

F.C.

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

Doc. No: 009827
Date: 24-Aug-1989 10:50am EDT
From: Ken Olsen
OLSEN.KEN
Dept: Administration
Tel No: 223-2301

TO: See Below

Subject: PRICE RAISE

DIGITAL CONFIDENTIAL

DO NOT DISTRIBUTE OR COPY

I think it's naive to raise prices without looking at all the data. I am insisting that you go over all our data on discounts and allowances before you raise prices. Also, I think you should present to the Executive Committee the whole list of products that we offer, which ones are selling, which ones are not selling, which ones are making money, and which ones are not making money and see what we learn in this study before we raise prices. The most important questions are: What do we put into these products? How much are we spending today? Are we marketing them to the point where we sell enough to justify them?

The general question is not whether we are charging enough in our main list price for our products but whether we are selling enough to make money and whether we are losing what we make on products which we don't bother selling at all?

KHO:dao
KO:3322
DICTATED ON 8/23/89, BUT NOT READ

Distribution:

TO: Jack Smith (SMITH.JACK)
CC: Jim Osterhoff (OSTERHOFF.JIM)
CC: Win Hindle (HINDLE.WIN)
CC: John Sims (SIMS.JOHN)
CC: Jack Shields (SHIELDS.JACK)
CC: Abbott Weiss (WEISS.ABBOTT)
CC: Martin Hoffmann @CORE (HOFFMANN.MARTIN)