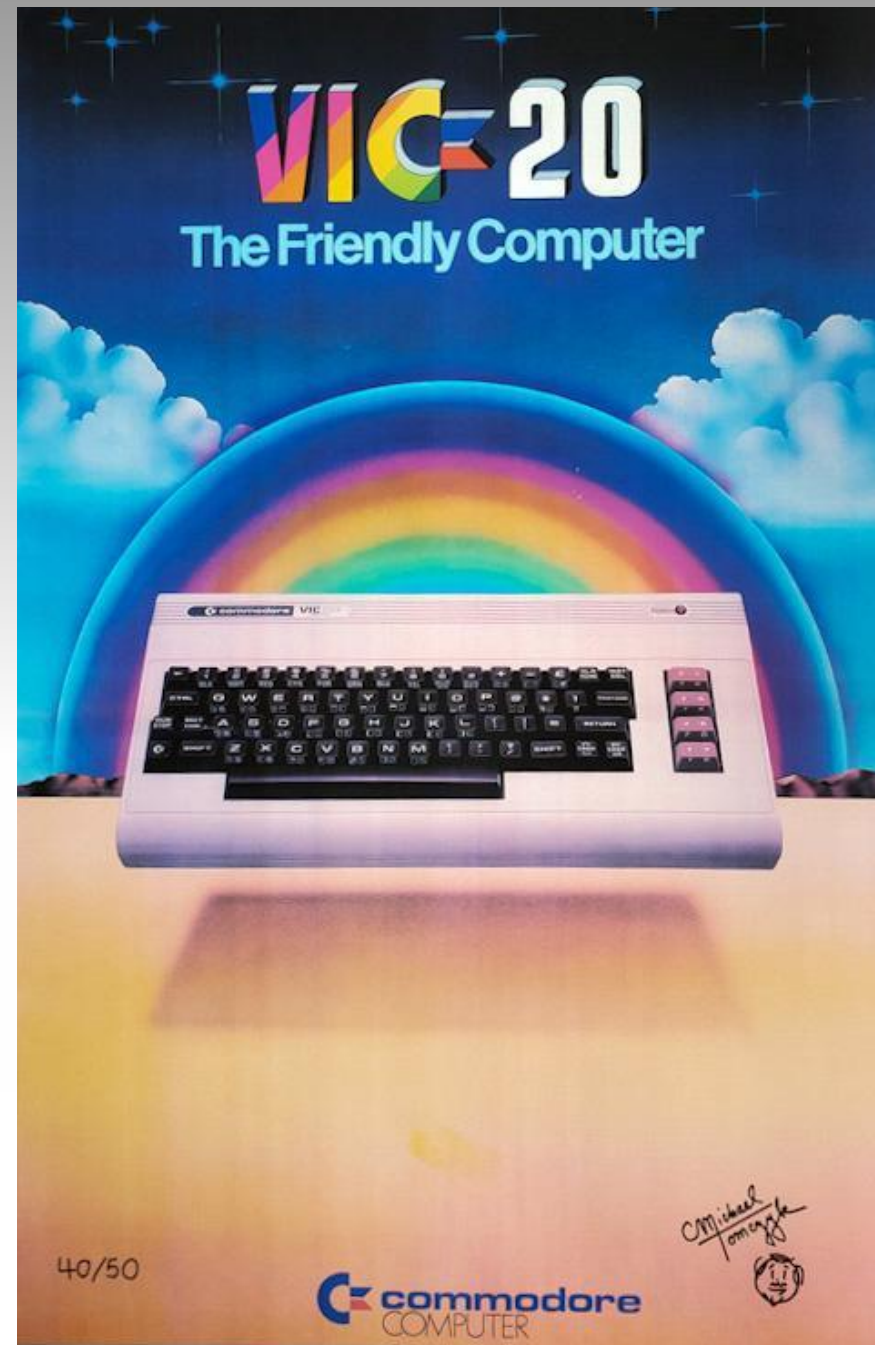


Commemorating the 40th Anniversary of the First Home Computer

By
Michael Tomczyk

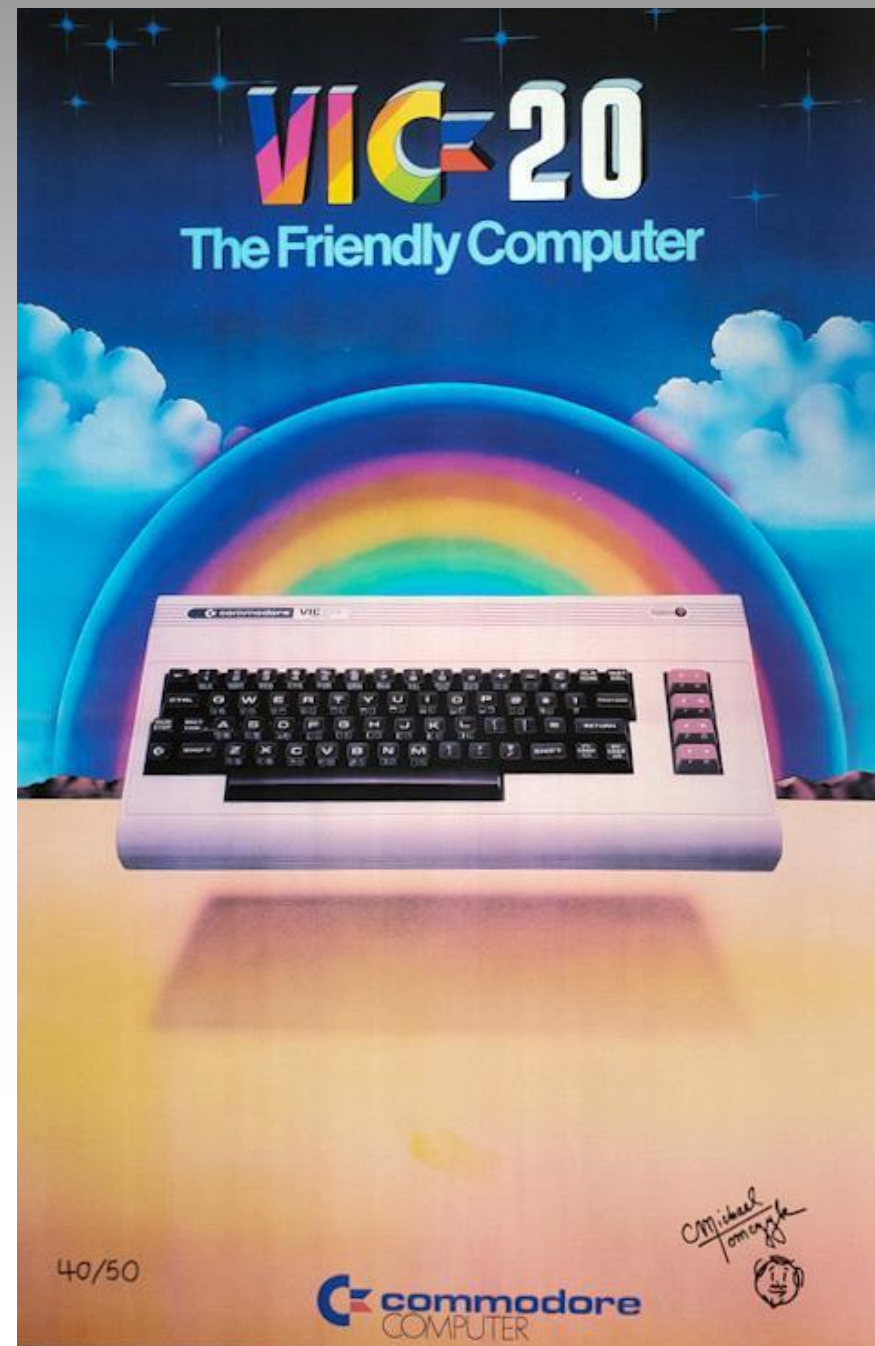
*VIC-20 Product Manager (VIC Czar)
Innovator – Author – Futurist
Maverick and Rulebreaker*

*The first rule of innovation:
THERE ARE NO RULES
If you want to change the world...
You need to break the rules!*



Why are we commemorating the Commodore VIC-20?

- ❑ *First full-featured color computer priced under \$300*
- ❑ *First microcomputer to sell one million units*
- ❑ *First modem (VICModem) to sell one million units*
- ❑ *Jump-started the home computer revolution*
- ❑ *Made Commodore the first personal computer company to reach \$1 Billion in sales in one calendar year*



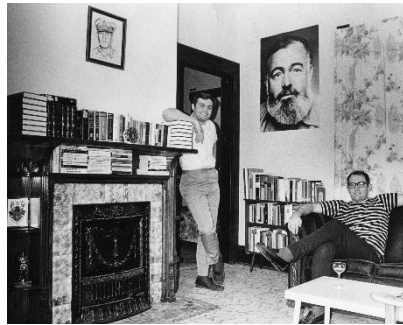
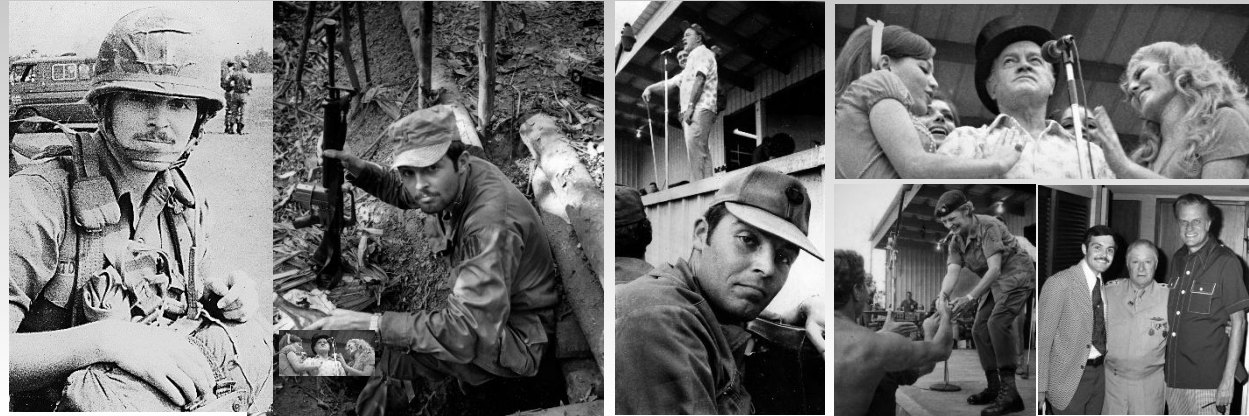
I went from Oshkosh, Wisconsin to being known as the marketing father of the home computer.



Cute little Mickey Martin is song stylist at the Airliner Show Lounge.

My mother was a big band singer in Chicago in the 1940s. I learned to break rules in 1st grade & decided to be a writer in 2nd grade. As a kid I kept asking God to let me to something significant with my life.

Commissioned thru Army ROTC, I served at Ft. Bragg, in Vietnam & Korea. Made captain in 2.5 years, experienced combat, awarded the Bronze Star. Met & photographed Bob Hope, Billy Graham, Jane Fonda, George Jessel, Martha Raye.



Richard Nixon was greeted by an enthusiastic crowd when he stopped in Oshkosh, Wisconsin on Saturday, March 23, 1968. A week later on April 2 he won the Wisconsin primary with 80% of the vote. He went on to win the presidential election, carrying 48% of the Wisconsin vote. (Photos by Michael Tomczyk)



AFTER 3 Years in the Army, I returned to Wisconsin and was recruited to help start an investor relations firm, where I began consulting to CEOs of publicly owned companies.

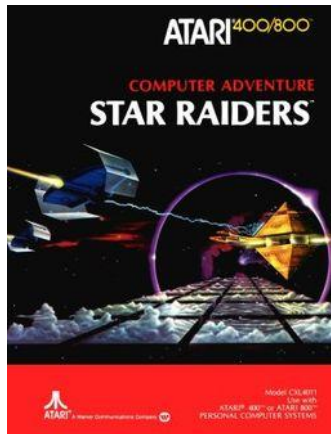
1976 I went to Los Angeles to earn my MBA at UCLA while working full time as a consultant in Beverly Hills.

In 1979 I accepted a job as General Manager at Metacolor in San Francisco which did graphics for Hollywood movies and for... ATARI!

I studied journalism at the University of Wisconsin-Oshkosh. I wanted to be Ernest Hemingway. I was campus photo editor and worked for a local newspaper - photographed celebrities including Richard Nixon, George Wallace, Dick Gregory, Walter Slezak, Spanky & Our Gang, etc.



The Atari 600 was based on the Atari 400 – it had plug-in game cartridges (good) and a flat membrane keyboard (bad)



The Roots of Home Computing...

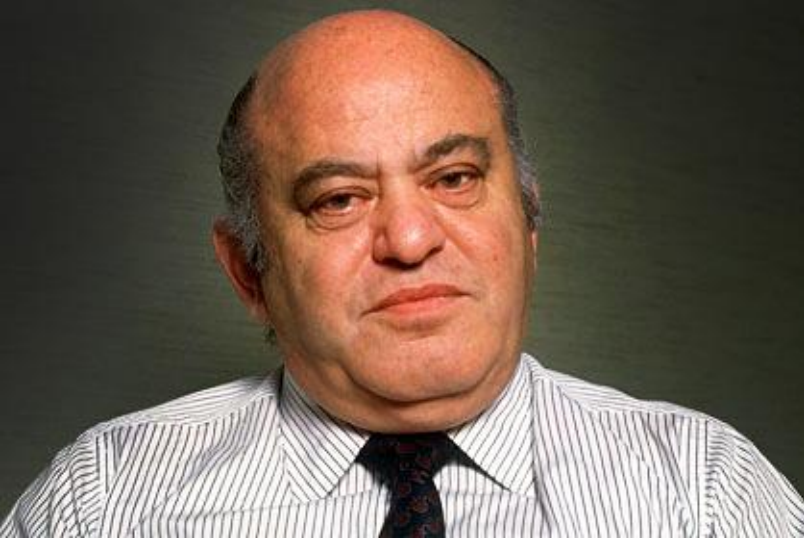
In 1979 I was general manager of Metacolor, a small company in San Francisco that did special effects for motion pictures (Logan's Run, Time After Time) and graphics for Atari games.

Atari gave us a prototype of a new computer called the Atari 600 and made us a beta test site. My staff would not stop playing a game called "Star Raiders" so I took the machine home.

Three days later – at 6:00 a.m. - I saw a thin shaft of sunlight streaming through the curtains and realized I stayed up three nights with **NO SLEEP** playing video games! The next day I quit my job.

I took BASIC programming classes where I used Apple and Commodore computers. I had studied journalism in college, so I started writing magazine articles on personal computing – my first article was about the Star Raiders game!

I hung out at Apple in Silicon Valley and got to know Steve Wozniak and Steve Jobs. After 6 months I had job offers from Apple and Atari.



A meeting with Jack Tramiel

In March 1980 I had job offers from Apple and Atari but Apple was “papa bear” – too many geniuses. Atari was “baby bear” — not enough geniuses. Commodore was “mama bear” – half geniuses, half “idiots.”

I arranged an interview with Jack Tramiel and told him very bluntly what I thought was good and bad about Commodore.

He said “Call me tomorrow and I’ll decide what to do with you.”

The next day I called ELEVEN TIMES and each time the secretary gave me some excuse – finally at 7 p.m. I called and Jack answered the phone.

He asked me to come in the next day and hired me as Assistant to the President and Marketing Strategist.

In 1980 Commodore was the third largest personal computer in the U.S. and number one in Europe.

Apple and Radio Shack were the top personal computer makers in the U.S.

(but weak in Europe).

The Birth of the Home Computer

April 1980 – On my first day I joined Jack at a meeting of international Commodore managers in London (UK).

At the meeting Jack said, “I want to make computers for the masses, not the classes” – and described his vision for a small color computer.

The engineers wanted a larger Apple-style computer. They showed us a prototype that looked like the Apple II.

These rare photos are all from the April 1 meeting.



Michael Tomczyk at Windsor Castle

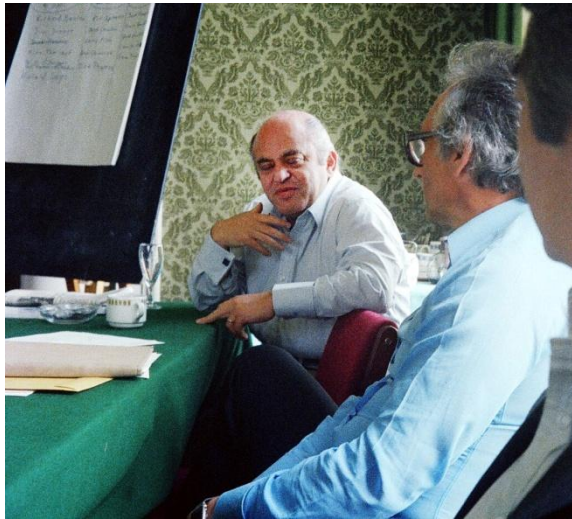


Left to right: Chuck Peddle, the head of manufacturing, Sam Tramiel (Jack's son) and Harald Speyer (Commodore Germany).

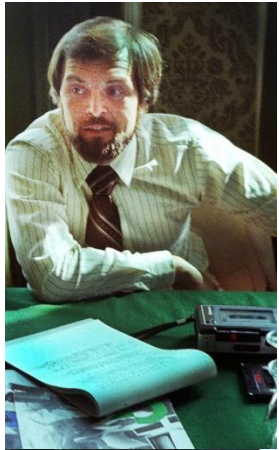


Chuck Peddle showed a new prototype computer that looked like an Apple II.





Left: Jack at the meeting and (right) with Kit Spencer. He knew what was needed.



Dick Sanford (center) was Executive Vice President and number 2 in the company. He was supportive of the new computer but also recognized the need for a “business” version. This shows him talking to Chuck Peddle and Kit Spencer on April 2, 1980.



Michael Tomczyk (arguing for the home computer).

The Birth of the Home Computer

Everyone was against the idea of a small color computer except a few people. Kit Spencer (UK), Tony Tokai (Japan), and I were the main supporters.

The next day, Jack returned and most people argued against the new computer.

Finally, Jack stood up, banged his palm on the table and declared “The Japanese are coming...so we will become the Japanese!”

Everyone fell silent. His logic was simple and powerful.

The world’s first true home computer was born.



This is the prototype of the personal computer the engineers wanted to make – which looked like the Apple II. Jack over-ruled them and pushed for a small home computer.



My First 3 Weeks With the Company

Week 1 – London – Jack Tramiel said he wanted a small color computer.

Week 2 – Germany – we persuaded the German government to give Commodore a “failing” electronics factory in Braunschweig

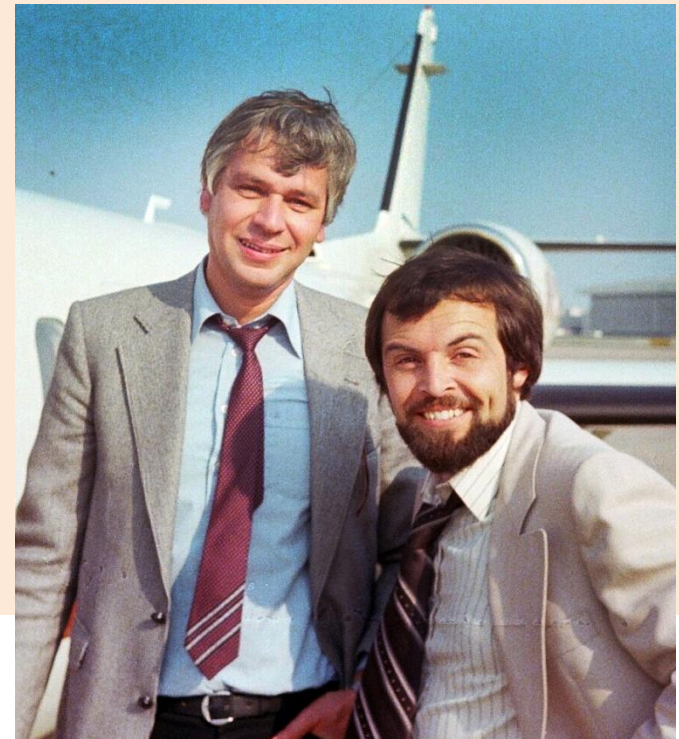
Week 3 – Santa Clara, California – Jack asked me to evaluate the marketing department and after a few days he walked back and fired all of them (12 people). I became U.S. Director of Marketing.

Week 3 – Santa Clara – I wrote a 30-page memo and drew a happy face with a beard and mustache on the cover.

I gave it to Jack and told him whoever is in charge of the new computer needs to read this.

A few days later Jack came to my office and tossed the memo on my desk. He told me, “I’ve told everyone involved that they need to get your approval on anything to do with this – but none of them report to you so you’ll have to use persuasion to get it done.”






In Europe, I got to know all of the international managers and established several alliances and friendships. After the London meeting, Harald Speyer and I took the Commodore private jet to Germany.



Harald Speyer (left) and Michael Tomczyk – April 1980



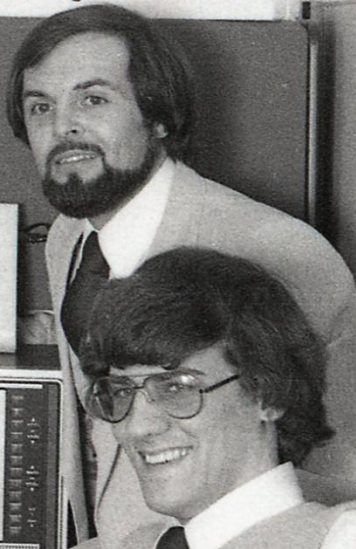
The Birth of the VIC Commandos...

- ❑ I told everyone involved that there was one Prime Directive, like Star Trek: “This must be a USER FRIENDLY computer.”
 - ❑ **Yash Terakura the Japanese engineer who designed the firmware, replied “This will be a friendly computer: I am a friendly engineer!”**
 - ❑ I fought for full size typewriter keys (vs. membrane keyboard) & beige (instead of black) and added programmable function keys after seeing them on an NEC PC computer prototype in Tokyo.
 - ❑ **I hired a half dozen self-taught programmers and hobbyists - 18 to 25 yrs old (I was 32). We wrote the user guides the first software.**
 - ❑ Everyone kept stealing our equipment for trade shows so I announced one day that I would fire anyone who stole our equipment without permission. I named our group the VIC Commandos and we each got a brass coin as a symbol.
 - ❑ **The editor of BYTE Magazine was a friend – one day he sent me a note saying there is a German word for user-friendliness – Benutzerefreundlichkeit – and this became our official motto.**
 - ❑ I named the computer VIC-20 after Video Interface Chip but VIC sounded like a truck diver so I added 20. I asked Jack if I could be VIC Product Manager, he said no and said I could be VIC CZAR!
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VIC 20

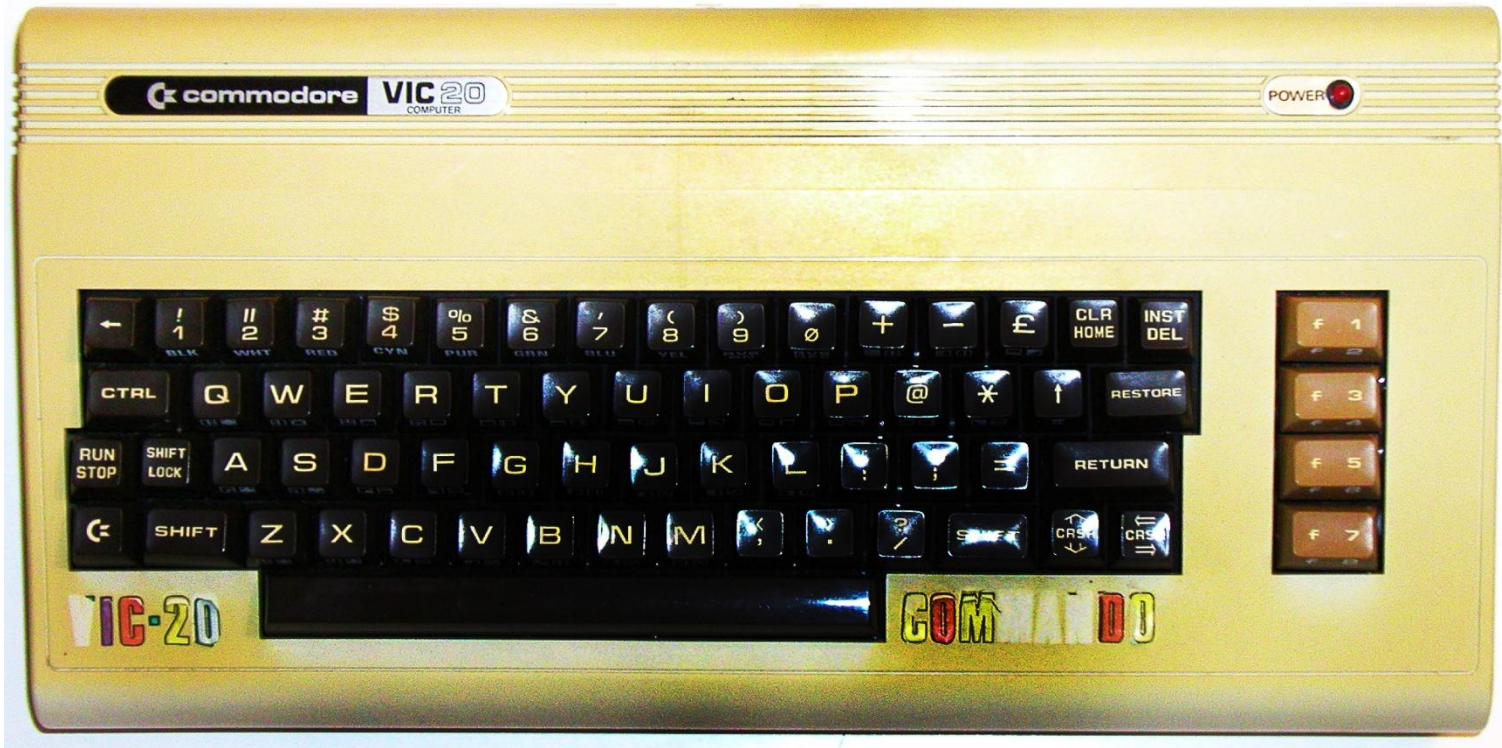
VIDEO INTERFACE COMPUTER

The first full-featured
color computer priced
under \$300.



I dubbed our young product team the VIC Commandos because we were young and needed to adopt a “tougher” mentality to prevent sales staff from stealing our computers for trade shows and conferences! Neil Harris and I wrote the User Manual. Neil Harris was 2nd in command. Andy Finkel was technical lead and edited the Programmers Reference Guide.

This is my original VIC20 prototype which I used to create the user manual, programmer's reference guide and software programs we sold on cassette tape. It is now yellow with age – you can see the stickers I put on the case that say “VIC-20” and “Commando.”



The first computers kept overheating after 5 or 6 hours, but they came back to life if you put a bag of ice on the circuit board. After the first 100,000 units, we added a heat synch to dissipate the heat.

Commodore



The computer was introduced in Japan as the VIC1001 in September 1980. We launched it as the VIC20 in January 1981 at the U.S. Consumer Electronics Show. The distinctive logo and graphics were designed in the UK & Germany.

Built in RS232 telecommu-ni-cations interface



Full size typewriter style keyboard

Software on cartridge, disk and tape cassettes – I hired an artist to do the distinctive package illustrations.



Disk & Tape Drives



Hi-Res Video Games – joystick port; sound & graphics chips; sprite animation

Programmable function keys

5k RAM expandable to 32K – we sold 8k, 16k and 32 memory expansion cartridges



The VIC20's RAM memory was only 5 Kilobytes! That's equivalent to the letters and spaces on one sheet of typing paper!





The Name Game

I wanted to call it the Commodore Spirit but spirit means horrible ghou in Japan so I called it VIC after the Video Interface Chip and added the number 20.

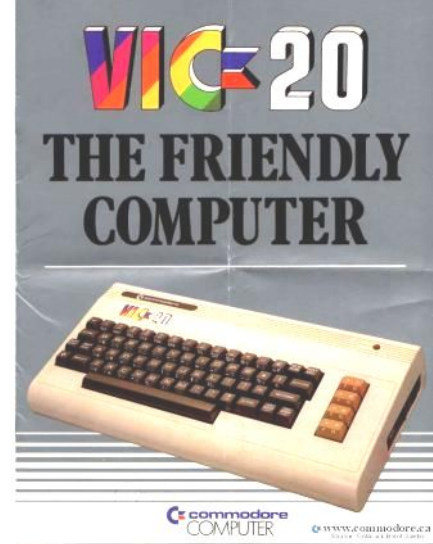
When Jack asked “why 20?”

I replied “because Vic sounds like a truck driver and 20 is a friendly number.”



The VIC-20 became the first microcomputer to sell one million units.

Jack and I felt strongly that this was a computer that any home user or school could afford to buy. Teachers started teaching algebra at an earlier age because programming includes algebra. We quickly did a PAL version for Europe and I worked very closely with Kit Spencer in the UK.



The Price Game

I set the price at \$299.95 because the only computers with similar features were selling for \$600.

I told Jack this was a “friendly price.”

Commodore



In 1980, computers used acoustic telephone modems that cost US\$400.



I contracted a small industrial modem company to design a modem that would cost \$33 to make – so we could sell it for \$99. They showed me an acoustic design but it was too expensive so I told them to put it on a game style cartridge...

TRIVIA: We were selling so many VIC20's that we couldn't handle all of the customer service inquiries and technical questions - so we needed a way for Commodore user clubs to network so they could help answer questions.

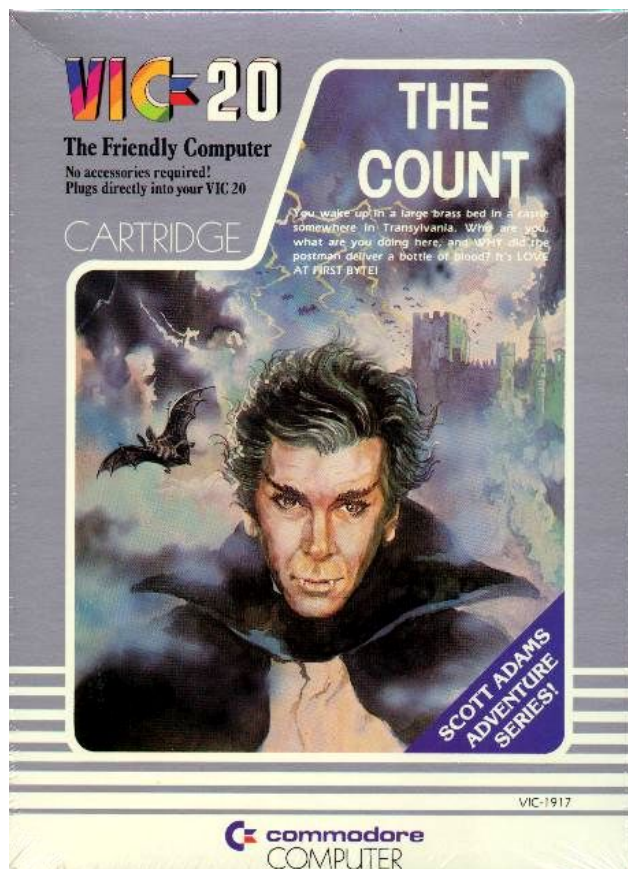


The result was the VICModem, the first computer modem priced under \$100. I negotiated free telecomputing services worth \$197.50 — the free services were worth more than the modem! VICModem became the world's first million-seller modem.



VIDEO GAMES FOR THE VIC-20

Scott Adams Video Games



The first VIC20s didn't have enough video games so I contracted for 7 adventure games from Scott Adams. Scott was the first person to create an adventure style game for personal computers. These were TEXT games.

These games showed other game designers what was possible – jump starting the game market.

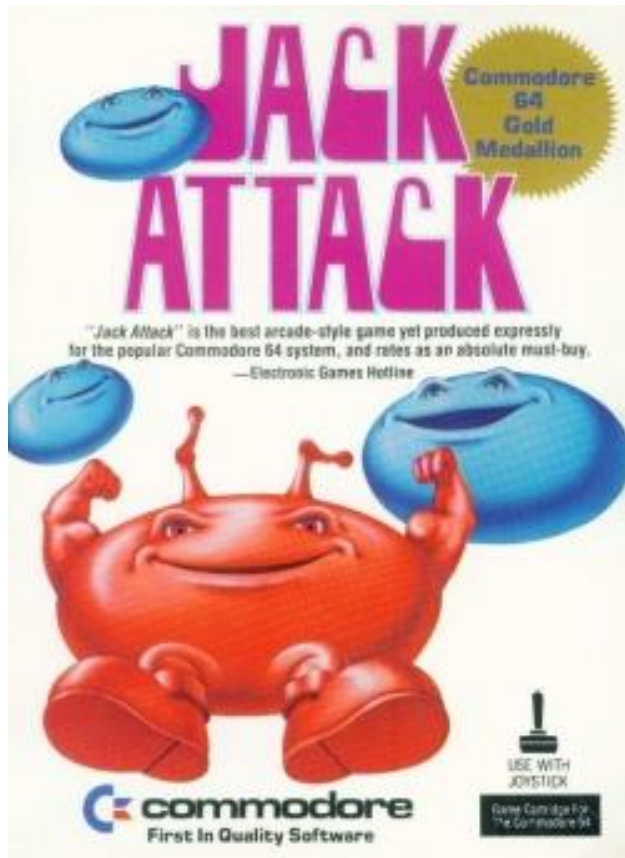
I contracted an artist to do the package design. For "The Count" the artist made the vampire look too much like actor Frank Langella who was starring in a popular vampire movie, so he had to change the facial features.

The VIC Commandos did a "6-pack" of games on cassette tape including "Blue Meanies from Outer Space." The 6 pack could be sold by retailers as a set, or sold individually.



VIDEO GAMES FOR THE VIC-20

JACK ATTACK!



We had licensed an interesting video game for our cartridge series and were looking for a name when we had a quirky idea.

Jack Tramiel was known to be very intense during meetings – he was tough, hard driving and sometimes brow-beat executives if they showed signs of incompetence or weakness.

A meeting with Jack that had a bad result was known around the company as a “Jack Attack.” It was a joke we all shared.

So when one of our games needed a name, we decided to call it Jack Attack. Jack himself thought it was funny and ironic.



Commodore Information Network



LAST NIGHT, COMPU SERVE TURNED THIS COMPUTER INTO A TRAVEL AGENT FOR JENNIE, A STOCK ANALYST FOR RALPH, AND NOW, IT'S SENDING HERBIE TO ANOTHER GALAXY.

NO MATTER WHICH COMPUTER YOU OWN, WE'LL HELP YOU GET THE MOST OUT OF IT.

If you've got places to go, CompuServe can save you time and money getting there. Just access the Official Airline Guide Electronic Edition—for current flight schedules and fares. Make reservations through our on-line travel service. Even charter a yacht through "Worldwide Exchange." If your money's in the market, CompuServe offers a wealth of

prestigious financial data bases. Access Value Line, or Standard and Poor's. Get the latest information on 40,000 stocks, bonds or commodities. Then, consult experts like IDS or HeInold Commodities. All on line with CompuServe.

Or if, like Herbie, intergalactic gamesmanship is your thing, enjoy the best in fantasy, adventure, and space games. Like MegaWars, the ultimate computer conflict.

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need a computer, a modem and CompuServe. CompuServe connects with almost any personal computer, terminal, or communicating word processor. To receive an illustrated guide to CompuServe and learn how you can subscribe, contact or call:

CompuServe
Consumer Information Service
7180 Wilson Road, Columbus, Ohio 43228
800-848-8199
In Ohio, call 614-457-8650

An H&R Block Company BYTE May 1983 257

After the VICModem was launched, I created the Commodore Information Network which was accessible through CompuServe and hired an editor to manage it . The Commodore Information Network was one of the first Internet style user communities.

In those days, the portals and networks paid us for providing content (which is the opposite of today).

One day Jack came storming into my office angrily waving a check for \$32,000.

“What’s this?” he demanded. “Why is CompuServe sending us money? Did someone do a deal I’m not aware of?”

I laughed like crazy and told him, “That’s the royalty check – they pay us that because our information network is the largest community on CompuServe!”

“Oh.” Jack just nodded and smiled and walked out, staring at the check.

Marketing the Friendly Computer™

One day I noticed that Atari's package had a trademark after the phrase "Computers for People." I rushed to our legal department and asked, "Can they do that?" The lawyers said they could.

"Then we're going to trademark The Friendly Computer" I said.

From then on, the VIC-20 was known as The Friendly Computer – and competitors had a tough time calling their computers "friendly" because of our trademark. In those days, computers were NOT considered friendly.



We hired Star Trek star William Shatner as our advertising spokesman – one of my coolest experiences was showing Bill Shatner how to use a computer...it was the first time he used a REAL computer!

COMMODORE VIC-20™
"THE WONDER COMPUTER OF THE 1980s. UNDER \$300."
 —WILLIAM SHATNER

"The best computer value in the world today. The only computer you'll need for years to come."

VIC-20® VS. OTHER HOME COMPUTERS

Product Features	Commodore VIC-20	Apple II	IBM PC	Other Computers
RAM	512K	64K	16K	16K
Maximum RAM Memory	128K	128K	128K	128K
Keyboard Style	Full Size	Full Size	Full Size	Full Size
Number of Keys	64	67	64	63
Programmable Function Keys	0	0	0	0
Computer Symbols On Keyboard	0	0	0	0
Digitizable Characters	112	256	64	256
Connectivity	400	400	400	400
Modem Expansion	YES	YES	NO	YES
Upper/Lower Case Characters	YES	YES	NO	YES
Character with Parity Bits (True and False)	YES	NO	YES	YES
Full Screen Editor	YES	YES	NO	NO
Screen Base	Standard	N/A	N/A	\$ 99.00
Expansion Modules	\$100.00	\$100.00	\$100.00	\$100.00

Read the chart and see why COMPUTE Magazine calls the VIC-20 computer "an astounding machine for the price." Why BYTE Magazine says "the VIC-20 computer can be introduced as a low-cost consumer computer." Why Popular Mechanics says "...for the price of around \$300, it's the only game in town that is more than just a game." And why ON COMPUTING INC. exclaims "What is made is an electronic marvel...if it sounds as if it is in love with its new possession, I am!"

The wonder computer of the 1980s. The VIC-20 from Commodore, world's leading manufacturer of a full range of desktop computers. See the VIC-20 at your local Commodore dealer and authorized stores.

Fun Mansion.com
VIC-20
 Commodore COMPUTER
 CHICAGO, ILL.

4411 Moore Rd., King of Prussia, PA 19386
 Commodore Computer Corp. Dept. 100
 1370 Pharmacy Ave., Agawam, MA, Canada, MAW 264
 Name _____
 Address _____
 City _____ State _____ Zip _____

"The first honest-to-goodness full color computer you can buy for only \$299.95" — William Shatner

Photos Courtesy: Star Trek
 Reviewer: Design & Build A — "The Commodore VIC-20 Reviewer says 'Commodore has just revolutionized the home computer market.'" — Popular Mechanics
 Home Collection Program Pack A — Personal Expense & Time Log, Personal Finance II, Home Budget, TV Calendar, Mail Address to Home and Office, Calendar, Check, Address, Appointment, and More...
 Mortgage Calculator — This amazing calculator calculates your mortgage payments for 30 years.
 Programmer's Choice — This program gives you the ability to create and edit 128-bit characters and strings of characters.
 VIC-20 Programmers Reference Guide — This VIC-20 reference manual contains information on all VIC-20 commands and instructions.
 VIC-20 Programmers Reference Guide — This VIC-20 reference manual contains information on all VIC-20 commands and instructions.

Who will win the game that will lead to... it's a real test to address superior performance!

Use the VIC-20 to take your creative, home business, and professional productivity to the next level.

Order now and receive your VIC-20 computer directly to you... 10 day 100% money back guarantee!

Contemporary Marketing, Inc.
 790 York Lane, Riverdale, IL 60465
 Fast-Delivery for Credit Card Customers
 Call Toll Free 800-848-5800 (In-state call 312-694-1000)

VIC-20
 THE FRIENDLIEST COMPUTER
 Commodore

That's right! You can now have the new VIC-20 personal computer right away.

Plans start at only \$299.95! Includes VIC-20 computer, keyboard, and 5.25" floppy disk drive. (Additional \$100.00 for 128K RAM expansion.)
 Call Now! 800-848-5800
 Name _____
 Address _____
 City _____ State _____ Zip _____

Contemporary Marketing, Inc.
 790 York Lane, Riverdale, IL 60465
 Call 312-694-1000



In 1982, we launched the Commodore 64, a full-featured 64K color computer capable of running the top 4 killer apps: wordprocessing, spreadsheets, graphics and databases.

This was the most successful personal computer ever sold...between 17 and 25 million were sold. The retail price was US\$595.

Accessories included a color monitor, floppy disk drive, speech module (the Magic Voice), IEEE and CPM interfaces and much more.



The Magic Voice Speech Module

The engineer who developed "Speak and Spell" for Texas Instruments designed a custom speech module that we called The Magic Voice. I defined the 256 word vocabulary for this module and it took me several weeks to choose the words. The voice synthesis was very futuristic. This was one of our most cutting-edge innovations.



REVENGE...AND DISASTER

In 1983, a business magazine reported that Texas Instruments had a larger market share than Commodore, but we knew that wasn't true.

On April 4, 1983, Commodore cut the VIC20 price to \$99. Our engineers learned that Texas Instruments was LOSING \$25-\$30 on their TI 99/4a home computer and only made a profit on their software and accessories!

At the June 1983 summer Consumer Electronic Show in Las Vegas, Jack cut all our software and accessory prices in HALF – 2 weeks later, Texas Instruments announced they were closing their home computer division!

TI almost drove Commodore out of the calculator business in the 1970s. In 1983, Jack drove TI out of the home computer business!

This strategy BACK-FIRED on Jack Tramiel.

- 1) Texas Instruments dumped their computers at bargain prices to clear their inventory.
- 2) Commodore retailers demanded free products and cash to “stock balance” and make up for the price cuts.
- 3) The 4th Quarter of 1983 was a financial mess as a result of the TI dumping, 50% cut in prices, and retailer balancing.



JACK TRAMIEL LEAVES COMMODORE



Irving Gould



Jack Tramiel and Sons
Atari Corporation (From left to right:
Garry, Sam, Jack, Leonard)

Jack's 3 sons were all experienced in business. Gary worked in banking and investment, Sam ran companies in the U.S. and Asia, and Leonard helped design the original PET. and had a Ph.D. in physics.

In January 1984 at the Board of Directors meeting, Jack was planning to nominate his 3 sons to join Commodore's management team to continue the company's culture of innovation. Instead, Irving Gould, Chairman of Commodore and the largest shareholder, coldly forced Jack to resign and offered to buy half his stock. It was a coups d'etat.

Jack was on a jet back to California while the board meeting was still in progress. (I learned the news immediately from our corporate attorney's assistant, who called me to let me know.)

Irving said he felt that "professional management" was needed and he saw Jack's price-slashing strategy as reckless. Jack also wanted to secure financing from issuing stock and Irving preferred a bank loan. Irving didn't want his ownership diluted.

Most of the "Commodorians" who built the company were shocked and saddened.



LIFE AFTER COMMODORE...

1. Jack took a 6 month trip around the world with his wife Helen.
2. **Commodore's stock plunged from \$90 to \$6 in six months.**
3. Warner Communications invited Jack to take over Atari, which lost \$1 billion in 5 years. Jack turned Atari into a family business run by his sons. Atari was profitable in 6 months. I had dinner with Jack in New York and he told me Atari would be a "blood family" business and there was no role there for me.
4. **At Commodore, new products such as the 364 were cancelled. 35 managers, engineers and marketeers left the company in one week in May 1984 (including me). No one invited us to stay.**
5. Commodore bought the Amiga computer from external developers for \$23 million. It was the company's only real success after Jack left. Internal R&D was essentially dead.
6. **Commodore became the largest seller of IBM PC clones in Europe. Home computers were replaced by personal computers and Commodore did not keep pace with the market.**
7. The company never recovered. Several people tried to run the company but they were all weak and ineffective. Commodore descended into a slow "death spiral" and went bankrupt in 1994.



My Life After Commodore

In 1984 I wrote a personal memoir, *The Home Computer Wars* & keynoted several computer events for Comdex, BYTE, etc.

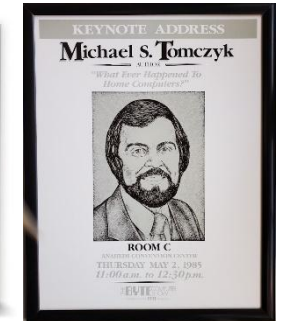
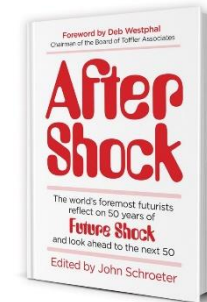
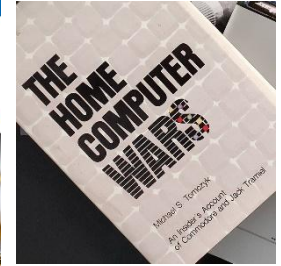
I was a VP at CIGNA, COO for a company started by a group of NASA scientists and ran my own consulting firm for many years.

In 1995 I joined the Wharton School where I was Managing Director of 3 innovation initiatives. I retired after 18 years & served as Innovator in Residence at Villanova Univ.

I'm co-moderator of the Commodore International Historical Society website and an advisor to Vigamus, the video game museum in Rome, Italy.

Currently I'm a co-founder of a Fintech venture that will go public this month with an IPO and Nasdaq listing (NASDAQ: FEXD)

I just completed a new innovation book and contributed a chapter to AFTER SHOCK.



FOOTNOTES...



Jack retired in the late 1980s and Sam became CEO of Atari. When Sam had a heart attack in 1995, Jack came out of retirement briefly. He sold Atari in a reverse merger, which created JTS Corp in 1996.



Irving Gould died in 2004 at the age of 84. He is widely credited with killing a billion dollar company.



Michael Tomczyk joined the Wharton School in 1994 and became Managing Director of three initiatives including the Emerging Technologies Program and Mack Institute for Innovation Management. In 2010 he earned a master's degree in environmental studies. His book, *NanoInnovation*, was published in 2016. Michael and his wife Nancy enjoy fishing, scuba diving and travel.

Jack was co-founder of the U.S. Holocaust Memorial Museum (1993). Jack and Helen Tramiel visited Auschwitz with their sons in 2004.





**Jack Tramiel died in California on April 8, 2012
at the age of 83. He will always be remembered for his
mantra, to make computers
“for the masses, not the classes.”**

