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CC: John Sims  
CC: Jack Smith  
CC: BILL STEUL  
CC: Terry Fink  
CC: BOB PALMER

( HOFFMANN.MARTIN )  
( OLSEN.KEN )  
( SIMS.JOHN )  
( SMITH.JACK )  
( STEUL.BILL )  
( FINK.TERRY )  
( PALMER.BOB )

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INTEROFFICE MEMORANDUM

TO: Product Committee                      DATE: 05-Aug-1992  
FROM: Ken Olsen  
DEPT: Corporate Administration  
M/S: MLO12-1/A50  
EXT: 223-2301

SUBJ: REVOLUTION IN MODULAR COMPUTING

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I understand some people feel we cannot afford Modular Computing when already our engineering budget has gone way beyond what can be justified.

This means people do not understand the significance of the Modular Computing program. It is not in addition to all the things we have been doing that have lost market share for the last six years, it is a complete replacement. A small group, with a small budget, will make all the computers the Company will need for years to come.

The shocker is all the traditional engineering disappears, the traditional power structure disappears, and the old heroes have to work on applications.

KHO:pm  
KO:7579  
(DICTATED ON 8/5/92, BUT NOT READ)