

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: 30-Mar-1989 02:41pm EST  
From: Anne Kreidler  
KREIDLER.ANNE  
Dept: Employee Communication  
Tel No: DTN 251-1316

*Ken Olson  
Gail Mann  
cc - [unclear]*

TO: See Below

Subject: Draft Memo from Anne Kreidler

The following draft memo could be the final text for Ken to send to the Executive Committee for distribution within their organizations. It reflects comments from Jeff Gibson, Gail Mann, Jim Shaughnessy, Mark Steinkrauss and Dallas Kirk.

As discussed with you, John, we will wait until Ken sees this before proceeding.

In the meantime, if anyone wants to comment about the attached, I welcome the feedback, preferably sometime on Friday.

Many thanks.

DRAFT MEMO 3/30/89

FROM KEN FOR DISTRIBUTION THROUGH THE EXECUTIVE COMMITTEE  
RE: Share This With Your Employees

It seems likely that within a few years, there will be considerably fewer full-line computer manufacturers in the world. We plan for Digital to be one of these.

To assure this, we must continue our careful strategy of investing in the growth of the company. In this last year, we have introduced many new, exciting products that we think will change the world of computing. The approximate \$4 billion we invested during the last three years in research and engineering, particularly in new products and process development, is critical to Digital's long-term success.

As I've said before, some members of the investment community worry about us. They seem to look at the short-term outlook and downward trends, rather than the underlying goodness and value of what we are doing for the longer term.

Last week Wall Street reacted negatively when security analysts concluded that a small change in revenues could have a significant effect on our profitability.

Digital usually makes a pretty good profit. But, with across-the-line product improvements, we must be willing to accept the risk of a temporary drop in profit to support our dreams for future information systems that can integrate entire organizations. Profitability aside it is always very difficult to predict revenues, but especially so during periods of substantive product transitions.

For the last 32 years, it has been our goal to change the way the world does computing. We are willing to suffer the criticism for occasional dips in profitability in order to bring our vision of enterprise-wide computing to our customers.

3/30/89

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