LET ME START BY TAKING YOU BACK....BACK TO THE SUMMER OF '57. THAT WAS THE YEAR THE RUSSIANS LAUNCHED SPUTNIK. "WEST SIDE STORY" AND "THE MUSIC MAN" WERE PLAYING ON BROADWAY, AND EUGENE O'NEILL'S PLAY "LONG DAY'S JOURNEY INTO NIGHT" WON A PULITZER. IF YOU'RE TOO YOUNG TO REMEMBER ANY OF THAT, 1957 WAS ALSO THE YEAR DR. SEUSS WROTE THE CAT IN THE HAT.

CONTROL DATA WAS INCORPORATED. BILL NORRIS, FRANK MULLANEY, BILL DRAKE, AND ARNIE RYDEN -- WITHOUT THE HELP OF A BROKER -- WORKED DILIGENTLY ON FRIENDS AND TOTAL STRANGERS TO SELL STOCK FOR A DOLLAR A SHARE. THEY SOLD 600,000 OF THEM AND WENT TO WORK TO BUILD LARGE-SCALE COMPUTERS. IF ALL THE PEOPLE WHO NOW SAY THEY HAD A CHANCE TO BUY THOSE DOLLAR SHARES BUT TURNED IT DOWN WERE LINED UP, THEY'D REACH FROM HERE TO WALL STREET AND BACK. IN THE EARLY FIFTIES, THE "EXPERTS" WERE SAYING THAT SIX COMPUTERS COULD HANDLE ALL THE WORLD'S SCIENTIFIC AND ENGINEERING COMPUTING NEEDS FOR ALL TIME. SO RIGHT OFF THE BAT CONTROL DATA WAS BUCKING THE EXPERTS -- AND HAS BEEN EVER SINCE. BUT THE REAL GENESIS OF CONTROL DATA GOES BACK TO 1946 WHEN BILL NORRIS AND A GROUP OF COLLEAGUES FROM WORLD WAR II NAVAL INTELLIGENCE STARTED A COMPANY CALLED ENGINEERING RESEARCH ASSOCIATES IN AN ABANDONED GLIDER FACTORY IN ST. PAUL, MINNESOTA. THEIR PRESIDENT AND FINANCIER WAS THE OWNER OF THE

IN 1951, DESPITE THE TECHNICAL AND FINANCIAL SUCCESS ERA WAS ENJOYING, JOHN PARKER DECIDED TO SELL THE COMPANY TO REMINGTON RAND -- LATER ITSELF TO BE MERGED WITH THE SPERRY CORPORATION. AND SIX YEARS LATER, FRUSTRATED BY LACK OF DEDICATION AND APPROPRIATE RISK TAKING BY SPERRY TOP MANAGEMENT, BILL NORRIS AND HIS FRIENDS LEFT TO START OUT AGAIN.

THAT FIRST YEAR, BILL NORRIS VISITED IBM IN SEARCH OF SOME POSSIBLE WORK TO HELP MEET THE PAYROLL. JIM BIRKENSTOCK, VICE PRESIDENT FOR INDUSTRY RELATIONS, WAS THE CONTACT IN THOSE DAYS. "WELL, BILLY," JIM SAID -- AND THAT IS AN HONEST TO GOD QUOTE -- "WELL, BILLY, WHAT ARE YOU GOING TO DO IN YOUR COMPANY?" AND BILL REPLIED, "WELL, WE'RE GOING TO BUILD BIG COMPUTERS FOR SCIENTIFIC AND ENGINEERING USE." "OH," JIM SAID, "SOMETHING FOR THE LONG HAIRS, HUH?! THAT'S JUST GREAT. HAVE FUN; WE COULD CARE LESS." IN VIEW OF WHAT WAS TO COME, IT'S HARD TO IMAGINE MORE IRONIC WORDS.
BUT THESE 1957 GOINGS-ON WERE ALL VERY REMOTE FROM THOSE OF US IN THIS ROOM. IN 1957, FOR EXAMPLE, MAL BLANCHARD WAS STILL A STUDENT AT THE UNIVERSITY OF DENVER, WHERE HE AND ANN WERE TEACHING BALLROOM DANCING TO MAKE SOME SPENDING MONEY. GLENN FUNK WAS AN EIGHT-YEAR-OLD MATH WHIZ, WHILE MURIEL HOLSHEVNIKOFF HAD JUST MARRIED PAUL. IN ST. LOUIS, GENE RANDOL WAS IN SCHOOL, WHILE IN BOSTON ED LEVENSON WAS RUNNING A RESTAURANT. AND BILL SASS, A FRESHMAN ON A BASKETBALL SCHOLARSHIP AT AMERICAN UNIVERSITY, MET JAYNE. IT WAS AT THE SWIMMING POOL...AND HE OPENED WITH, "WATCH OUT, THERE ARE SHARKS IN THAT POOL!" -- AND YEARS LATER JAYNE DID SWIM WITH A SHARK -- A BILL NORRIS SHARK.

JOE MINUTILLI WAS A FIELD MANAGER FOR COMMERCIAL CREDIT IN OHIO, WHILE ROGER BALDELLI WAS BEGINNING A CAREER AT IBM THAT WAS TO GET "STRETCHED" -- THAT'S A JOKE THERE -- PRETTY THIN.


PEOPLE WERE READING CATCH-22 AND SINGING "MOON RIVER."

RON LONG WAS WITH COMMERCIAL CREDIT NOW, DOING COLLECTIONS AND DRIVING THE RENAULT — MAYBE THE SLICKEST CAR HE EVER OWNED.

GENE RANDOL IS OUT OF SCHOOL AND IN CALIFORNIA. MORE SPECIFICALLY, HE IS AT THE BEACH PLAYING VOLLEYBALL, NEVER SUSPECTING HE'D EVER KNOW A FELLOW BY THE NAME OF ROGER SHOBER — WHO AT THAT MOMENT WAS A BRIGHT-EYED CONTROL DATA CUSTOMER ENGINEER — A MEMBER OF CONTROL DATA'S FIRST COLLEGE NEW GRAD CLASS — AND THINKING SOME DAY HE MIGHT MAKE EIC....HE NEVER HAS YET. BRAD WOODS WAS LOOKING FORWARD TO GRADUATION DAY AT THE UNIVERSITY OF TEXAS. MEANWHILE, THAT SAME YEAR, GARY JORG STARTED HIS CAREER WITH COMMERCIAL CREDIT. ON ABOUT THE SAME DAY BILL NORRIS CALLED ED STRICKLAND INTO HIS OFFICE TO SAY: "WELL, NOW THAT THE JOINT VENTURE WITH PHILLIPS IS DEAD, WE'LL HAVE TO MOVE INTO EUROPE ON OUR OWN. YOU'RE IT." WITH A CREW OF FOUR, ED SET UP SHOP IN LUCERNE, SWITZERLAND. NOW ED HAD A UNIQUE WAY OF RUNNING THE BUSINESS BACK THEN. HE PAID ALL THE BILLS OUT OF HIS OWN POCKET -- THE OFFICE RENT, SALARIES, EQUIPMENT, EVERYTHING -- THEN FILLED OUT EXPENSE REPORTS FOR NORRIS TO SIGN.

THE PERIPHERALS AREA WAS PARTICULARLY CRUCIAL. JUST HOW CRUCIAL NO ONE IMAGINED. BUT SHORTLY AFTER THE COMPANY BEGAN, IT WAS CLEAR THAT IT WOULD HAVE TO BUILD AT LEAST SOME OF THE PERIPHERAL EQUIPMENT IT NEEDED FOR THE LARGE COMPUTERS. ON THE OTHER HAND, THE MEAGER COMPUTER VOLUME WOULDN'T COME CLOSE TO PROVIDING CRITICAL MASS FOR THE PERIPHERALS OPERATION.

AN ANSWER TO THE DILEMMA WAS TO ACHIEVE NEEDED VOLUME BY BUILDING PERIPHERALS FOR OTHER COMPUTER COMPANIES. THE COMPUTER MAINFRAME FOLKS WERE BITTERLY OPPOSED TO WHAT THEY SAW AS GIVING THE BENEFIT OF OUR TECHNOLOGY TO COMPETITORS. BUT BILL NORRIS FELT THE WAY TO GET A SURE SUPPLY OF EFFECTIVE PERIPHERALS WAS TO SELL TO THE INDUSTRY. "BESIDES," HE SAID, "IF WE DON'T, SOMEONE ELSE WILL." WELL, WE DID, AND YOU KNOW THE REST OF THAT STORY.
IN THIS DECISION AND MANY OTHERS, BILL NORRIS NEVER LET US
FORGET THE VIRTUES OF SIMPLE PRAGMATISM HE LEARNED ON A
STRUGGLING DEPRESSION-ERA NEBRASKA FARM -- THE LESSONS FROM
REMINGTON RAND -- A COMPANY CAUGHT UP IN TIMIDITY AND
CONFUSION. RISK-TAKING. "THERE IS NO SECURITY," HE SAID,
"ONLY OPPORTUNITY." SHARE KNOWLEDGE AND TECHNOLOGICAL RISK,
BUT MAINTAIN YOUR MARKETPLACE INDEPENDENCE -- AND ALWAYS,
ALWAYS STICK TO YOUR PLANS WHEN SHORT-TERM PROBLEMS LOOM
LARGE. BUT PRETTY SOON FOR CONTROL DATA SOME PROBLEMS LOOMED
LARGE THAT WERE VERY MUCH MORE THAN SHORT-TERM.

LET'S MOVE AHEAD....IT'S JULY 1, 1965. CONTROL DATA....WAIT A
MINUTE.... I'M ABOUT TO FORGET ONE OF THE MOST IMPORTANT EVENTS
OF THIS WHOLE CHRONOLOGY. IT IS NOT JULY 1 -- IT'S ONLY
JUNE 15, AND BOB AND MARY PRICE ARE DRIVING NORTH TO THE ANNUAL
CONTROL DATA PLANNING MEETING AT GULL LAKE. BUT THE IMPORTANT
THING ISN'T WHERE THEY'RE GOING -- IT'S WHAT THEY ARE
DRIVING....MARY'S BRAND NEW 1965 BUICK GRAN SPORT CONVERTIBLE.
THE 440 CUBIC INCH (THAT'S A 7.2 LITER ENGINE IF ANYONE THESE
DAYS CAN IMAGINE SUCH A THING) MURMURS QUIETLY AS THE BUICK
ROLLS NORTHWARD....JUST A FEW HOURS AND A FEW MILES INTO ITS
STORY....AND OUR STORY....THAT WILL TAKE IT AND US 42 YEARS --
LESS ONE MONTH -- INTO THE FUTURE.
BUT WE'LL SKIP THE PLANNING MEETING....AMONG OTHER REASONS IT'S
PAINFUL TO RECALL THAT NORB BERG GREETED THE BUICK'S ARRIVAL AT
GULL LAKE BY LEAPING ONTO THE HOOD AND LEAVING TWO PERFECT KNEE
PRINTS -- DENTS THAT REMAINED FOR THE NEXT 15 YEARS. ANYWAY,
NOW IT'S JULY 1, 1965. THE PLANNING MEETING IS OVER AND WE'RE
BACK IN MINNEAPOLIS.

CONTROL DATA IS NOW EIGHT YEARS OLD, A SURVIVOR, A DARING
INNOVATOR AND A SOMETIME DARLING OF WALL STREET. IT HAS GROWN
FROM NOTHING TO $161 MILLION IN REVENUES IN THE FISCAL YEAR
WHICH HAS JUST ENDED THE DAY BEFORE. THAT STOCK ISSUED AT A
DOLLAR A SHARE IN 1957, HAS ALREADY SPLIT THREE FOR ONE, THEN
THREE FOR TWO. A SHARE OF STOCK BOUGHT FOR THE EQUIVALENT,
THEN, OF A LITTLE OVER 22 CENTS, HAS SOLD FOR AS HIGH AS $140,

BUT THURSDAY, JULY 1, 1965, WAS A HOT AND MUGGY DAY IN
MINNEAPOLIS -- AND CINDERELLA HAD A HANGOVER. THE YEAR PAST
HAD BEEN A ROCKY ONE. EACH QUARTER HAD SEEN MOUNTING
PROBLEMS. WHAT WAS WRONG? "FIDDLING AROUND WITH THAT CRAP IN
THE INDUSTRIAL GROUP," SAID FRANK. "SELLING PERIPHERALS TO MY
COMPETITORS," SAID GEORGE. "FAGEN," SAID SEYMOUR. "SEYMOUR!"
SAID CASALE. AND SO THEY WORRIED. FOR CONTROL DATA, PROBLEMS
HAD ALWAYS BEEN LIKE BUGS IN A NEW COMPUTER. THEY COULD BE
ISOLATED, ANALYZED AND FIXED. SO A TASK FORCE OF EIGHT PEOPLE
ISOLATED, ANALYZED, AND CAME UP WITH A SOLUTION. BECAUSE THEY WERE INTELLIGENT, HONEST PEOPLE WHO HAD BEEN THROUGH A LOT TOGETHER -- WHO CARED FOR THEIR COMPANY -- THE SOLUTION WAS TOUGH-MINDED, EVEN-HANDED, AND -- VERY HUMANLY -- WRONG.

IN ADDITION TO RECOMMENDING SEVERAL COST-CUTTING PROCEDURES THE REPORT DEALT WITH STRATEGY. IT SAID THE COMPANY WAS DISSIPATING ITS BASIC COMPUTER STRENGTH BECAUSE IT WAS "OVER-EXTENDED IN A MULTIPLICITY OF ACTIVITIES THAT ARE FUTURE-ORIENTED." AND ITS PRINCIPAL TARGET IN THIS REGARD WAS THE FLEDGLING DATA CENTERS DIVISION -- A 3 1/2-YEAR-OLD ORGANIZATION HEADED BY AN EX-TEACHER NAMED JIM HARRIS. JIM CAME TO CONTROL DATA TO RUN ADMINISTRATION BUT HE YEARNED TO RUN A BUSINESS. WHEN THE DATA CENTERS DIVISION WAS FORMED, BILL NORRIS,knowing how difficult it would be to lure one of his computer people out of the mainstream, gave Jim his chance. And that in turn provided the chance for a young personnel administrator who was chomping at the bit to take over Jim's job. His name -- Norbert R. Berg. Norb always loved the data centers. But regardless of what anyone thought about data centers, one thing was clear -- it was an enormous burden for fledgling control data with an estimated loss for the coming year of $2 million on revenues of $3 million.
KNOWING IT WAS ONE OF THE BOSS'S IDEAS, AND KNOWING HIS IDEAS HAD AN UNCANNY WAY OF WORKING OUT, THE TASK FORCE CAREFULLY STATED THEIR RECOMMENDATIONS TO CUT THE OPERATION BACK AS FAR AS POSSIBLE -- BUT NOT TO KILL THE WHOLE THING.

BILL NORRIS PRAISED THEIR EFFORTS AND ACCEPTED THEIR RECOMMENDATIONS -- EXCEPT FOR ONE. NO DATA CENTERS WERE TO BE CLOSED. PERIOD! AND WHEN JULY FIRST ROLLED AROUND AGAIN IN THE SUMMER OF 1966, THE DIVISION HAD CLOSED ITS BOOKS ON ITS FIRST PROFITABLE YEAR.

AND, INCREDIBLY, IN THE MIDST OF ALL THE TURMOIL ANOTHER VENTURE OF LONG-TERM IMPORTANCE BEGAN. THE FIRST CDI OPENED ITS DOORS IN APRIL OF 1965.

MEANWHILE, BRENT PALIN HAS NOW HEARD OF CONTROL DATA. IN FACT, HE'S THERE. GARY AND JOYCE MET ON ST. PATRICK'S DAY, AND THEY GOT MARRIED -- BUT NOT THAT DAY.

ABOUT THIS TIME MAL BLANCHARD BOUGHT HIS BLUE PLYMOUTH SEBRING -- IT WAS A GOOD YEAR FOR CARS. BRAD WOODS HAS MARRIED REBA, AND IS LOOKING FOR A JOB TO GET OUT OF MIDLAND, TEXAS. GLEN FUNK -- CAN YOU BELIEVE IT? -- IS STILL IN SCHOOL. IT WAS ABOUT THIS TIME, TOO, THAT FRED MEIER SET A NEW STANDARD FOR FINANCIAL PRESENTATIONS. ALL THE COMMERCIAL CREDIT SENIOR
MANAGERS WERE PRESENTING THEIR PLANS FOR THE FOLLOWING YEAR. THE PERSON BEFORE FRED PULLED OUT ALL THE STOPS — COLOR CHARTS AND GRAPHS AND A GO-GO PRESENTATION WITH A POLISHED CONCLUSION. AND THEN FRED GOT UP, WALKED TO THE FRONT OF THE ROOM, AND PUT UP HIS ONE HAND-MADE VISUAL. ALL IT HAD ON IT WAS "NET PROFIT: $5.6 MILLION." "WELL," FRED SAID, POINTING TO IT, "THERE IT IS." AND HE SAT DOWN.

IN 1966, BALTIMORE WON THE WORLD SERIES, AND THE MOST POPULAR SONG WAS SINATRA'S "IT WAS A VERY GOOD YEAR." BUT IT WAS NOT A VERY GOOD YEAR FOR CONTROL DATA. 1966 WAS A STRUGGLE. NEVERTHELESS, WE CONTINUED TO MAKE ACQUISITIONS AND EXPAND OVERSEAS, AND BY YEAR'S END, WE HAD OPERATIONS IN 20 COUNTRIES.

BUT OUR STORY MOVES ON. IT'S 1970. BALTIMORE SOMEHOW WINS BOTH THE SUPER BOWL AND THE WORLD SERIES. THE PRICE OF GOLD FALLS BELOW $35 AN OUNCE (CAN YOU IMAGINE THAT?), AND THE DOW-JONES DROPS TO 631. IT'S A RECESSION — BUT NOT FOR THE BUICK CONVERTIBLE. IT'S IN FINE SHAPE, AND GAS IS VERY-cheap.

HANK WHITE IS ALSO IN FINE SHAPE. THIS IS HIS 20TH YEAR AT IBM. HE'S DONE WELL AND HE'S KNOWN AS A FIXER. ONE THING THAT BADLY NEEDS FIXING IS THE SBC SUBSIDIARY — SO VIN LEARSON GIVES HANK THE WORD: "FIX IT."
ROGER BALDELLI, ON THE OTHER HAND, "STRETCHED" BEYOND ENDURANCE, HAS LEFT IBM AND IS NOW WITH CONTROL DATA. GENE RANDOL LEAVES CONTROL DATA. WHETHER HE'S LEFT TO START HIS OWN COMPANY OR TO PLAY VOLLEYBALL AT MANHATTAN BEACH ISN'T CLEAR, BUT HE'LL BE BACK.

BILL SASS HAS BEEN WITH CONTROL DATA FOR ABOUT A YEAR NOW — DIDN'T KNOW A THING ABOUT COMPUTERS WHEN HE ARRIVED — AND WAS SO NERVOUS BEFORE GIVING HIS FIRST PRESENTATION THAT HE PRACTICED FOR WEEKS.

BY 1970, CONTROL DATA'S UNIQUE BUSINESS STRATEGY HAD BEGUN TO TAKE SHAPE. THE LATE 1960S HAD BEEN A TIME OF TROUBLE IN THE INNER-CITIES, AND WHILE RIOTS AND FIRES COULDN'T HAPPEN IN AFFLUENT AND BEAUTIFUL MINNEAPOLIS — THEY DID.

TO ATTACK THE ROOT CAUSE OF THE PROBLEM, A LACK OF DECENT JOBS, CONTROL DATA SET ABOUT BUILDING A PLANT IN THE MIDDLE OF THE RIOT AREAS. CRITICS SAID IT WOULD NEVER WORK. THE PLACE WOULD BE VANDALIZED, THE WORKERS WOULD BE HAPHAZARD, IT WOULD NEVER STAY OPEN — LET ALONE TURN A PROFIT.

THEY WERE WRONG. IT WASN'T EASY, OF COURSE, AND IT TOOK A WHILE, BUT IT WORKED.
AND THE EXPERIENCE DID SOMETHING MUCH MORE THAN PROVIDE A PLANT AND JOBS IN MINNEAPOLIS. IT SHOWED THAT IN THE GROWING DEVASTATING PROBLEMS OF LATE 20TH CENTURY SOCIETY THERE WAS AN OPPORTUNITY FOR KNOWLEDGE SERVICES -- AN OPPORTUNITY THAT CONTROL DATA COULD GRASP -- IF IT HAD THE CREATIVITY AND THE COURAGE -- AND IF IT COULD ENLIST THE COOPERATION OF OTHER PUBLIC AND PRIVATE ENTITIES.

SO THE SEVENTIES BEGAN WITH THE SEEDS OF THE FUTURE PLANTED BUT WITH A VERY MEAGER HARVEST FROM EXISTING CROPS. THE '70-'71 RECESSION HIT THE COMPANY HARD. AND NOW IT WAS CLEAR HOW FORTUITOUS THE MERGER WITH COMMERCIAL CREDIT TWO YEARS BEFORE HAD BEEN. IN THE SUMMER OF '68 CCC, FENDING OFF A HOSTILE TAKE OVER, FOUND IN CONTROL DATA A PARTNER INTERESTED IN ITS FUTURE RATHER THAN ITS LIQUIDATION. CONTROL DATA FOUND AN ANSWER TO ITS LEAN FINANCING. AND SO IT WAS IN JULY OF '65 THEY MERGED. WITHOUT THAT ANSWER, 1970 COULD HAVE BEEN A DISASTER. AS IT WAS, COMPUTER SYSTEMS LOST MONEY IN 1970, AND AGAIN IN 1971, STRUGGLED TO BREAK EVEN IN 1972, AND COLLAPSED UNDER THE BURDEN OF CANCELLED PROGRAMS IN 1974, TO A LOSS OF $69 MILLION. WORSE YET, COMPUTER SYSTEMS HAD ENTERED THE SEVENTIES WITH NO VIABLE LONG-TERM PRODUCT STRATEGY. SPECULATING AS TO THE DEMISE OF CONTROL DATA'S SYSTEMS BUSINESS WAS GOOD GRIST FOR THE MEDIA MILL. PERIPHERALS WAS IN NO POSITION TO CARRY THE BURDEN WITH REVENUES OF $134 MILLION.
THE FLEDGLING SERVICES GROUP WAS A SOURCE OF LOSS RATHER THAN STRENGTH. AND ALL THE WHILE THE COMPANY WAS SADDLED WITH THE MILLION DOLLAR A YEAR COST OF THE SEEMINGLY QUIXOTIC LAWSUIT AGAINST IBM.

BUT IN FIVE SHORT YEARS, THINGS CHANGED DRAMATICALLY. IN COMPUTER SYSTEMS THERE WAS THE BRAND NEW CYBER 170 AND IN PERIPHERALS THE TREMENDOUS THRUST FROM THE FORMATION OF MPI AND CPI. THE LAWSUIT WAS GONE AND SBC HAD ARRIVED. WHEN THE SETTLEMENT WAS REACHED, VIN LEARSON SAID TO BILL NORRIS: "I WANT YOU TO KNOW TWO THINGS -- (A) SBC IS WORTH $500 MILLION, AND (B) HANK WHITE IS NUMBER TWO IN SBC, BUT HE IS REALLY NUMBER ONE. HE'S ONE OF IBM'S BEST -- DON'T LOSE HIM." AS IT TURNED OUT, VIN WAS ONLY HALF RIGHT. HANK LIVED UP TO EVERY WORD OF HIS ADVANCED BILLING BUT SBC WAS WORTH ONE BILLION, NOT 500 MILLION.

SO IT WAS OUT OF THE SHADOWS FOR ALL OF US AND INTO THE SUNSHINE OF SEVEN STRAIGHT YEARS OF RAPID GROWTH AND EVER IMPROVING PROFITABILITY.

AND HERE WE ARE TONIGHT -- TO CELEBRATE YOUR CONTRIBUTION TO THE YEAR JUST PASSED. FOUR BILLION DOLLARS IN REVENUES AND PRE-TAX PROFITS LARGER THAN THE TOTAL CORPORATE REVENUES NOT SO MANY YEARS AGO.
AND THERE ARE MORE PERSONAL SUCCESS STORIES.

RON LONG GOT A MOST-IMPROVED PLAYER AWARD BUT ALSO GOT UPSET WHEN HE HAS TO LOWER HIS HANDICAP FROM 18 TO 12. BILL'S SON, PATRICK, WON A BASKETBALL SCHOLARSHIP JUST LIKE HIS DAD. GLENN FUNK IS AN ACTUARIAL WHIZ AT AMERICAN HEALTH AND LIFE. AND THE PALINS HAVE DECIDED THEY LOVE AUSTIN, TEXAS -- BRENT'S STARTED CHEWING RED MAN TOBACCO (THAT'S A SUCCESS STORY?) AND ROSEANNE'S STARTED A PLANT BUSINESS. GENE RANDOL IS BACK, AND SO IS MAL BLANCHARD'S PLYMOUTH SEBRING. "I DON'T CARE HOW MUCH IT COSTS," MAL SAID, "I'M GONNA KEEP THIS CAR."

"I'M GONNA KEEP THIS CAR," THAT WAS THE VERY THOUGHT IN NOVEMBER 1979 THAT CAUSED THE BUICK CONVERTIBLE TO JOIN THE MAINSTREAM OF CONTROL DATA'S BUSINESS STRATEGY. THE BUICK HAD JUST COMPLETED FOUR ARDUAUS YEARS AT IOWA STATE UNIVERSITY AND ITS 141,000 MILES, HAD NOT EXACTLY BEEN EASY ONES EITHER -- ESPECIALLY THROUGH THE SALT AND SAND OF MINNESOTA WINTERS. SHOULD IT GO TO REST OR NOT? NO, BOB SAID, THE BUICK WOULD STAY AND IT WOULD NOT JUST BE PATCHED UP, IT WOULD BE RESTORED -- "NO MATTER HOW MUCH IT COST."

WHETHER IT KNEW IT OR NOT, THE BUICK WAS FULLY CAUGHT IN CONTROL DATA'S WEB.
IN 1979, WE STARTED A PROGRAM CALLED "WHEELS" TO HELP FINANCE AFFORDABLE CARS FOR EX-CONS. AND BEING CONTROL DATA, WE SAW YET ANOTHER OPPORTUNITY TO CREATE A SMALL BUSINESS -- A BODY SHOP -- TO HANDLE REPAIRS OF THE CARS IN "WHEELS." THE SHOP WOULD PROVIDE YET ANOTHER EX-CON AN OPPORTUNITY FOR A NEW LIFE. AND SO IN NOVEMBER OF 1979, CONTROL DATA HELPED AL RIDDLE SET UP HIS BUSINESS AND GAVE HIM E. L. BAKER AS COUNSELOR AND PROTECTOR. HERE'S WHAT HAPPENED NEXT, IN GENE BAKER'S OWN WORDS.

"I INTRODUCED AL TO BOB PRICE IN LATE '79. HE TOLD BOB HE'D HAVE THE CAR LOOKING LIKE NEW IN SIX MONTHS. "THE NEXT TIME I SAW THE CAR WAS ALMOST A YEAR LATER. IT WAS TOTALLY DISASSEMBLED -- I MEAN TOTALLY, RIGHT DOWN TO THE NUTS AND BOLTS -- AND WAS SCATTERED INTO EVERY NOOK AND CRANNY OF RIDDLE'S GARAGE."

"FORTUNATELY, BOB PRICE WAS TOO BUSY RUNNING THE BUSINESS AND DIDN'T CHECK PROGRESS ON THE BUICK TOO OFTEN."

"RIDDLE FINALLY DECIDED HE HAD TO IMPORT A WHOLE NEW SKYLARK BODY FROM CALIFORNIA TO GET ENOUGH REPLACEMENT PARTS. I NEVER ASKED HOW MUCH THAT COST. AND HE FARMED OUT THE ENGINE TO HAVE IT REBUILT. ABOUT THIS TIME, WE PUT A GUY NAMED BOB SMEIJA IN TO SUPERVISE RIDDLE -- SMEIJA DISCOVERED A SEVERE WEAKNESS IN
THE OLD FRAME. RIDDLE CONVINCED HIM THE FRAME ON THE SKYLARK BODY FROM CALIFORNIA WOULD WORK -- EVEN THOUGH THE SKYLARK WAS A HARD TOP, NOT A CONVERTIBLE. THEY PUT THE TWO CARS SIDE BY SIDE, AND TAKING A PIECE FROM HERE AND A PIECE FROM THERE STARTED BUILDING ON THE SKYLARK FRAME. WHEN THEY FINISHED, THE CAR WOULD BEND IN THE MIDDLE AS IT ROUNDED A TURN. SO THEY HAD TO WELD BIG STEEL REINFORCING BARS ON THE FRAME TO KEEP IT RIGID. I DIDN'T ASK HOW MUCH THAT COST, EITHER."

"ABOUT THIS TIME RIDDLE RETURNED TO THE SLAMMER, THE SHOP WAS CLOSED, AND THE BUICK WAS MOVED TO BOB SMEIJA'S HOME GARAGE -- HIS OWN CARS MOVED OUTSIDE."

"TO FIX THE FAULTY ACTUATING PUMP FOR THE CONVERTIBLE, SMEIJA WOUND UP TAKING HIS OWN CONVERTIBLE TOP AND MECHANISMS APART SO HE COULD FIGURE OUT HOW TO FIX THE BUICK -- TO THIS DAY SMEIJA DOESN'T HAVE HIS OWN CONVERTIBLE TOP BACK TOGETHER."

"THEN IT WAS TIME TO REWIRE THE CAR. RIDDLE HAD REMOVED THE ENTIRE WIRING SYSTEM AND PACKED IT AWAY IN A HEINZ CATSUP CARDBOARD BOX. SMEIJA STARTED STRINGING WIRES FROM SCRATCH. WHEN HE FINISHED, EVERYTIME YOU USED THE CIGARETTE LIGHTER, THE TOP WENT DOWN."
WELL, THEY FINALLY LET ME DRIVE THE CAR LAST SEPTEMBER. ITS REBUILT ENGINE LASTED FOR 900 MILES BEFORE A ROCKER ARM SNAPED. BUT WHEN I GET HOME TUESDAY -- MY BRAND NEW 1965 BUICK GRAN SPORT WILL BE WAITING IN THE HEADQUARTERS GARAGE! MARY WANTS TO KNOW WHETHER THEY'VE RE-INSTALLED THE DENTS MADE BY NORB BERG'S KNEES 17 YEARS AGO.

BUT LET ME TURN TO THE FUTURE.

LOOKING BACKWARD IN TIME CAN BE INTERESTING, DULL, POIGNANT, EDIFYING, FRUSTRATING, OR SATISFYING. WHAT IT NEVER IS, IS EXCITING. EXCITEMENT COMES FROM ANTICIPATION, THE UNEXPECTED, THE UNKNOWN. LOOKING FORWARD MAY BE INTRIGUING OR CONFUSING, ENTICING OR FRIGHTENING -- BUT WHAT IT ALWAYS IS, IS EXCITING -- UNLESS, THAT IS, WE'VE GIVEN UP HOPE. AND THEN THE FUTURE -- AS WELL AS THE PRESENT AND THE PAST -- IS MERELY DEPRESSING.

LOOKING AHEAD FOR CONTROL DATA IS EXCITING. WHAT WILL THINGS BE LIKE IN 25 YEARS? THESE DAYS MOST FORECASTERS CAN'T PREDICT WHAT'S GOING TO HAPPEN NEXT MONTH, SO I REALIZE THIS IS A HAZARDOUS UNDERTAKING. BUT LET'S LOOK ANYWAY.

WEEKS. BILL NORRIS, SITTING BY THE EDGE OF THE POOL AFTER HIS MORNING SWIM, HAS JUST FINISHED THE 2,436TH BOOKLET IN HIS TECHNOLOGY SERIES AND HIS 1.34 x 10^7 APPLE. SOMEONE ONCE KNEW HOW OLD HE WAS, BUT THE PERSON WHO KNEW IS SO OLD HIS MEMORY IS BAD. WALLEYE OPENER IS SIX DAYS AWAY AND THE SUMMIT/PRESIDENT'S CONFERENCE IS MEETING ONCE MORE.

SOME THINGS CHANGE A LITTLE: GLEN HAS GONE BACK TO BEING A MATH WHIZ -- TEACHING AT 355 UNIVERSITIES WORLD-WIDE VIA PLATO. A NICE SORT OF EARLY RETIREMENT. GENE HAS ALSO RETIRED TO COACH BEACH VOLLEYBALL, AND MAL HAS RETIRED TO DEVOTE FULL-TIME TO THE SEBRING. BUT OTHER THINGS CHANGE MORE. FOR INSTANCE, WHO'S AT THE SUMMIT CONFERENCE? WELL, LET'S TAKE A LOOK:

MIKE AND MARK HAYNES ARE PRESIDENT AND CHAIRMAN OF CONVERGENT SYSTEMS, INC. THEIR DAD, AMOS, STARTED THE BUSINESS BACK IN 1979 WITH $50,000 FROM CONTROL DATA AND HIS OWN YEARS OF EXPERIENCE. THE STOCK OF THE COMPANY IS STILL HELD BY THE HAYNES FAMILY AND CONTROL DATA. MIKE AND MARK TOOK OVER THE COMPANY IN 2006 AND HAD A GOLDEN HIT -- SOLD ONE MILLION COPIES OF HIS PLATO COURSE "BUILDING YOUR OWN ORBITING GENOPONICS FACTORY" IN ITS FIRST YEAR.
TIMMY AWEIDA AND TOMMY KAMP - WHOSE PARTNERSHIP, PERIPHERALS UNLIMITED, LAST YEAR CROSSED THE ONE BILLION DOLLAR MARK WHEN IT WAS ONLY TEN YEARS OLD. THE COMPANY HAS FIVE EMPLOYEES: TIMMY, TOMMY AND DAWN, DANA, AND DYAN SHOBER. TOMMY AND TIMMY SPLIT WORLDWIDE MARKETING AND THE WOMEN TAKE CARE OF OPERATIONS. THAT IS, DAWN AND DYAN DESIGN THE PRODUCTS USING THE CONTROL DATA AUTOMATIC PERIPHERALS DESIGN SYSTEM; AND DANA RUNS PRODUCTION WHICH MEANS SHE PLACES FACTORY ORDERS WITH THE CONTROL DATA CUSTOM PRODUCTIONS, LTD. FACTORIES IN GRAND JUNCTION, COLORADO; PORSET, PORTUGAL; AND TOKYO, JAPAN. CUSTOM PRODUCTIONS IS A JOINT VENTURE OF CONTROL DATA AND 14 OTHER COMPANIES TO SERVE THEIR OWN NEEDS AND THOSE OF MANY SMALL COMPANIES LIKE PERIPHERALS UNLIMITED.

ALL THE ADMINISTRATIVE DETAILS FOR PERIPHERALS UNLIMITED ARE DONE FOR THEM BY EDINA ADMINISTRATORS, INC. -- A SMALL BUT EXCITING MINNESOTA COMPANY WHICH REFLECTS THE PERSONALITY OF ITS FOUNDER AND PRESIDENT, JOANNE BAKER....DAUGHTER OF ONE E. L. BAKER. DAWN, DYAN, DANA, TOMMY AND TIMMY TELECONFERENCE EACH DAY AND SET THE NEXT DAY'S PRODUCTION....FREQUENT ACRIMONY OCCURS DURING THESE SESSIONS BECAUSE TOMMY AND TIMMY'S FORECASTS ARE ALL TOO OFTEN FAR OFF THE MARK. BUT TO SAVE TIME, EACH TELECONFERENCING TERMINAL IS EQUIPPED WITH A BUTTON WHICH AUTOMATICALLY SELECTS AT RANDOM ONE OF 5,000 EXCUSES FOR THE POOR FORECAST. THESE REASONS WERE CAREFULLY COMPILED AND
QUALITY TESTED FROM THE ARCHIVES OF CONTROL DATA'S PERIPHERAL PRODUCTS COMPANY DURING THE PRECEDING 50 YEARS. IT'S UPDATED ANNUALLY.

BUT LET'S MOVE ON. NEXT WE SEE AN ELDERLY MAN. IT'S TRACY BECKMAN AND HE'S 72 YEARS OLD -- FROM BRICELY, MINNESOTA, POPULATION 2,007 (A COINCIDENCE). TWENTY-FIVE YEARS EARLIER TRACY BECAME THE FIRST INDEPENDENT DISTRIBUTOR FOR CONTROL DATA'S AG BUSINESS CENTERS DIVISION. HIS HARDWARE STORE, IN WHICH HE SET ASIDE 200 SQUARE FEET BACK IN 1982 TO START THE AG CENTER, STILL EXISTS. ONE OF THE MORE THAN 500 SMALL FARMERS SERVED BY THE CENTER SPENDS MOST OF HIS TIME SITTING IN THE OLD STORE TELLING FOLKS THE STORY OF THE REFURBISHMENT OF HIS 42-YEAR-OLD BUICK CONVERTIBLE WHICH IS SITTING OUT FRONT.

NEXT WE SEE THE LEADING INDEPENDENT DISTRIBUTOR FOR THE LEARNING CENTERS DIVISION. OLD TIMERS LOVE TO RECALL THE TIME SUSAN'S AUNT MARY -- MARY ANNE KROMER -- HAULED BOB KLEINERT AND TOM MILLER TO FOUNDER NORRIS' OFFICE AND MADE THEM CONFESS THEY WERE PLANNING TO CLOSE THE LIMA, OHIO LEARNING CENTER BECAUSE THEY FELT SMALL TOWN LEARNING CENTERS COULDN'T BE MADE TO WORK. TO THOSE WHO ADMIRED HER COURAGE, AUNT MARY ALWAYS SAID, "IT WASN'T ANYTHING -- JUST A MATTER OF TAKING A COUPLE OF WAYWARD BOYS TO THE PRINCIPAL'S OFFICE FOR A GOOD SOUND THRASHER!
ANOTHER ATTENDEE IS YOUNG MARY THORNDYKE -- AT 15, THE YOUNGEST WINNER OF CONTROL DATA'S SALES DESIGNER OF THE YEAR AWARD FOR HER CYBER X02. THE COMPETITION BEGINS JANUARY 1 EACH YEAR AND GOES TO THE PERSON WHO CAN DESIGN, SELL, AND DELIVER THE LARGEST NUMBER OF SUPER-SCALE COMPUTERS IN A YEAR. MARY'S 1,000-GIGAFLOP MACHINE WAS DESIGNED IN A MARATHON SESSION BETWEEN JANUARY 1 AND JANUARY 21, USING NEW CAD SERVICES DEVELOPED JUST THREE YEARS BEFORE BY MCC, A 25-YEAR-OLD COOPERATIVE VENTURE OF CONTROL DATA AND 116 OTHER ELECTRONICS COMPANIES. MARY THEN SOLD AND DELIVERED 25 OF HER COMPUTERS BY CHRISTMAS EVE -- THE CONTEST CLOSING DATE. AT THAT SHE FINISHED JUST ONE POINT AHEAD OF ICHI OKOMOTO AND HIS "GENERATION SEVEN" COMPUTER. MARY'S COMPUTER, BY THE WAY, HAS HER SIGNATURE ETCHED IN GOLD ACROSS THE BACK ACCESS FLAP. THAT NEAT FINAL TOUCH WAS SUGGESTED BY HER GRANDFATHER, LLOYD.

AS WE MOVE AROUND THE CROWD, WE MEET INDIVIDUAL SOFTWARE AUTHORS, FREELANCE CONSULTANTS WHO WORK THROUGH CDBAI, THE HEAD OF CONTROL DATA'S "PLATO LIMITED EDITIONS," AN ELECTRONIC PUBLISHER OF ESOTERIC COURSEWARE AS WELL AS PRODUCT AND SERVICES SALES PEOPLE.

WHO ARE THESE PEOPLE? WHAT KIND OF SUMMIT CONFERENCE IS THIS?

THESE ARE, IN FACT, LIKE YOU HERE TONIGHT, THE TOP PERFORMERS OF CONTROL DATA.
YET MORE THAN HALF OF THEM ARE NOT EMPLOYEES OF CONTROL DATA. THEY REPRESENT THE 5,000 AFFILIATED SMALL COMPANIES, THE 12,000 SALES PEOPLE EMPLOYED DIRECTLY BY CONTROL DATA, THE 15,000 BUSINESS CENTERS, AG CENTERS AND LEARNING CENTERS RUN BY CONTROL DATA, AND NEARLY 10,000 INDEPENDENT DISTRIBUTORS AND RETAILERS.

IN SHORT, I HAVE GIVEN YOU A SMALL SAMPLING OF THE PEOPLE -- AND THEIR WORK -- WHO MAKE UP "THE CONTROL DATA NETWORK." FOR THAT IS WHAT WE WILL BE 25 YEARS FROM NOW.

AT THE CORE OF THAT NETWORK IS WHAT WE KNOW TODAY AS CONTROL DATA. ITS FUNCTION IS TO ARRANGE START-UP AND ON-GOING FINANCIAL SERVICES FOR INDEPENDENT COMPANIES, MAINTAIN KNOWLEDGE BASES AND ASSISTANCE THROUGH SO-CALLED "EXPERT SYSTEMS," PROVIDE MANAGEMENT SERVICES LIKE BAI, CYBERSEARCH, AND SO ON. IT WILL MARKET PRODUCTS AND SERVICES AS IT DOES TODAY, RUN A MASSIVE COMMUNICATION NETWORK SERVICE, PROVIDE AUTOMATED DESIGN SERVICES, AUTOMATED MANUFACTURING FACILITIES AND ELECTRONIC SOFTWARE PUBLISHING SERVICES. SMALL COMPANIES, USING THESE SERVICES, DESIGN AND DEVELOP SOFTWARE AND HARDWARE -- NOT AS WE KNOW THEM TODAY, BUT CUSTOMIZED COMPUTING AND PERIPHERAL DEVICES. THEY WILL BOTH SELL THEIR OWN PRODUCTS AND SERVICES AND LICENSE THEM TO CONTROL DATA FOR DISTRIBUTION.
THERE ARE DISTRIBUTORS, RETAILERS, AND INDIVIDUALS — PART-TIME AND FULL-TIME — WHO CONTRIBUTE TO THE CONTROL DATA NETWORK.

THE ACTUAL CONTROL DATA NETWORK OF 2007 MAY VARY A BIT FROM THAT I HAVE SO SKETCHILY DRAWN FOR YOU. BUT THE ESSENTIALS WILL BE THE SAME. HOW DO WE KNOW THAT? LET ME TAKE JUST A FEW MORE MINUTES AT THE END OF A LONG AND WONDERFUL EVENING TO TELL YOU.

ONE THING IS CLEAR — IF WE ARE TO HAVE A FUTURE AT ALL, OUR PRODUCTS AND SERVICES MUST MEET BASIC NEEDS. IN THAT REGARD, WE ARE BLESSED WITH BEING PART OF THE INDUSTRY OF THE FUTURE — SO WE ARE ON THE RIGHT TRACK. BUT SUPERIOR PERFORMANCE ALSO DEMANDS WE BE A LITTLE BIT DIFFERENT — A LITTLE MORE CREATIVE, A LITTLE BIT AHEAD.

IT'S THE PRODUCTIVITY AND CREATIVITY OF THE INDIVIDUAL, OF THE SMALL ORGANIZATION — IN TUNE WITH THE MARKETPLACE — THAT WILL GIVE OUR PRODUCTS AND SERVICES THAT SOMETHING SPECIAL.

BUT HOW TO DO THAT? THE ANSWER IS A NEW AND DIFFERENT KIND OF ORGANIZATION — ONE THAT IS LIKewise IN TUNE WITH THE FORCES OF THE FUTURE. AND WHAT IS THE ONE RELENTLESS (FREQUENTLY FRUSTRATING) FORCE OF OUR WORLD AS IT TRANSITS FROM 20TH TO 21ST CENTURY?
INTERDEPENDENCE.

FOR ALL THE ADULT LIVES OF EVERYONE IN THIS ROOM, THAT FORCE HAS BEEN GROWING, PRESSING, AND SHAPING THE WORLD AROUND US.

FOR NEARLY 50 YEARS, FROM WENDELL WILKIE'S ONE WORLD TO TOFFLER'S THIRD WAVE, WE HAVE BEEN REMINDED BY WRITERS OF EVERY ILLS OF ITS GROWING PRESENCE. AND INEVITABLY, AS IT HAS GROWN, THE COUNTER-BALANCING FORCE OF INDIVIDUALITY HAS ALSO GROWN.

LOOK AROUND US. TAKE ENERGY AND FOOD — THE VERY BASICS OF EXISTENCE: THERE IS NO NATION ON EARTH SELF-SUFFICIENT IN BOTH THESE NECESSITIES. YET HAVE WE SEEN LARGER AND LARGER CONGLOMERATIONS OF PEOPLES? QUITE THE CONTRARY, FIFTY YEARS AGO THERE WERE 79 NATIONS IN THE WORLD -- TODAY THERE ARE 170.

AS TREND-WATCHER, JOHNNAISBITT, HAS POINTED OUT, "AN EXTRAORDINARY THING HAPPENED IN THE LATE 1960S -- THE U.S. GAVE UP THE MYTH OF THE MELTING POT. FOR YEARS WE HAD TAUGHT OUR CHILDREN IN FOURTH GRADE CIVICS (OR THEREABOUTS) THAT AMERICA WAS A GREAT MELTING POT, AS IF WE WERE ALL PUT IN A GIANT BLENDER AND HOMOGENIZED INTO AMERICANS. NOW WE HAVE GIVEN UP THAT MYTH AND RECOGNIZE THAT IT IS OUR ETHNIC DIVERSITY THAT HAS MADE US SUCH A VITAL, CREATIVE COUNTRY." WE MUST STRUCTURE OURSELVES TO DEAL WITH THIS "INTERDEPENDENT INDEPENDENCE" THAT WILL BE NECESSARY FOR 21ST CENTURY EXISTENCE. "INTERDEPENDENT INDEPENDENCE" -- IS IT ACHIEVABLE? OR IS IT JUST ANOTHER OXYMORON? WHAT THE WORLD AT LARGE MAY OR MAY NOT ACHIEVE, I CANNOT FORECAST. WHAT WE IN CONTROL DATA WILL ACHIEVE, I CAN.
I CAN BECAUSE WHAT WE ARE ABOUT IS IMPLEMENTING A STRUCTURE BASED ON A VISION WHICH ALREADY EXISTS. WE HAVE BEEN BUSILY PLANTING THE SEEDS OF OUR FUTURE, PUTTING IN PLACE THE BEGINNINGS OF THAT STRUCTURE. WE ARE ALREADY EXPERIENCED IN LARGE COMPANY/SMALL COMPANY COOPERATION, IN NETWORK STRUCTURES, IN INTERDEPENDENT TECHNOLOGY DEVELOPMENT AND INDEPENDENT MARKETING. WE HAVE TESTED OURSELVES AND GAINED EXPERIENCE. WHILE THE STRUCTURE WILL CONTINUE TO EVOLVE, WE ARE ALREADY WELL ON OUR WAY TO CREATING THE ENVIRONMENT IN WHICH IT CAN GROW AND FLOURISH.

AND AS THE CONFEREES OF MAY 2007 REFLECT ON THE INTERDEPENDENT STRUCTURE THAT ASSURES THEM INDEPENDENCE -- AS THEY LISTEN TO THE ACCOMPLISHMENTS OF THEIR COLLEAGUES AND THE CONTROL DATA NETWORK AS A WHOLE -- THE $50 BILLION IN REVENUES, HALF OF IT BY THE 25,000 SMALL COMPANIES, DISTRIBUTORS, RETAILERS, AND INDEPENDENT CONSULTANTS -- I'M SURE THEY'LL LOOK BACK ON OUR ACCOMPLISHMENTS WITH NOSTALGIA AND WITH WARMTH. BUT THEY WILL KNOW TOO THAT ONLY WE COULD HAVE LOOKED FORWARD TO THEIR ACCOMPLISHMENTS WITH EXCITEMENT -- AND WITH CONFIDENCE.

AND NOW, BECAUSE THIS IS A VERY SPECIAL YEAR FOR US, LET ME CLOSE BY ASKING GREG ANDERSON TO JOIN ME UP HERE. GREG, WOULD YOU COME ON UP? (PAUSE) GOOD. NOW, AS I MENTIONED AT THE BEGINNING, GREG CAME INTO THIS WORLD JUST SIX DAYS AFTER
CONTROL DATA. OUR TWO BIRTHDAYS DON'T TAKE PLACE FOR TWO MORE MONTHS -- BUT WE'VE ALWAYS BEEN AHEAD OF OUR TIME ANYWAY.

LET'S ALL JOIN TOGETHER RIGHT NOW AND SING "HAPPY BIRTHDAY" TO GREG -- AND THEN A SECOND CHORUS OF "HAPPY BIRTHDAY" TO CONTROL DATA. IT'S BEEN AN ABSOLUTELY WONDERFUL EXPERIENCE TO BE WITH YOU -- YOU'RE SUPER PEOPLE AND I WISH YOU THE VERY BEST FOR THIS YEAR AND FOR ALL THE YEARS TO COME.

NOW: "HAPPY BIRTHDAY TO YOU...."