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INTEROFFICE MEMORANDUM

Doc. No: 029450 Date: 24-Jun-1992 09:11am EDT From: Ken Olsen OLSEN.KEN Dept: Administration Tel No: 223-2301

TO: See Below (C: With Willie Subject: ANNUAL REPORT

It is critical that two issues be covered and presented clearly in our Annual Report. These two issues have the outside world very concerned, and we keep avoiding them and talk about concepts.

The first issue is: Do we know what we are doing in the myriad, seemingly, random selection of computers, architectures and operating systems? Do we really plan to support those architectures and operating systems we announced and sold with a promise to support them forever?

The second issues is: What is our strategy to downsizing computers by distributing the jobs between many machines? People have become convinced that with the power of desktops, they do not have to spend much for large machines. Commonly discussed among companies, there is a policy not to buy any more large computers, but to buy distributed, small, and inexpensive computers that do not put many jobs through one channel, but instead, divide the jobs by machine.

If we do not boldly and clearly face these two issues in the Annual Report, we will have made a terrible mistake.

KHO:1p KO:7361 (DICTATED ON 6/23/92, BUT NOT READ)

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