



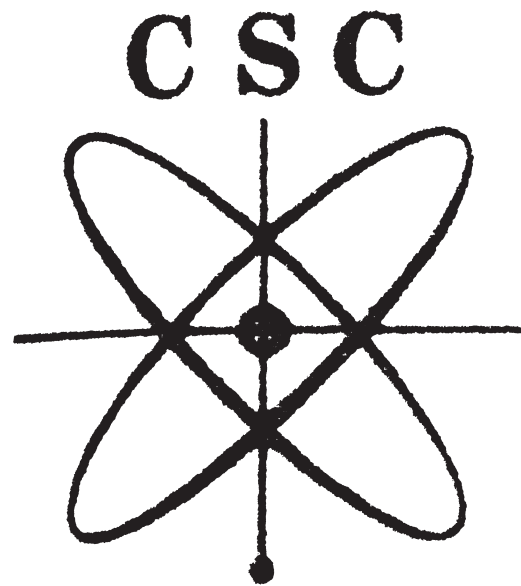
AN ARTICLE FROM  
**CSC**  
WORLD

# INGENIOUS FROM BIRTH



APRIL 2009





# INGENIOUS FROM BIRTH

FROM THE MOMENT CSC WAS BORN ON APRIL 16, 1959, INGENUITY HAS BEEN A DRIVING FORCE BEHIND OUR SUCCESS.

by Jim Battey

Computer Sciences Corporation was founded by two 28-year-old southern California computer analysts, Fletcher Jones and Roy Nutt, who quit their aerospace industry jobs to venture into the fledgling computer industry. A pioneering software programmer and marketing whiz, respectively, Nutt and Jones pooled \$100 and embarked upon a dream.



## MAY 1961

### CSC signs its first government contract, with NASA's Jet Propulsion Laboratory.

#### **The early days**

CSC's success has always depended upon serving client needs. Back when just 4,000 computers existed, Jones and Nutt took an unusual approach to the market — rather than enter the crowded hardware development business, they created the first-ever commercial compiler software.

With manufacturer Honeywell Corp. as the first client, Nutt — well known for helping to create the Fortran programming language — developed an innovative business language compiler called FACT, with easy-to-use English commands that could accommodate both commercial and scientific users. The compiler contract was a huge success, allowing Honeywell and other companies to make fuller and more efficient use of their hardware's computing power.

#### **Atmosphere of creativity**

The early years were marked by a free-wheeling atmosphere of technical experimentation and innovation. Recognizing from the start that the quality of CSC's professional staff was key to future success, using the income from Honeywell, Jones and Nutt expanded the business — soon attracting some of the country's brightest engineers and computer scientists.

The young company's reputation grew with the development of inventive and efficient ways to harness hardware technology. COBOL, the most commonly used computer language in the early years of business computing, traces its evolution to CSC's work on FACT. In the early 1960s, CSC enhanced its status as an innovative software pioneer by developing hundreds of major language processors for every early generation of hardware being produced by computer manufacturers.

## JANUARY 1965

### Two divisions of ITT are acquired, making CSC the largest IT services company in the United States.

#### **A groundbreaking plan**

Creative thinking is at the heart of our success. In 1963, when negotiations to win a software contract for the Univac 1107 operating system dragged on for 13 weeks, Jones finagled a seat next to Univac's president on a flight from Los Angeles to New York. Using his marketing skills to tout CSC's capabilities, Jones landed the contract, and promptly caught the next flight back to Los Angeles.

The Univac deal was among several successful engagements. Along with work on other Univac contracts, it established CSC as an innovator in creating cost-effective and efficient systems software. By the end of 1963, the company was a leading player in the burgeoning technology industry and the largest independent computer services firm, with annual revenues approaching \$4 million.

#### **Government work spurs growth**

While much of the early years were devoted to developing systems software for computer manufacturers, in the 1960s the company expanded its focus to serving the technology needs of users. This was also when CSC began to pursue contracts with the world's largest computer user — the U.S. federal government. Signed in 1961, the first federal contract was with NASA's Jet Propulsion Laboratory (JPL). The contract supported a computer system that collected telemetry data from unmanned space probes.

The JPL contract led to a series of significant NASA engagements and marked the beginning of a successful relationship that continues today. In 1964, CSC won a large contract to support space exploration activities at NASA's Goddard Space Flight Center in Maryland. Two years later, NASA tabbed us for an even bigger task — to manage one of the country's largest computer operations at Marshall Space Flight Center in Huntsville, Alabama. The series of NASA engagements mirrors CSC's growth from a software systems

company to a full-scale IT services provider. The NASA connection also allowed Jones and Nutt to lure onboard JPL's talented chief of computer applications.

### Rounding out the team

CSC's early development was driven by Nutt's technical prowess and Jones' marketing acumen. Now they needed a truly gifted manager, and JPL's Bill Hoover was a perfect fit. His hard-driving, straightforward style was a good match for the company, and he flourished — becoming president in 1969 and then chairman and CEO in 1972, following Jones' death in a private plane accident.

In addition to attracting and hiring top technical talent, CSC's historic growth strategy has been acquisition based. In 1965, the company tripled its revenue by purchasing two International Telephone and Telegraph (ITT) engineering divisions that were twice its size, a daring move that launched CSC as a major player in the fast-growing information systems market, specifically in the area of command, control and communications.

## MAY 1966

Based in Brussels, Computer Sciences International is formed to manage global growth.

Since much of ITT's work was designing satellite and ground-based communications for the U.S. military, CSC became one of the top U.S. government contractors, a position we still hold.

In 1963, when Jones and Nutt took their company public, it became the first software company to be traded on the Pacific and American Stock Exchanges. Five years later, in 1968, CSC became the first independent IT services company to be listed on the New York Stock Exchange.

### Infonet ushers in new era

By the late 1960s, CSC was developing a remote processing system that could link its computers with clients' terminals worldwide. Top scientists designed and built a system that could handle everything from complex scientific problems to routine business processing. Called Infontet, this new system ushered in the concept of timesharing, which allowed hundreds of clients at different sites to run their jobs on the same computer.

## MAY 1968

We become the first independent IT services firm listed on the New York Stock Exchange.



*From its inception, CSC flourished under the leadership of its founders, Roy Nutt (right) and Fletcher Jones (top left).*

### Roy Nutt: The Expert Technologist

*An expert systems programmer, Roy Nutt developed the first widely accepted assembly program and was on the small IBM team that developed Fortran, a language still used by scientific and engineering applications. Prior to founding CSC with Fletcher Jones, he was a leading member of the data processing team at United Aircraft Corporation. At CSC, Nutt developed a business language compiler called FACT for Honeywell, our first client. Nutt served as chairman of the executive committee of CSC's board of directors and was vice president until 1988. He passed away in 1990.*

### Fletcher Jones: The Spirited Visionary

*A mathematical analyst, Fletcher Jones was director of a divisional data center for North American Aviation Corporation when he met Roy Nutt. Both charter members of the IBM user group SHARE, they quickly realized the potential of their complementary skills. Jones' business flair won CSC its first contract with Honeywell, after which he aggressively pursued new business, establishing us as the largest software company in the United States by 1963. Jones served as CSC's president, chairman and CEO until 1969. He died in a plane crash in 1972.*

Learn more about our founders at [www.csc.com/fifty](http://www.csc.com/fifty).

## JUNE 1971

### CSC creates the first computerized air cargo system at London's Heathrow Airport.

Built from the ground up for \$100 million, Infonet was the first to offer both batch and interactive processing to commercial and scientific users. The big payoff came in 1972 when CSC triumphed over 50 other bidders to provide timesharing services to the U.S. General Services Administration. This federal government engagement was the largest remote computing contract ever deployed; by 1975, Infonet had grown to a 100,000-mile network serving 125 cities and every U.S. government agency.

In the late 1970s, CSC opened an Infonet satellite link between Chicago and Brussels, Belgium, later adding links to additional European countries. CSC also began providing remote computing services to clients in South Africa, Mexico, Taiwan and Australia.

#### Global expansion

With Infonet, CSC became a global force in the IT services arena, soon embarking upon a strategy of international growth by forging business alliances and partnerships or acquiring companies that already had a strong foothold in their local geographies. The genesis of CSC's European operations came in 1966, when the company teamed with Philips of Holland — one of Europe's largest electronics firms — to establish a presence in Brussels, CSC's first European office.

CSC quickly expanded into other European countries, including the UK, France and Italy. In 1994, CSC added 1,400 employees with the acquisition of German IT services company Ploenzke AG. And, we gained 2,000 more in 1999 by acquiring Singapore-based CSA Holdings Ltd. In 2007, we increased our outsourcing capabilities in India and Vietnam, bolstered by the acquisitions of Covansys and First Consulting Group.

#### The systems integration era

Over its 50-year history, CSC has always remained ahead of the technology curve, with systems integration becoming a major cornerstone of the company's offerings in the 1980s.

In Saudi Arabia, CSC's technologists created a nationwide computer network, called SAMIS (Saudi Arabia Ministry of the

Interior System), which connected more than 75,000 pieces of hardware — a systems integration project that still ranks as one of the largest in the world.

In another business expansion, the purchase of Associated Credit Services expanded our capabilities into the credit reporting market, a leadership position we continue to hold. In 1988, we joined forces with Equifax Inc. to create the largest database of credit information in the United States.

#### Move into consulting and outsourcing

The 1980s also marked further expansion into IT and business consulting. First, with the acquisition of Computer Partners in 1986, and then, with the purchase of Index Group in 1988, CSC established itself as a key player in IT and business consulting, providing the company even more opportunities to generate value for clients.

Capitalizing on our team of talented and experienced professionals, we next helped to pioneer the global outsourcing movement

In 1991, when aerospace giant General Dynamics needed a more cost-effective way to manage information, the two companies signed a landmark \$3 billion, 10-year outsourcing contract that increased our workforce by 25 percent.

Several years later, CSC signed a similar wide-ranging contract with DuPont, followed by other large outsourcing engagements. We also helped pioneer the concept of forming a consortium of vendors to bid on large projects, illustrated by the contract win of J.P. Morgan's worldwide IT operations by the CSC-led Pinnacle Alliance in 1996.

## MARCH 1979

### CSC wins its largest contract to date — a \$221 million, six-year project to supply a nationwide computer information system to the Kingdom of Saudi Arabia.





## MARCH 1983

CSC begins processing claims for the U.S. National Flood Insurance Program; then in May 1985 for the U.S. Black Lung Program; and in January 1986 for the New York State Medicaid System.

### Targeting vertical markets

Although our footprint spans the entire globe, with highly flexible service capabilities, the company has traditionally focused on supporting several key industry verticals. Notable among these are financial services, healthcare and manufacturing, with a particular emphasis on the field that cultivated CSC's founders — aerospace and defense.

In 1996, an aggressive expansion into the financial services market began with the acquisition of insurance technology provider The Continuum Company and its subsidiary, Hogan Systems Inc., a leading international banking software firm. The following year, our financial services outsourcing portfolio was strengthened even further with the purchase of Mynd Corp., another technology leader in the insurance sector. Today, we are a leader in the financial services field, offering full-service business process outsourcing and software products to clients worldwide.

Serving healthcare clients, both commercial and government, has also been a long-time company mainstay. The year 1978 saw a significant healthcare breakthrough when we won California's Medicaid business (called Medi-Cal) and acquired PAID Prescriptions, a computerized system for prescription drug claims. For close to three decades, CSC has delivered applications and outsourcing services that assist health plans, hospitals and physicians in improving their efficiency and patient care. In recent years, CSC has emerged as an industry leader in developing

cost-effective health service systems such as the New England Healthcare Electronic Data Integration Network (NEHEN) revenue cycle solution, which may become a model for the United States.

As the Los Angeles-based aerospace and defense industry grew during the 1960s and 1970s, so too did CSC. Co-founders Jones and Nutt were already deeply familiar with the inner workings of the field; Hoover's presence added to CSC's reputation as a focused business partner capable of meeting client needs. That enduring commercial aerospace legacy includes long-term engagements with industry leaders such as BAE Systems, Textron and United Technologies Corp., and many technology innovations in support of the manufacturing process.

### Federal focus

Even with all of its successful commercial work, CSC's "bread and butter" during much of its history has been delivering steadfast support to the U.S. federal government's mission-critical services. From astronauts flying on NASA space missions to auditors working in the Treasury Department, the U.S. government has consistently counted on CSC for mission-critical support.

A significant historical turning point in government support occurred in 1965, when we unseated a company 1,000 times our size to win a contract with the U.S. Atomic Energy Commission. This triumph over General Electric opened the floodgates to a long and rich legacy that has brought CSC's expertise into nearly every agency in the U.S. federal government.

Among the many federal successes are ongoing engagements with civil agencies such as the Federal Aviation Administration (FAA) and a long tradition of support for all branches of the military. Federal highlights include two space shuttle missions flown by employee/astronaut Ron Parise, work on developing software for the Navy's AEGIS combat system and ongoing support for agencies ranging from the Federal Bureau of Investigation (FBI) to the Environmental Protection Agency (EPA). CSC's technical breakthroughs in fields such as aircraft tracking systems and identity management have cemented our stellar reputation in the federal arena.

We expanded our U.S. federal leadership position with the 2003 acquisition of DynCorp, which added 26,000 employees. The deal also reaffirmed a commitment to the defense and homeland security markets, while increasing the company's military base operations capabilities. Over the past four decades, CSC has consistently ranked as one of the leading U.S. federal contractors.

## NOVEMBER 1991

A \$3 billion agreement with General Dynamics establishes CSC as a technology outsourcing leader.



## APRIL 1996

The Continuum Company acquisition increases CSC's global financial services software and business process outsourcing portfolio.

### Stability and experience in the top ranks

CSC's 50-year history has seen relatively few changes at the top, with just four chief executives leading the company. Following in the marketing tradition of Jones, Van Honeycutt joined the company in 1975 as a regional marketing director for timesharing. After working his way up through the ranks to become president of CSC Credit Services, Honeycutt succeeded Hoover as CEO in 1995, and then chairman in 1997, positions he held until his 2007 retirement.

Overseeing a period of tremendous growth, Honeycutt was instrumental in helping the company fight off a hostile takeover bid in 1998 by Computer Associates International, by insisting that CSC remain independent. CSC reaffirmed its ongoing stance of being objective and flexible when dealing with clients, and not dependent on a specific technology platform or solution.

An important component of this is our World Sourcing network of 60-plus centers, including state-of-the-art facilities across India. Providing 24x7, follow-the-sun global operations, both onshore and offshore, the centers also offer language, industry and competency options.

An extension of this initiative is a stronger focus on corporate branding efforts. In 2008, we refreshed our corporate logo and launched a major advertising campaign. On April 1, 2008, our corporate headquarters moved from El Segundo, California, to Falls Church, Virginia.

Our bold leadership and technical expertise have helped us navigate every wave of technological change and survive every economic downturn. From business consultants to lead programmers to chief scientists, with pride in our history and a keen eye to the future, we are CSC, 50 Years Strong.

## FEBRUARY 2003

LMP, the CSC-led revamp of the world's largest supply chain for the U.S. Army Materiel Command, goes live.

The consistency in leadership continues. In 2003, Mike Laphen assumed the duties of president from Honeycutt and, in 2007, was named CEO and chairman. With CSC since 1977, Laphen has held various positions leading the company's systems integration and vertical market activities, as well as executive positions with our Federal Sector Civil Group and European operations.

### Project Accelerate and future growth

We have always helped clients improve performance and profit from every significant technology change. In 2007, Laphen launched Project Accelerate, a five-year initiative designed to spur growth and better serve clients. One of the initiative's key goals is to use ingenuity and flexibility to identify the most appropriate client solution at the best price.

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**JIM BATTEY** is a senior writer for CSC's corporate office.

**ALAN WEAVER** and **THERESA NOZICK** contributed to this article.

When exact dates could not be verified, they were estimated.

## APRIL 2007

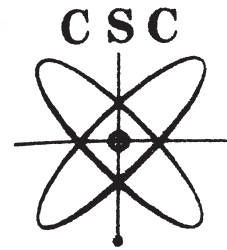
Covansys acquisition adds 8,400 employees in India.

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## FIVE DECADES . . . FOUR LOGOS



1959 - 1971

**CSC  
COMPUTER  
SCIENCES  
CORPORATION**

1971 - 1988



1988 - 2008



2008 - Present



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## **About CSC**

*The mission of CSC is to be a global leader in providing technology enabled business solutions and services.*

*With the broadest range of capabilities, CSC offers clients the solutions they need to manage complexity, focus on core businesses, collaborate with partners and clients, and improve operations.*

*CSC makes a special point of understanding its clients and provides experts with real-world experience to work with them. CSC is vendor-independent, delivering solutions that best meet each client's unique requirements.*

*For more than 50 years, clients in industries and governments worldwide have trusted CSC with their business process and information systems outsourcing, systems integration and consulting needs.*

*The company trades on the New York Stock Exchange under the symbol "CSC."*

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