GUS and TRW were both hugely successful, but it would be hard to imagine two more different parents.

The newly merged business took the name Experian, but owed much to its parentage on both sides of the Atlantic. In the US, TRW Inc had diversified into credit reporting in the belief that its technological expertise could be applied with equal success in new fields. In the UK, CCN had grown out of the realisation that computer technology could transform the potential of the credit information held by GUS’s retail furnishing and mail order businesses.

**TRW**

TRW Inc began life in 1901 as the Cleveland Cap Screw Company in Cleveland, Ohio. It changed names several times before becoming Thompson Products in 1926 under the leadership of Charles E Thompson. He took the company into the booming automobile business before the First World War, turning Thompson Products into the world’s leading manufacturer of car valves. Under his successor, Frederick Crawford, the company began making parts for the fledgling aircraft industry and came into close contact with the United States Air Force during the Second World War. This was a connection that came to be very influential in determining the company’s future direction.

Experian’s foundations in the US can be traced back to the development of Thompson Products after 1945. The company had decided there was huge potential for electronics, in both civilian and military markets, and backed two brilliant entrepreneurial scientists, Simon Ramo and Dean Wooldridge.

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1 The principal sources for the history of TRW Inc are Dyer as noted above; and Jacobsen, Timothy J. TRW 1901-2001- A Tradition of Innovation, Cleveland, 2001
Ramo-Wooldridge was also having some success promoting the use of computers in commercial markets. By 1955, the company’s General Electronics Group was involved in ‘operations research, automation and data processing’. It commissioned research on the application of computing in areas such as airline reservations, traffic monitoring and the processing of bank transactions.

\[^\text{1} Dyer, quoted on p 202\]
and established an Industrial Control Systems Section concentrating on continuous process industries, such as chemicals, petroleum, plastic, food, drugs and paper. In July 1957, the company launched the RW 300 Digital Control Computer, the first machine specifically devised for process control applications. ‘The computer was one of the first completely solid-state computers ever built, and it featured a 7,336 word memory. It weighed about four hundred pounds and fit in a cabinet roughly the size of a desk.’ Successful in demonstration, it was commercially unattractive and very few were sold.

Ramo had a vision of a future age he called ‘intellectronics’ where cheques and currency would be museum exhibits. For reasons connected principally with the company’s complex defence operations, Ramo-Wooldridge merged with Thompson Products in October 1958. Thompson-Ramo-Wooldridge Inc, shortened to TRW Inc in 1965, was a business with sales of $360 million and 24,000 employees. By the end of the 1960s, the momentum from this alliance had turned TRW Inc into a corporation with sales of nearly $2 billion, 80,000 employees and 55 separate divisions.

Wooldridge took early retirement in 1962, but remained a director of TRW Inc until 1969. Ramo went on to become vice-chairman and continued to take an active interest in the business even after his retirement in 1978. With seemingly limitless energy and a wide range of interests, Ramo was hugely influential and had an eye for spotting opportunities and looming challenges. He embraced change, insisted on the highest standards and believed in recruiting employees of only the highest calibre. In a corporation with such diverse activities, Ramo was also keenly aware of the benefits of integration, examining key areas of the business to see how each might help the others. Overall strategy was determined by the TRW board, but group executives tasked with its implementation were given a great deal of autonomy. It was a model not unlike the one Experian would be working towards half a century later.

Ramo was a visionary. He popularised the phrase ‘the cashless society’ and could see how information technology was going to change the way people lived their lives. In a lecture given in 1961 at the University of California, Los Angeles, he conjured up a vision of a future age he called ‘intellectronics’. Lawyers would electronically retrieve legal information in seconds from a central database. Doctors would feed patient records into a vast medical database that would calculate the effectiveness of alternative treatments. Cheques, currency and coins would become mere museum exhibits as ‘your thumb before an electronic scanner will identify you, and the network will debit your account and credit the seller’.4 This vision chimed with that of Rube Mettler, another student of the California Institute of Technology. Mettler had worked for Ramo and Wooldridge while they were at the Hughes Aircraft Corporation and became closely involved in the ICBM programme after joining Ramo-Wooldridge in 1955. A man of great charm and foresight, he was appointed president of the TRW Inc Systems Group in 1963, becoming president and chief operating officer of the entire group in 1969, and later chairman and chief executive until his retirement in 1988.

In the mid-1960s, the Systems Group was searching for new opportunities to apply its expertise in software, data management and analysis. For Ramo and Mettler, the credit reporting industry—fragmented, localised and reliant on old-fashioned manual systems—was a logical target. As an experiment, TRW Inc bought the San Francisco-based credit agency, Credit Data Corporation, in 1968. Mettler believed that the industry had enormous growth potential, but he also felt there were significant risks. Credit Data was the ideal guinea pig for Mettler since it was already adopting automation. It would help him to learn more about the industry and to judge whether it merited further investment. It was out of this experiment that Experian in the US was born.

GUS

Experian’s British parent was about as far removed from the technology-driven, manufacturing-based TRW Inc as it was possible to be. In 1900, the year before the Cleveland Cap Screw Company was formed, Universal Stores had been founded by Abraham Rose in the northern city of Manchester.5 A merchandising business, it became Universal Stores (Manchester) Ltd in 1917 and began to venture into mail order. Catalogues were printed and distributed door to door, with householders acting as agents, earning small commissions by recruiting their neighbours and friends as customers, who ordered goods on easy repayment terms. The business prospered, changing its name to Great Universal Stores in 1930. It was becoming overstretched, however, with mounting debts on the hire purchase and credit schemes it was operating. In 1931, Great Universal Stores badly mistimed its entry to the stock market. The fortunes of the business faltered during the depression and the share price collapsed.

GUS was rescued by Isaac Wolfson. Born in Glasgow, Wolfson was the consummate deal maker, a shrewd negotiator and a man of astute judgement. He had built up his own successful business, Wolfson’s Warehouse, before joining GUS as a buyer in 1930. In a short guide to salesmanship, written earlier

1 ‘Goodbye To Money’, Time, 12 May 1961
2 Dyer, p 205

in his career, he had stressed the importance in business of politeness, scrupulousness, honesty and integrity. With Great Universal Stores in difficulty, he agreed to take an option on the company’s shares rather than a salary and rose quickly through the company, becoming joint managing director two years later. By then he owned 40 per cent of GUS, after exercising his options and taking out a loan to fund the purchase of more shares from the Rose family.

Over the next 25 years, Wolfson transformed GUS into the largest retail conglomerate in the UK and the biggest mail order business in Europe. He swiftly turned around the ailing company, making his first acquisition in 1934; an activity that carried on unabated for more than two decades.

Wolfson was adept at targeting businesses whose undervalued shares masked healthy balance sheets, which were strong in property or uncollected debts. He realised the value of each business on acquisition, either through debt collection or the sale and leaseback of properties, which funded his next purchase. From the early 1950s, many acquisitions were part-funded by the issue of non-voting shares. It was this dual-voting structure that enabled Wolfson and his family to retain a majority of the voting shares and keep control of an expanding business empire. As the UK economy began to recover after the Second World War, the company’s resources were strengthened further by rising property values.

By 1957, GUS was making annual profits in excess of $59 million. It owned assets worth nearly $187 million, including 2,567 stores, shops, warehouses, factories and depots, and employed more than 74,000 people. Many of the retail names listed in a commemorative history of the business published in that year have long since vanished. The only ones with any echoes today are Waring & Gillow, the famous furniture store founded in 1695; the luxury goods brand Burberry, founded in 1856, which then had stores in London, Paris and New York; and the South African retail furnishers, Lewis Stores. By the early 1960s, a quarter of all British families were estimated to be customers of GUS and its subsidiaries. Glancing through the minutes of the company, always signed by Wolfson in vivid green ink, one is struck by the huge array of different businesses at home and abroad, both large and small, that were being acquired, sold, formed, closed or liquidated. It was like a vast spider’s web, with the voracious GUS at its centre.

Wolfson became Sir Isaac in 1962 and was widely regarded as a business legend. Charming and outgoing, he lived comfortably, gave generously, preferred to be seen as a philanthropist rather than a businessman, and rarely gave interviews. In 1955 he set up the Wolfson Foundation to hold the family’s shares and this became one of the UK’s most important philanthropic organisations. Secretive in business, Isaac found delegation difficult. He hardly ever took anyone into his confidence and almost always made up his own mind. These were all qualities evident in his son Leonard, who became joint managing director alongside his father in 1962 and later succeeded him as chairman. Leonard’s cousin, David,
joined the board in 1970 and at the time was managing director of one of GUS’s two mail order businesses. On Leonard’s eventual retirement, he became chairman.

By 1960, with a substantial property portfolio and steadily increasing cash reserves, Isaac Wolfson signalled the end of acquisition-led expansion. He believed that advantageous opportunities were now few and far between; in future the business would have to rely on organic growth. Leonard Wolfson concentrated on developing the group’s property and financial interests, maintaining the major mail order operations and steadily reducing reliance on changing trends in high street shopping. Always eager to maximise efficiency, he kept a close eye on the management of cash. In the mid-1960s, he led a long overdue review of the group’s structure, whittling down a complex mass of subsidiaries into a more manageable number of trading companies.

Credit sales were always central to the operation of GUS. In addition to the mail order businesses, the group had acquired a number of retail furniture stores that relied heavily on credit sales. The latter included the Cavendish and Woodhouse chains, bought from the British & Colonial Furniture Company in 1945, which later merged as Cavendish Woodhouse. It was this business that would later rely on computer technology to manage its complex consumer credit operations. GUS also established a number of finance houses offering credit and hire purchase facilities. One of these would become the vehicle for the marketing of GUS’s credit information services. Called Commercial Credit (Nottingham) Ltd, it would be better known simply as CCN.

Isaac Wolfson was an entrepreneur of exceptional brilliance, transforming the fortunes of GUS and becoming one of the UK’s most outstanding businessmen.