EC, hard copy in a Sealed interoffice Memorandum a copy?

TO: Bob Palmer

DATE:

21 August 1992

cc:

Product Committee
Executive Committee
Board of Directors

FROM: Ken Olsen
DEPT: Corporate Administration

MLO12-1/A50

M/S: EXT:

223-2301

SUBJ:

DECISIVE MANAGEMENT

DIGITAL RESTRICTED DOCUMENT

In those great years of Digital, we often frustrated people because we stopped to carefully consider strategic decisions before we made a move. This came about because of our background in traditional science where it is believed we never know the absolute truth, we are always learning.

We also believe, in the tradition of science, when you have an idea, a theory, a hypothesis, you publish it, and then listen to the criticisms, suggestions, comments and sometimes ridicule and from that, either prove they are wrong or correct your mistakes.

When Jay Forrester first proposed his industrial world dynamics theory the scientific community was very critical because he did not put it through the process of publishing and listening to complaints before he went public. In that case, I think Jay was probably right, but it is interesting the strength of traditional science in their criticism. In general, we believed in following that tradition with strategic questions. We believed, at least we did in the great days of Digital, that strategic issues should be written down, criticized and eventually come to a conclusion.

This approach drove some people crazy because if they felt they knew the absolute truth, they felt they should tell people what to do and not wait for other comments. It also is contrary to our image of the ideal manager, who makes decisions quickly,

strongly, decisively and never admits they are wrong and never change their mind.

Some people say this soul searching tends toward wavering and changing direction. The opposite is true, if you wait and analyze there will be fewer changes in direction.

It was proposed many times that the laws passed by Congress should not come into effect until a year after they were voted in to ensure a year of meditation before the laws were finally put into effect. The idea was that a lot less mischief would be introduced by Congress with that waiting period. The same thing holds with strategic changes. If people are forced to think about them, there will be less mischief in making changes.

It is probably true in many industries. Making a decision, any decision quickly and decisively is what counts, but in our industry where nothing is black and white, the interactions between the market and the customer, the press, the experts, the academics and the influence of technology often comes out better or much worse than predicted. Decisiveness often leads to the wrong conclusions which can be devastating to an organization.

KHO:1p KO:7684 (DICTATED ON 8/20/92, BUT NOT READ)

MISTER BOFFO by Joe Martin

