IT'S ALWAYS GREAT TO GET TOGETHER WITH A GROUP OF WINNERS -- PARTICULARLY AT A MEETING LIKE THE 100% CLUB WITH ITS THEME -- THE EVOLUTION OF EXCELLENCE.

YOUR JOB IS SO IMPORTANT TO CONTROL DATA. AND YOU'VE DONE AN EXCELLENT JOB. LAST YEAR, WE IMPROVED OUR COLLECTION EFFICIENCY BY OVER EIGHT PERCENT OVER 1978 -- IN A YEAR WHEN TIGHTER MONEY MADE THE TASK MUCH MORE DIFFICULT THAN IN THE PAST. AS A RESULT, CONTROL DATA HAD, ON THE AVERAGE, SIXTEEN MILLION DOLLARS MORE IN CASH TO INVEST IN THE GROWTH OF THE BUSINESS. BECAUSE OF YOUR EFFORTS, WE DID NOT HAVE TO BORROW THIS AMOUNT AT THE HIGH INTEREST RATES WHICH PREVAIL. SO THAT'S REAL PROGRESS. THAT'S WINNING. AND, AS YOU ALL KNOW SO WELL, WINNING INVARIABLY TAKES A LOT OF WORK. IN FACT, GEORGE BERNARD SHAW ONCE REMARKED WHEN ASKED ABOUT HIS PROGRESS: "WHEN I WAS A YOUNG MAN, I OBSERVED THAT NINE OUT OF TEN THINGS I DID WERE FAILURES. I DIDN'T WANT TO BE A FAILURE, SO I DID TEN TIMES MORE WORK.

NO, WINNING DOESN'T JUST HAPPEN. WINNERS OFTEN PREVAIL BECAUSE THEY HAVE DEVELOPED A FINE-TUNED SENSE OF CREATIVE PROBLEM-SOLVING. IN A FEW MOMENTS I'LL DESCRIBE SEVERAL Instances OF WHAT I MEAN BY THAT IN CONTROL DATA.
BUT WE'D BE HARD PRESSED TO MATCH THE FRENCH POET, SAINT-FOIX, WHO, IN SPITE OF HIS LARGE INCOME, WAS ALWAYS IN DEBT. ONE DAY HE SAT IN A BARBER SHOP WAITING TO BE SHAVED. HE WAS LATHERED AND JUST AT THAT POINT A TRADESMAN ENTERED WHO HAPPENED TO BE ONE OF THE POET'S LARGEST CREDITORS. NO SOONER DID HE SEE SAINT-FOIX THAN HE ANGRILY DEMANDED HIS MONEY. THE POET COMPOSEDLY BEGGED HIM NOT TO MAKE A SCENE. "WON'T YOU WAIT FOR THE MONEY UNTIL I AM SHAVED?" "CERTAINLY," SAID THE OTHER. HE WAS OBVIOUSLY PLEASED AT THE PROSPECT. SAINT-FOIX MADE THE BARBER A WITNESS TO THE AGREEMENT. THEN HE TOOK A TOWEL, WIPED THE LATHER FROM HIS FACE, AND LEFT THE SHOP. HE WORE A BEARD UNTIL THE END OF HIS DAYS.

I DON'T KNOW IF OUR CONTROL DATA RECEIVABLES TEAMS ARE DESCENDANTS OF A FRENCH POET OR NOT BUT I DO KNOW THE CREATIVITY OF YOU AND YOUR COLLEAGUES IS JUST AS IMPRESSIVE.

TALKING TO BERT ABOUT YOUR ACCOMPLISHMENTS, I WAS STRUCK BY THAT THOUGHT TIME AND AGAIN.

FOR EXAMPLE, MANY OF OUR PEOPLE HAVE THE DUBIOUS PLEASURE OF DEALING WITH THE GOVERNMENT BUREAUCRACY IN THE COLLECTION PROCESS. THAT'S ENOUGH TO CHALLENGE ANYONE'S CREATIVITY! BUT PROBABLY NO TEAM IS AS TOTALLY IMMERSED IN THIS PROBLEM AS THE INFORMATION SCIENCES TEAM. NOW THE CREATIVITY THOSE PEOPLE HAD
IN DESIGNING A SYSTEM WHICH CUT THE PAYMENT CYCLE BY SEVERAL WEEKS WAS IMPRESSIVE ENOUGH. IT TRULY WAS. BUT SAINT-FOIX HIMSELF WOULD HAVE BEEN IMPRESSED BY THE PRESENCE OF MIND THEY EXHIBITED ON ONE OCCASION. LEARNING OF THE IMPENDING DEPARTURE OF A GOVERNMENT AUDITOR ON A TWO-WEEK VACATION, THEY RUSHED THE INVOICES TO THE AIRPORT — AND GOT HIS APPROVAL WHILE HE WAS WAITING IN LINE FOR THE SECURITY CHECK.

COME TO THINK OF IT, THE AUSTRALIAN TEAM DEALS WITH ANOTHER QUINTESSENTIAL MODEL OF RED TAPE — TELECOM, WHICH IS THE AUSTRALIAN PUBLIC TELEPHONE COMPANY. (I’VE HAD SOME EXPERIENCE MYSELF WITH THAT ORGANIZATION!)

NOW THIS ORGANIZATION PRESENTS ALL THE STANDARD BUREAUCRATIC BARRIERS YOU MIGHT IMAGINE — AND THERE IS SOME $250,000 A MONTH AT STAKE BY THE WAY. BUT THEN THERE IS THE REAL PROBLEM, WHICH CENTERS ON THE HABIT IN THE AUSTRALIAN PUBLIC SERVICE WHERE PEOPLE OFTEN GO ON LEAVE FOR FOUR WEEKS AT A TIME. UNFORTUNATELY, THEY MAKE NO PROVISION DURING THEIR ABSENCE FOR THE SIGNING OF ANYTHING WHATSOEVER, LET ALONE ACKNOWLEDGING RECEIPT OF A DATA PROCESSING SERVICE AND AUTHORIZING PAYMENT FOR IT.

AND IT GETS WORSE. INVOICES ARE TRADITIONALLY SENT TO A SPECIFIC INDIVIDUAL. BUT THESE PEOPLE FOREVER CHANGE POSITIONS
IN THEIR ORGANIZATION. AND THE INVOICE Follows THEM....WELL THERE IS NO POINT IN BELABORING THE ISSUE IS THERE? EVEN CREATIVITY CAN BE STYMIED BY SO FORMIDABLE AN OPPONENT. BUT NOT WHEN CREATIVITY IS COMBINED WITH AUSTRALIAN PERSISTENCE.

YES, THE AUSTRALIAN TEAM DEVELOPED AN APPROACH THAT WAS DESIGNED TO ISOLATE THE BOTTLENECKS AND BEAT THE SYSTEM. BUT IT WAS REALLY JUST PLAIN DOGGED DETERMINATION -- HAND-CARRYING THE INVOICES THROUGH THE PAYMENT CYCLE -- THAT FINALLY PAID OFF AND GOT THE ACCOUNT CURRENT.

BUT THERE IS ANOTHER ASPECT OF THIS STORY THAT EVEN GARY AND HIS PEOPLE DON'T KNOW. AND IT IS A GOOD REMINDER TO ALL OF US THAT IT IS INDEED A SMALL WORLD AND NEVER TO FORGET WE ARE, AFTER ALL, DEALING WITH CUSTOMERS. NOT TOO LONG AGO, MR. NORRIS GOT A LETTER FROM SOMEONE WHO ASKED FOR THE OPPORTUNITY TO TALK TO OUR PERSONNEL PEOPLE. IT SEEMS THIS GENTLEMAN WAS IMPRESSED BY MANY THINGS ABOUT CONTROL DATA -- ITS PRACTICES, ITS STRATEGIES AND CERTAINLY BY ITS PEOPLE.

THIS IS THE LETTER MR. NORRIS WROTE IN RESPONSE:

(READ BAILLIE LETTER)

TO HAVE DONE THE RECEIVABLES JOB AND AT THE SAME TIME TO HAVE MADE THE IMPRESSION SO OBVIOUSLY IMPLIED BY THAT LETTER --
THAT'S THE WORK OF A REMARKABLE COMPANY -- WITH SOME REMARKABLE EMPLOYEES

WE ALL KNOW, TOO, THAT RECEIVABLES PROBLEMS ARE FREQUENTLY SYMPTOMS OF OTHER OPERATING PROBLEMS OR MISUNDERSTANDINGS. THE STORY OF CONSOLIDATED FREIGHTWAYS REMINDED ME OF THAT. IT ALSO IS A REMINDER THAT YOU PEOPLE MUST UNDERSTAND A LOT MORE AND DO A LOT MORE THAN DEAL WITH THE MECHANICS OF THE COLLECTION PROCESS.

AT THE END OF 1978, CONSOLIDATED FREIGHTWAYS HAD A RECEIVABLES BALANCE OF $383,000. ABOUT $84,000 OF THAT WAS PAST DUE. OBVIOUSLY, A NEW APPROACH WAS NEEDED.

AS I UNDERSTAND IT, THE PROBLEM LARGELY REVOLVED AROUND THE ON-CALL MAINTENANCE INVOICE PROBLEM. AND I CAN JUST PICTURE THE CONFRONTATION THAT OCCURRED. MARY ANN PUHICH MARCHED INTO THEIR OFFICE LUGGING THREE BULGING BRIEFCASES FULL OF INVOICE COPIES. SOME OF THEM WERE A YEAR OLD. THEN SHE CAREFULLY BEGAN OUTLINING HER PROBLEM. SHE WAS ARMED WITH THE FACTS -- AND SHE MEANT BUSINESS. OBVIOUSLY SHE HAD DONE HER HOMEWORK. THE RESULT WAS NOT JUST PAYMENT OF THE PAST DUE INVOICES BUT A JUST PLAIN BETTER UNDERSTANDING BETWEEN CONTROL DATA AND ITS CUSTOMER.
AND I COULD GO ON AND CITE SIMILAR EXAMPLES FROM THE OTHER FINE TEAMS HERE TONIGHT AND YOUR COLLEAGUES AROUND THE WORLD. THEY WOULD ALL DEMONSTRATE THE SAME INGREDIENTS -- CREATIVITY, PERSISTENCE AND KNOWLEDGE.

I'VE OFTEN SAID THAT OUR PROGRAMS TO IMPROVE ASSET PRODUCTIVITY ARE AMONG THE MOST SUCCESSFUL IN THE HISTORY OF CONTROL DATA. IT IS BECAUSE OF EXAMPLES LIKE THIS THAT WE HAVE BEEN SUCCESSFUL. IN FOUR YEARS, WE ROSE FROM WELL BELOW THE COMPUTER INDUSTRY AVERAGE TO AMONG THE BEST IN ASSET PRODUCTIVITY. IF WE HAD NOT MADE THIS IMPROVEMENT, OUR ASSETS AT THE END OF LAST YEAR WOULD HAVE EXCEEDED $2.5 BILLION, COMPARED TO THE ACTUAL LEVEL OF $1.5 BILLION. AND THE CUMULATIVE NET PROFIT CONTRIBUTION SINCE 1975, DUE TO THESE REDUCTIONS, HAS BEEN $74 MILLION. I REPEAT $74 MILLION.

AFTER A THREE-YEAR BROAD ASSET REDUCTION PROGRAM, STRESSING ALL CATEGORIES OF ASSETS, IN 1979 WE BEGAN PLACING SPECIAL EMPHASIS ON A MORE EXPEDIENT METHOD OF COLLECTING TRADE RECEIVABLES. THE RESULTS HAVE BEEN MOST GRATIFYING. YOU -- ALL OF YOU WHO REPRESENT THE WINNING TEAMS -- I KNOW TAKE A LOT OF PRIDE IN YOUR ACHIEVEMENTS. BUT MAYBE YOU DON'T KNOW DAYS OUTSTANDING FOR CONTROL DATA IMPROVED FROM 44.0 IN 1978 TO 40.2 IN 1979 -- THAT'S TRULY AN IMPRESSIVE ACHIEVEMENT. JUST THINK WHAT YOU'LL BE ABLE TO DO IF WE EVER GET A GOOD RECEIVABLES SYSTEM!
SERIOUSLY, THOUGH, I ALSO WANT TO CONGRATULATE YOU BECAUSE THE 40.2 IS BETTER THAN THE INDUSTRY AVERAGE OF 42.5 DAYS -- OR THE ALL-MANUFACTURERS AVERAGE OF 44.0 DAYS THAT WAS REACHED FOR THE THIRD QUARTER LAST YEAR.

BUT, WHAT ABOUT THE FUTURE? WE STILL HAVE A LONG WAY TO GO. WITH SOME $100 MILLION OF DELINQUENT RECEIVABLES AT THE END OF 1979, YOUR CHALLENGE IS BECOMING EVER MORE DIFFICULT. OUR REVENUE WILL CONTINUE TO GROW RAPIDLY IN THE 1980'S, WHILE -- DUE PRIMARILY TO THE NATURE OF THE EMERGING BUSINESSES WITHIN CONTROL DATA -- THE AVERAGE DOLLARS PER INVOICE WILL DECREASE. THEREFORE, JUST TO STAY EVEN, THERE WILL HAVE TO BE A DRAMATIC INCREASE IN THE NUMBER OF BILLINGS TO COLLECT IN THE SAME PERIOD AS TODAY.

SO IT IS EXTREMELY IMPORTANT THAT WE IMPROVE OUR PRODUCTIVITY IN RECEIVABLES COLLECTIONS. BUT I KNOW YOU WILL, BECAUSE YOU'VE DEMONSTRATED THAT YOU ARE CREATIVE, PERSISTENT, KNOWLEDGEABLE AND ABOVE ALL YOU HAVE A WINNING ATTITUDE.

WHENEVER THE SUBJECT OF A WINNING ATTITUDE COMES UP, I CAN'T HELP BUT THINK OF ROCKY BLEIER, WHO IS A RUNNING BACK FOR THE SUPERBOWL CHAMPIONS, THE PITTSBURGH STEELERS.

ROCKY'S SIZE ISN'T TOO IMPRESSIVE FOR A FOOTBALL PLAYER BY
TODAY'S STANDARDS -- 5 FEET-10 INCHES AND 210 POUNDS. HE ATTENDED HIGH SCHOOL NOT TOO FAR FROM MINNEAPOLIS, OVER IN APPLETON, WISCONSIN. THEN HE WENT ON TO COLLEGE AT NOTRE DAME FROM WHERE HE WAS DRAFTED BY THE STEELERS IN 1968. THE MAIN THING ROCKY HAD GOING FOR HIM WAS AN OVERWHELMING DESIRE TO SUCCEED -- AS A PROFESSIONAL FOOTBALL PLAYER. HIS DREAM WAS INTERRUPTED THE NEXT YEAR BY ARMY DUTY IN VIETNAM, AND SUPPOSEDLY ENDED WHEN HE INJURED HIS LEG AND FOOT ON THE WHILE THERE. DOCTORS TOLD BLEIER HE WOULD NEVER BE ABLE TO PLAY FOOTBALL AGAIN. BUT, HE HAD A GOAL IN MIND -- AND HE WAS DETERMINED TO OVERCOME HIS INJURY AND RESUME HIS FOOTBALL CAREER.

HE SUCCEEDED -- AND NOW, AT 33, ROCKY BLEIER IS A KEY PLAYER ON THE BEST FOOTBALL TEAM IN THE UNITED STATES -- MOSTLY BECAUSE OF HIS ATTITUDE.

AND YOU WILL SUCCEED AS WELL BECAUSE YOU'RE PLAYING ON THE BEST TEAM IN THE INDUSTRY. AND YOU TOO HAVE THAT WINNING ATTITUDE.

THANK YOU.