Thank you, thank you, Vern. It is very easy -- it's probably even unavoidable -- to be philosophical about the subject of change -- I noticed in one of "the sound and light" modules Monday, that there was a reference to the term "Generation Gap" and was reminded that someone told me once -- that in our youth we want to change the world; whereas in old age, we just want to change youth.

Anyway -- "Generation Gap" is a term that has come into common use in recent years. But, in fact, it is only modern idiom for an age-old recognition of the conflict between generations.

In Athens recently, I was reminded that Plato and Aristotle philosophized on that subject a very long time ago. And took the conflict of generations to actually be a basic energy source -- a basic cause of periodic social change. Rather than vice versa.

"Future Shock"--"Jet Lag"--"Culture Shock", those are all elements of our language that reflect not only the presence of change itself but this increasing rate of change in our world. And certainly things do change. I'm reminded, for example, that not so many years ago most men who finished a day's work needed rest; now they need exercise. And we in Control Data are clearly part of that change.

Another thought. What we do affects change and we, in turn, are affected by it. Often this is difficult to perceive. And it is to the subject of perceiving trends that I will return in a few moments.

Another more paradoxical aspect of change regards us as individuals; we change and yet we are still ourselves. Or as someone once put it: "Men are like wine -- age souring the bad -- and improving the good." Change in us as in wine is also continuous. Even the commonest activity is involved in this experience. Some of you enjoyed a visit to Napa Valley yesterday... or Monterey or perhaps just visited with old and new friends. Whatever you did, it has an effect on your experience here... and what you take away with you from this 100% Club meeting.

What about your performance this past year that qualified you for membership in the 100% Club? The succession of sometimes small, sometimes large, actions that you caused to happen... that led up to the "O.K." from the prospect. And what about lost orders -- who can say that some slight change in the chain of events would not have produced a different result.
Well those are but a few thoughts regarding a few more philosophic aspects of change. But my remarks today concern change in Control Data -- change which appears to be something recent but which, in reality, happened some four years ago. Change that results from a conscious effort to carry out a "cause and effect" chain of events necessary to achieve a desired result. The same kind of conscious effort that typifies the Olympic athlete from ancient times right to the present. In that regard, I want to tell you a story about a talented, determined 16-year old back in the Twin Cities. Her name -- Kolleen Casey -- a member of the American Gymnastic team that competed in the Olympics in Montreal. Kolleen came within a fraction of a point of capturing a bronze medal in those Olympics -- actually held a commanding lead -- after completing her final performance. But an incredible effort, on the part of Kolleen's own teammates ultimately cost her that coveted bronze medal. Kolleen's reaction? Upon her return home, she began training for the 1980 Olympics. Concentrating on what proved to be her areas of weakness in Montreal. Adding ever more difficult feats to her repertoire. Making increasing demands on her muscles, on her stamina, on her concentration. Perfecting her overall performance. Pointing day-by-day toward a single objective... years in the future. In short, she systematically set about to effect a change in her own ability. As a result, this totally dedicated young girl has already achieved a milestone along the way -- having been named recently to the world team competition in China.

This is one side of Kolleen's story... her four-year plan to win at the 1980 Olympics. The other side is history... her performance in Montreal. When did it happen? In Montreal? Perhaps, but it began in 1972, when 12-year old Kolleen Casey marveled at the amazing gymnastic feats of Russia's Olga Korbut at the Munich games. The commitment to future greatness started then for Kolleen Casey. That was when the creative dynamics of change were first put into motion in the mind and muscle of a youngster watching history being made on television from the comfort of her Minnesota living room. A change that came into fruition, four years later, as a result of a conscious effort to carry out a "cause and effect" chain of events that would accomplish a programmed result.

It is no different with Control Data. Our change may be perceived -- externally or internally -- as occurring relatively quickly... a point and place in time. But realistically, change grows slowly, often imperceptively, over a period-of-time. Then suddenly one day, the mass becomes critical enough to be perceived as a change -- giving the impression to those on the outside looking in that the change occurred virtually overnight.
To me the movement of change resembles the movement of the ocean. All of us have had the experience of watching the inexorable movement of the waves. Each wave crashing on the beach is change in action. Yet that wave began a long time before, somewhere way out in the ocean... and grew... and progressed... until it reached that crescendo on the beach.

Think back to 1973 for a moment. Some of you will recall that in 1973 our business didn't seem all bad -- at least not on the surface. But underneath, the dynamics of change were in motion. Before we perceived that change -- before we could react decisively -- we were overcome by its consequences. We were late in perceiving the trend, the tide of change that broke upon us. So, in 1974, when our financial results were bad, many saw it as a seemingly sudden turn of events from the comfortable days of preceding years. In fact, as I say, it was the culmination of things put in motion over a long time.

It is exactly the same with our improved business fortunes of today -- the new, refreshing breath of vitality in nearly every facet of our enterprise. This change for the better is perceived and felt and communicated as a rather sudden turnabout -- something new, different and recent. But the real change occurred years ago. We came to a point of decision then, albeit a bit late, we determined our course. We said, "We are going to change this situation."

Now, obviously we hadn't changed anything simply because we said we were going to. But we had set the forces of change to work. It took time and patience, hard work, wrestling with problems, and occasional despair. And then, slowly but surely... through creative intent... business improved until today it is much better than ever before. But it was born of a change in thinking a conscious act, an act of will.

Let's look at some areas of change. Bob Schmidt and George Bardos have talked to you on the direction we're taking insofar as our emerging markets are concerned. In these markets, and I should add more specifically in the area of cooperative ventures, we are "In Sync" with the gathering momentum of change in our world. Yet, as that change begins to break for all the world to see, we do not appear to change -- because we already have changed. We are, as we sometimes say, ahead of the power curve... in advance of the changing times.

Take another area of strategy. The development of our current Systems strategy which began to take form some five years ago. We had to gain a new understanding of our position in the marketplace. A new perception of our business for what it really was. And to change old strategies, old modes of thought, to revitalize our business.
It was about that same point in time that we also came to realize we had to have a better way of managing our business. A better system of management; of measuring performance against our objectives. Better ways of setting incentives, of communicating and calibrating our performances. We formulated a plan and we began the long, painstaking business of putting that plan into operation... of making a conscious effort to effect change. Yet, it's only recently that some of the results of that programmed change -- which had its origin three or four years ago -- are beginning to be perceived in our operating results, in our long-range business plans, in our marketing organization, in our compensation formula.

But let me zero in for a moment, on one other change. When the decision was reached four years ago to make our basic strategy more industry-oriented, we set about creating the IMO organizational structure. But even though the creation of our industry marketing organization was accomplished in a relatively short span of time, it didn't suddenly change us -- how we thought, how we planned, how we acted. Only now -- four years later -- are the effects of the IMO's truly being felt. Only now can I even partially see that we are more industry-oriented than before.

Well -- we've been talking a good deal throughout this meeting, throughout my talk about change -- perceiving change. And it's possible that we've been giving the impression that it's a revolutionary theory... some new-fangled business methodology upon which our future success depends. Well, I can assure you that it is not. The ability to move with and take advantage of change is as ancient as the art of soothsaying.

In Ancient Greece oracles were held in awe because, seemingly, they had the mysterious ability to foretell the future. And, in a very real sense, they did. But there was nothing mysterious about it. The oracle was simply a human data base. People flocked to them. Rich men, poor men, kings and slaves -- all leaving behind their bits of knowledge. Using this vast resource of information, oracles, more often than not, were truly able to advise people that certain things would happen unless steps were taken to change them. I might also add that a fair dose of pizazz and some pretty good acting went into selling the whole affair as well. So, we should remember to keep a little of that in our bag as well.

In essence, then, as Tom Kamp pointed out to you, change is opportunity. And to capitalize on change, on opportunity, we must be able to perceive trends. And we must be able to serve the needs of our customers as these trends develop.

OEM isn't that OEM story impressive - that's what it's all about.
Take education. We know this field is going to change drastically in the future. Society simply can't afford to continue the methods of education used in the past. But Control Data perceived the trend, and we developed our strategy accordingly. The world's general perception of education will probably not change for some time yet. But we are already on the track that will permit us to take advantage of that change when it is perceived. We have already changed dynamically. And we are on a course with our computer-based education system to exploit the long-term efforts inaugurated some 14 years ago.

This is true not only in education, but in many other market areas as well. We're not waiting for the world's perception of change to take place -- and then try to adjust to it when it finally does happen. Control Data is in position now. The research and the resources have already been committed. We are right there prepared to meet the needs of our customers as they arise.

If there is a danger, it is in complacency. For if we permit ourselves to become complacent, even for the briefest span of time, we can be sure that the competition will pass us by and commandeer our opportunity.

The only sure way I know to avoid complacency is through personal growth. Control Data can and will help its people grow. Although this help, of necessity, is mostly mechanistic, by providing further training and education. But true personal growth is largely a matter of personal will, of attitude, of desire. Without these qualities of the heart and mind, we can make no progress.

The motto of the modern Olympics is: Makri'tera, Psilo'tera, Thinato'tera "Citius, Altius, Fortius." swifter, higher, stronger we see the results of the Olympic athlete's dedication to this motto every four years, as old records are broken and new records are set. And, at the close of each olympics, it's the signal to begin again to train to achieve ever greater feats four years hence. To change techniques, to reexamine and analyze methods used to-date, to determine ways to perform swifter -- higher -- stronger the next time the Olympic torch is lighted and carried to the site of the games.

It is no different with us in Control Data. We must take the things we are doing right and use them as a base. Then we must analyze that base and our structure to determine what can be changed... modified, added to or subtracted from it... in order to continue to improve our productivity. I know that it never gets easier. I know that every now and then, we become tired of all this conditioning. And long to let down for a bit. But that is for laggards -- not winners. Thus, while we might like to rest on our accomplishments we can not. ".... Repose is not the destiny of man......."
I see the results of your own personal growth in the growth of Control Data. I see it happening in Marketing... in Product Development... to name a few. I see it happening in your attitude... in the way you perform day after day... in the efforts we are making toward improved productivity. Where I don't see it yet, is in quality. To pursue my Olympics theme for a moment where quality is concerned, we're still throwing the javelin today, much as we were ten years ago. Sometimes we throw the hell out of it. Other times, it rolls off the end of our fingers and stabs us in the toe. We must analyze our present base of quality, and improve upon it. We seek a consistently high level of quality all of the time.

The results of a rededicated approach toward achieving an across-the-board improvement in quality will not be perceived overnight. But, like everything else we have done that has contributed to our success to date, it begins with us. "...Productivity and quality of life for individuals and organizations everywhere...." Surely we cannot expect, to fulfill that mission, without productivity and quality in each of us and in every FCN and organization of Control Data, our value-added will change. It may grow or it may not. If it is to grow, we have to start someplace, sometime and that place is here, that time is now.
Justice Holmes is a much quoted man, but one of my favorites is:

"Certainty generally is an illusion and repose is not the destiny of many, but the degree of uncertainty with which we now live is probably somewhat uncomfortable for almost everybody."

afb10