Thank you, Ron. I just left one "quality journey" so I could be part of your quality journey here today. I've been in Canada the last few days, pursuing the type of quality you find with a fishing pole.

I'd like to be able to tell you that I caught all the fish there were to be caught. But the truth is closer to a statement Calvin Coolidge once made about the 45,000 trout in his favorite fishing place. "I haven't caught them all yet," he said. "But I've intimidated them."

Well, today I want to use persuasion rather than intimidation to move you along the continuous quality journey that is TQMP. But if a little intimidation is required, well...

In July, I discussed quality in a memorandum to the group executives. Let me share excerpts from that memo with you.
"Our goal," I wrote, "is to be recognized as the leading quality company in the computer industry. Evidence of this will be winning the Baldridge Award by 1991. (Actually we have a great start toward that goal. The Ok.City division is among the four finalists for this year's Baldridge Award.)

"To achieve this goal and the associated recognition, TQMP must become integral to the management process. It is not at present.

"TQMP exists only at the periphery of Control Data's management process. It is not visible in the strategic planning process, the budget process, or the operations review process. Yet, these are the mainstream management processes."

The memo continued:

"There are two dimensions of TQMP.

"First, there are tools, techniques and mechanics: quality improvement teams, statistical methods, 'PDCA' algorithms, process flow analysis and so on. By sheer brute force we are functioning reasonably well in this dimension, and making fairly widespread use of these techniques. But there is no institutional force behind all this as yet, even though TQMP was begun five years ago."
"Second, there is the human resource management dimension. There is a matter of style. It centers on the theme of empowering subordinates to realize their full potential -- 'What I think and do matters.'"

I concluded by saying that the central precepts of empowerment are decentralization; active encouragement for people to identify and solve problems; instilling 'there's gotta be a better way' (or) continuous improvement attitude; and training.

Today I want to elaborate with you on the thoughts behind that memo.

First of all, what do I mean by TQMP being practiced by "brute force"? What I mean is Quality -- TQMP -- is recognized as important because of executive insistence and haranguing. And it is true over the last few years quality has become recognized as a desired corporate goal. In a recent survey of U.S. employees, 70% said they saw at least some evidence from management in support of Control Data's commitment to quality. TQMP is effective however, largely as a result of pervasive guerrilla warfare carried on by "true believers" at the operating level. That's O.K. We've achieved a lot. There has been a lot of measurable changes for the better in this Company.
But that approach is wearing -- people weary of exhortation. Champions may move on to other goals or organizations. So we need to make the practice of TQMP more natural, more a part of the everyday management process.

The matter of trying to institutionalize quality management begins at the business unit level with clear-cut strategies. You must then have key measures to define what is going on in your processes so that they can be improved.

The advantage someone at the business unit level has is that the measurements are almost automatic. If you're managing an administrative process, the amount of time, the number of forms, and the errors that occur are key ratios that are almost self-evident.

Key measurements often are harder to obtain at higher management levels. In Technical Services, for example, customer satisfaction is a key measure. But that's so broad a measure, you have to break it down into specific measures and different initiatives for each of the various functions and operations that affect customer satisfaction. And these initiatives must be subject to regular management review.

So, one of my objectives for 1989, is to make TQMP initiatives the focal point at the normal monthly operations review.
I want to get every manager at every level of the Company involved in TQMP and using its techniques and tools every day.

[Commitment/Involvement]

Well, that's the way it is with Quality -- you've got to do more than just express commitment -- you've got to be **involved**. Those who are know that Quality techniques work. And they use them over and over again.

When we can honestly say that is occurring is when TQMP will no longer be ad hoc or brute force. TQMP will simply be the way we manage Control Data.

Again, you can't learn that way of managing merely by directing others to do it. You have to do it yourself. You have to take one of your own processes and lead the effort to improve it -- personally.

Let me tell you about one of my own experience.

[Speech writing process]

Personal experience will teach you something else as well. Quality methods are hard work. People like to say "work smarter, not harder." Well, with Quality you have to work both smarter and harder. Measuring processes, collecting data on key indicators can be tedious, hard work. But you can't work smarter unless you are willing to do this hard work.
Again let me illustrate this with another more recent quality journey. Obviously the way a CEO spends his/her time is highly leveraged in terms of an organization's success. I decided I should look systematically at how I was allocating my time. Was I, in fact, spending my time on the things I considered most important -- that is, did my "time spent" profile match my priorities profile?

So I took key priorities and with the help of Sandy, my secretary, and some TQMP pros, worked out a classification by type of activity and a time sheet divided into fifteen minute intervals. Sandy could fill in certain obvious uses of time, but each day for four months I went through the process of recording what I had done. It wasn't easy, and of course the recording process itself took time, thought and effort.

At the end of one long day I found the time sheet at the bottom of my "to do" file and started to work at it. After a moment I stopped and said to myself," What the hell is going on here? I've worked all my life and here I am filling out a time card again!" Then I couldn't help laughing.

So don't think gathering data, measuring processes, or Quality in general is easy stuff. It's not. But you'll feel good -- and probably laugh some times as well. You'll find you may be gathering some useless data. Sometimes you'll discover you are
using inappropriate measures. But you will also gain a lot of insight: into more effective data collection processes themselves; into the work processes of your group, and, as a matter of fact, into your own management style.

Perhaps the best way to describe TQMP is that it makes order out of some of the toughest problems we have. I've seen it up close and from afar. But more than anything, I've seen the fire it brings to peoples' eyes when they know the thrill of achievement it can bring. Another thing you notice is a dramatic difference in how work groups analyze a problem. Not long ago if you walked into a meeting, you might hear someone say, "Well, maybe we messed up...but how were we supposed to know?" There were a lot of excuses, finger pointing, and frustration.

Now, you walk into a meeting where Quality techniques and tools are being used and you'll hear facts based on what the control charts show...what the data coming from the statistical processes is revealing. It's like finding a buried treasure. Only it's a buried flaw.

Everybody enjoys a little detective hunt. I'm sure that's why whodunnit stories have been bestsellers for a long time. TQMP takes the "who" out of "whodunnit". It ferrets out the villain. But in this case it's the "villainous process" and not "the butler" that's to blame.
Every company has problems. Control Data has had, and will have more. The application of TQMP tools and techniques to technical, business, financial and people problems cannot and will not immunize Control Data against problems. We are fighting to drive our way into some tough markets. In most cases, we are up against strong competitors. To win the fight, we need quality products and services. Quality products and services come out of quality processes. And quality processes come from systematically measuring, observing, and analyzing -- day after day after day.

Not only is poor quality expensive in and of itself, but quality is the key to competitive advantage, customer satisfaction and profits.

Needless to say, I'm very serious about quality. I'm proud of what we've achieved thus far. And I'm determined to see that TQMP is integral to how we manage -- at every level of the Company. Technical Services has the opportunity to be the leader in taking Control Data to the next level of TQMP implementation -- the level beyond just a list of ad hoc quality improvement projects -- the level at which quality is strategically determined, explicit in the key measures which guide daily management action, and synonymous in our customer's minds with the name Control Data.

Thank you.