

Reflections on My Time at Prime Computer, Inc. During the MAI Basic Four Hostile Takeover

Donald L. Buresh, Ph.D., Esq.

Morgan State University

ABSTRACT: This essay discusses cultural change and my year at Prime Computer, Inc. (Prime). First, cultural change is defined. Second, an overview of my year at Prime is provided. Third, a short history is given before the MIA Basic Four hostile takeover bid occurred. Fourth, the events in November 1988 are highlighted, where the reactions to the MAI Basic Four bid are explained in terms of Kübler-Ross' five stages of death and dying. Finally, the aftermath of the experience is portrayed, where I saw the corpse of a dead company, and my remembrance of days long past.

KEYWORDS: COBOL85 Compiler, Kübler-Ross, MAI Basic Four, Prime Computer, Inc., Statistical Scheduling

DONALD L. BURESH BIOGRAPHY

Donald L. Buresh earned his Ph.D. in engineering and technology management from Northcentral University. His dissertation assessed customer satisfaction for both agile-driven and plan-driven software development projects. Dr. Buresh earned a J.D. from The John Marshall Law School in Chicago, Illinois, focusing on cyber law and intellectual property. He also earned an LL.M. in intellectual property from the University of Illinois Chicago Law School (formerly, The John Marshall Law School) and an LL.M. in cybersecurity and privacy and an LL.L. in financial compliance, both from Albany Law School, graduating summa cum laude twice. Dr. Buresh received an M.P.S. in cybersecurity policy and an M.S. in cybersecurity, concentrating in cyber intelligence, both from Utica College. He has an M.B.A. from the University of Massachusetts Lowell, focusing on operations management, an M.A. in economics from Boston College, and a B.S. from the University of Illinois-Chicago, majoring in mathematics and philosophy. Dr. Buresh is a member of Delta Mu Delta, Sigma Iota Epsilon, Epsilon Pi Tau, Phi Delta Phi, Phi Alpha Delta, and Phi Theta Kappa. He has over 25 years of paid professional experience in information technology and has taught economics, project management, negotiation, managerial ethics, cybersecurity, business law, and quality management at several universities. Dr. Buresh is an avid Chicago White Sox fan and is active in fencing épée and foil at a local fencing club. Dr. Buresh is a member of the Florida Bar.

MISCELLANEOUS CONSIDERATIONS

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INTRODUCTION

This essay discusses cultural change and my year at Prime Computer, Inc. (Prime). First, cultural change is defined. Second, an overview of my year at Prime is provided. Third, a short history is given before the MIA Basic Four hostile takeover bid occurred. Fourth, the events in November 1988 are highlighted, where the reactions to the MAI Basic Four bid are explained in terms of Kübler-Ross' five stages of death and dying. Finally, the aftermath of the experience is portrayed, where I saw the corpse of a dead company, and my remembrance of days long past.

Reflections on My Time at Prime Computer, Inc. During the MAI Basic Four Hostile Takeover

DEFINITION OF CULTURAL CHANGE

According to Indeed, culture change refers to a “change in beliefs, values, methods, processes, and systems, which can lead to changes in individual behavior.”¹ A culture change can occur in societies and organizations of varying sizes.² Understanding how a change in culture affects employees can help prepare for and safeguard the success of organizational change.³ The characteristics of cultural change are:⁴

- **Transformation of Cultural Elements:** It deals with changes in a group's shared ideas, norms, behaviors, and the products that reflect these changes.
- **Internal and External Drivers:** This includes internal drivers such as new inventions, discoveries, and advancements, and external drivers such as migrations, diffusion, or conflict.
- **Impact on Society:** Examples are technological advancements, globalization, and social movements like feminism.

Cultural change occurs via innovation and discovery, cultural diffusion, or contact with other societies or organizations.⁵

OVERVIEW OF MY EXPERIENCE AT PRIME COMPUTER, INC.

I spent most of my younger life working as a contract computer programmer. Between 1980 and 2001, I fulfilled approximately 50 contracts with 40 different companies. I rarely spent sufficient time within a company to experience a dramatic cultural change because contracts were typically three months in duration. Some of the companies that I worked for ended up filing for Chapter 7 bankruptcy. Although these experiences shared some of the features of cultural change listed above, the firms typically closed their doors with little or no warning. One day I was working, and the next day I was not. It was usually that quick.

The company that is the focus of this essay is Prime, which was located in Framingham, Massachusetts. I managed the quality assurance effort for their COBOL85 compiler project. I worked for the firm from February 1988 to early January 1989. The reason I am mentioning the name of the company is that Prime no longer exists. The company abandoned its minicomputer business and transferred all of its expertise into a subsidiary named Computer Vision, Inc. The crux of the essay is the cultural change that I experienced in the months leading up to the firm's demise. Prime experienced a hostile takeover by MIA Basic Four, which began in October 1988 and lasted until the company went out of business in March 1989, when a white knight acquired it. I was laid off in January 1989.

BEFORE THE MAI BASIC FOUR HOSTILE TAKEOVER

In 1988, I managed the computer consultants who constructed COBOL85 test cases used to quality-assure the COBOL85 compiler for Prime and was hired as a consultant a quarter of the way into the project with the sole purpose of increasing the production of test cases so that the compiler could be released in a timely manner. During this time at Prime, the current test case production effort was analyzed, new production processes were implemented and refined, and a statistical scheduling methodology was employed to measure the results of our work.

The first task was to become familiar with the ANSI Committee's manual for COBOL85. Prime management explained that the COBOL85 test cases took too long to generate. The original Test Plan projected that each test case would take, on average, 2.5 person-hours to generate, while the actual time was somewhere around 8.5 person-hours. The next step was to interview the other consultants regarding the project. Their first reaction was that Prime management was unreasonable and demanding too much from them. The consultants stated that the project was delayed because Prime management requested numerous changes to the mini-specs and test programs, and were not following the tenets contained in the approved Test Plan. After interviewing each consultant and reading the original Test Plan, it was discovered that it committed a grave error of omission since it called for only the following steps to take place:

- Analysis, specification, and tracking of a test case by QA
- Review of the analysis and specification by Prime technical management
- Approval of the analysis and specification by Prime technical management
- Coding and debugging of a test case by QA

¹ Indeed Editorial Team, What is Cultural Change? (With Tips for Implementing Change), *Indeed* (Jun. 5, 2025), available at <https://au.indeed.com/career-advice/career-development/cultural-change>.

² *Id.*

³ *Id.*

⁴ Wikipedia Staff, Cultural Change, *Wikipedia.org* (Sep. 24, 2025), available at https://en.wikipedia.org/wiki/Culture_change#:~:text=Social%20conflict%20and%20the%20development,may%20also%20enter%20as%20factors.

⁵ *Id.*

Reflections on My Time at Prime Computer, Inc. During the MAI Basic Four Hostile Takeover

- Approval of the test case by Prime technical management
- Integration of a test case by QA into Prime's pre-existing COBOL85 test bed

These steps were missing the iterative opportunities for Prime management to adjust the analysis, specification, and source code for an individual test case.

In understanding the quality assurance effort of the COBOL85 compiler, it became apparent that the activities needed to be correctly specified to maximize the effectiveness that this author was managing. Although it goes without saying, a client is always sensitive to the amount of money expended on a contract. The technically oriented Prime employees had control over the number of test cases required to test the COBOL85 compiler, as they were the individuals who approved the test case specifications. The dollars per hour were fixed by the contracts signed by Prime and the contracting agency representing the consultants. The only variable that could be controlled was the number of person-hours worked to generate an approved test case. Therefore, the equation below was particularly relevant.

$$\boxed{\text{Dollars}} = \boxed{\text{Dollars per Hour}} \times \boxed{\text{Hours per Test Case}} \times \boxed{\text{Number of Test Cases}}$$

Figure 1. Equation to Calculate Project Dollars

Since the hours per approved test case were currently at 8.5 person-hours, it was essential to reduce this number significantly within six weeks.

It was imperative to model the process correctly, from specifying a test case to generating the code, obtaining approval from the technical team at Prime, and then integrating the test case into the test bed. The three sub-cycles and the steps contained in each sub-cycle were:

- **First Sub-Cycle**
 - Analysis, specification, and tracking of a test case by QA
 - Review of the analysis and specification by Prime technical management
 - Revision of the analysis and specification by QA; and
 - Approval of the analysis and specification by Prime technical management
- **Second Sub-Cycle**
 - Coding and debugging of a test case by QA
 - Review of a test case by QA
 - Review of a test case by Prime technical management
 - Revision of a test case by QA
 - Approval of the test case by Prime technical management
- **Third Sub-Cycle**
 - Integration of a test case by QA into Prime's pre-existing COBOL85 test bed

After correctly modeling the process, it was estimated that, on average, a test case required approximately 5.0 person-hours to travel from inception to the test bed.

DURING THE MIA BASIC FOUR HOSTILE TAKEOVER

The quality assurance project was progressing smoothly until mid-Fall of 1988. On November 16, 1988, Mai Basic Four made a hostile takeover bid of approximately \$20 a share, an all-cash offer for Prime.⁶ Before November 1988, Prime's share price was \$15.875 per share.⁷ When the initial takeover bid was made, the Prime employees felt confident that the bid would be rejected. They firmly believed that they were working for a strong and viable company that could compete effectively in the minicomputer market.

⁶ UPI Staff, Order Restraining MAI Basic Four in Prime Takeover Lifted, *UPI* (May 15, 1989), available at <https://www.upi.com/Archives/1989/05/15/Order-restraining-MAI-Basic-Four-in-Prime-takeover-lifted/1319611208000/>.

⁷ David Olmos, Prime Computer Asks Holder to Reject MAI's Takeover Bid, *Los Angeles Times* (Nov. 17, 1988), available at <https://www.latimes.com/archives/la-xpm-1988-11-17-fi-57-story.html#:~:text=By%20DAVID%20OLMOS,to%20consider%20the%20MAI%20offer.>

Reflections on My Time at Prime Computer, Inc. During the MAI Basic Four Hostile Takeover

However, as time wore on, the attitudes of the employees changed dramatically. It was as if the company was experiencing the death of a human being, where Kübler-Ross' five stages of death and dying were happening before my eyes.⁸ The five stages include denial, anger, bargaining, depression, and acceptance.⁹ Shortly thereafter, the employees learned that the employee-owned stock was approximately 10 to 15 percent, which was insufficient to prevent the hostile takeover from occurring. The employees also learned that approximately 80 percent of the company stock was owned by financial institutions, such as mutual funds, which were more interested in generating a profit for their investors than preserving Prime. At this stage, the employees became angry and felt betrayed by both the financial market and corporate management. The employees sincerely believed that the company was viable and could survive if given the chance.

The next step in Kübler-Ross' five stages of death and dying is bargaining. The employees realized that if the hostile takeover were successful, many of them would likely lose their jobs. The employees then decided to redouble their work efforts to demonstrate their corporate worth. They believed that if they worked hard enough, they could demonstrate their value to the firm and not be laid off. This step was coupled with a general sense of depression among the employees. They knew that they would likely lose many of their coworkers, individuals who, over the years, had become like family to them.

In late December of 1988, during the holidays, I took a week off to visit my family in Chicago. Right before I went to Chicago with my family, my project manager informed me that my contract would terminate on Friday, January 13, 1989. At the time of my departure, Prime employees were transitioning from bargaining and depression to acceptance. However, right before the contract ended, Prime senior management announced that the firm would be selling off its minicomputer business and would then focus all of its resources on its Computer Vision subsidiary.

After I left Prime, only one individual was left responsible for the quality assurance of the COBOL 85 compiler. On January 24, 1989, after having foiled MAI Basic Four's attempted hostile takeover, Prime accepted a \$1.4 billion bid from J.H. Whitney Capital Partners, LLC, a white knight that saved Prime from MAI Basic Four.¹⁰ The Prime management made every effort to get the best price for its stockholders, and it likely succeeded. Although I no longer worked for Prime by the end of January 1989, I did keep in contact with the lone software quality assurance engineer. He stated that the employees were typically looking for programming jobs in the Eastern Massachusetts area. They had accepted that Prime was dying and was nearly dead. As for the COBOL85 compiler, it is my understanding that the product never came to market. We had worked on the project for a year, sacrificing many weekends with our families to bring a quality product to market. The compiler never saw the light of day. It was sad, all that work, and nothing to show for it but our paychecks. It was a good compiler.

AFTERMATH

After Prime, I worked for a year for an insurance company in Hartford, Connecticut, and then in 1990, I programmed for a medical supply company in Chicago for six months. In the Fall of 1990, I contracted with a company in Framingham, Massachusetts, that produced payroll software. The company was within walking distance of where Prime used to be. At lunchtime, I would walk around the old Prime parking lot. Grass and weeds were growing in between the asphalt cracks. The building and the parking lot were abandoned. Prime had failed, and its employees were gone. For me, walking around the parking lot at lunchtime was an exercise in déjà vu. I imagined the bustling activity of just a few years past. Cultural change resulting from an external buyout offer led to the destruction of Prime. To this day, I remember fondly my year at Prime. For the most part, it was a good year and a happy year. Too bad the company died.

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Reflections on My Time at Prime Computer, Inc. During the MAI Basic Four Hostile Takeover

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