

E.C.

I N T E R O F F I C E M E M O R A N D U M
C O R M T S A L L - I N - 1 S Y S T E M

Date: 22-Mar-1989 08:44am EST
From: Ken Olsen
OLSEN.KEN
Dept: Administration
Tel No: 223-2301

Bob Euanett
John Sims
Sarah Sumner
Bonnie Bedell + Ron Sparre

TO: See Below

Subject: SUCCESSOR TO KEN OLSEN

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In looking for a successor for Ken Olsen someday, most people tend to think that he has to do all the things that Ken Olsen does today. It might be wiser to assume that maybe we are not organized optimally.

Suppose we start with the assumption that Ken Olsen has to do all the things he's doing because of the way we are organized and that our growth is limited and our results are unsatisfactory because Ken Olsen doesn't do all those things he has to do in an optimum way, and he is limited as to how much of it he can do. Maybe instead of looking for someone who can do a better job than Ken, we should instead look for an organization in which that responsibility is spread around the rest of the organization.

We had a model in the past where this worked well. That was when we gave entrepreneurial responsibility to many people. At that time, Ken spent most of his time figuring out ways of financing and obtaining facilities for the large growth and consoling those entrepreneurs who we would only allow to grow 50 percent when they wanted to grow 250 percent.

In the last year or two, we have given people entrepreneurial sounding titles, but they had good reason to believe we didn't mean it. We didn't prove that entrepreneurial organization does not help in problems, all we proved was that if you didn't need it, you didn't get results.

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