Good Morning. In addition to just covering the actual organizational changes with you today, I would really like to take the opportunity to give you some background and perspective on the whole subject of organizational change and how we have tried to accomplish it.

I'm sure you are aware of Control Data's history - the remarkable growth over the past twenty years. This month, in fact next week, marks that 20th anniversary. By the way, the growth of course is not just in head volume but also in breadth. Control Data actually covers a broader spectrum of products and services than anyone else in the computer industry. In fact there isn't even a close second. There are major product groups - as product family of products which we call them. These are grouped into major areas which we call them. I'll cover where these product families fell in the org. in a few minutes. Revenues including gross revenue from each of these will exceed 2 billion dollars this year.

Obviously that volume, and the breadth, cannot have been accomplished without some extensive background. One large amount of organizational change. And we don't do that without making some fairly large shifts of management. Today Control Data is maturing. Today's emphasis is to maintain it at current volumes and to improve it. The emphasis is not so much on volume growth. We've been interested and major new products lines are now focused on profitability and developing lower cost and efficient operating management. But I certainly don't want to leave you with the impression that all change, organizational or otherwise, has ceased or anything close to it.
but will happen relatively at least changes will come more slowly.

But whether more rapid or slow we ought to take a minute and come why we change organizations at all. (And why it is no panacea so that's not the reason. In that regard one of the chief signs of an immature manager that I know is a belief that fundamental operational improvement can be achieved simply by shuffling the deck so to speak and re-dealing the cards. And in any event a lot of that kind of change is brought on by the "if I run it it'll be fine, if he runs it it won't work" syndrome which is second nature to us all.

We view organizational change just like marketplace change. In and of itself it won't do anything for you but it does provide opportunity provided you understand the fundamentals of what's going on in the first place. So there are three reasons for change in organizations:

(1) The emergence of a new business

(2) The ability to affect conceptual structure and

(3) Matching people and their changing capacities to changing managerial requirements. Example: Catholic Church and the Pope, football coach.
Slide 1

1. Identify product families and volumes

2. Example of emerging business - Education
   - Start C.E. training
   - CEO - visibility and intense direction
   - Services - major new undertaking; cross-attaches
   - Emergence of new technology CBE
   - New marketplace; potential synergism with CBE
   - Nurturing but still major exceptions by CEO
   - Assembling the parts - organizational efficiencies - # of executives reduced by 3

Slide 2

Examples of productivity

1. Design helps
2. Configuration problems
3. Data services - ABC - personnel development

Examples of people

1. Peripherals - example of productivity, efficiency, basically untouched
2. Data basing - dimensions of the business, growth, etc.
   - Example of non-quiet plant - SBC
   - Efficiency, personnel, job, development, etc.
3. Systems
   - Aerospace operations - Field/Command but not to do it
   - BID operations - Duncan - need for understanding fundamentals of change is to be effective
   - Technical effort 1974, 1977 - computer strategy policy on specials, 30 - 3
4. Mktg
- Pre
- Eng. Socs
- Gov't Systems Mktg.
- Com'd Mktg - Layer of agent
- Branch Hq's/County 6/5

5. Company Staff
  Opera. Socs - Beckett
  Bus Development - Van Allen
  Example of productivity/efficiency - 1K6/55$0/6op
  A 1 on 2 situation - combine and move
down or eliminate at lower level and leave
at Corp. Staff.

Summary
That is a fairly brief summary - much of
what we have discussed to realize is not of direct
cost to you but perhaps with that framework
we can answer your questions a little better.
This morning is somewhat helpful and will
be glad to take up specific questions in a
few minutes, first Chuck Pashen will cover
the FSSIC organization.
CONTROL DATA CORPORATION
W.C. Norris
Chairman &
Chief Executive Officer

W. R. Keve
Vice Chairman

R. D. Schmidt
Executive Vice President

COMPUTER GROUP
R. M. Price
President

PERIPHERAL PRODUCTS
T.G. Kamp
President

MARKETING
V.E. Sieling
Exec. Vice President

SYSTEMS
J.V. Titsworth
Exec. Vice President

DATA SERVICES
H.J. White
Exec. Vice President

OPERATIONS SERVICES
D.L. Bickel
Vice President

BUSINESS DEVELOPMENT
J.R. von Gillern
Exec. Vice President

FINANCIAL SERVICES
J.D. Minutilli
Exec. Vice President

FINANCE & INTERNATIONAL OPNS.
W. Radomsky
Sr. Vice President

INSURANCE SERVICES
D.W. Bannister
Sr. Vice President

TECHNOLOGY MARKETING SERVICES
P.G. Miller
(Acting)

COMMERCIAL CREDIT
J.M. Sheehan
Chairman
P.G. Miller
President &
Chief Exec. Officer

EDUCATION COMPANY
J.W. Lacey
President

ASSISTANT TO PRESIDENT
G.G. Smith
Exec. Vice President

FINANCE & INTERNATIONAL OPNS.
W. Radomsky
Sr. Vice President

EDUCATION PRODUCTS & SERVICES DEVELOPMENT
D.H. Wentworth
Vice President

CONTROL DATA LEARNING CENTERS
W.N. Rose
Vice President

SPECIAL EDUCATION
W.J. Ridley
Vice President

INTERNATIONAL PROGRAMS
J.F. Heule
General Manager

C.B.E. OPERATIONS
A.P. Francis
General Manager

CONTROL DATA INSTITUTE U.S.
D.F. Renault
General Manager
DATA SERVICES
H.J. White
Exec. Vice President

U.S. CYBERNET
J. Murdakes, Vice President

S.B.C.
R.W. Kleinert, President

COMSOURCE
C.W. Bahan, Vice President

ON-LINE SYSTEMS DEVELOPMENT & OPERATIONS
D.P. White, Vice President

DATA SERVICES INDUSTRY PROGRAMS
H. Henig, Vice President

GENERAL COUNSEL
S.H. Beach, Vice President

BUSINESS DEVELOPMENT
J.A. Carlisano, General Manager

FINANCIAL PLANS & CONTROLS
T.A. Gilligan, General Manager

PERSONNEL & ADMINISTRATION
W.J. Goldstrohm, Vice President

SUBSIDIARIES
- ARBITRON
  T.F. Shaker, President

- TICKETRON
  W.J. Schmitt, President

- S.R.I.
  J.A. Carlisano (Acting)
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CONTROL DATA CORPORATION
SALES DATA
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Major Divisions Having Negotiated Government Business

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<td>100.0%</td>
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<tr>
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**Professional Services:**

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<tr>
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