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

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Date: 15-Nov-1989 02:13pm EST
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Subject: PAY INCREASE FOR EXECUTIVE COMMITTEE

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I am very discouraged that during the period of time we stopped giving pay raises to the Executive Committee we made very little headway in separating out the overwhelming frustration and overhead in the Corporation. I am not sure if things are getting better or worse in the Field. We are still committed to measurements, rewards and allocations, and not to making things simple for the customer and sales person.

We still want to overwhelm the sales person and the customer with controls, signature and red tape and have them take part in allocations of the segments, services and the financial department.

I want to propose to the Board of Directors that we give no stock options or pay raises to the Executive Committee, Operations Committee and the vice president's in the Field until there is clear success in simplifying and making it easy for the sales person to represent Digital to the customer.

Talk, plans, promises and WOODS meetings mean nothing. I want no increase in compensation until the sales person and the customer see the results.

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(DICTATED 11/15/89 BUT NOT READ)

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