Good evening. It is always a pleasure to be part of a Summit Conference. But Bermuda is extra special. It was the site of the very first Summit in 1977, and brings back many great memories. Summit Conferences are likewise a time for looking ahead and thinking about future plans and achievements. So there’s nostalgia and anticipation all rolled into one. That’s a heady enough potion for anyone. And I hope this has been a very special time for each of you.

Probably by now you’ve read or been told that Bermuda’s motto is, "Quo Fata Ferunt [Quo Fat-ta Fur-raunt]," or "Whither the fates carry us." The full meaning which Bermuda gives the phrase is: "Uncertain whither the fates carry us and where it may be given to us to settle, we rally [our men] together."

The first inhabitants of Bermuda were 150 passengers from the British vessel, Sea Venture. En route to Jamestown, the ship wrecked on the reefs surrounding the island. Everybody made it safely to shore. Here, their fears turned to confidence and pride in an unexpected but felicitous new home.

Considerably less benign are the reefs that started the whole thing. More than 230 years after its first settlement, the island’s reputation as a graveyard for ships finally changed.
In 1846 the Gibbs Hill Lighthouse began flashing its powerful beam giving warning to ships up to 40 miles away.

On reading about the Gibbs Hill light, I was reminded of a story about a U.S. Navy ship on the high seas. A little blip shows up on the ship’s radar screen.

The Admiral orders the Ensign: "Tell that ship to change its course 15 degrees."

The word comes back on the radio: "You change your course 15 degrees."

The Admiral says: "Tell that ship that we are the U.S. Navy and to change its course 15 degrees."

Again, the word comes back on the radio: "You change your course 15 degrees."

Finally, the Admiral himself gets on the radio and says: "I am an Admiral in the U.S. Navy -- change your course 15 degrees."

The word comes back: "You change your course 15 degrees -- I am a lighthouse." [PAUSE]

There are few lighthouses to guide us on our course in Control Data -- and certainly there is a sea of change around us.

Today, the computer industry is going through the greatest period of change in its history. I have talked about this
change on several occasions recently. But it bears repeating tonight.

There are two factors driving this change. One, technology, is a familiar source of change in the computer industry.

I won’t dwell on the technology change. There seems to be a newspaper story every day on that subject. Perhaps one quote from a recent Goldman-Sachs research report will suffice: "... within 2-3 years, we foresee micro/standards based products as representing the vast majority of mid-range and high-end [computer] systems purchased for new applications."

It can be argued that the timeframe is even shorter.

Just look at the current stories on Apollo, Wang, Prime or Data General. Just two weeks ago the Boston Globe reported on Data General’s complete change in product strategy in its fight for survival -- it’s a real-life account of the scenario described in the Goldman-Sachs report.

Of course, the computer industry always has been one of rapid technological change. That’s not exactly new.

The other change, however, is truly new. And that is the advent of portable standard software systems such as UNIX. Only with the growing acceptance of UNIX has the "new world" of industry-standard operating systems come to mini-computers and mainframes. This is a source of change more powerful than anything the industry has ever experienced.
In earlier times, the cost to the user of forsaking one proprietary software system for another was prohibitive. As a result, the citadel of the vendor’s installed base was not only secure, it expanded at a pace the vendor could afford. All that is changing with UNIX and other more portable systems software.

Consequently, vendors of computer platforms must look beyond their own proprietary software systems for the value-added that brings profits.

In the long run this change fits Control Data’s goals and strategies very well. For many years our basic strategy has been guided by the knowledge that Control Data could only be successful in the computer systems business by being a high value-added vendor, as opposed to a broad-based, low-cost producer.

In fact, what we have in this new era of the computing industry is a greater opportunity than ever to go for value-added rather than replicating generic hardware and software technology; to truly work on our customer’s problems, rather than spend tens of millions of dollars just to get a basic operating system -- to get to ground zero, if you will.

But clearly, this also means change. Change in the way we operate. Change in the way we think. And change leads to uncertainty.
Business uncertainty, product uncertainty and market uncertainty are difficult enough. But change also brings about uncertainty in organizations and in individuals.

Here we come to an age-old truth: in uncertainty, there is opportunity. All you have to do is look around at this beautiful island to see the truth of that statement. Out of the uncertainty of a shipwreck, 150 men and women had the opportunity to settle this island and fulfill many of their own personal dreams.

Have you ever thought about why we are so intrigued by tales of adventure? There is certainly romance and wonder in any good adventure story. But there's more than that -- it is the uncertainty that grips us, that binds us up in the story and has us pulling for the adventurers to reach their goal.

Yes, reading about adventure is fun, but how much more fortunate are those of us who know from personal experience the wonder, excitement and uncertainty of adventure. No longer are we reduced to being passive participants, observers of the passing scenes from someone else's story. Rather, we can live the thrills. And much, much more fulfilling, we can influence the course of the story and its outcome.

One of the greatest explorers of any age was Captain James Cook. In his biography of Cook, Alan Villiers says, "Cook is no visionary who stumbled upon what was there because it was waiting for the first stumbler to find it. Nor [was he] an
Cook had a goal: to chart the great unknown of the Pacific Ocean. In the course of three voyages between 1768 and 1780, he contributed more to human knowledge about that one-third of the earth’s surface than anyone, led the way in using modern navigation techniques, and laid the foundation upon which Great Britain’s Pacific empire would be built.

Cook explored uncharted waters in the Antarctic, and the Pacific Ocean from New Zealand in the south to Siberia in the north. On the first of his three world voyages, Captain Cook’s ship, the Endeavour, was badly damaged on the Great Barrier Reef off the coast of northeast Australia. After being repaired, the Endeavour set sail again only to be shoved helplessly toward another dangerous reef. Captain Cook wrote in his journal: "...we had hardly any hopes of saving the Ship and [full as little] our lives. Yet in this truly terrible situation not one man ceased to do his utmost...with as much calmness as if no danger had been near." At the last moment, the winds flapped the Endeavour’s sails to life. The shipped sailed -- away from the reef and toward open water and safety.

Captain Cook and his Endeavour crew "lived" their adventure -- its perils as well as its discoveries, its days of enchantment
as well as its days of boredom. They had faith in themselves and each other. They faced the uncertainty of the great reef and escaped its destructive grip because they wouldn’t quit.

Control Data’s story is an adventure to rival any voyage of exploration. From it we also learn that there is opportunity in change and uncertainty. I know because I’ve been lucky enough to be a part of it. It was, after all, fundamental technological change that made Control Data possible in the first place. That change was the introduction of the transistor and the implications of that new technology for computer design. By capitalizing on that change and by accepting the uncertainty of starting a new company with a handful of people and $600K in initial capital, Bill Norris and his colleagues made a breakthrough that established themselves in the world of scientific computing. They had little more than a perception of a computing need that was not being adequately met. But they had a lot of faith in their own ability to conceive, develop, and deliver a product that would meet that need better than any of the established companies. And they made it work -- in spite of the uncertainty.

Another more personal example comes to mind. More than 25 years ago, I transferred to a position in Control Data that was about as ambiguous and as uncertain as they come. The Company was just expanding its operations into the international marketplace. The head of the new International
operation was located in Europe, and reported directly to Bill Norris. I was asked to organize and run the technical support operations for International and report, not to that person, but to the head of U.S. Marketing, who, I discovered, spent a lot of his time fighting with the International chief. At the same time, I had the task of organizing and running the International home office, which more-or-less was the responsibility of a committee called the International Operations Committee composed of several top executives of the Company. Just to complete the scenario, I was given sales responsibility for the Far East, Australia, Mexico and Canada, which was considered part of the U.S. marketing operation.

Since my time would be spent roughly 60% in Europe and 40% elsewhere, it was decided I would have two offices -- one in Europe, and one in Minneapolis. So, in Europe, I reported, more-or-less, to the International VP. In Minneapolis, I reported to the International Operations Committee. And, of course, I had my Marketing boss as well. Uncertainty is hardly an adequate word to describe the situation.

Communication was so good between the principals that when I first arrived to live in Europe -- with my family -- my "boss" there thought we were on a trip. No one got the message that we were expected to live in Europe for the first year.

It is still not entirely clear how I survived all that uncertainty. But two things are very clear: I believed in the potential of the International market for Control Data.
And, I believed that international business had a lot of potential for me. I’ve never, in my entire career, had a greater learning experience. Uncertainty can be a great teacher -- IF you have a goal, and IF you have the faith in yourself to see it through.

Perhaps the key to coping with uncertainty is faith. Faith in your abilities. Faith in the people you work with. Faith in the technology of the products and services that you are selling.

You are here at this Summit Conference because, clearly, you have faith in your ability not only to deal with uncertainty but to benefit from it.

The people of Control Data have spun out a story of high adventure, of risks and uncertainty, of achievement and accomplishment. That story is not complete. We are the ones who have the opportunity to bring Control Data through the next stage of its voyage, a voyage of discovery and excitement in the sea of computer and information technology. We face reefs of doubt and, to be sure, we have weaknesses as well. But most important, we have the certainty and confidence that comes from years of experience with building and delivering value-added services. We have, in short, a head start on most other companies because we saw the future before they did. With faith in those strengths and in each other, we can rally together like Captain Cook’s crew and the settlers of Bermuda.
The opportunity for us is greater than any they could have imagined.