

D ✓  
Please ask that this  
memo get sent also  
to Peter Jancoy, Pat Zoller,  
and Ed Kamins  
↑ Norma made this  
request of  
Lbbie in KO's office.

Review KO

F.C.

INTER OFFICE MEMORANDUM

Doc. No: 010636  
Date: 20-Oct-1989 01:30pm EDT  
From: Ken Olsen  
OLSEN.KEN  
Dept: Administration  
Tel No: 223-2301

TO: See Below

Subject: STRATEGY QUESTIONS FOR THE STRATEGY MEETING

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I think one of the most critical strategic questions we need to solve immediately is how we present our products, our prices, and our configuration rules so that the sales person and the customer can understand them.

Yesterday we were told, for reasons beyond my comprehension, that it is impossible to group the necessary software packages for a common application. The reasons were all internal to the product group and had something to do with our strategic goals which I didn't understand. If we can't sell the products we make because of internal reasons, we all ought to understand exactly the reasons why.

We have many reasons why it is impossible or takes forever to do advertising. There is some implication that it is senior management, the Executive Committee, or someone that limits us, but the detailed reasons are always all within the product group. There is an implied rule that everybody has to agree on advertisements before they are allowed to be brought up to Ken Olsen or the Executive Committee. If this is true, let's spell it out and at least let Ken Olsen and the Executive Committee know why it takes months for us to come up with an ad and why other companies can do it in a day or two.

Part of the strategy should be to identify our marketing messages and then lay out our plans to make sure we deliver the messages. What are our big advantages? Is it immoral and illegal to tell the world? Are VMS networking, RdB, large scale integration, etc. our advantages? Is it okay for us to tell the world, and, if so, exactly what are the messages and how do we do so?

Another major strategic question is: What individual pieces of hardware and software are we missing before we can sell to certain areas? It seems to me that it has been between nine and

twelve years that we've been working on CD ROM for software. We, today, don't have the device for feeding it into the computer or the network. Since this came up two days ago, we've defined a product that we can put together quickly and cheaply, but apparently there is a the rule that we can't make it until the software distribution people agree they want to use it. It is said that the software distribution people don't want it because they will make less money on this inexpensive media. Is this how decisions are made in the Corporation?

There are long lists of common jobs that many people need to get done with a system. If we package them, we could sell them simply right from literature, with little sales time, no integration, no configuration, no specialist, no education group involved, no field service assembly, no software support, and no contribution from all the groups that are traditionally involved in selling systems. We would keep a lot fewer people busy, but we could get a lot more business. What is our strategy? Do we insist on everybody in the Company having a piece of every job, or can we package hardware and software to do particular jobs and sell it as if we are selling a refrigerator that you just plug in and it does something? Most likely you would plug it into the wall for power, and then plug into Ethernet to do the job it is supposed to do.

KHO:dao  
KO:3467  
DICTATED ON 10/19/89, BUT NOT READ

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