Thank you, Norb, and good evening.

What a pleasant thing it is to get together for a few hours -- every time I attend an affair like this, I'm impressed by the reward we all get from it. And I never give an after dinner talk without wondering why we put ourselves through this after dinner speech business.

After dinner speeches -- nobody really wants one. Not long ago I was over here at the Decathlon Club for an evening meeting and passed a room where there was a sizeable political gathering. Two guys were talking just outside the door and I overhead one say: "Good grief! You give a little dinner and a politician comes up with a speech." To which the other responded: "No, you got that wrong -- a politician gives a little speech and up comes your dinner."

I know anniversaries are typically reserved for savoring the past....for reviewing shared accomplishments, and reflecting on the things we've done and learned.

But, tonight, I'd like to take the occasion of your
anniversaries to look forward rather than back. It's not that you haven't accomplished a lot for you certainly have. But, I'd like to put our historical personnel function and its achievements into a larger context -- the personnel function of the future.

Looking ahead five years....I see a magazine cover. It's Business Week, and the headline says in bold print: "Theory P: Revolution on the Human Resources Front."


The book comes out -- "Everything You Always Wanted to Know About Theory P -- But Were Afraid to Ask Your Boss." It's a bestseller, of course, and the author goes on the talk show circuit. I know what you're thinking; but, no, it's not written by Norb Berg. It's written by Malcolm Forbes, who says, "It's about time we beat the hell out of Japan in something."
Theory P will be an amalgam of human resource theories and practices pulled together from a variety of sources. It will be hailed as effective -- and long overdue. The rationale for it will begin with the recognition that productivity is related to environment, that employees need more than a workstation, a keyboard, and a paycheck. The tag line to Theory P becomes: Effective utilization of the total human resource.

Many a graduate business thesis will be devoted to the different environment of Theory P companies based on the discovery of a basic truth: that people want to feel effective, and that successful firms give them the resources, the training, and the opportunity to achieve. In return, those companies do, in fact, receive the full productive energies and initiative of their employees.

As its core, then, theory P involves a shared commitment in which personal and corporate goals become intertwined. The responsibility for increased effectivity, increased productivity will be a shared responsibility between individual and the company. The company will be concerned more with a person's total work environment. It will ask: "Can we be more equitable, more consistent, more caring?" Advocates of Theory P in management consulting firms will be authoritatively talking about five principles underlying the development of an appropriate work environment:
1. Increased level of job security should be afforded to the greatest possible number of a company's employees.

2. Management practices should ensure fair and just treatment of all employees.

3. Companies should pursue management practices which place a high value on reward for performance.

4. Individuals should be able to work in an environment conducive to self-development and achievement beyond the requirements of currently held positions.

5. And, finally, companies should pursue the development of corporate benefits and support services which recognize that personal quality of life influences job performance.

Many companies will have put pieces of Theory P into practice. But the true Theory P company can be discerned by the presence of one key characteristic which links these five principles and makes them dynamic the degree to which feedback informs top management -- feedback which comes directly and automatically -- from employees as to the effectiveness of its policies and practices. This feedback must cover things like in our case Staywell, Wiser Ways, and other benefit programs. It must also cover productivity programs: skills training, involvement teams and so on.
The Theory P company will be innovative, not only in its products and services, but in its organization and total infrastructure. And the personnel function will be the key to making all this happen. Theory P adherents will start to talk in terms of a "strong personnel function." What they mean by that will be interpreted in many ways -- but I can tell you precisely what it means and what to look for. At the true Theory P company, personnel is integrally involved in formal decision-making. It's part of the management team and participates in day-to-day business decisions.

So at these firms, personnel will create a magnetism and excitement of its own. That will attract not only the most talented people to it, but set the tone for the entire corporation.

In five years or so, when enough companies are doing enough of the things I've mentioned, the media will suddenly decide there's something new. They'll call it Theory P -- or something like it. And when the roll is called and all the Theory P companies are assembled, Control Data will have already moved on to more advanced concepts applicable to the 21st century.
We've been developing policies and programs for 20 years that will be staples for most companies far into the future. Sometimes we get so close to what we're doing that the larger implications go by unnoticed. But, what we're doing -- what you're doing is nothing less than helping to reshape Control Data.

I was at a board meeting last fall, and the question came up, "How effective is our personnel function?" And without any hesitation, I replied, "We have the one of any company in the U.S." I believe that, and I see it manifested in an overall attitude, which is equal parts caring, determined, and adventurous. Control Data has always been more than just a place to work -- it is, as I have said before, an adventure. And it's not just a matter of the business we're in, the work we do -- it is equally due to the environment within which we work and the stimulus that provides for each of us.

None of that is mere happenstance -- it is a conscious and direct result of the character and capability of Norb Berg. Don't mistake what I am saying: Control Data -- its practices and policies -- are the result of the talent, creativity and energy of the entire team in this room. But you are a direct reflection of the values that Norb preaches and practices: fairness, creativity, and sensitivity.
That's leadership. And it's leadership few companies are privileged to experience.

But let me return to the future -- the more distant 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. On July 8 this year we will celebrate Control Data's 25th year. But what will things be like 25 years from now? 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.

It's 2007, the eighth year of the 21st century, the 50th year of Control Data's adventure. Many things don't change -- it's May and the snow in Minneapolis has been gone for two whole 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 13,435,222nd apple. Someone once knew how old he was, but the person who knew is so old his memory is bad.. Walleye opener is two days away and the top marketing performers are meeting once more at the annual Summit Conference.

Some things change a little: Frank Dawe no longer runs seven miles and swims three miles each morning -- he now runs three miles and swims seven. And Rog Wheeler devotes half-time to Control Data and full-time to HMO's rather than vice versa.

But other things change much more. For example, let's take a look at that Summit Conference I mentioned and see who's there in May 2007.

First of all we see Mike and Mark Haynes, President and Chairman respectively 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 -- sons of you know who -- are in partnership: Peripherals Unlimited. Last year it 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 older man. It's Tracy Beckman and he's 67 years old -- from Bricelyn, Minnesota, population 2,007 (a coincidence). Twenty-five years earlier, in 1972, 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 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 stories of Bill Norris, Norb Berg, and other Control Data friends from the old days.

Next we see Susan Stanhope, 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 thrashing!"
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. MCC is 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, Business Center managers galore, and freelance consultants who work through CDBAI. We meet the head of Control Data's "PLATO Limited Editions," an electronic publisher of esoteric courseware, and, of course, many product and services sales people.

Who are these people? What kind of Summit Conference is this?
These are, in fact, just like the attendees in our time -- the top marketing 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 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 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 the somewhat whimsical view I've just given you. But the essentials will be the same. How do I know that? Like this:

First of all we're 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.

And to do that we must have a new and different kind of organization -- one that is likewise in tune with the forces of the future.
And the one relentless (frequently frustrating) force of our world as it transits from 20th to 21st century is -- 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 ilk 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, John Naisbitt, 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." So 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 busy planting the seeds of our future, putting in place the beginnings of that structure -- "Theory P" for starters -- but beyond that 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 network community that assures them independence -- as they listen to the accomplishments of their colleagues and of the Control Data Network as a whole with its $50 billion in revenues, half of it by 25,000 independent small organizations
and individuals -- I'm sure they'll look back on our modest accomplishments with a smile and with warmth. But they will know too that only we could have looked forward to their accomplishments -- looked forward with excitement -- and with confidence.

Thank you.