

CHILE

Arthur Anderson

Correspondence Nov 71 - Aug 72.

→ Computer OPS Room

Aug 72

Arthur Anderson & Co - built something for Chile?

Bill

↓
Cyberstride

↖ Bayesian Forecasting Techniques

↓
Statistical Analysis System

Cyberstride

long range planning component
decision environment of animated screens
algebraic screens
Datafeed - 16 back-protectors.

↓
Systems spec. for
suite of progs.
for CORFO

Letter

Jan 6 72

Computer progs accept as data a number of indicators of performance (eg prodⁿ levels, power usage, labour levels etc) from a sample of industrial enterprises in various sectors of the economy, and will use statistical techniques to determine which of these indicators have varied in value to an unexpected degree since the last time they were looked at. Exception reports based on these unexpected changes will then be used to trigger mgt intervention at the appropriate level, either to cause the indicators to return to their ~~appropriate level~~ original or to give warning, as as timely as possible, that underlying processes have changed & the consequences need to be considered in subsequent planning activities.

71 Nov approached Anderson
wanted suite operational by Mar 72.

Project managed by Alan Dunsin

2 men team on temporary suite
3 men team on permanent suite

Who is GE Hennings? & John Bristlers
→ includes notes on them on progress during visit.

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21st December 1971

From the Visiting Professor of Cybernetics
Stafford Beer

Please reply to
Firkins Old Avenue West Byfleet Surrey

Dear David

This is just to confirm that the Corporation
de Fomento de la Produccion in Chile
have accepted the proposal embodied in
your letter to me of 30th November. I
received a letter from them this morning,
dated 9th December, which includes
confirmation of their Telex to this effect.

Meantime I have asked them for working
capital to be made available in London,
as you requested. This is bound to take
a few days, since — as I explained —
it comes via banks in New York &
London.

Dunsmuir & Palmer are coming up with
good ideas, and I hope that the work
need not be held up.

Yours Sincerely

Stafford Beer

David Kaye Esquire
Arthur Anderson & Co
London EC2

22 Jan 1972

Dear David

~~The~~

The difficult task of discussing problems with Corfo in Chile by Telex has resulted in a ^{deal} decision, namely that they accept the ~~arrangement~~ that you and I worked out ~~by the~~ telephone on 17th/18th January. There is no need to go into all the reasons why we think this is the best alternative, since you yourself proposed it.

The arrangement ^{is} ~~is~~ that you ~~would~~ ^{will} go ahead with the temporary suite and its installation, as originally planned. You ~~would~~ ^{will} also go ahead with the parallel development of the permanent suite up to the 'natural break' at the end of February, when the system design will be fully specified. Three of your men are then due to visit Chile. The first ~~would~~ ^{will} install the temporary suite; the second ~~would~~ ^{will} stay for two months to help handover the permanent suite to the Chilean team; the third ~~would~~ ^{will} be a senior partner who ~~would~~ ^{will} go for a week to sign your contract off. You will I know recall quoting £17,500 in fees, £1500 in computer time, plus expenses for the three visits. It is this quotation that Corfo has accepted.

(Which I may say you originally put at £15,500)

You will also recall two other points you made. First: you were concerned about ~~the~~ your company's liability for the incomplete permanent suite. I therefore put the point strongly to Corfo, thus:

'at this break point you would decide whether you ~~had~~ indeed had the capacity to complete the work. If so, you release contractor from further responsibility. If not, you would make new contract with London.'

They have agreed, & that fully covers you.

3rd August 1972

David R Kaye Esquire
Arthur Anderson & Co
St Alphage House
London Ec2

Dear David

Thank you very much for your letter of August 1st, and for the refund of £102 to the credit of my client's account. Your explanations are well understood.

This reconciliation of accounts represents for me the final touch of professionalism in the conduct of a project which grasped and maintained the highest professional standards that I have ever encountered from the very beginning. You and your three Chile-visiting colleagues have my best congratulations, and admiration too David. The project was difficult, both in terms of technical content and also political milieu and financial limitation. The misgivings that both you and Giles entertained were perfectly reasonable and honestly expressed. Nonetheless, we all managed to operate within the agreed framework and with success.

The Temporary Suite became overstressed as I overloaded it in just the way Alan had led us to expect. Much of it has been re-written in the light of his advice, and the whole thing has been successfully transferred to the Burroughs 35000. The Permanent Suite will I think be ready by the 28th of this month, which may surprise Giles and John. The fact is that Isaquino rose to their challenge - at great personal cost. Hernan and his men have really advanced the theory of 'tuning' the series, picking up where Alan left off; they will contribute an important new chapter to the Bayesian theory in general, if I ever give them time to write it. By late October, if all goes according to plan, we shall really be in business - less than a year from the start of the whole thing. So that will include handling some two thirds of the economy through Cyberstride, the long range planning component, and the decision environment of animated screens, algedonic screens, and Datafeed with its sixteen back-projectors.

Other projects that inter-relate go well too. One day this will make quite a story. Meanwhile, I have to ask you all to continue to preserve the silence required all along, for obvious enough reasons.

All good wishes - sincerely

What to guess?

Fortnum IV

Temp
+ some plan
transfer to Chile
in March.

Natural break
~~from~~ Temp Feb
end of 5th design

Temp £ 10,000
→ £ 7,000

we may
lose continuity

Minimum strategy

Stay 2 months

— then they take response

£ 17500 fees

£ 19000

1500 computer

+ expenses for Alan (trip)

for DP work (2 months regular)

for DP printer (1 week)

if held resp. go on with Chil proj