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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: 31-Mar-1992 09:26am EST
From: Ken Olsen
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Dept: Administration
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TO: See Below
cc: Win & others

Subject: APRIL BOARD OF DIRECTORS MEETING PRESENTATIONS

The Board of Directors were very pleased with the detail of discussion presented at the March meeting. For years, they have been very ill at ease with our glib pronouncements of total sales and total profit, and our avoidance of detail worried them.

I think it would be particularly useful to lay out detailed plans for products and show how we think we will make significant cost savings over those of the last few years.

I think Jim Liu and Barry Goldstein should present to the Board our architecture, modular approach and systematic use of components for the entire family of INTEL machines, which goes from the simplest PC which fits in a book-shaped box, all the way to a large powerful server. I think they would be interested to know how we plan to use the same motherboards and memories, the same physical boxes, brackets, and mechanical components, and how we plan to offer a complete line of products in a systematic way, each step of which makes an understandable and significant increment utility with a commensurate increase in price.

We should compare this with the somewhat random approach we have had toward INTEL machines, the cost incurred because of each one's unique parts, and the commitment to the large numbers we had to make to the manufacturers of these machines.

I. INTEL MACHINES

It would also be interesting to show how we plan to be leaders in new technology with this approach, and to be able to react very quickly and produce products faster, or at least as fast, as the fastest of our competitors.

II. WORKSTATIONS

I would like Don Gaubatz to lay out how, in the next go round of workstations, he plans a similar approach where displays, power supplies, boxes, input/output circuits, memories, etc., will all be done the same and will be used in all products, and how, by simply changing a small part of the machine, we can grow a utility from a simple workstation to one that is very powerful, and how we will be able to do it with a number of chip sets.

III. SERVERS

Using the motherboards developed for the desktop devices, I would like Don, Jim and Barry to show how, with almost with no cost at all, they can generate a line of very simple, inexpensive, small servers that are very powerful. The price could revolutionize our products.

These servers will normally be in a small box with the desktop device motherboard in it and three 3 1/2" inch disks which will use a forty-eight-volt power supply for battery backup, and when storage is made, STORM boxes are added, each of which will give an additional block of seven disks.

IV. OTHER SERVERS

I would like Barry to explain how we will make many servers from competitor's boards so we can offer applications in the platforms on which the software is most readily available in our small business and departmental computing. We will do this by getting the motherboards and installing them in the same boxes we use for our servers with the same three disks and we will have the ability to add groups of seven more disks. We probably will make a SPARC server, an HP server, a server that will directly run SYSTEM V.3 and SYSTEM V.4, and maybe several others.

V. OFFICE SYSTEMS

I would like Barry Goldstein or Charlie Christ to explain their approach to multi-vendor networks, where we will use today's applications in the platform for which they were written and have them work in a network as if they were designed for the network.

Part of this is a LAN system which has to be simple to design, install, learn, and manage.

There is a lot of product detail involved in these presentations, but I think the Board can understand exactly what we are aiming toward and, when we compare it with the cost of the way we have

been doing it up until now, understand the significance of this approach.

KHO:lp
KO:6859
(DICTATED ON 3/30/92, BUT NOT READ)

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