

# MEMO

TO:	LOCATION:	FROM:	EXT.	LOCATION:
W. C. Norris		N. R. Berg		
SUBJECT:				DATE:
Business Week Article				6/27/79

RECEIVED  
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W.C. NORRIS

Bill,

When I read the recent Business Week article, I was frustrated about several aspects of it; but especially about the reported lack of support for our strategy among some of Control Data's managers. I was curious to know whether or not the author had just talked to a few of the wrong people or whether, indeed, there is a wider spread disaffection for our strategy than I comprehended. I did some nosing around and asked for some frank talk from some people and found that there is indeed a substantial feeling among some of our management ranks that our strategy is all wet. Someone told me some of our management people are confused, pee'd off, embarrassed, and cynical about our expressed strategy to find profitable business opportunities in solving society's problems. At a recent gathering of marketeers in the company, the 1980 Corporate Advertising Program was unveiled, which carries the theme of our strategy. Vern Sieling, I am told from several sources, did an excellent job of handling the group and supporting the company's strategies. Nevertheless, people expressed the opinion that our strategy statement in our advertising was "embarrassing", "gets in the way".

There are some cynical references made in the company about Norris' dream of a PLATO in every home, "underground farming", our BTCs, Rural Venture, City Venture and so forth. Someone expressed the opinion that we are losing our butts on all these projects, and if that continues, we won't be around to service the machines we are selling. As a matter of fact, it is felt by some that all this emphasis on solving social problems makes it more difficult to really "do our businesses".

In some of my discussions, I have had the opportunity to walk people through a condensed history of the lack of enchantment with the company's strategies over the years. Those of us who were here can remember only too well the ridicule that was heaped upon the small group of people who went off to start us into the peripheral business and the doomsday pronouncements, within the company, about the future of the company; because we were frittering our attention away from mainframes. Back in 1962, when we decided to go into the data centers business as a first move into data services, this strategy decision was by

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no means warmly embraced, even by many at the very top ranks of the company. And the same was certainly true when we started opening up CDIs. I can remember the profit improvement teams in the mid 60's when people like Pete Zimmer, Bob Burns, Bob Stender urged us to get out of the data centers business. I also can recall some very heated Policy Committee discussions about why we should not be building disk packs. It was just a year or two ago when people were calling Technotec, technoturkey. Before long, people realized that it gave them a constructive entree to the highest levels of companies that they were trying to sell something to.

Well anyhow, I have been preaching some of this back to people and reminding them that Control Data is here because it has found creative ways to avoid going toe to toe with IBM. I have been pointing out the recent Datamation articles which certainly substantially support the market positioning that Control Data has achieved. You would be interested to know that these people don't personalize this as an attack on Bill Norris. They think the old man is a hell of a guy and has done a great job, but they don't think much of this strategy. I suppose if you look back some twenty plus years, things haven't changed all that much, and because we are working with human beings, they probably never will. Our heritage is iron and I suppose it may take a couple of generations before we get the iron orientation in its proper emphasis.

  
Norbert R. Berg

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P.S. I am sure you are aware that many people inside the company thought it was a ridiculous waste of time for you and I and others to spend so much time meeting with the church people regarding South Africa and to "cowtow" to them on this issue. I am told we did make some converts when Rev. George Schultz made his speech at the stockholders meeting. Also the involvement of the United Church of Christ and the Lutheran Church in City Venture and now the Catholic Church in Rural Venture should silence some more skepticism on this issue.