F.C.

K.O.

DIGITAL CONFIDENTIAL Document

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

Doc. No:	026835
Date:	06-Feb-1992 01:12pm EST
From:	Ken Olsen
	OLSEN.KEN
Dept:	Administration
Tel No:	223-2301

CC: Win Hindle et al.

TO: See Below

Subject: NEXT WEEK'S WOODS MEETING

```
****************************************************************
                    DIGITAL CONFIDENTIAL

                  DO NOT DISTRIBUTE OR COPY
****************************************************************
```

I would like to make some suggestions as to how we approach Bill
Strecker's and Dave Stone's agenda items for next week's WOODS
meeting. Some people have expressed concern that Wednesday
afternoon and Thursday morning will be a series of lectures which
they have little interest in sitting through.

I suggest you make a simple, clear, written statement of each
issue with the hope that, after reading it, people will
understand the commitments you are making, and we might get a
vote with little or no discussion, which would save a lot of
time.

I think these two days will be very useful to give people an
overall view of our engineering budgets as we have them today. I
think it would be great if before the meeting you could present
on paper how much we spend on what list of projects and other
expenditures. How many overhead groups are there? How many
service groups? How many police groups? What are all the
components which add up to the Corporate Engineering Budget?

I then think it would be good if Bob Palmer did the same for
Manufacturing. Where are the costs and the overhead? In general,
what are the tooling, set up, and inventory costs for a new
product?

David Stone should make a proposal on what we should accomplish
with VMS and UNIX in the next two years. It would be beneficial
to have a written statement of what he promises to accomplish,
for how much money and in what time frame, if we were to approve
it.   This should include how it would be organized, how much

would be done outside his group and how much within his organization, the checkpoints and the funding. For this discussion, I am purposely leaving out applications, but of course, we should include all the layered products. People would also enjoy hearing today's plans for using the standard components and the same layered products in all operating systems.

The second day would be a good time to go over the list of products we are now doing. If Bill would send a list of products ahead of time, showing their characteristics, price and cost (including inventory and manufacturing), the marketing people might come back with a list of products they think we should subtract or add.

KHO:eh
KO:6562
(DICTATED ON 2/6/92, BUT NOT READ)

Attachment

ATTACHMENT

COMMITTEE MEETING

We have several kinds of meetings. There is a place for each,
and at times we somewhat formally define their purpose and how
they should be run. Often, people become very impatient with
meetings because they look for something other than that for
which the meeting was designed. Other times, they become
impatient because the meetings are not run by the rules which
were laid down.

I.   LECTURES

      Lectures are an important part of educating and getting
      concepts across. They have the advantage that the
      lecturer has the floor for an extended period of time
      and carefully, systematically and in an organized way
      try to get their concepts across without being
      interrupted by other views. This is often the optimum
      way of getting ideas across.

II.   BUSINESS MEETINGS

      Business meetings are usually regular meetings where we
      present questions and make decisions. People are often
      frustrated because of the lack of decisive decisions,
      but the problem is usually the lack of clear, concise
      questions. Too often, the presenter hints at a solution
      and presents a lot of data and a lot of discussion, and
      implies that the chairperson or the committee should,
      from that, synthesize a question, vote on it, pass on
      it, and then take the responsibility for instituting
      whatever was proposed.

      A number of rules were instituted at various times and
      then allowed to slide. One rule is that all questions
      should be written down, clearly stated, and all
      implications should be clear. Another is that when
      there is a motion that affects another party, that party
      should be there and allowed to present their point of
      view. Part of the motion should be the implications of
      the decision on the sales and the customer and the
      implication on the financial statements and what it
      means when added up to the Corporation's budget--not
      only from an investment point of view, but also the
      result of assets such as inventory and tooling, and
      above all, sales.

      The motion should not only be written in a form in which

it can be incorporated into the minutes with the action
taken, but it should also be very clear who took the
action and was responsible for that which was proposed.

If it was proposed that something be canceled because of
a better way, it should be proposed who will take
responsibility for the better way. This is why we
normally say, whoever proposes takes responsibility.
In a case like this, the responsibility would be
financial, and satisfying the sales person and the
customer with dates, prices and costs.

We have allowed these obvious rules to slide because
sometimes ideas develop during the meeting. In this
case, the rule if obvious: before it is voted on, it
should be written and read by the secretary, voted on,
and the votes counted by name. The secretary should be
responsible to ensure there is no ambiguity and no
unassigned responsibility for a motion.

III.   REVIEWS

When we review plans, the question to be voted on should
be clearly stated. Some people seem to feel that if no
action is taken and a clear no is not presented, they
have approval for their plan. Too often, the listeners
do not feel they were bright enough, alert and intense
enough to catch all the inferences of things said and
hidden, and because sometimes they do not pursue a large
number of these factors, it does not mean they have
given a tacit approval.

At the end of each review, a clear statement of the
committee's expectations should be taken, and the votes
recorded. The reviews should be a clear statement of
the financial and sales implications if approval is
given on a proposal.

Often, the result of a review is that people have
suggestions at to what should be done. If this is all
that is decided, then it is the only implication to be
drawn from that session. The fact that other things are
not brought up does not mean other things are approved.

There is often serious distrust of reviews because
people leave out the most important implications of
their plans, such as products that are not gong to be
built or sold, and gaps in our product offerings.

Also, reviews should clearly present the limitations.
If people feel they are limited by resources, they
should clearly present what they would do if more
resources were available. If they are limited by
challenges and opportunities this should be clearly

stated.

IV.   WOODS MEETINGS

WOODS meetings are not meant to be extended decision
making meetings. Rather, they are opportunities for
people to get away and discuss long term, or
philosophical, or general questions. It is an
opportunity for people to be open about all they are
doing or not doing, their weaknesses and strengths, to
express their concerns or their ignorance about the
future and future strategy.

People who are ill at ease in opening up to others the
problems, concerns and weaknesses they feel, or for
those who are impatient with listening to others probe,
learn, explore and discuss their needs, should not be
made to go to WOODS meetings.

Sometimes, we have outsiders help with WOODS meetings,
such as professors. They are at times heavy handed and
hard driving, but use this technique to bring out
questions, attitudes and differences which need to be
exposed and developed.

Ten years ago, when we worked so hard to re-direct the
Corporation after many vice presidents left, we did it
by what seemed to be an infinite number of WOODS
meetings. At that time, everyone was going off in
different directions with different beliefs and
strategies and each one felt they had an obligation to
save the Company by doing what was right, even though
there was no cooperation.

By an infinite amount of patience and what seemed like
an infinite number of hours, the group finally came
together with unanimity on the Corporate strategy which
we had started five years earlier. That five year old
strategy was always stated as the Corporation's formal
strategy. Everyone knew or almost knew what it said,
and in spite of its formal status in the Company, it had
little influence on bringing people together.

I believe lectures would not have helped, but the
patience of listening to everyone probing every
alternative brought everyone together with a common
strategy.

V.   ONE-ON-ONE MEETINGS

Digital was founded on the model of MIT/Lincoln
Laboratory. Everyone was open, worked together and
interchanged ideas, and there was no politics because
people were not competing for someone else's share of

the budget. There was a strong feeling that we were
opportunity driven and resource limited. No one felt
their budget was in danger of being arbitrarily cut, and
they felt free to present and argue, and to be
completely open.

The fun part of Digital is that we have experts in almost
anything one can imagine, and normally they are enthusiastic
about helping and telling others about it. Encouraging our
engineers and marketers and selling people on the idea to openly
go out and ask for help, and openly expose their concerns and
weaknesses, will not only make friends with those who can give
help, but will get us back to the days when we all felt we were
part of one organization.

KHO:eh
KO:6561
(DICTATED ON 2/6/92, BUT NOT READ)

Distribution:

TO:	BILL STRECKER	(STRECKER.BILL)
TO:	David Stone @ CORE	(STONE.DAVID)
TO:	BOB PALMER	(PALMER.BOB)
CC:	Charles Christ @ CORE	(CHRIST.CHARLES)
CC:	Remote Addressee	(PIER CARLO FALOTTI @GEC)
CC:	Sam Fuller	(FULLER.SAM)
CC:	Russ Gullotti @ CORE	(GULLOTTI.RUSS)
CC:	Win Hindle	(HINDLE.WIN)
CC:	Martin Hoffmann @CORE	(HOFFMANN.MARTIN)
CC:	Bill Johnson	(JOHNSON.BILL)
CC:	Frank McCabe	(MCCABE.FRANK)
CC:	DICK POULSEN	(POULSEN.DICK)
CC:	Ken Senior @ CORE	(SENIOR.KEN)
CC:	John Sims	(SIMS.JOHN)
CC:	Jack Smith	(SMITH.JACK)
CC:	Don Zereski	(ZERESKI.DONALD)

DIGITAL CONFIDENTIAL Document