Control Data Corporation: Vendor Profile

Corporate Headquarters
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In Canada:
Control Data Canada, Ltd.
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(416) 495-2800

Company History
Founded in 1957, Control Data
came upon hard times in the eighties, but is now showing signs of a
strong recovery. CDC sold off subsidiaries to concentrate on its eight
core computer businesses. The focus
divisions of CDC are the Arbitron
Company, Automated Wagering,
Business Management Services,
Computer Products, Data Services,
Empros Systems International, Government Systems, and Micrognosis.

Officers
Chairman of the Board: Robert M.
Price
President and CEO: Lawrence Perlman
Exec. VP & VP, Computer Products:
James E. Ousley

Product Line Overview
Control Data has streamlined its
market focus in recent years. Today's
CDC comprises eight businesses, offering products and services ranging
from broadcast ratings and lottery
systems to business management services and computers. CDC is focusing on its computer products.

The Computer Products Division
offers computer products including
the Cyber 900, Cyber 2000, and the
new CDC 4000 UNIX systems.

Installed Base
Installed base figures are not available.

M11-238-**102**

Computers

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Datapro Reports on
Minicomputers

Sales and Marketing Strategies

CDC markets its products through direct and indirect channels, with sales offices located in major cities worldwide. CDC also has international distributors in Israel, South Africa, and Australia. Target markets for CDC computers include engineering, scientific, and other technical markets.

CDC's computer products strategy is to focus on high performance processing using industry standards and other outside technology to achieve better price/performance and easier access to applications. Applications include automotive, aerospace, government, and science/engineering.

Market Position

CDC competes against a host of computer companies, including IBM, Digital Equipment, Hewlett-Packard, Unisys, and Bull. CDC specifically targets Digital's VAX 9000 with its new CDC 4000 systems.

Control Data may be at a disadvantage in a tough market; it has a relatively small market share now, and will have to work harder to prove itself a healthy, strong competitor before it can cut into IBM and Digital Equipment business.

Financials

After many years of poor financial results, CDC is beginning to show a turnaround. Since the reorganization of its Computer Products division, CDC has posted a profit in three consecutive quarters, including the beginning of 1990. CDC posted a net loss of $680.4 million for 1989, primarily as a result of a pre-tax restructuring charge of $663 million. Revenues for 1989 totaled $2.9 billion. In

1987 and 1988, CDC posted small profits on revenues in excess of $3 billion.

CDC cut its work force by nearly a half in 1989, going from 33,500 to 18,000 employees. This is in part due to the selling off of several businesses, in addition to retirements and terminations.

CDC President Lawrence Perlman is optimistic. "The actions we have taken were aimed at making Control Data a company of competitively advantaged business providing customers with technology-based data solutions critical to their success. We have demonstrated the ability to make the tough decisions necessary for the company to survive. Now the challenge is to reach and sustain a level of profitability that rewards the perseverance of our stockholders."

Service and Support

Control Data operates its own field service organization. Basic monthly maintenance provides on-call coverage 11 hours a day, 5 days a week. Service plans for storage equipment include installation, backup support, contract maintenance, per-call maintenance, and depot repair.

CDC now offers the Total Operating Performance Package (TOPP), comprised of two initial services for IBM operating systems; a maintenance and management program; and a planning and consulting service.

Terms and Conditions

Control Data systems are available for purchase only, and carry a one-year warranty. Leases may be obtained through third-party organizations.

Other Vendor Facts

Control Data is just at the beginning of a renewed focus on its computer products. The company plans a hardware and software emphasis on UNIX and open systems products including the CDC 4000 line. ∎