He was appointed to the Naval Academy—helping establish its honor system—and ultimately joined IBM as a salesman in the late 1950s. One of the legendary stories about Perot was that he met his annual quota for sales at IBM in the second week of the year! That's right, IBM, which was an elite company even back then, set high annual expectations for salespeople, and Perot blew that standard away in just days! Perot was clearly an extraordinary salesman. But his bosses at IBM kept ignoring all of the innovative ideas for IBM that he kept pitching to them.

Let's back up for a minute. Born in Texarkana, Texas, Perot had just the twang you might imagine, but that twang was unmistakably delivered in his high-pitched voice. He made fun of his own looks—a big nose and jug ears—joking that he clearly had to be a great salesman in order for his wife to say "yes" to his marriage proposal. Pretty much everyone thought he meant it, because all the relevant facts were there!

Later in the 1992 Presidential elections, his relatively short stature—he was 5'5" tall—would contrast greatly with opposing candidates President George H.W. Bush and Bill Clinton, who were both 6'2" tall. Some commentators at the time believed such a disparity in height alone was a huge handicap for getting elected. Perot wasn't bothered in the least by all that…apparently, a personal history of several billion dollars of results kinda explains why Perot wasn't intimidated by such speculation.

Now here are some interesting facts that happened along Perot's path to the '92 election. Perot pretty much pioneered the practice of sharing computer processing and storage in the U.S.—you know, like that supposedly-newfangled "cloud computing" is doing some 60 years later? You see, IBM was the very dominant company in what were called mainframe computers. Those were very large computers used by huge industrial companies…and smaller companies just couldn't afford an IBM mainframe. But that didn't

stop Perot! More accurately, *that opportunity is exactly what set Perot up for success*—he started EDS to manage the sharing by one company of its unused capacity in its large mainframe computer with other companies. This sharing was often done at night…with Perot's company making it all work together.

Perot's first client that signed an agreement with EDS to sell its unused time on its IBM mainframe was Southwestern Life Insurance. Then came a difficulty that's very typical for start-up companies: although Southwestern was ready to *sell* computer time, it took two months and 77 failed sales calls before EDS landed its first client to *buy* computer time. It's interesting that the first "buying" client was the elite Collins Radio, which still operates as Collins Aerospace, a subsidiary of corporate giant Raytheon Technologies.

EDS continued serving buyers and sellers of computer time for several years. Then in 1965, EDS bought its own mainframe to serve clients and later started to do all sorts of processing for several states' Medicare and Medicaid programs. By 1969, EDS had acquired 31 mainframes and broke through with a $1 billion stock market value not very long after taking EDS public. Think about that: a billion dollars of stock market value in 1969, when the median price of a home in America was $25,600! And 1969 was only EDS's eighth year of business! For context, in 1969, Bill Gates and Steve Jobs were both just 14 years old.

Yes, Perot and EDS were a substantive ancestor to cloud computing, but you can find a lot more history in the EDS website archives, which I used as podcast research myself. Now there are two more facts about the first 22 years of EDS history that are intriguing. General Motors acquired a controlling interest in EDS in 1984 for $2.4 billion. *That* was Perot's EDS—a huge early success in the tech world. But, in 1979, five years earlier, two EDS employees were captured and held by the Iranian government. After first trying diplomacy to obtain their release, Perot directly oversaw the *private* rescue of his employees—all the way to using Range Rovers to spirit them out of Iran to Turkey. The full story of this stunning event is captured in Ken Follett's #1 international bestselling book *On Wings of Eagles*. Perot himself, clearly not a shy person, appeared in a TV miniseries about the rescue, a broadcast reportedly seen by 25 million people.

That begs one key question. Do you think the 1979 General Motors leadership team, if they had already controlled EDS, would have had the spirit and the moxie to rescue their own employees? Of course, pretty much everyone has the same opinion about that—and that's another reason why Ross Perot was truly one-of-a-kind. Unsurprisingly, Perot didn't really get along with the highly bureaucratic GM. His famous quote was this: "At EDS, when we see a snake, we kill it. At GM they appoint a committee to study snakes." To sever Perot's involvement, GM bought out Perot's remaining financial interest for $700 million.

In 1984, Perot's foundation spent $1.5 million for a very early copy of Magna Carta, the "Great Charter of Freedoms" securing pioneering rights in the year 1215 from King John in England. Perot's Magna Carta was displayed in the National Archives in Washington and was later sold for $21.3 million to be used "for medical research, for improving public education and for assisting wounded soldiers and their families."

Back to business, Perot was the angel investor to the tune of $20 million in NeXT, Steve Jobs' computer company that Jobs founded after he departed Apple. And in 1988, Perot co-founded Perot Systems, an IT services provider that was sold to Dell 21 years later for $3.9 billion. Not a bad second act in business, can we say, especially considering that he credibly ran for President twice in-between! In 2016, Perot was the 167th most-wealthy American, and he died in 2019 in his adopted hometown of Dallas, Texas. That's where, legend has it, Perot first conceived and wrote the name "Electronic Data Systems" while listening to a sermon at Highland Park Presbyterian Church. Ever the pioneer, Perot was multitasking!

So, how about this list as a brief summary of a lifetime of activity? Salesman extraordinaire. True tech pioneer. Far-sighted innovator. No-nonsense entrepreneur. A father of the cloud computing idea. Billionaire. Fearless rescuer. Freedom-lover. Admired Presidential candidate. In Texas and well beyond, Ross Perot is legendary and celebrated for his achievements and outlook on life. So. Ross Perot? A worthy study to glean meaningful lessons from a very unique, substantive life of stewardship! Wow!

A&A: Application & Action

1. Do you consider the private rescue of the EDS employees held in Iran more foolhardy and arrogant or the ultimate in stewardship for employees in trouble? Explain.

2. What is your favorite story about Ross Perot that can help you to be more effective in your organizational stewardship? Be specific with the what and the why.

3. Quite successful for decades before and after, do you think that IBM should have worked harder to listen and perhaps adopt Perot's innovative ideas? Or did they rightly recognize that an organization of its size and business approaches would not be successful trying to adopt Perot's innovative ideas?