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INTEROFFICE MEMORANDUM
CORMTS ALL - IN - 1 SYSTEM

Date: 13-Mar-1989 02:48pm EST
From: Ken Olsen
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TO: See Below

Subject: PROBLEMS OF 1989

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A. FIELD PROBLEMS

- 1. Our products are very hard to order and very hard to quote, therefore, it takes an inordinate amount of the salesman's time. Engineering and the field are working together to solve this problem.
- 2. Measurements in the field have caused an enormous amount of negotiations between groups that have to cooperate and remind one of the old problems of the product lines. Too much time is spent arguing on who gets credits, who gets charged, and who pays for the discounts. The field is committed to eliminate this problem.
- 3. The strategy and product messages are not clear. To compensate for the lack of clear messages, last year the field set up a group to rationalize and organize the messages for the salesmen. They failed and no messages got through to the salesmen at all.

The average salesman has been with us for 1 1/2 years and has no feeling of tradition and little feeling for our products. Engineering still feels that the salesman should do the final, strategic integration of products, but they are not able to do it.

- 4. Ed Services tries to rationalize and organize the products, but without guidance from engineering, the attempts are good but not good enough.

5. Sales people are now account managers and call on experts for help. There are not enough experts.
6. The biggest complaint the field has now is that they don't have the help of software services or project managers. I assume this is because our products are not organized for ease in making systems. To help this, we have offered, for any project of importance, to draft people from engineering, manufacturing, finance, science, and factory groups to be project engineers and to help with software and software resources. This will be great for the people in the home office because they'll find out what is really going on in the field, and it will be great for the field because they'll get home office expertise or access to expertise.

B. ENGINEERING PROBLEMS

1. Engineering still seems to operate on the theory that the OEM or the customer has to do systems engineering and to fill in the pieces that engineering is not interested in. We have, a long time ago, run out of customers who were able to do this or who want to do it, and we have very few salesmen who are able to do it. Now we are left with only software support people who can do the job.
2. We've also confused the field and our salesmen by introducing new ideas but without getting the strategic message across to our salesmen, our structures, and our customers. If they knew where to look, they could find that we have made statements on these problems a number of times, but we have not always said the same thing. Some areas of confusion are:
 - a. UNIX-RISC versus VAX VMS.
What do we believe and what do we really support?
 - b. We have gotten caught up in a mips race but have not explained. What counts besides raw mips?
 - c. Why three platforms plus AQUARIUS when they all have the same mips? We give no explanation as to what else you get for more money.
 - e. We've completely confused people about PCs.

Most of the sales department, and probably most of engineering, believes that PCs are the enemy and we should never admit that they exist. They feel that if they close their eyes, they may go away.68R

C. PRODUCT CONFUSION

1. The general Office problem is the integration of PC's, PS2's, Macs, terminals, and workstations with FAX capability and automatic backup. I think the salesmen believe we can do any one of those things but not all of them.
2. In the factory, customers already have PCs but they need networking and controllers integrated together along with MRP and office systems.
3. The laboratory needs PCs, networking, VME bus, Q-Bus, and office integration. We can't expect the salesmen to talk them into just one of these at a time.
4. We claim we are a multi-vendor, but each person who gives the speech hedges as to what it means and is not at all clear to the salesmen what he can offer and take orders for.
5. The salesmen still does not have a clear message on how their customers can use IBM terminals to work with DEC systems.

D. PROPAGATING MESSAGES

1. We have to organize the messages and clearly, honestly say what we don't have and say what we will have. We need to say what to take orders for and how the customer should live until we are able to do other things the customer wants. We should also tell the salesmen to walk away from those customers who want to do things that we don't believe in.

We have several vehicles for getting our message across:

- a. Our integrated budget is forcing a lot of recognition of the need for clear strategies and integrated product messages.
- b. Most groups are fighting tooth and nail against the idea of advertising, but as we

press people for it, they are facing some of the need for clear messages.

- c. Special DECdirect catalogs for each product area or application area is a vehicle for presenting a clear message. People don't believe glib advertising or glib speeches but they tend to believe catalogs because there are model numbers, prices, and a strong implication the system will work if you buy it from the catalog.
- d. The handbook where we give an executive summary that integrates the whole message with all the details we know about the message is a wonderful Bible for the salesman and for the customer to use. It forces engineering to say exactly what their pitch is.
- e. The summer sales meeting where each product group and each application group will face 400 sales people with their message will force clear, simple messages. Presenting sales people with a poor message is a very cleansing experience. DECTop University and Network University are a subset of the sales meetings which are very effective.
- f. The beginning of the annual report is now being written and which is read by many people in the financial world, customers, and sales people. It is short, easy to read and very professionally done. Engineering is normally happy to have professional people write this in a way which is safe and easy and says nothing that hints about weaknesses or problems. This year, I'd like to use the annual report as a vehicle to clearly get our message across in each of those areas of application that we claim to satisfy.

KHO:dao
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