



Hear the Remarkable Founders' Stories of SAIC & Titan

An evening with Dr. J. Robert Beyster & Dr. Gene W. Ray, moderated by Dr. Tom Dillon for UCSD students, faculty and staff

In 1969, Dr. J. Robert Beyster founded Science Applications International Corporation in La Jolla, bringing Dr. Gene W. Ray on board the following year. Along with a handful of other scientists, they built SAIC into the largest employee-owned technology company in the nation. SAIC has helped to solve many complex problems facing the U.S. government and commercial customers.

After 11 years as a key contributor to SAIC's growth, in 1981 Dr. Ray left to start The Titan Corporation (now L-3 Communications Titan Group), a leading provider of technological services and solutions to the U.S. Department of Defense, the intelligence community and other federal civilian government agencies.

For the first time in a forum setting, these two successful technical founders and leaders will share the remarkable story behind the early days of SAIC's development and how that set the stage for good things to come.

Signed copies of Dr. Beyster's newly released book, *The SAIC Solution: How We Built an \$8 Billion Employee-Owned Technology Company* (John Wiley & Sons, 2007) may be purchased at the event. Written with bestselling business author Peter Economy, *The SAIC Solution* offers an inside look at the principles, practices and organizational model that helped SAIC grow into a technology powerhouse, detailing Dr. Beyster's approach to fostering innovation and motivating performance in the context of SAIC's unique employee ownership culture.

Dr. J. Robert Beyster

Dr. Beyster received a doctorate in physics in 1950 from the University of Michigan and began his research and development career at Los Alamos Scientific Laboratory. He later established and managed General Atomic's traveling wave linear accelerator facility.

Dr. Beyster founded SAIC in 1969 and served as CEO and chairman for 35 years. He continues to promote innovation and employee ownership through his Foundation for Enterprise Development and the Beyster Institute at the Rady School of Management, University of California, San Diego.

Dr. Gene W. Ray

After receiving his Ph.D. in theoretical physics from the University of Tennessee in 1965, Dr. Ray worked in weapons development at Aerospace Corporation. Shortly after that, he served as Chief of the Strategic Division of the U.S. Air Force, where he led a team of analysts and scientists. In 1970 Dr. Ray joined SAIC, where he held positions as Executive Vice President, General Manager and Director.

Dr. Ray founded The Titan Corporation in 1981 and served as Titan's Chairman of the Board from 1999 until 2005, when the company was acquired by L-3 Communications. Today, Dr. Ray provides assistance and guidance to early stage companies as Managing Director of GMT Ventures, LLC in La Jolla.

Dr. Tom Dillon

Dr. Dillon received his PhD in Chemical Physics from University of Colorado in 1969 and AB in Chemical Physics from Harvard in 1966. He joined SAIC in 1988 from General Atomic. As an SAIC group senior vice president, Dr. Dillon increased business from \$23 million to over \$135 million, formed and led the company's state and local business, and initiated and led major initiatives with UCSD (including the San Diego partnerships for running the world headquarters for the International Thermonuclear Experimental Reactor (ITER) in the 1990s). Tom is currently active in many UCSD programs at the engineering school and IRPS.

When

Friday, April 27, 2007
6:30 - 8:30 p.m.

Where

Pepper Canyon Hall, Room 109
University of California, San Diego

Please RSVP to:

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Rady School Talk (REVISED 4/27/07)

M.A.'s Copy
UCSD Front

ENGAGEMENT DATE: 4/27/07

OPENING STATEMENT

1. I'M HEAR TONIGHT TO TELL YOU ABOUT THE NEW BOOK PETER ECONOMY AND I PUBLISHED RECENTLY, DISCUSS MANY OF THE PRACTICES AND PRINCIPLES OF SAIC WITH YOU AND MY GOOD FRIEND, GENE RAY AND TO SIGN BOOKS FOR YOU.

2. IT'S THE STORY OF SAIC AND HOW WE BUILT IT INTO AN 8 BILLION DOLLAR COMPANY. BUT FIRST, A LITTLE ABOUT ME. I DID ALL MY UNDER GRADUATE AND GRADUATE WORK AT THE UNIVERSITY OF MICHIGAN, RECEIVING MY PH.D IN PHYSICS IN THE 1950'S

3. BEFORE FOUNDING SAIC, I HAD WORKED AT WESTINGHOUSE BETTIS DIVISION ON THE NATILUS SUBMARINE, AT LOS ALAMOS SCIENTIFIC LAB. I WAS A STAFF MEMBER IN THE PHYSICS DEPARTMENT AT GENERAL ATOMIC CORPORATION. I RAN THE ACCELERATOR PHYSICS DEPARTMENT. I LEFT G.A. BECAUSE IT WAS OWNED BY A LARGE OIL COMPANY THAT HAD LITTLE INTEREST IN WHAT I WAS DOING. IT WAS NOT A MAIN STREAM ACTIVITY.

A) I FOUNDED SAI BECAUSE I WANTED A GOOD PLACE TO WORK. IT GREW WITH LITTLE EXTERNAL INVESTMENT OVER SOME 35 YEARS

BECAUSE WE ESTABLISHED A HIGHLY MOTIVATING PROGRAM OF EMPLOYEE OWNERS.

B) THE FACTORS THAT MOTIVATE "TOP NOTCH TECHNICAL AND ADMINISTRATIVE PEOPLE TO JOIN SIAC WERE (1) THE ABILITY OF EMPLOYEES TO EARN MORE THAN A PAY CHECK, (2) THE FACT THAT EMPLOYEES WERE REWARDED ON A PERFORMANCE BASIS. THE REWARDS WERE BASED ON PERFORMANCE. OPTIONS AND OTHER FORMS OF STOCK REWARDS AND MANAGEMENT AND INTERANL BOARD POSITIONS WERE ASSIGNED BASED ON DEMONSTRATED ABILITY, AND (3) THE OPPORTUNITY TO WORK ON NATIONALLY SIGNIFICANT PROGRAMS

4. IF YOU LOOK AT THE DEMOGRAPHY OF SAIC, ABOUT 10% OF SAIC'S 43,000 EMPLOYEES ARE HERE IN SAN DIEGO, 20-25% ARE IN THE WASHINGTON, D.C. AREA AND THE REST CLOSE TO CUSTOMERS THROUGHOUT THE WORLD
5. I WROTE THE BOOK BECAUSE IT IS A STORY THAT NEEDED TO BE TOLD ABOUT THE MOTIVATING POWER OF EMPLOYEE OWNERSHIP AND THE CULTURE THAT ENSUES IN A COMPANY OWNED BY THE EMPLOYEES.\

6. YOU MIGHT WONDER WHY I DID NOT MOVE THE COMPANY TO WASHINGTON SINCE 90% OF THE BUSINESS IS FEDERAL. THE REASON IS MY WIFE, BETTY, MY CHILDREN AND I ALL LIKE SAN DIEGO.