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, Arnie Ryden and others -- 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 shares 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 large 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.

During this past quarter century, the Company has grown from that handful of employees working out of a Minneapolis warehouse to a worldwide organization of some 59,000 people doing business in 47 countries. Revenues have grown from $626,000 that first year to more than $4 billion with net earnings of $171 million last year.

But more important than the growth of a business as evidenced by those statistics has been the evolution of a business strategy which provides the foundation for continued growth far into the future. That strategy has as its central theme the thought embodied in the title of this conference: Societal Need and Business Opportunity.

In the sessions today we've heard many perspectives -- and questions -- with regard to meeting the major needs of our late 20th century society. As pointed out, meeting those needs will involve many competences. But one thing is certain: meeting them -- effectively -- invariably will involve using the most advanced knowledge-assisting tools -- or more specifically computer technology -- available. Control Data's strategy relies heavily on a broad-based knowledge services capability.
Using this capability, we address these basic needs directly rather than simply providing knowledge-assisting tools for others to use. For example, we operate vocational schools instead of just selling a computer for educational use. We market computer-based services to help create and assist small businesses rather than just selling computers to government agencies or others who might attempt such services. And so on.

This strategy did not exist back there in the beginning - in 1957. Nor did it, like Venus, spring forth full-blown from the sea foam. It has evolved over time. And as it has evolved, we have also retained the underlying computer and financial businesses on which it is based. Therein lies much of its self-reinforcing strength. For the next few minutes I'd like to share that evolution with you, not for its own sake, but because of the insight it provides on the person who is its architect, its inspiration and its driving force: Bill Norris.

**Pragmatism**

One thing you learn quickly about Bill is that he's a very practical person. His thinking is firmly rooted in day-to-day reality. No matter how "different" someone today said revolutionary his ideas may at first appear, if you listen closely you'll find that in fact you're just hearing common sense from a man with acute perception of the world around him. A story from long ago tells it well.
It was the summer of 1934 -- Bill turned 23 that summer and
Nebraska was in the throes of the most devastating drought ever
to sweep the Great Plains. Bill's father had died two years
earlier and he and his mother and his sisters had only their
Hereford cattle and five dollars in cash. They were on the
verge of losing the herd -- either to the rock bottom prices of
a glutted market or by starvation when winter came. Losing the
herd meant losing the farm, so a way had to be found to feed
them over the winter.

The problem there was that the only thing thriving that year
amid the seared and shriveled corn were Russian thistles -- a
lush green weed universally despised by Nebraskans. Some of
you may know it by another common name: the tumbleweed. One
hot summer afternoon Bill remembered that as a small boy he had
seen some of the cows choosing to eat an immature thistle
rather than some of the green alfalfa in the feed trough.

So he decided to cut and stack the thistles before they
matured. Neighbors thought he was crazy -- he even had
difficulty hiring people to help with the labor -- they didn't
want to risk being laughed at.
The thistles were cut. They were stacked and stored. And that winter they were fed to the cattle. The Herefords made it through the winter. And it was more than 40 years before conventional wisdom caught up with Bill Norris: researchers at New Mexico State University in the late 1970s studied the thistle and reported that in early growth stages it contains up to 22 percent protein and could be used as cattle feed.

In 1957, when Control Data was launched, Bill Norris and his colleagues faced different problems of survival. But his approach was equally pragmatic.

As an embryonic company in that summer of 1957, Control Data faced an industry dominated by a giant. The only practical strategy was to find a niche -- a segment of the market least dominated by IBM. And so it was decided to concentrate on large-scale scientific and engineering computation. But in the meantime, short-term survival was also a very practical matter of generating some revenue in some fashion. Among other things, Bill went to IBM in search of 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.
Control Data's initial marketing strategy was to sell a barebones large-scale computer -- essentially an emphasis on hardware, with very little software. This approach, however, limited sales to those organizations large enough to have an experienced programming staff and enough need for scientific computing to warrant the ownership of a large computer. It did not meet the needs of the many smaller organizations who had scientific or engineering problems which could be more efficiently solved if access to a large computer were available as and when they needed it. So, in 1961, computer sales were augmented with the addition of services provided by our largest scientific computer. Thus pragmatism gave birth to another major product line: Computer Services. And from this seed has grown the diverse set of services based on computer technology that underpins our strategy.

The Importance of Adequate Resources

There is another characteristic of Bill Norris which on reflection I think has probably determined the course of our strategic evolution more than anything else. That characteristic is a deep seated frugality combined with a finely tuned and abiding appreciation of the resources required to accomplish complex tasks.
The frugality is easily attributed to his experiences on that Nebraska farm. But it is rare to find combined in one person both frugality and an appreciation of those circumstances in which the commitment of massive resources is called for.

During the Second World War Bill became second in command of a group of scientists struggling to break the Japanese and German codes. The work was exciting, the people working on the project among the country's leading scientists and engineers. For Bill it was an introduction to calculating machines and digital electronics -- the first step on a path that led him into the computer industry.

He also saw the value of resources in a new context -- the awesome results that could be achieved by aggregating highly talented people and the absolute necessity of giving those people all the resources they need. The code-breaking effort was a mammoth task -- but it succeeded -- and it did so because the necessary resources were made available and the people involved never let the size of the challenge daunt them.

This deep-seated appreciation of what it takes to survive, to get things done, to grow and prosper never left him. Combined with his practical mind it has led to a basic tenet of Control Data's culture: cooperation.
For example, early on it was decided that the only way to get the peripheral equipment needed for our large computers was to do it ourselves. On the other hand, there was no where near a critical mass to be had from Control Data's requirements. The answer: sell to other computer manufacturers....sell to the competition? Bill reassured some of his doubting subordinates that that was the only practical way to be sure of having effective peripherals. "And besides," he said, "if we don't, somebody else will."

Still it was neither possible nor desirable to rely entirely on our own resources to develop or acquire needed capabilities. Consequently, we sought cooperative relationships with other computer manufacturers over and above the existing OEM business. These proved to be very difficult to accomplish, and we weren't successful on a meaningful scale until 1972 when we entered into a joint venture with NCR to develop and manufacture selected computer peripheral equipment. Although we had begun to design and build our own peripherals more than 12 years before, it wasn't until the cooperation was put into place that we could come close to a critical mass. Another cooperative venture with Honeywell followed soon after. Thus, OEM peripherals became the third major product line. But, beyond that, peripherals' billion dollar success provided demonstrable proof both in the company and outside that cooperation would work.
Action

I can never think of Bill Norris without the word "action" coming to mind. You have to experience being in his office on Monday morning -- or after he's been out of town -- and being deluged by things to do which Bill has had several days to think up. Someone once asked Norb and I what it's like to meet with Bill each morning and absorb his ideas, suggestions and action items. Without hesitation, Norb answered for both of us: "Well, it's like having an accident every morning at the same intersection." As many of you would know, that comment is made with great affection.

It was Bill Norris' action orientation that led to the fourth product line -- Financial Services. In the summer of 1968, Commercial Credit was being "raided" (as the saying goes). And from a phone booth down the road from his fishing place, Bill engineered a three-quarter billion dollar acquisition in eight days' time. While our immediate motivation was to obtain financing for our computer leases, we actually acquired much more: many talented new employees, a customer base of some 30,000 small businesses, and a nationwide network of nearly 1,000 offices which ultimately were to become the foundation of our strategy of services for small business.
Courage

But if a single, dominant characteristic must be chosen to describe Bill Norris, it is an unflinching and iron-clad will -- sheer guts. Once he sees something that should be done -- must be done -- you can bet your bottom dollar it will be done. No matter how hard. No matter how painful. As Norb and I have said on many occasions after leaving Bill's office: "You know, he's perfectly capable of saying - 'now see that red hot piece of coal - just take it and swallow it - it really won't hurt so much' - and you know what else, we'd probably swallow the damn thing and find out he was right!" And that is the foundation of his leadership -- a leadership this world could use more of.

No more classic case of this exists than the decision to sue IBM back in 1968.

Events of the sixties had proved that action should be taken to protect our computer mainframe business from IBM's onslaught. Birkenstock's "We could care less" had indeed become bitter irony, but, more importantly, action was needed to protect our fledgling services business. It was equally clear that the federal government lacked the will and probably the talent to do anything. Leadership was called for. Conventional wisdom said no -- you can't match resources no matter how valid your case. Bill said "yes!" And that was it. It only remained to do it successfully.
At this point, I am reminded that, while a lot has been said about Bill Norris' vision and how he sees what can and should be done, his determination, and so on, not a whole lot has been said about how those visions are turned into reality. Actually it's simple -- once Bill Norris has decided something should be done, he simply talks about it as though it has already been implemented. We have a favorite story to illustrate how this works:

WCN is speaking to a large gathering
Senators and Congressmen are there
UN delegations are there
Time, Newsweek, Forbes and Fortune and the foreign press are there as well.

Control Data, he says, is announcing a new material -- a kind of silk like none other known to man
If warm, keeps you cool
If cool, keeps you warm
If you're hungry, it's eatable
It's bio-degradable and costs practically nothing.

While thunderous applause fills the room, Norb and I are back stage frantically urging two silk worms to become romantically involved! And we're not even sure if the silk worms are male and female!
In any event, in this instance innovation in the form of a computerized data base did much to relieve the legal resource problems, and Bill Norris' personal strategic and tactical direction did the rest. The lawsuit achieved its goals -- and much more. For example, Data Services not only got some elbow room, it got a lot of muscle -- that precious critical mass so difficult to develop with limited resources.

The Final Link

But let me move on with my story. As you have already heard this evening, by the late sixties, the feasibility of PLATO computer-based education -- the pivotal technology in Control Data's knowledge services -- had been demonstrated by Don Bitzer and his colleagues at Illinois.

And so by 1967 the stage was set for the major catalytic event of our strategic evolution. That summer, fires and riots swept the poverty-stricken, mostly black community on Minneapolis' north side. The major cause of the disaster was the lack of enough decent jobs. To Bill Norris, the answer was straightforward: Put a plant in the middle of the riot area. And don't do it half-heartedly -- make it vital to the company's success. To the doubts and questions of what do we do about this problem or that, the answer was equally straightforward: "Whatever it takes."
The doors of the plant opened in January, 1968, to a chorus of predictions it could never be operated successfully. The doubters were proven wrong.

I say that this was the catalyzing link in the chain of evolution for our strategy, because it sparked the decision to address a social need directly by establishing a plant. After a few months of experience, it became clear the project would be successful. This knowledge, coupled with the progress being made with PLATO, provided the impetus that led to a strategy of addressing directly major unmet societal needs as business opportunities.

Conclusion

That, then, is a capsule history of how a unique individual and computer technology came together to forge a truly unique business strategy.

Through it all there has been a spirit of mission, of adventure and commitment, which has benefited our employees, our customers, the communities in which we've lived and worked, the society of which we're a part. Control Data's decision to become inextricably involved in the needs of the world that surrounds us has given new meaning to what a corporation is and should be -- and Bill Norris has led the way -- by his example
and by his fortitude. There are a lot of people out there today who wouldn't have had the opportunities they've had if Bill Norris had bowed to conventional wisdom during these many years since the "summer of the thistle" down in Nebraska. He's taken us this far and he'll take us farther yet -- and when future generations of Control Data employees look back at us they will know one thing for sure: here was a man who knew how to put himself on the line, to give everything he had -- and to do it again and again and again.

(PAUSE)

It's often been said that the earliest Christians get the best lions. Well, it's Control Data's fate -- and Bill Norris' fate -- to be there first. Often, the initial rewards have been ridicule, doubt and fear. But there is one measure of this company nobody will dispute -- one measure of the man who's led us through 25 years of high adventure. It's been his courage that's inspired us all....and tonight we would like to honor him for that singular trait which has lifted him head and shoulders above the rest of us.

For your courage, Bill, and for the inspiration it's given to all of us, on behalf of all the employees of Control Data, Norb and I would like to present to you an original sculpture -- a sculpture by this area's most outstanding sculptor, Bob Winship -- emblematic of where it all began.
GRATEFULLY PRESENTED
TO WILLIAM C. NORRIS
BY THE EMPLOYEES
OF CONTROL DATA CORPORATION

...in recognition of the innovative spirit and determination which prompted him to ignore public skepticism and use thistles as cattle feed in Nebraska nearly 50 years ago. Those qualities have been demonstrated time and again as he founded our company, nurtured its growth, and steered us on a course which has pioneered a new role for corporations in society.

ON THE OCCASION
OF CONTROL DATA'S
25TH ANNIVERSARY

(NRB: Bill, would you please step up here and accept the thanks and admiration of all of us who've known and worked with you through the years?....)