I N T E R O F F I C E   M E M O R A N D U M

Date: 06-Jul-1989
           02:22pm EDT
From: Ken Olsen
           OLSEN.KEN
Dept: Administration
Tel No: 223-2301

TO: Jack Smith   (SMITH.JACK)
TO: Jack Shields   (SHIELDS.JACK)
TO: Dave Grainger   (GRAINGER.DAVE)
TO: Jim Osterhoff   (OSTERHOFF.JIM)

Subject: RESULTS OF SALES EFFICIENCY PROGRAM

****
          CONFIDENTIAL - DO NOT DISTRIBUTE OR COPY
****

The score so far is "sales prevention group" = 100 and Ken Olsen
= 0. We have gotten no where in the programs I have tried to
start.

The "sales prevention" groups are still in charge with no
interest in the efficiency, morale, or spirit of the sales
people.

We are still micro-managing the sales people and still treating
them like children.

They have to wait a half hour for the hot line which is a half
hour of sales time. We shut down the hot line with no thought
that the sales people work late, and every hour they save is an
hour they can sell.

For a unit manager to get a field service call for a loaned piece
of equipment he writes a note to the field service manager who
writes a note to the field service man, and, if everyone is in
and no one is on vacation, the field service man will go out on
the job. This is not the way to sell.

Discounts are still negotiated between unit managers, field
service, and software services, and allocation is dependent on
how hungry and how stubborn a sales person is.

We are not allowed to leave sales support people with a customer
like IBM does because he would then just get orders like IBM
does. The rules say that we can only use sales support people
for specific jobs.

Allowances are done by algorithm not by wisdom.

There is almost no support for ULTRIX in the field.

We punish sales units if one man does not keep up with the paperwork for demos by allowing no more demos for the whole unit. It sounds like the "sales prevention" people work for HP.

Most offices have not seen the equipment they are trying to sell. They can't try it out before they sell it, and demos are too much trouble.

Budgeting, field service, software services, and sales support are still done by algorithm or by the "sales prevention" group and not for business reasons.

Our new service warranty was probably one of the biggest catastrophes in the Company's history. It was probably the worst thing that happened and the biggest cause for our drop in sales. It is impossible to administer. It probably costs 25 percent of sales time, devastates our reputation with customers, and it probably takes enormous overhead to manage.

Order processing is unbelievably inefficient. The problem is not a large price list. The list could be very big and put on a computer, but the information has to be good and there has to be only one database.

The automated quote system is very poor. There is no flexibility and it cannot handle complicated systems. The sales person should be able to edit the printed quote. The way it is now, they have to tell the customer that what it says is not what it means.

The text for the quote system is not in English but in Digital code. IBM makes very thick proposals which include some sales pitches. Ours is very brief and filled with initials and Digital words.

I got a great response from my insistence that we give sales people cellular telephones. We will no longer pay for calls the sales people make on phones that they install themselves. Now the sales people have to pay for their own calls and their own phones.

KHO:lt
KO:3195
(DICTATED 7/6/89 BUT NOT READ)