E.C. KO

INTEROFFICE MEMORANDUM

CORMTS ALL-IN-1 SYSTEM

Date: 10-Feb-1989 01:15pm EST
From: Ken Olsen
           OLSEN.KEN
Dept: Administration
Tel No: 223-2301

TO: See Below

Subject: BUDGETS IN MECHANICAL DESIGN

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We have not used budgets to control the large number of miscellaneous functions that, without control, end up wasting money and causing duplication. This budget time, I'd like to budget many of the details in the large projects and then recast them for the whole Company so that we can identify duplication, redundancy, or the lack of wisdom.

I'd like the mechanical design projects in each of the computer groups, disks, and any other place to be budgeted individually and then collected for the Corporation. In addition, I'd like to collect all of those pieces of cabinetry which today are being used by different groups.

I'd like Digital's corner of the computer room to look as good as Amdahl and National Cash.

Today, our corner of the computer room looks very amateurish. We have several heights of equipment, several widths of equipment, and, unlike any other professional mainframe people, we have connectors and cables sticking out of the sides into the corridors.

We have, for many years, I believe, been leaders in industrial design, but, in the last few years, where every group has gone off and decentralized, we've become very amateurish. Although, we may be enjoying independence in making work to keep our people busy, the results have been expensive and can't help but hurt the sales of our equipment.

I'd like George to collect all this information and be sure that, in the budget, we eliminate all redundancy and duplication and, at the same time, budget one standard set of packages so that we look as professional as the other mainframe companies, and we save the money by having fewer packages.

There will be major conflicts coming from this, because it is religiously believed by some mechanical design groups, that it is immoral to leave unused space in cabinets and that the cabinets should be no larger than the computer needs. In order to make a professional looking system, the rule has to be that the cabinets are always bigger than what is needed in order to make it possible to make all the cabinets look alike. The tiny cost of making cabinets, in general, slightly larger than what is needed, will be overwhelmingly saved by having a smaller inventory and easier installation and above all, the marketing results of good looking equipment.

KHO:dao
KO:2662
DICTATED ON 2/10/89, BUT NOT READ

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