

This monthly article highlights one of our branch members. We hope that you enjoy knowing a little more about your fellow members and the interesting life they have had. If you have someone you would like to nominate or if you would like to help author an article, please email the editor, Ron Nakamoto, at [ron.nakamoto\(at\)yahoo.com](mailto:ron.nakamoto(at)yahoo.com).

JAY JONEKAIT - Entrepreneur and Golf Ambassador



Living in “Silicon Valley”, hobnobbing with the trailblazers and non- conformers - it was bound to happen that we would end up with a “Members Profile” of an entrepreneur who was at the forefront of the computer and telecommunications booms and the Internet tsunami. He is a contrast of many things: unpretentious but quite boisterous; a software, operating systems expert who likes to call someone rather than use his computer; an innovator that made his fortune by ignoring all the rules, yet who follows the many rules and etiquette of golf. I introduce you to Jay Jonkait, a fellow Sir who has worked for thirteen start-ups in his career, traversing many professions to include; operating systems designer,

auto mechanic, strategic planner, salesman, engineering manager, venture capitalist, mentor and “Pretend CFO” (his last real title).

Jay was born and raised in Detroit, which at that time “...was a pretty wonderful city”. His dad was very German, and brought home “the bacon” while his mother served the traditional home role as mother and home keeper, raising Jay and his younger sister. Jay’s mom taught him to ride his bike and throw a baseball, which he claims may explain why he was not very athletic as a kid. His single athletic passion was ice hockey, which we played with other neighborhood kids, in the park across the street. Jay viewed himself as a nerd at the time, attending Cass Tech, a magnet school for brilliant kids who had no social life.

After graduation, Jay enrolled at the University of Michigan where he tried on eight potential majors from Political Science to Physics before discovering Computer Science. It was a natural fit. He reveled in his new major and by his sophomore year experienced his first start-up company. Unfortunately, it failed almost as soon as it started, so his professor arranged for him to work in the Operating System Group working on the Michigan Terminal System (MTS). MTS was way ahead of its time, a revolutionary computer system that enabled people to use it with a terminal rather than a punched card deck. Having made the most from his college experience, Jay became a high draft choice when he graduated. He received many offers to interview from companies

including IBM, CDC, DEC, Cray and others but his standards were quite high looking for a job "... as cool as MTS and an equally cool place to live". Serendipity, he went to see *Bullitt* with Steve McQueen speeding through the streets of San Francisco and he knew he wanted to live there. With one less variable, his choice of a company to work for became easier. He secured multiple interview offers from companies in the area and accepted the GE Missiles and Space offer in Sunnyvale, CA. He packed his stuff and started driving towards the next chapter in his life.

In Jay's words, "It really turned out to be the change that I needed. The former nerd, bookworm tried and loved many outdoor activities for the first time. I backpacked to the top of Mount Whitney, learned to water ski, snow ski, canoe, play racket ball, bowl, bike and golf within months. I also discovered beer at the St. James Infirmary and put on some thirty pounds within five months. I met Pam at the all singles apartment complex where I lived and after seven years together she agreed to be my first, best, and only wife. She was also the first native Californian I met."

The bad news came the day after he started at GE when the U.S. Navy informed GE that they had cancelled the contract on which Jay was hired to work. You could say that Jay was a determined survivor during this period of his life as one company after another failed within a short period after he joined. Undeterred, he persevered and joined NASA working on the same IBM computer system he had worked on at Michigan. Ten days after he became an employee, Congress threatened to close NASA/Ames Research Center. But, ... it did not come to pass and Jay was now in his dream job. One day, Jay recalls having lunch with a fellow compatriot who asked him, "Do you work to live or live to work?" Jay was enjoying himself with all "... the cool stuff to do and actually getting paid to do it." It was at this time that he got to work on ARPANET node 14 and connected the first NASA supercomputers to the ARPANET.

In the late 70's, Jay left NASA to work on the Great New Operating System In the Sky (GNOSIS), a secure computer operating system under development at TYMshare. He eventually becoming Chief Architect for the company, including TYMnet, the crown jewel and first commercial packet switched data network, which was ten years ahead of the commercial Internet.

Three years after his first executive founder role in a (failed) startup, one of his TYMshare mentors recruited him to Hambrecht & Quist Technology Partners (HQTP), an investment banking firm where he got to work under the direction of Bill Perry (Editor's note: William Perry was the former Secretary of Defense, and President of ESL.) As Managing Director at HQTP, Bill encouraged Jay to work with aerospace companies to procure commercially available products that could be adapted for military use and to use aerospace technology to develop commercial products. Jay spent several years making Mr. Perry's vision a reality with good results.

Jay's big score came with another one of his TYMshare mentors. Here is the setup. In 1984 AT&T was deemed a monopoly and forcibly mandated to break up into Regional Bell Operating Companies. When Jay was asked in 1992 to figure out how Metropolitan Fiber Systems (MFS), a non-Bell, local telephone vendor could enter the data business, Jay came up with the idea to market and sell Ethernet between buildings and cities; "... we called it the Wide Area Network or WAN for short". Jay developed the idea in two days and the business plan in thirty days, and then did the consultant's worst nightmare. "I believed my own 'bulls***', and joined the company to implement this, which was much harder than writing the business plan." Three years later, Jay came up with another idea to add a new service for dial-up Internet providers that cut their telecom costs in half and made dial-up Internet affordable for the masses. (Editor's note: CompuServe, America Online, and Prodigy started providing dial-up Internet access service that year.) These changes were material, helping escalate the market valuation of MFS to \$5B. Soon after, in 1996, the company purchased UUNET, (the premier Internet Service Provider) to enter the retail Internet broadband business. Jay went to Washington D.C. to integrate the two companies. It worked - six months after the purchase of UUNET, WorldCom recognized MFS had created the first integrated local and long distance, voice and data company since the breakup of ATT. WorldCom paid \$14B to buy MFS. Jay says, "I was very happy – until WorldCom fraud was uncovered and my options became worthless!" (Editor's note: On July 21, 2002, WorldCom filed for Chapter 11 bankruptcy protection in the largest such filing in United State history at the time.)

"Pam and I never had kids, as we were workaholics and we played just as hard as we worked. In the winter we skied nearly every weekend at Squaw and all over North America (heli-skiing – yes!) for 25 years. (Editor's note: This included a 730-foot-fall down the face of the aptly named Climax run at Mammoth Mountain ski area.) In the summer we kept our legs in shape on bike tours, long before they were in vogue. When Pam developed medical issues, we moved our vacation base to Monterey where golf and otters became our passions. For the past eight years I have been involved in dune preservation along the Monterey beaches and have become much too involved in the political constituencies who impact that process."

Jay's parting message;

"One of the benefits of working with 13 startups was hanging around young, brilliant, and enthusiastic individuals, who helped keep me charged. I get some of that motivation today within the SIR golf group, and have volunteered to be the ambassador for all new members entering that group. See you on the course."

Like most entrepreneurs/venture capitalists, there are many more stories that could be told were there more space for this article. You will just have to make it a point to visit with him the next time you see him to hear his personal stories of events and persons that contributed to the "Information Age".