



Workstation Business Plan

for FY96

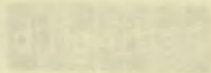
Alpha Workstation Business Segment



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Workstation Business Plan
March 1995

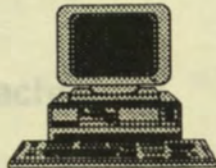
Workstation Business Segment

V. Going Forward

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Product Plan Attach

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Business Plan Positioning

- This document represents the workstation segment business plan for FY96 and is based on the following assumptions:
 - WS business segment relies exclusively on the Alpha architecture, which is positioned above Intel-based platforms
 - The Alpha workstation business is a full-line, volume oriented, on-going business for Digital rather than aimed at a specific niche
 - Alpha processor performance leadership is maintained in FY96
 - Relative market stability in technology, competition and channels is expected over the next 18 months
- This plan's primary goals are to:
 - Recapture market share in FY96; significantly grow volumes
 - Evolve and develop the WS strategy in the positive direction to allow Digital to compete aggressively and to control selected market targets over the long term
- The channel strategy is a key open issue that needs to be resolved

I. Executive Summary

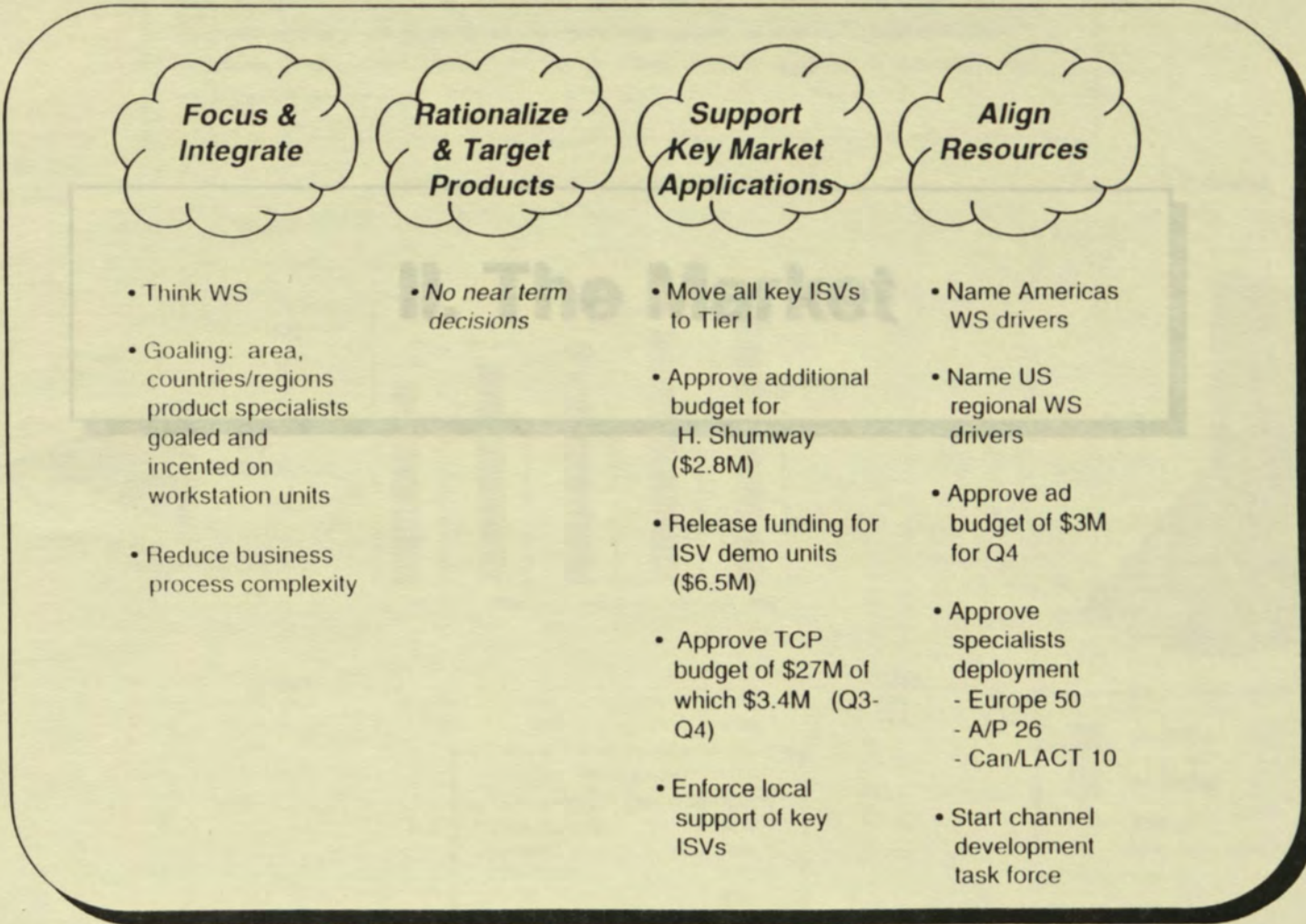
Summary: Current Situation

- A **Maturing** Market
 - Competitors consolidating (top 2 have 56% in '94)
 - Modest growth (9%)
- **Shifting** market power
 - **Low end** gaining prominence
 - **ISVs** gaining power
 - High end user **brand attachment** continues
- Digital is a **second tier** player coming from behind with
 - 11% market share (vs. Sun at 36%)
 - \$740M revenue in FY95

Summary: Our Opportunity

- **Growth and/or volume segments** exist that fit our offerings
- Weaknesses in our competitive **offerings will be fixed** by FY96
 - Hardware available (e.g. graphics, low end)
 - Key applications optimized
- **Prior weaknesses** that hampered sales can be **addressed**
 - Lack of focus on target segments (i.e. ISVs)
 - Minimal demand generation capabilities
 - Lack of volume VAR network
- **Sun installed base vulnerable**

Summary: What's Required

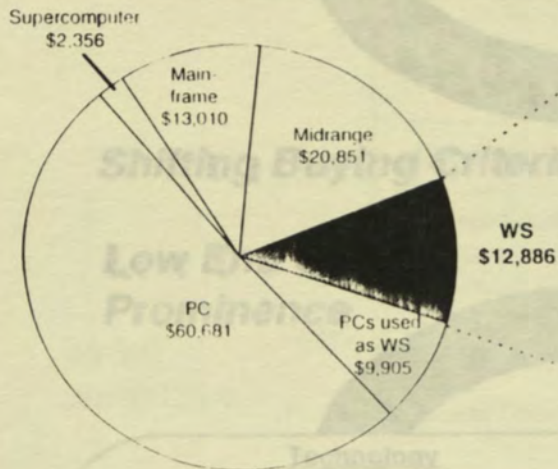


II. The Market

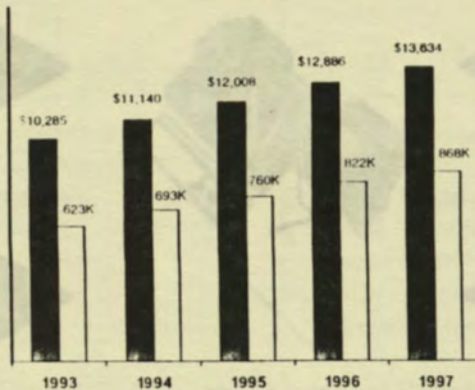
Definition

• A workstation is a single user computer that is distinguished from a personal computer by the CPU speed, features, and the potential for expansion on the platform. Important features include a virtual, multitasking, operating system, as well as high-performance graphics. Workstations are designed to run a wide range of applications in a multi-user/multitasking environment.

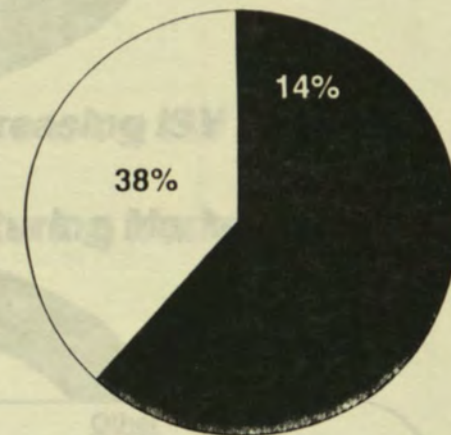
Computer H/W Market 1996 Forecast (\$M)



Workstation Revenue and Unit Growth



Priceband



Growth

	1993	1994	1995	1996
Revenue	7.3%	6.8%	4.7%	4.7%
Units	8.8%	7.5%	5.3%	6.4%

CAGR

Revenue	7.3%
Units	8.6%

1994 Sales Worldwide WS Market by Region

USA, Canada	44%
Europe	29%
Asia/Pacific	23%
ROW	4%
Total	100%

High End	>\$25K
Midrange	\$10-15K
Entry	\$2.5-10K

Source: Dataquest



Performance Sensitive

Price Sensitive

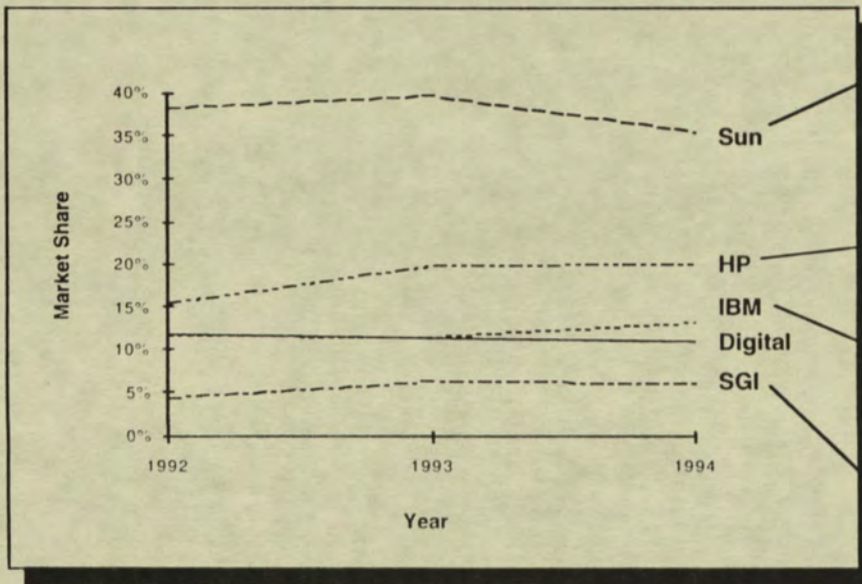
<p>Key Product Requirements</p> <ul style="list-style-type: none"> • Compute performance critical • Graphics capability critical • Performance at a price point but price less than critical • 2 sweet spots: \$25-50K, \$50-100K <p>Brand Sensitivity: Very high, mitigated by graphics</p> <p style="text-align: center;">SGI</p>	<p>Key Product Requirements</p> <ul style="list-style-type: none"> • Compute performance critical • Graphics capability critical • Wide range of ISVs • Adheres to leading industry standards (e.g., PCI) • Ease of inserting into existing environment <p>Brand Sensitivity: Very high, mitigated by graphics, industry "standards"</p> <p style="text-align: center;">HP</p>
<p>Key Product Requirements</p> <ul style="list-style-type: none"> • Price/performance, thus cost • Commodity components, plug-n-play • 2 sweet spots: \$5-10K, \$15-25K • Graphics less important <p>Brand Sensitivity: Medium/High</p> <p style="text-align: center;">Sun</p>	<p>Key Product Requirements</p> <ul style="list-style-type: none"> • Price/performance, thus cost • Wide range of ISVs • Ease of inserting into existing environment • Adheres to leading industry standards (e.g., PCI) • Graphics less important <p>Brand Sensitivity: High</p> <p style="text-align: center;">HP</p>

Need to establish a clear position

**Low Interoperability/
Compatibility Needs**

**High Interoperability/
Compatibility Needs**

1992-94 Workstation Market Share



Source: Dataquest

Sun

- Perceived as behind the technology curve
- Large number of VARs/ distributors

HP

- 'Open' message leader
- Application performance and P/P leader

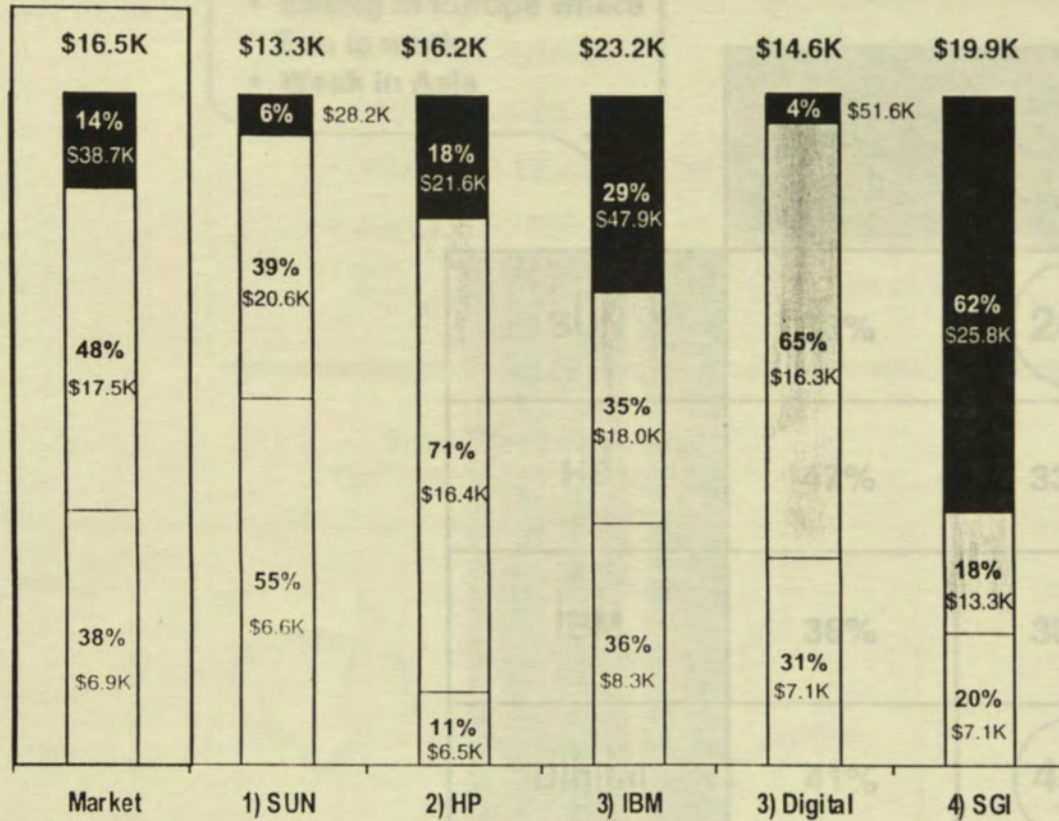
IBM

- Largest gov't supplier
- Positioning PowerPC as the next generation

SGI

- Leader in animation/high end 3D
- Bundles tools to enable value-add through channels

Average Selling Value (ASV)

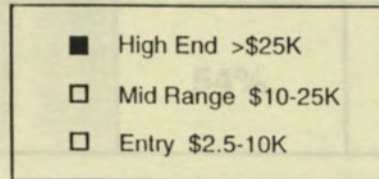


Key Messages for Digital

- We have had second tier volumes but volume player business mix (i.e. ASV)
- Need to increase sales of units priced above \$25K

Source: Dataquest

* 93 units shipped



Digital is:

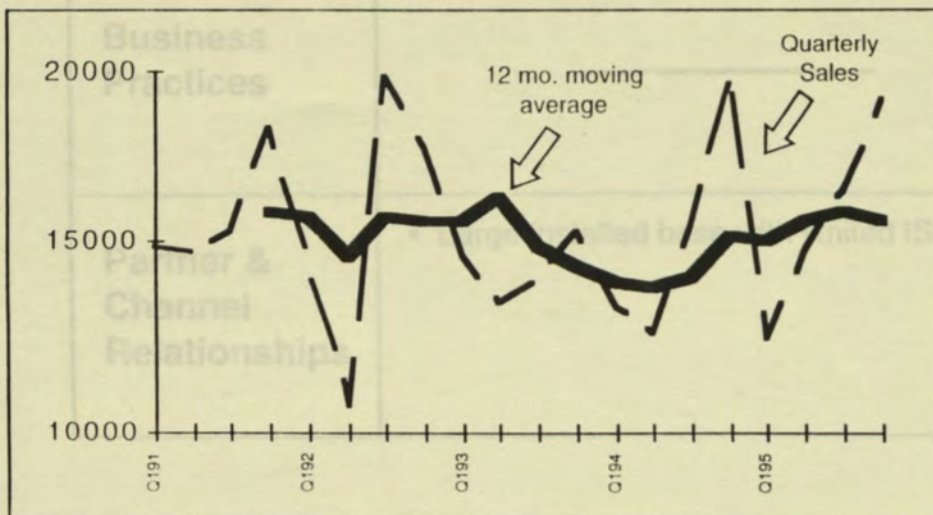
- Strong in Europe where Sun is weak
- Weak in Asia

	US/ Canada	Western Europe	Asia/ Pacific	Rest of World
SUN	53%	24%	20%	3%
HP	47%	33%	17%	3%
IBM	36%	38%	18%	8%
Digital	41%	45%	9%	5%
SGI	54%	32%	10%	4%

Source: Dataquest

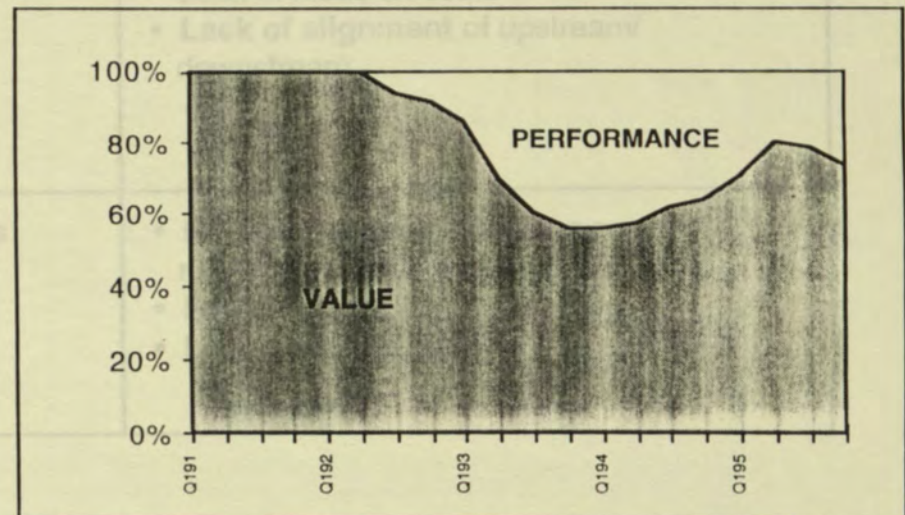
- **FY95 FORECAST:** \$740M revenue, 61.7K units
- **MARKET SHARE:** 11%, second tier behind Sun and HP
- **LEAD POSITION:** in only 3 of 20 segments (3% of market)
- **YEAR-TO-YEAR GROWTH:** of 1%/21% in Q1/Q2 (weaker in Q3)
- **ASV DROPPING:** as value station mix increase
- **GM:** flat at 37%

**Total Workstations
Units Shipped by Quarter**



Source: Dataquest

Workstation Mix (Units)



Source: Dataquest

	+	-
Overall	<ul style="list-style-type: none"> • Momentum with installed base 	<ul style="list-style-type: none"> • Diffusion of resources and lack of focus • Minimal demand generation efforts • Focused on processor performance and price/performance (\$/spec mark) instead of application performance • Complexity of executions
Product Set	<ul style="list-style-type: none"> • Price/performance of processor architecture • Choice of 3 operating systems 	<ul style="list-style-type: none"> • Multiple architectural transitions (e.g. I/O, processor) • Product line gaps (e.g. low end, graphics)
Business Practices	<p>_____</p>	<ul style="list-style-type: none"> • Lack of focus on costs • Lack of alignment of upstream/downstream
Partner & Channel Relationships	<ul style="list-style-type: none"> • Large installed base with limited ISVs 	<ul style="list-style-type: none"> • Have not developed strong partner relationships with existing ISVs • Lack of a clear channel strategy • Lack of volume plans

Today
FY95

Tomorrow
FY96+

Processor Performance Leader

- We provide 2.5x performance edge over SUN in application intensive applications
- For cost/performance driven sales, we can provide the leading price/performance
- Fast 64-bit technology and 64-bit operating systems

Protect investment by choice of OS

- We provide the most complete operating systems platform
 - For (VMS, UNIX, NT, OS/390)
 - Intel (Win 32, Win NT)
- Scalability in processors to support in compo

Flexible Networking

- We provide the best interoperability between UNIX and NT
- Superior interoperability between WS and other systems over IP

Support Scope

- Worldwide presence and breadth of field service & systems integration

Applications Performance Leader

- We will provide applications performance leadership leveraging 64-bit technology for critical targeted applications
 - 1.5-2x HPC
 - 2x OLTP
 - 1.5x SQL
 - 1.5x Platform running NT
- We will provide the best interoperability in a client/server environment for multiple operating systems
- Scalability & interoperability is superior to
- Protection of installed base investments

Flexible Networking

- We will provide the best interoperability in a client/server environment for multiple operating systems

Performance/Value

- We will provide price/performance leadership by leveraging 64-bit technology across the product range (low end, mid range, high end)

Support Scope

- Worldwide presence and breadth of field service & systems integration

III. The Opportunities

Today FY95

Processor Performance Leader

- We provide 2-3x performance edge over SUN in critical/compute intensive applications
- For compute/performance driven sales, we can provide the leading price/performance
- First 64-bit technology and 64-bit operating system provider

Protect Investment by choices of O/S

- We provide the most comprehensive multi-operating systems platforms
 - For RISC, UNIX, NT, OVMS
 - Intel (Win 32, Win NT)
- Scalability in processors is superior to competitors

Flexible Networking

- We provide the best interoperability between UNIX and NT
- Superior interoperability between WS and other systems overall

Support Scope

- Worldwide presence and breadth of field service & systems integration

Tomorrow FY96+

Applications Performance Leader

- We will provide applications performance leadership leveraging 64-bit technology for critical/targeted applications
 - 1.5-2x HP
 - 2x SUN
 - 1.5x SGI
 - 1.5x Pentium running NT

Protect Investment

- We will provide the best interoperability in a client/server environment for multiple operating systems
- Scalability & upgradability is superior to competitors
- Protection of installed base investments

Flexible Networking

- We will provide the best interoperability in a client/server environment for multiple operating systems

Performance/Value

- We will provide price performance leadership by leveraging 64-bit technology across the product range (low end, mid range, high end)

Support Scope

- Worldwide presence and breadth of field service & systems integration



Segment	Market		Product Fit	Digital		ISV	Competitive Environment
	Size (1994)	CAGR (1994-96)		'93 Share	'93 Position		
GIS - Earth Resources - Scientific - Imaging - Real time data acquisition - Other Technical Apps.	28K units 4% of Market	13%	●	8% 5	●	◐	
MDA - Design Automation - Industrial Automation	98K units 14% of Market	10%	◐	9% 4	◐	◐	
EDA - Design Automation - Laboratory - Medical	66K units 10% of Market	14%	●	8% 3	○	○	
S/W Development - Technical - Commercial	123K units 18% of Market	23%	◐	7% 4	○	◐	
S&R - Scientific - Chemistry	57K units 8% of Market	7%	●	15% 3	○ Channel	◐	

Digital Position Relative to Competition

- Positive
- ◐ Neutral
- Negative

Source: Dataquest, IDC for S/W Development, SPG assessment

☆ **Segment Opportunity** ☆

- Sun (market leader) is vulnerable
 - Poor price/performance
 - No 64-bit capabilities (important within Traditional GIS and Remote Sensing segments)
- Strong product fit due to increasing compute/database needs (e.g. price/performance, 64-bit technology) and are well positioned with our GIS partners (applications ported and share)

Segment Threats

- HP and IBM may be heavily investing in GIS
- Window of opportunity for leveraging our leadership in 64-bit offerings is closing



Segment Focus

<u>Target ISVs</u>	<u>Units FY95</u>	<u>Units FY96</u>
• ESRI	1160 (19%)	2340 (29%)
• Smallworld	360 (35%)	750 (49%)
	1520	3090
Others:	1150	2910
Total:	2670	6000†
Market Share:	9%	20%

Segment Leverage Points		
<ul style="list-style-type: none"> • Build on our already strong position with the leading GIS ISV (ESRI) • Real product differentiation available for 64-bit 		

Cross-Segment Market Plans	Cross-Segment Product Plans	Cross-Segment Resource Plans
<i>To be discussed later in presentation</i>		

† Includes incremental NT units

☆ **Segment Opportunity** ☆

- Market with a handful of major ISVs — potentially high return for focusing on a few ISVs
- Large Digital OVMS installed base ready to upgrade
- Significant Alpha NT opportunity in low-end of the market
- Large, vulnerable Sun installed base

Segment Threats

- SGI attacking low and midrange segments of MDA market
- DEC is losing installed base
- Intel may overwhelm Alpha NT opportunity



Segment Focus

Target ISVs	Units FY95	Units FY96
• PTC	1500 (15%)	3500 (25%)
• EDS/UG**	1400 (21%)	1900 (25%)
• MATRA**	1200 (42%)	1500 (42%)
• Bentley	-	-
• CV	500 (7%)	1200 (16%)
• Autodesk*	<u>300</u> (5%)	<u>2100</u> (25%)
Other	4900	10200
Others:	<u>5100</u>	<u>7800</u>
Total:	10000	18000†
Market Share:	10%	17%

Segment Leverage Points		
• Best in class application performance with PTC		
• Digital perceived as a leader in NT on RISC		

Cross-Segment Market Plans	Cross-Segment Product Plans	Cross-Segment Resource Plans
<i>To be discussed later in presentation</i>		

* Includes Autodesk as an NT player
 ** Need to be revised
 † Includes incremental NT units

☆ **Segment Opportunity** ☆

- Attack Sun installed base that needs higher computing capability (speed & memory bottlenecks)
- We can leverage our ability to offer the most comprehensive set of multi-OS platforms

Segment Threats

- Sun and HP future performance plays which diminish our technical performance leadership
- Inability to successfully negotiate Cadence contract
- P6/PowerPC encroachment



Segment Focus

<u>Target ISVs</u>	<u>Units FY95</u>	<u>Units FY96</u>
• Mentor Graphics	240 (2%)	1060 (10%)
• Synopsys	200 (5%)	500 (10%)
• Viewlogic	<u>200 (5%)</u>	<u>500 (11%)</u>
	640	2060
Other:	<u>5560</u>	<u>6240</u>
Total:	6200	8300†
Market Share:	9%	12%

Segment Leverage Points		
• Deliver complete, optimized EDA tool suites to end users (selective porting)		
• Re-establish Cadence contract		

Cross-Segment Market Plans	Cross-Segment Product Plans	Cross-Segment Resource Plans
<i>To be discussed later in presentation</i>		

* Cadence may become a Tier I partner, pending contract resolution
 † Includes incremental NT units

☆ **Segment Opportunity** ☆

- Rapidly becoming a 64-bit environment
- Huge Sun installed base is vulnerable
- Significant downsizing from MF/Minis
- SD has potential linkages to sales in other target segments (EDA, MDA, etc.)
- Emerging interest in NT has increased need for NT/UNIX interoperability (Digital strength)
- Customer need to improve SD process — opportunity to leverage COHESIONworx

Segment Threats

- Sun may close performance gap
- HP has lots of resources pointed at this segment



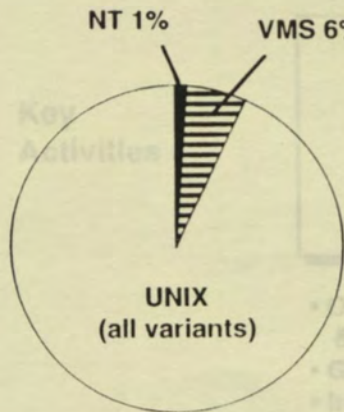
Segment Focus

Total:	10290	16000†
Market Share:	8%	12%
Segment Leverage Points		
<ul style="list-style-type: none"> • COHESIONworX on Sun, HP and Alpha • SEE-IT Alliance • Differentiators: only vendor with product in "large team" space; only vendor covering all project sizes, enhanced functionality of COHESIONworX over competition 		
Cross-Segment Market Plans	Cross-Segment Product Plans	Cross-Segment Resource Plans
<i>To be discussed later in presentation</i>		

† Includes incremental NT units

IV. Execution Plans

**Workstation
Operating System
Total Market
1993**



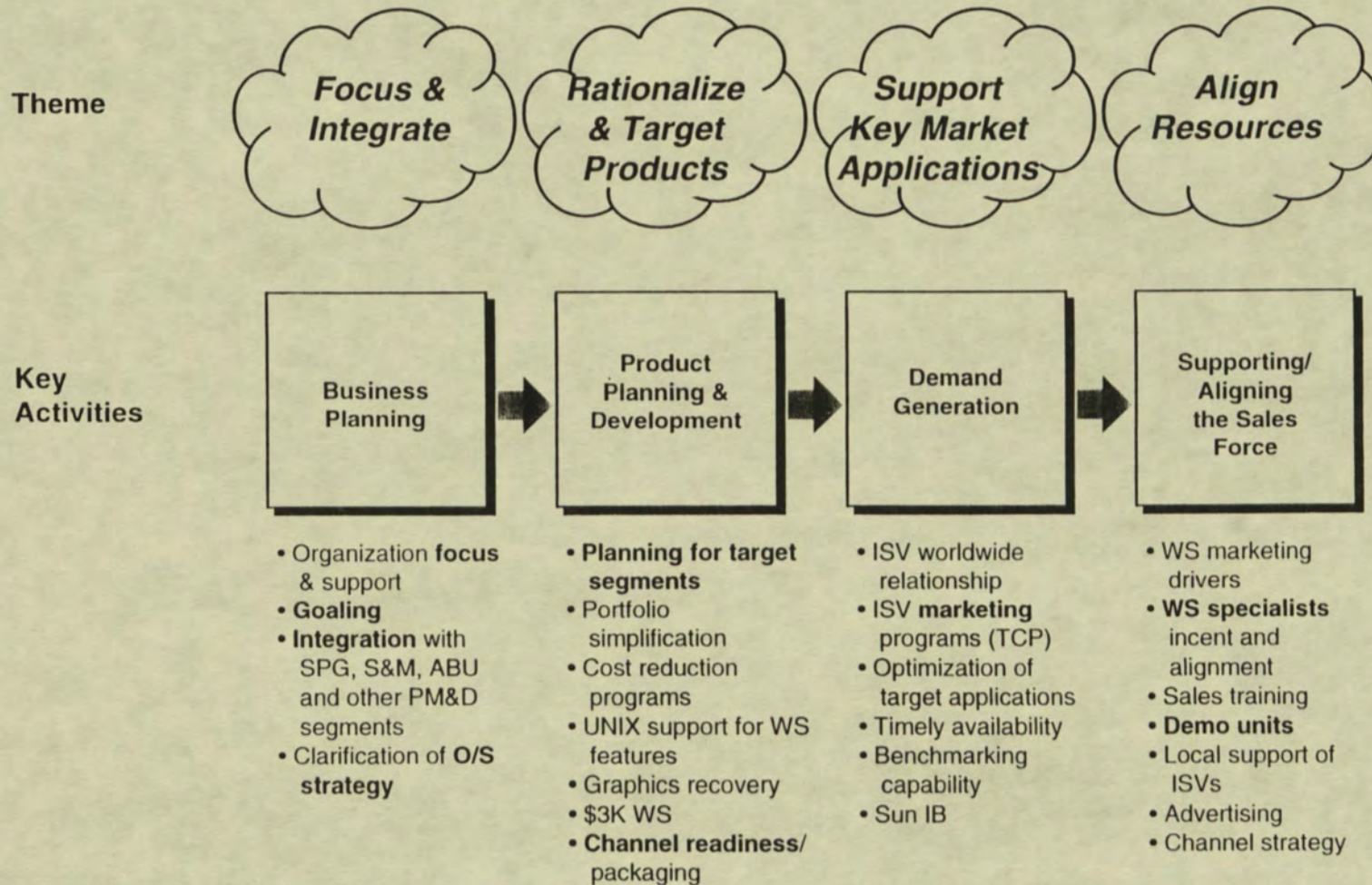
Source: Dataquest

What is our OS Strategy?

- Focus OVMS in installed base and migrate customer & ISVs to UNIX and NT as required
- UNIX (OSF/1) and NT are our growth target
- NT's business model will require significant adjustments

How is this justified?

- UNIX will continue to be the dominant O/S for WS near term
- NT is growing in importance, and Digital has first-to-market opportunity in NT



Major Thrusts

- Rationalize into simpler product lines (platforms, peripheral commodity, channel packaging)
- Focus on two design points: value and performance, both optimized for cost
- Alignment of product development to targeted segments
- Continued performance emphasis, but shifted from specifications to application performance

– Applications portfolio

– Graphics

– I/O, memory bandwidth

– Fix product gaps

– Starter workstation (\$3-4K)

– NT dedicated machines

– 3D Graphics, via partner

IV. Execution Plans

- Product Development Plans

Secondary Thrusts

• Product Attractiveness

- “Out of box” experience
- Multimedia capabilities
- Industrial design and packaging

• Ease-of-use

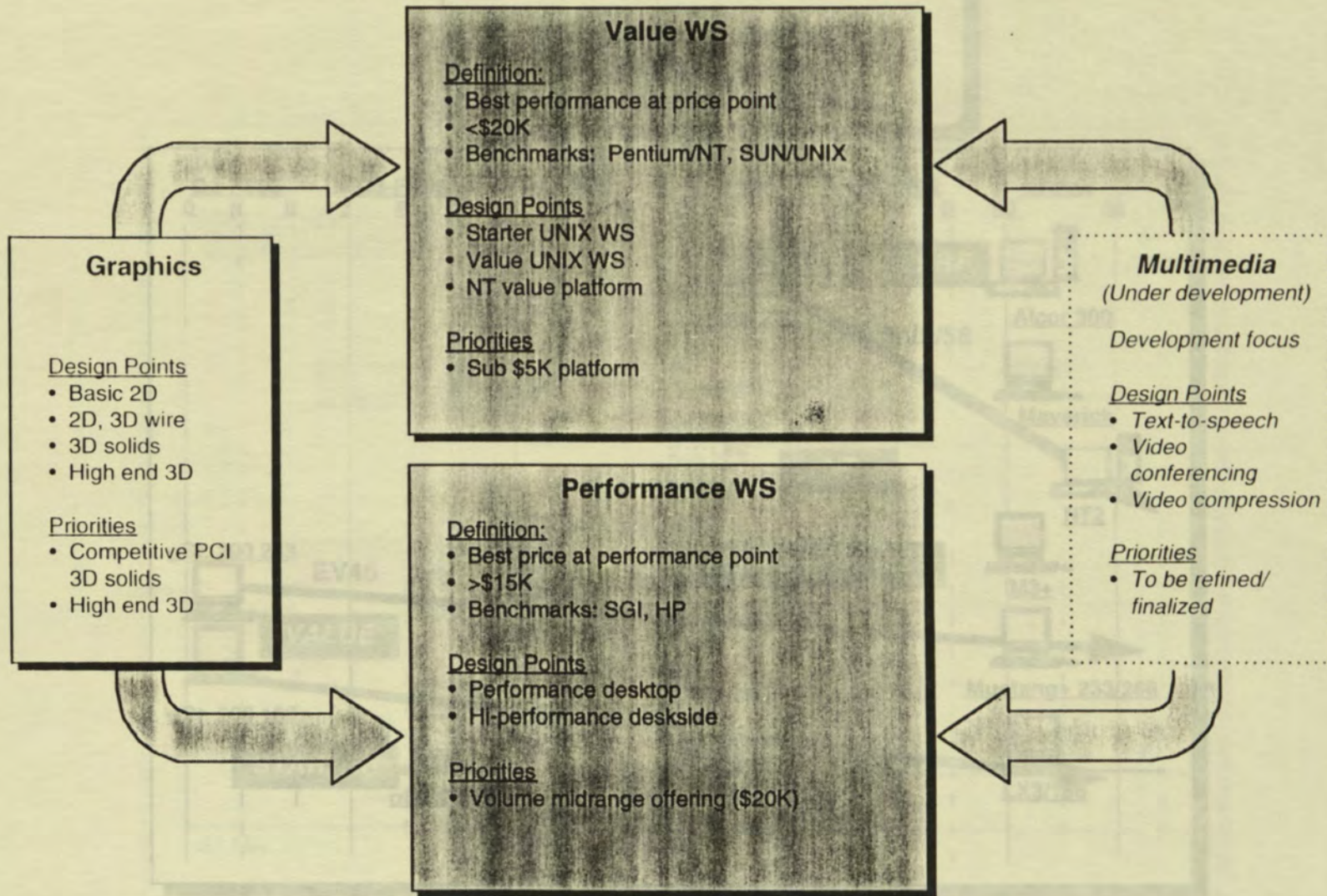
- Installation
- Upgrade

Major Thrusts

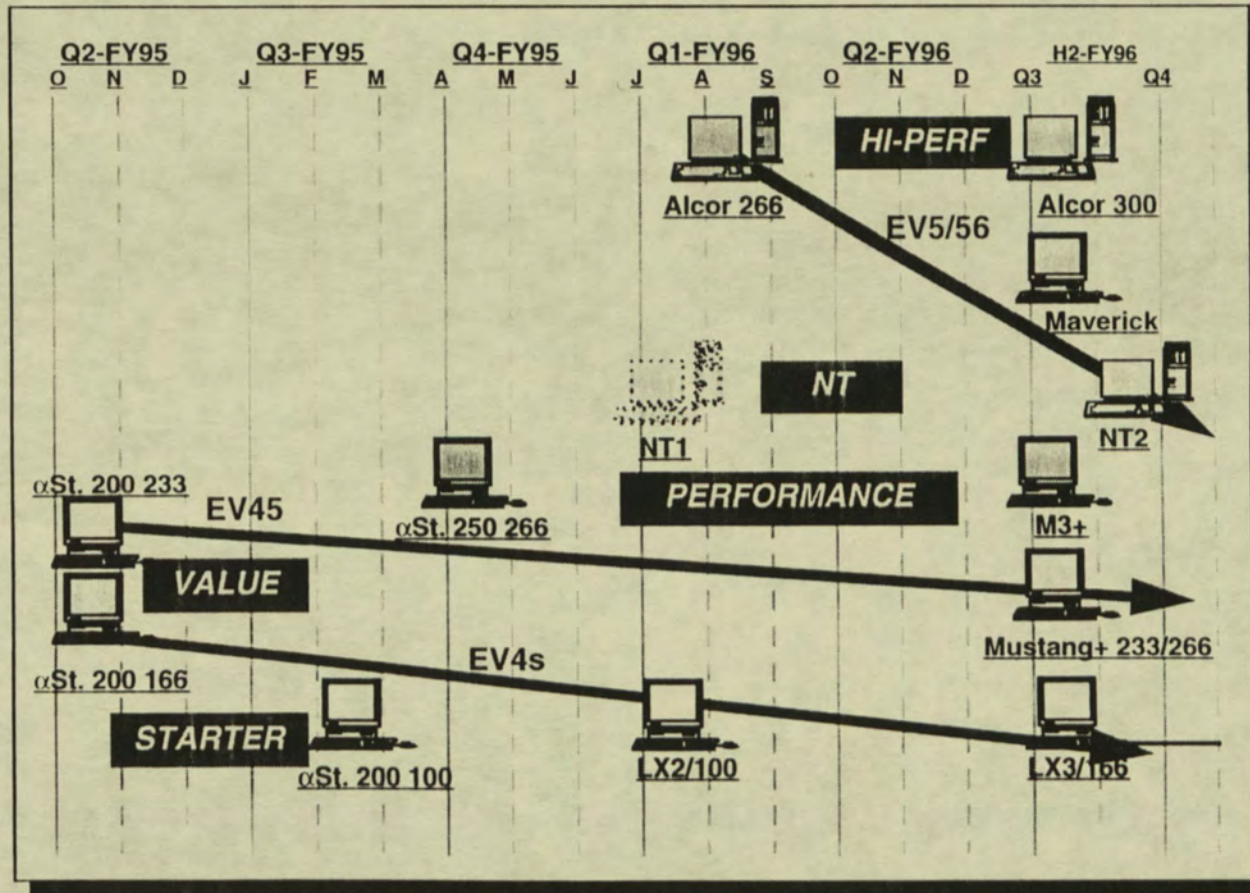
- **Rationalize** into simpler product lines (platforms, peripheral commodity, channel packaging)
- Focus on **two design points**: value and performance, both optimized for **cost**
- Alignment of product development to **targeted segments**
- Continued **performance emphasis**, but shifted from specmarks to application performance
 - Applications portfolio
 - Graphics
 - I/O, memory bandwidth
- Fix **product gaps**
 - Starter workstation (\$3-4K)
 - NT dedicated machine
 - 3D Graphics, via partnering with Evans & Sutherland as well as DPI

Secondary Thrusts

- **Product Attractiveness**
 - “Out of box” experience
 - Multimedia capabilities
 - Industrial design and packaging
- **Ease-of-use**
 - Installation
 - Upgrade

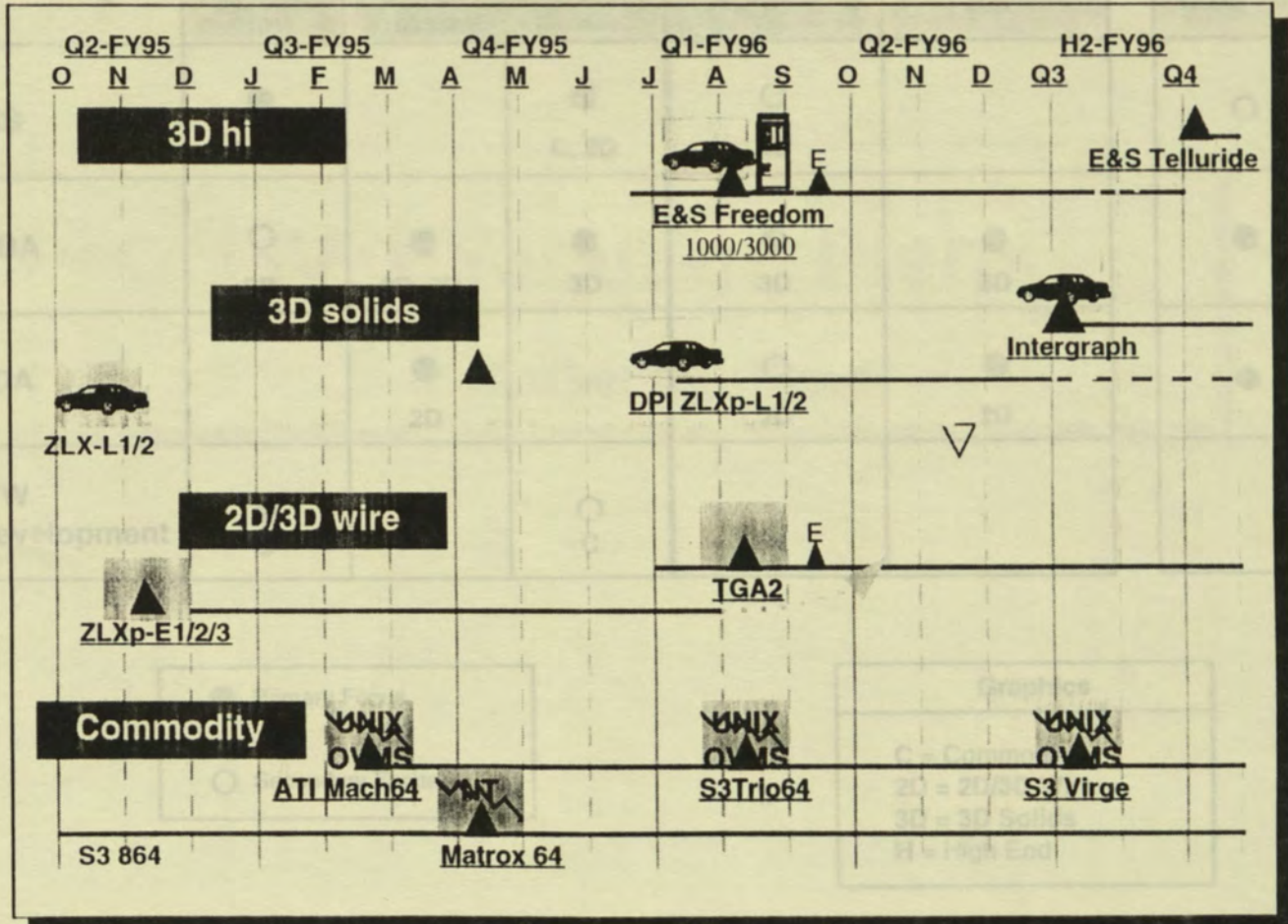


- Key Messages**
- Five design points
 - Fill out product set
 - NT dedicated platform



Leverage midrange platforms and graphics

- Key Messages**
- Achieve parity
 - Introduce new high end
 - Internal project for FY97



• Leverage midrange platforms and graphics

Future Products FY96

T
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S
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	Value			Performance		Multimedia
	Starter Alpha Station 100	Value Alpha Station 166/233	NT "Dream Machine"	Performance M3	High End ALCOR	
GIS	● C, 2D		● C, 2D	○ 2D		○
MDA	○ 2D	● 2D, 3D	● 3D	● 3D	● 3D	●
EDA		● 2D		○ 2D	● 2D	●
S/W Development	● C		○ C			

● Primary Focus
○ Secondary Focus

Graphics
C = Commodity
2D = 2D/3D Wire
3D = 3D Solids
H = High End

IV. Execution Plans

- Marketing Plans

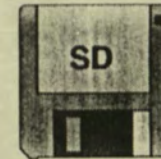
END USER



Focused Markets



GIS



Competitive Demand Generation Programs

WS:

ESR
Bentley (E)

SERVICES: Ansys, HKS,
McNS, Pasha

TCP

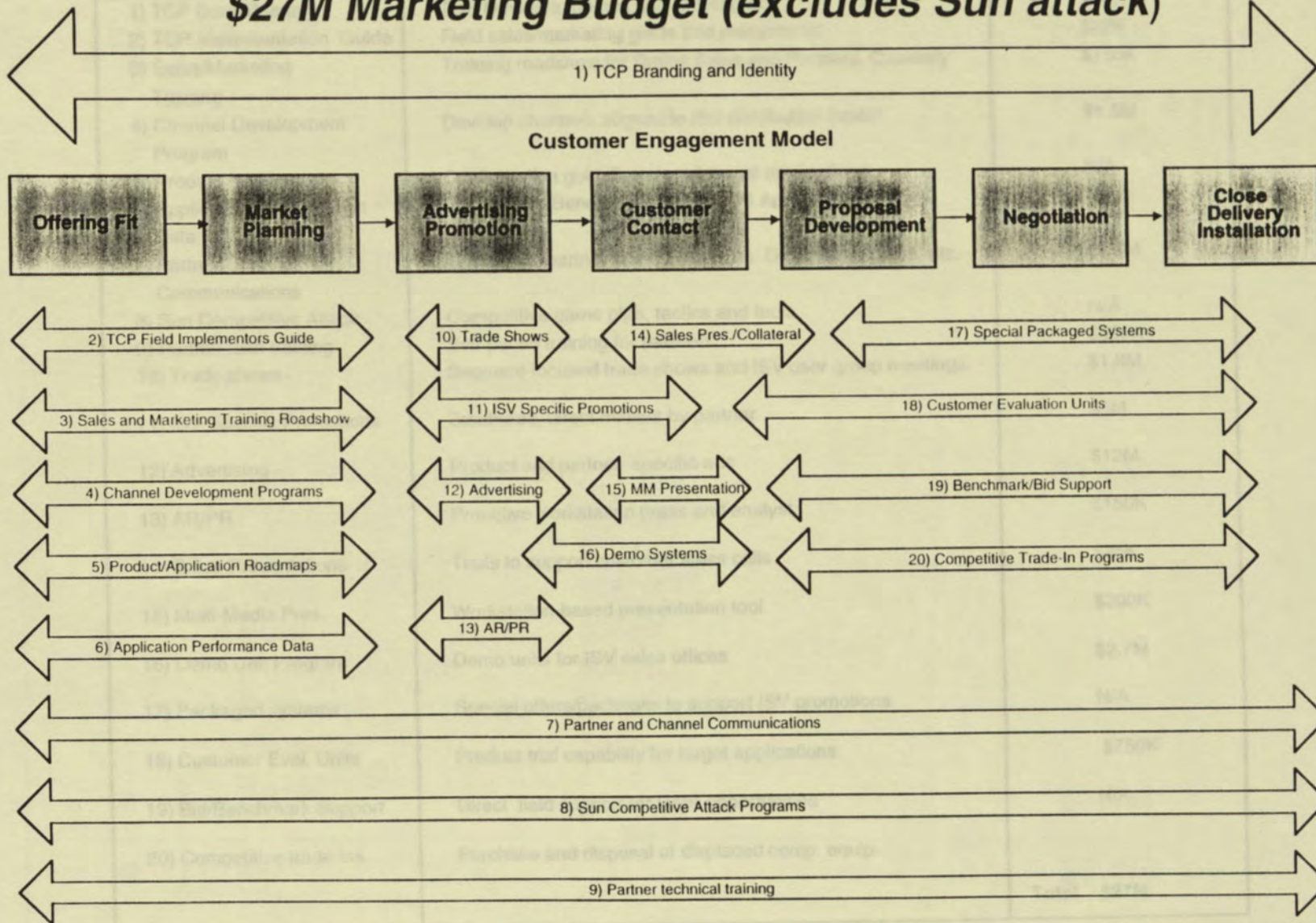
Mentor
Synopsys,
Vivologic

ESR
Smallworld (E)

SUN ATTACK

- Japan
- Trading
- Government

\$27M Marketing Budget (excludes Sun attack)



Program	Description	Resources
1) TCP Brand/Identity	TCP Umbrella themes and messages	\$50K
2) TCP Implementation Guide	Field sales/marketing guide and resource list	\$20K
3) Sales/Marketing Training	Training roadshow for Digital Sales and Partners, Quarterly	\$750K
4) Channel Development Program	Develop channels aligned to ISV distribution model	\$1.5M
5) Product Roadmaps	Configuration guidelines for all target applications	N/A
6) Application Performance Data	Competitive Benchmarks for Top 10 Applications	N/A
7) Partner/Channel Communications	Worldwide partner communications: DVN, Newsletters, etc.	\$1.5M
8) Sun Competitive Attack	Competitive game plan, tactics and tools	N/A
9) Partner tech training	Self-paced training for partners	\$500K
10) Trade shows	Segment-focused trade shows and ISV user group meetings	\$1.8M
11) ISV-Specific Promotions	Brochures, direct mailers by partner	\$5M
12) Advertising	Product and partner- specific ads	\$12M
13) AR/PR	Proactive workstation press and analyst	\$150K
14) Sales Presentations	Tools to support customer sales calls	\$25K
15) Multi-Media Pres.	Workstation-based presentation tool	\$200K
16) Demo Unit Program	Demo units for ISV sales offices	\$2.7M
17) Packaged systems	Special offers/packages to support ISV promotions	N/A
18) Customer Eval. Units	Product trial capability for target applications	\$750K
19) Bid/Benchmark Support	Direct field support for large opportunities	N/A
20) Competitive trade-ins	Purchase and disposal of displaced comp. equip.	
		Total \$27M

● TCP		\$3.4M
– Demo units to ISV sales offices		\$500K deprec. (\$5.7M)
– Q4 training roadshow		\$200K
– TCP program development		\$400K
– NT MCAD campaign		\$500K
– Segment trade shows		\$250K
↳ DAC,		
– Target ISV Marketing Programs		\$1.5M
↳ PTC	\$285K	
↳ EDS/Unigraphics	\$271K	
↳ Matra	\$150K	
↳ ESRI	\$236K	
↳ Mentor Graphics	\$397K	
↳ Synopsys	\$100K	
↳ Viewlogic	\$80K	
● Advertising		\$3.0M
● Total		\$6.4M

- **Issues:**
 - Lack of volume channels
 - Lack of VARs (US)
 - Poor alignment with ISV channels

- **Guidelines (preliminary):**
 - Create distribution infrastructure to support volume objectives
 - Develop channels aligned with ISVs distribution model:
 - ABU (e.g. Mentor, Synopsys)
 - ISV-VAR (e.g. Matra, EDS)
 - ISV's VARs (e.g. Matra, PTC)
 - ISV's PC-VARs (e.g. Bentley, Autodesk)
 - Adjust demand generation (push/pull) to ISVs model
 - NT channels for Intel/Alpha NT-platform

- **Need to develop a working channel plan in conjunction with downstream**

- Identified resources requirements and started staffing
- Overall channel plans in place
- Countries engaged on target segments & ISVs
- Established goals by country
- Identified critical product requirements and schedule for resolution
- Launched mid-range recovery:
 - Unix/MCAD 700 promotion
- Launched NT/MCAD program:
 - Defined Bentley business plan
 - NT/MCAD platform

IV. Execution Plans

• Example: European Plan

- Identified resources requirements and started staffing
- Overall channel plans in place
- Countries engaged on target segments & ISVs
- Established unit goals by country
- Identified critical product requirements and schedule for resolution
- Launched mid-range recovery:
 - Unix/MCAD 700 promotion
- Launched NT/MCAD program:
 - Defined Bentley business plan
 - NT/MCAD platform

Requirements identified
 Must re **Staffing started**
 Eliminated 1 layer of management

	<u>Large</u>	<u>Medium</u> <u>countries</u>	<u>Small</u>	<u>Total</u>	<u>On board</u>
<u>Area level</u>					
Marketing				5	2
ISV rel. mgr.				11	10
<u>Country level</u>					
Marketing	3	2-3	2	43	13
Pull Sales	4-8	2-3	1	50	22
Total					

Requirements identified
Must reduce direct VARs and
grow distributors

	<u>Large</u>	<u>Medium</u> <u>countries</u>	<u>Small</u>	<u>Total</u>	<u>Current</u>
Distributor	2	1-2	1		
VAR	30-40	20-30	20		
Reseller	4	2	1-2		
Total	36-46	22-33	22-23	500	900

NT

UNIX

Agreed upon target segments
Agreed upon target ISVs

PTC/Pro Engineer

Matra/Euclid

EDS/UGII

PTC/Pro Jr.

Matra/Prelude

Corporate

Bentley, μ station

PTC/Pro Engineer

Matra/Euclid

EDS/UGII

PTC/Pro Jr.

Matra/Prelude

Area

Cadlab (Italy)

Bentley, μ station

PTC/Pro Engineer

Matra/Euclid

EDS/UGII

PTC/Pro Jr.

Matra/Prelude

Country

Finalize FY96 plans at April Mktg meeting
Phase in of TCP

- | | | |
|-------------------------------|----------------|-----------|
| ● Complete staffing | Wegbrans | March 30 |
| ● Funding and funding process | Ribeyre/Gallup | March 10 |
| ● FY96 unit plans | Guez | April 5 |
| ● FY96 goals by pull sales | Guez | April 30 |
| ● Finalize TCP plans | Thayer/Guez | April 5 |
| ● Training of pull sales | Thayer/Guez | April-May |
| ● Deliver CPR resolutions | Ribeyre | Q1FY96 |
| ● Align channels with ISVs | Guez/Marvin | April 5 |

Target Segments	1995	1996	1996/95	1995	1996
EDA	6.2	8.3	34%	8.3	33%
MDA	10.3	18.0	80%	21.0	110%
GIS	2.7	8.0	122%	8.0	196%
SW Development	10.3	16.9	55%	17.0	65%
Sub Total	29.2	48.3	65.4%	54.3	86%
Other Segments	32.5	41.7	28.3%	45.7	40.8%
TOTAL	61.7K	90K	46%	100K	62%
	Units	Units	Growth	Units	Growth

IV. Execution Plans

- P&L

	FY95 Forecast	FY96 Base Plan		FY96 Stretch Plan	
	Volume (000s)	Volume (000s)	Y to Y Growth	Volume (000s)	Y to Y Growth
<u>Target Segments</u>					
EDA	6.2	8.3	34%	8.3	33%
MDA	10.0	18.0	80%	21.0	110%
GIS	2.7	6.0	122%	8.0	196%
SW Development	10.3	16.0	55%	17.0	65%
Sub Total	<u>29.2</u>	<u>48.3</u>	<u>65.4%</u>	<u>54.3</u>	<u>86%</u>
Other Segments	<u>32.5</u>	<u>41.7</u>	<u>28.3%</u>	<u>45.7</u>	<u>40.6%</u>
TOTAL	61.7K	90K	46%	100K	62%
	Units	Units	Growth	Units	Growth

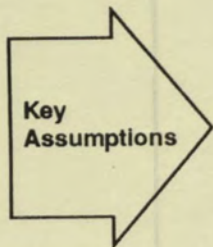
Base Case Financials

(\$ thousands)

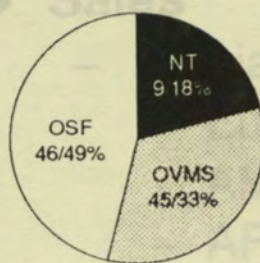
	under revision
	9.6%
	0.6%
	2.3%
	1.8%
	0.9%
	3.2%
	0.7%
	2.2%

Base Case Highlights

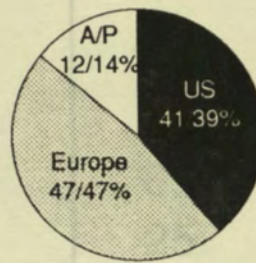
- Unit growth 46%
- Revenue growth 16%
- ASV dropping 21%
 - Price erosion: 10%
 - Mix: 11%



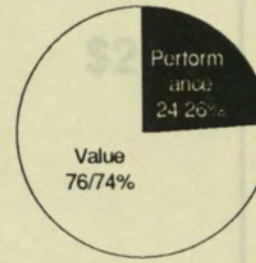
O/S



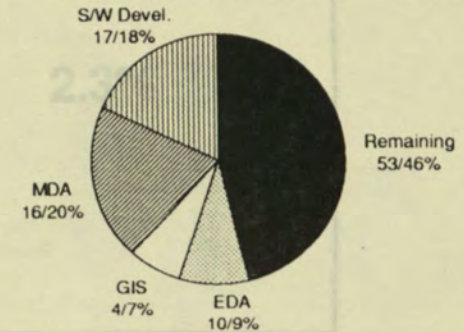
Geography



Price Band



Applications



Legend: FY95/FY96

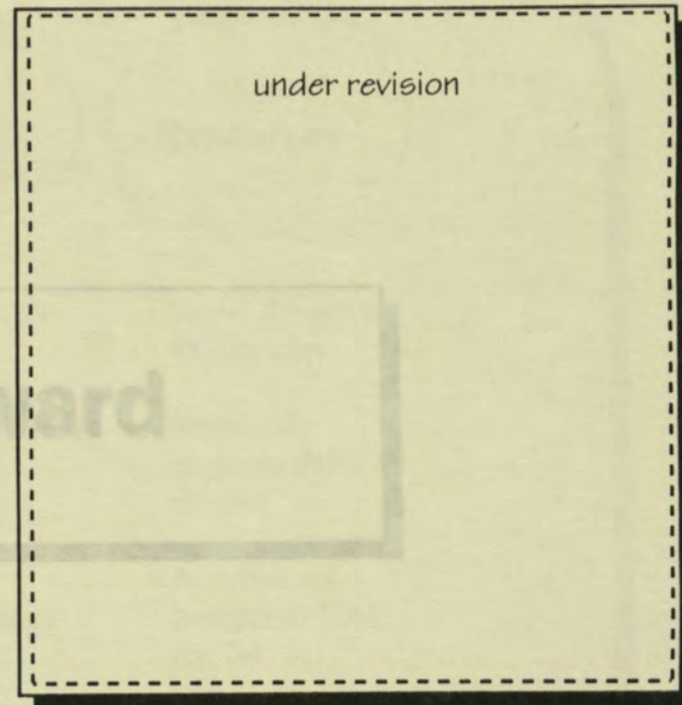
	<u>HC</u>	<u>\$M</u>	<u>% of NOR</u>
<ul style="list-style-type: none"> ● Marketing – advertising – SPG – people – WSBS – Europe – US – AP – baseline – strategic/TCP – Sun 	<ul style="list-style-type: none"> ns 99 20 48 18 (e) 13 (e) ns ns na 	<ul style="list-style-type: none"> \$82 \$ 5 \$20 \$15 \$ 8 \$27 \$ 6 (e) 	<ul style="list-style-type: none"> 9.6% 0.6% 2.3% 1.8% 0.9% 3.2% 0.7%
<ul style="list-style-type: none"> ● Sales – specialists – Europe – AM – AP 	<ul style="list-style-type: none"> 135 50 60 25 	<ul style="list-style-type: none"> \$20 	<ul style="list-style-type: none"> 2.3%

Stretch Case Highlights

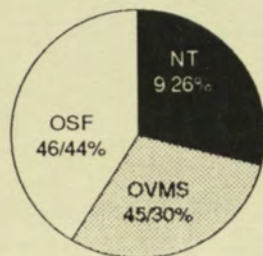
- Unit growth 62%
- Revenue growth 22%
- ASV dropping 25%
- 10K additional units from NT

Stretch Case Financials

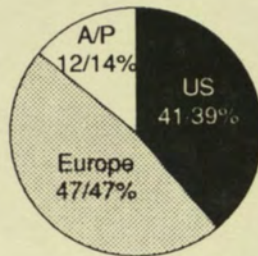
(\$ thousands)



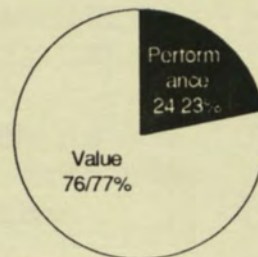
O/S



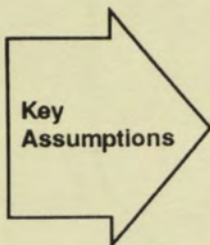
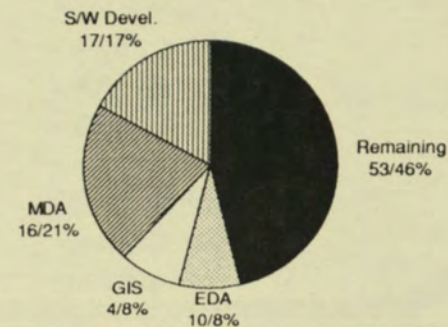
Geography



Price Band

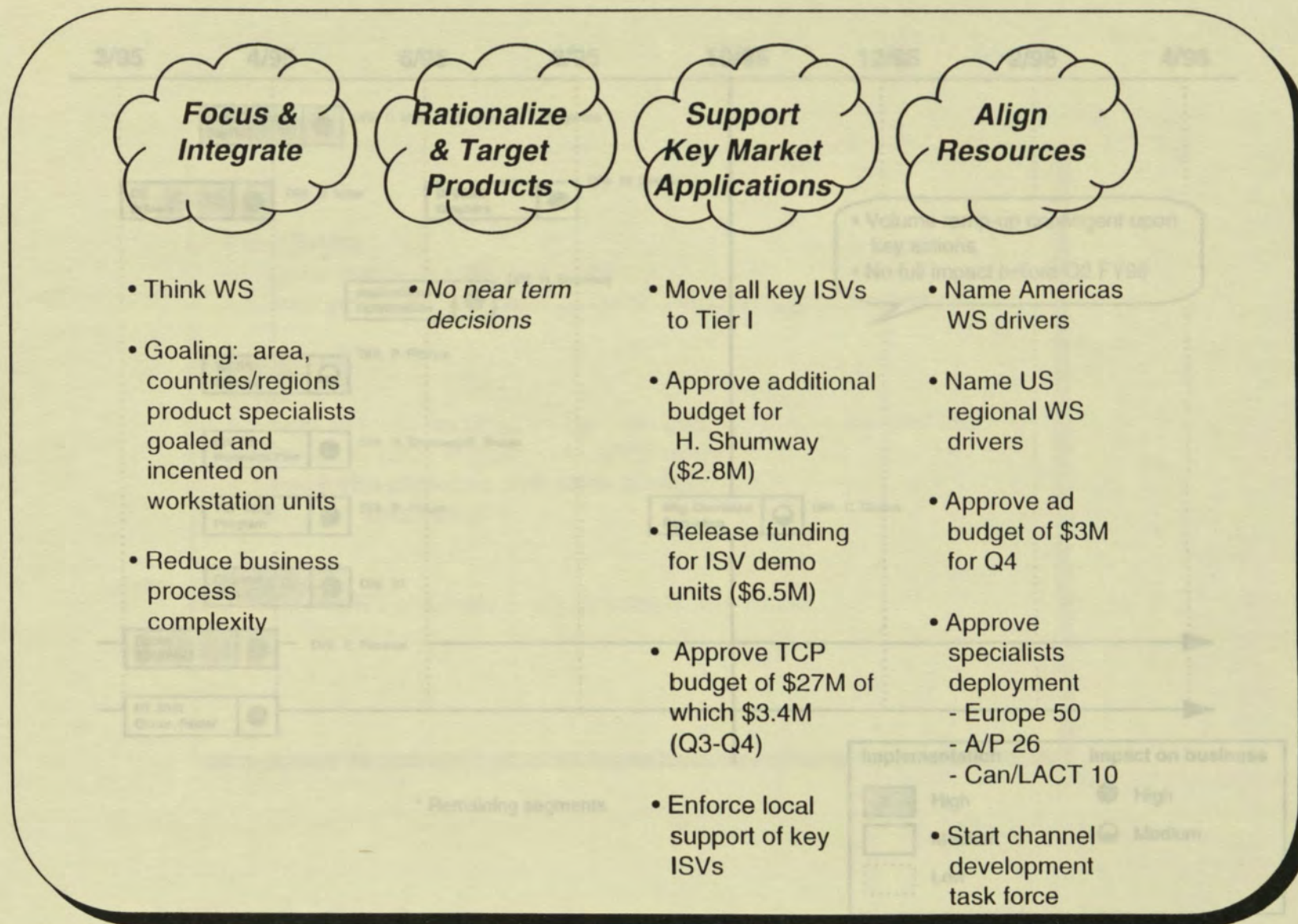


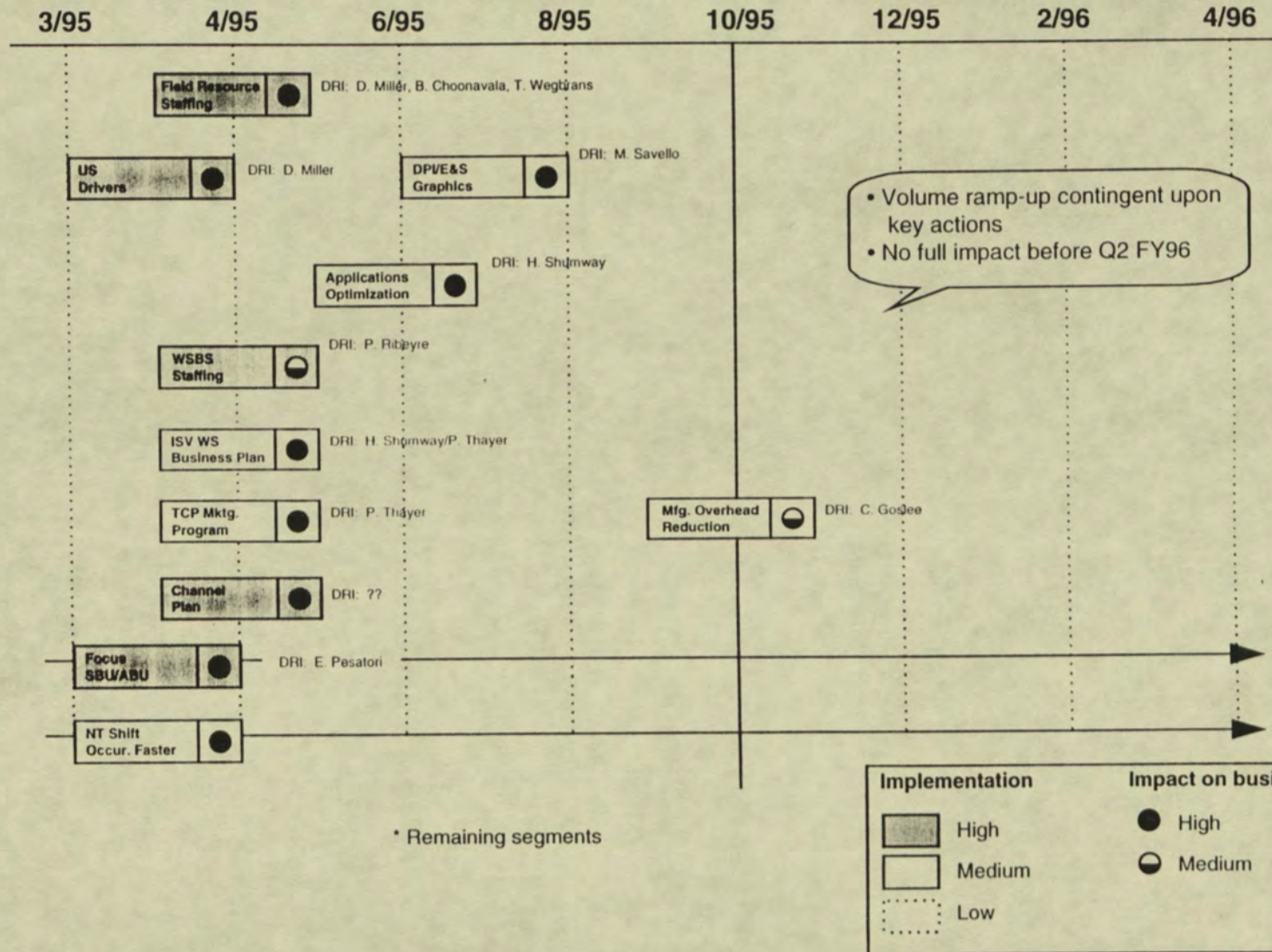
Applications



Legend: FY95/FY96

V. Going Forward





Positioning

- Tighten focus on critical segments
- Development of "test beds" to identify emerging growth segments

Product

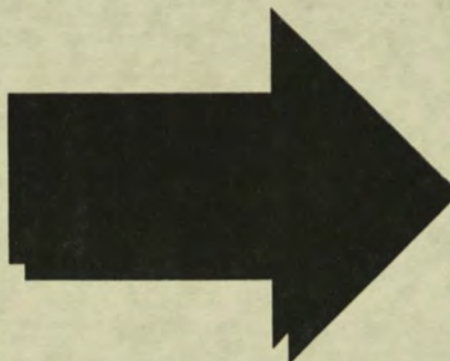
- Heighten focus on UNIX on the high-end, NT for the low-end and continue to push migration of OVMS users
- Drive EV56 platforms cost down quickly
- Graphics leadership

Channel

- Develop NT channels & adjust sales/SG&A model

Key Success Drivers

- Attractive market segment opportunities exist that have good offering fit
- We will have a competitive product offering by Q1 FY96
- We focus our resources on target segments
- We will fix gaps that have hampered sales
- Sun's large installed base is vulnerable



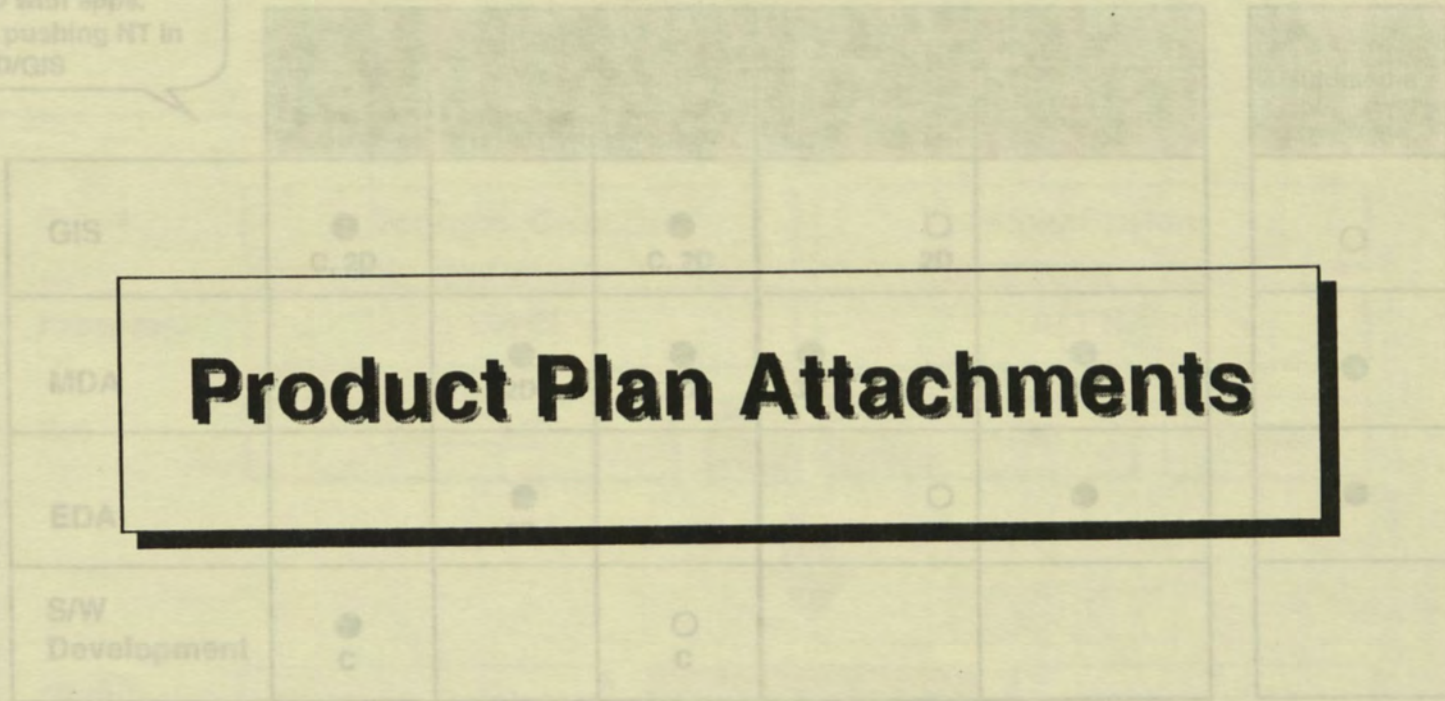
FY96 Goals

- 100K units
- 62% growth
- #1 or 2 in targeted marketing segments

Initial 1st focus on 2D/3D with apps.
Start pushing NT in MCAD/GIS

Today's Products:
Interim Solution (Q4)

Target Segment



Product Plan Attachments

● Primary Focus
○ Secondary Focus

Graphics
C - Community
2D
3D
H - High End

Today's Products: Interim Solution (Q4)

- Initial M3 focus on 2D/3D with apps.
- Start pushing NT in MCAD/GIS

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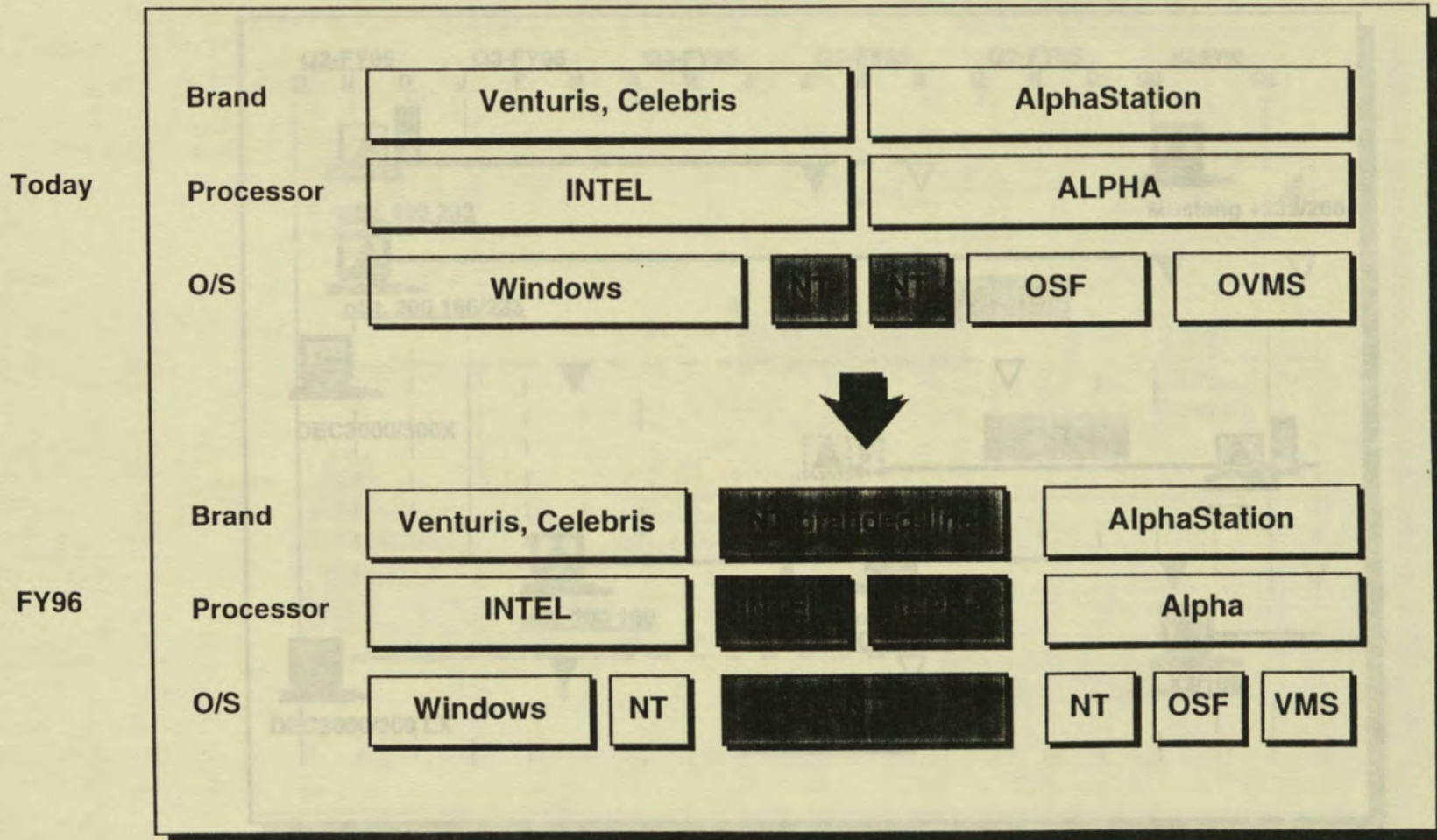
S
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	Value			Performance		Multimedia
	Starter Alpha Station 100	Value Alpha Station 166/233	NT Alpha Station 166/233	Performance 700 M3	High End 900	
GIS	● C, 2D		● C, 2D		○ 2D	○
MDA		● 2D	● 2D	● 3D		●
EDA		● 2D			○ 2D	●
S/W Development	● C		○ C			

● Primary Focus
○ Secondary Focus

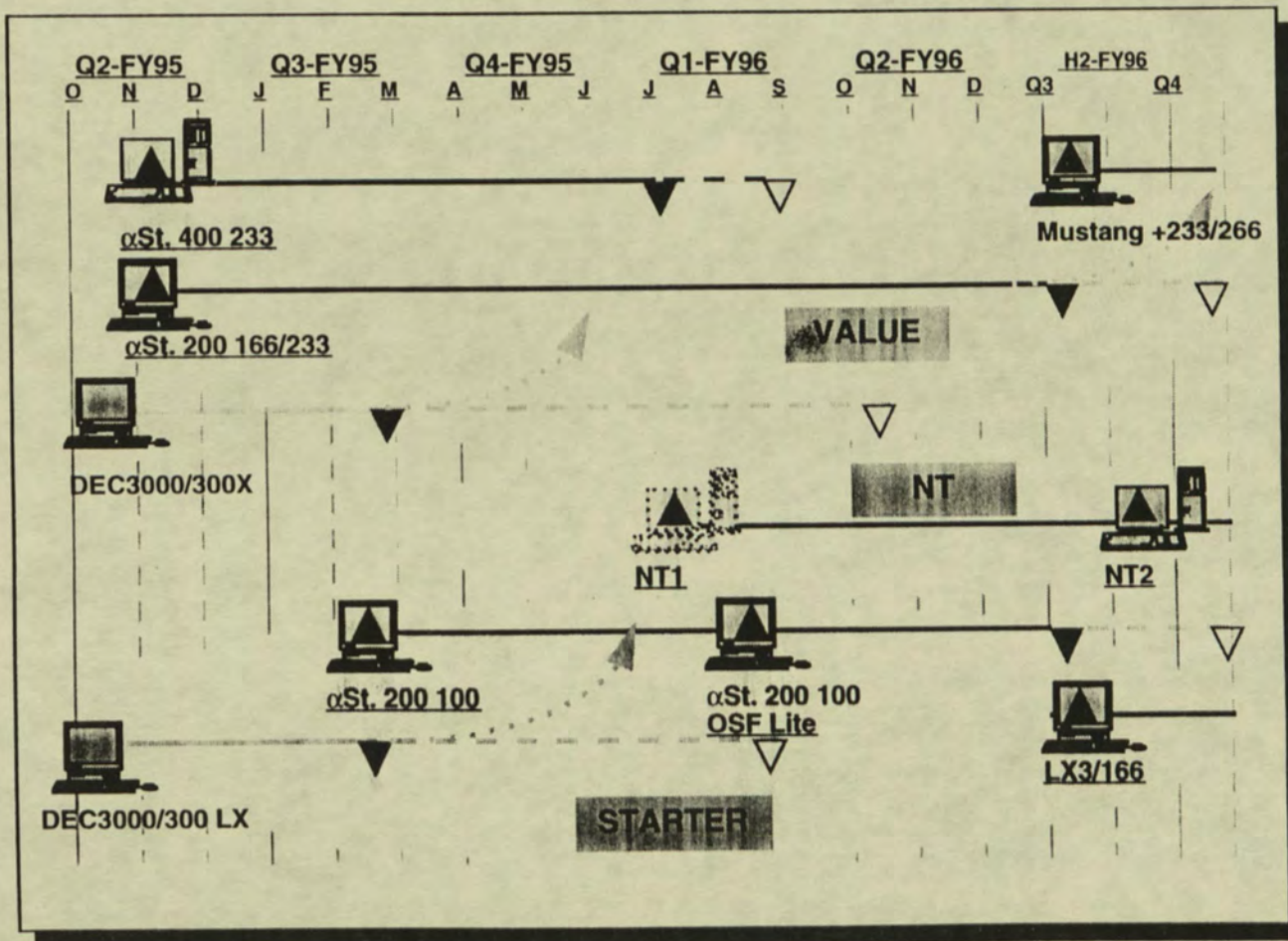
Graphics
C = Commodity
2D
3D
H = High End

Key Messages
Introduction of a branded NT line



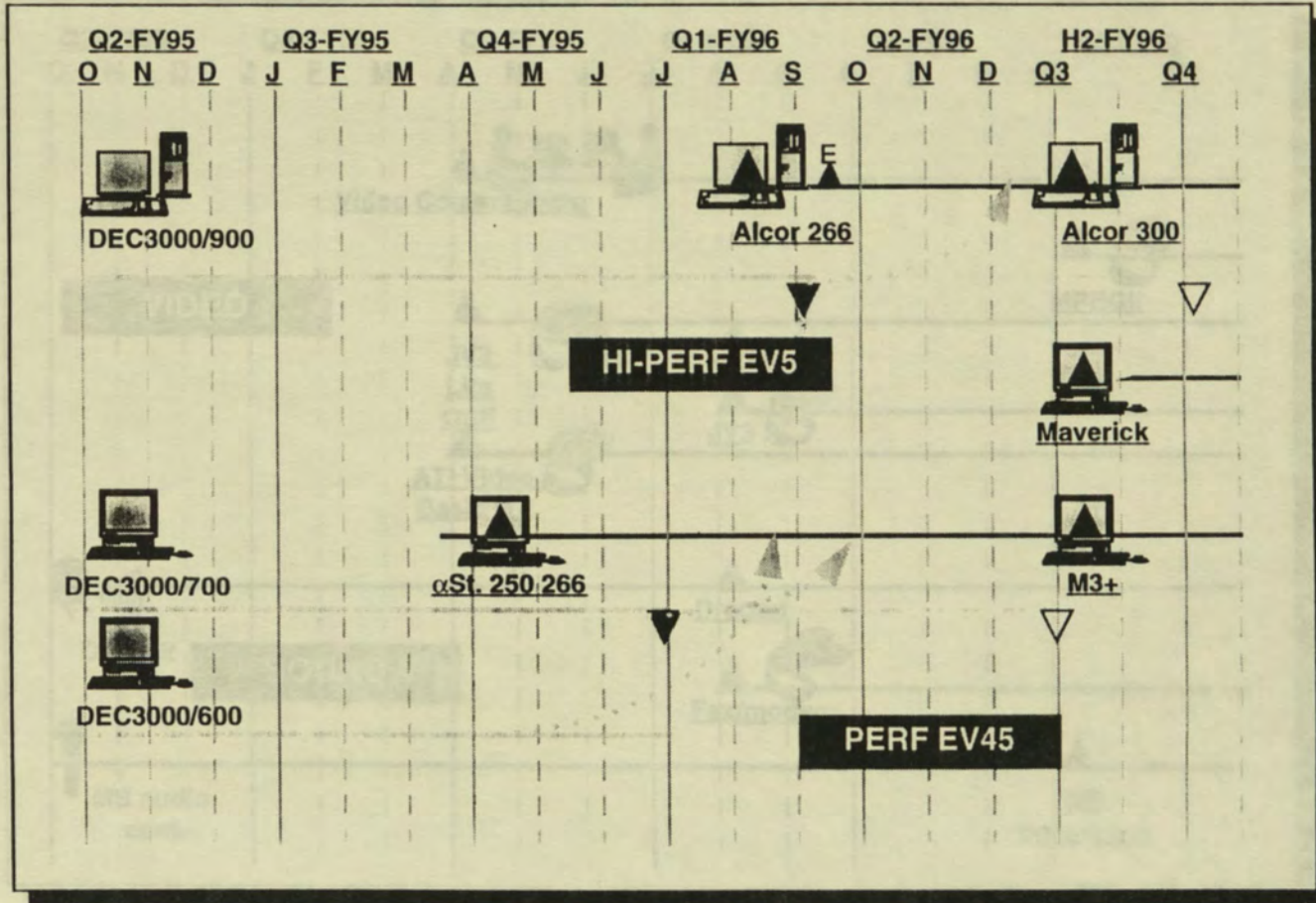
Key Messages

- Product line simplification
- Introduce low end WS

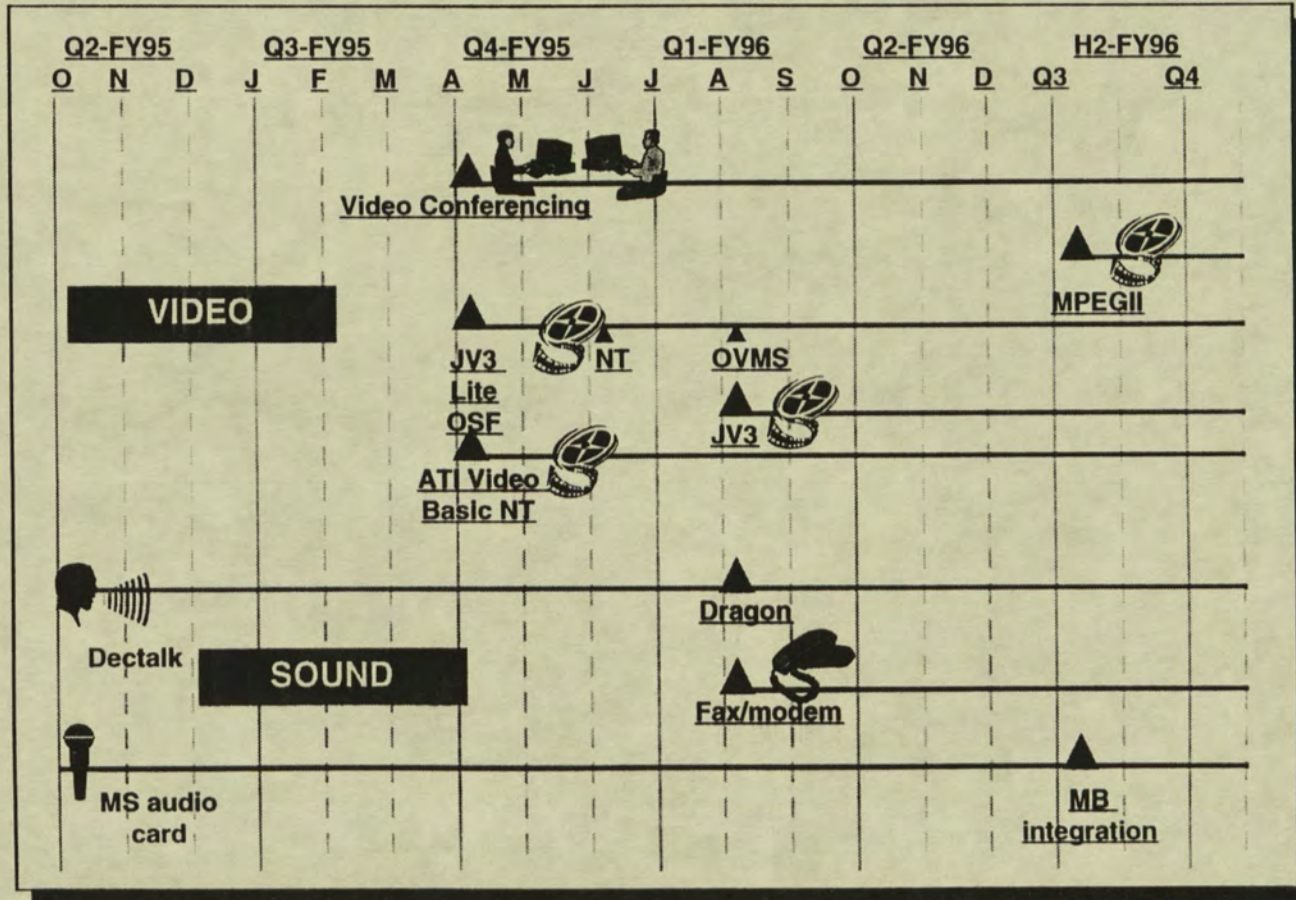


Key Messages

- Re-establish momentum
- Drive E5 platform to volume point



- Key Messages
- Introduce multimedia functionality
 - Achieve parity
 - Plan needs more work



Work in Process

Version: March 21, 1995

SBU Segment Business Planning Process Guide

digitalTM

Work in Process

Version: March 21, 1995

SBU Segment Business Planning Process Guide

digitalTM

Contents

- This document was created from the business plan development experience of the WS business segment. As such, this document covers the segment planning process only and does not cover group, product line planning, or longer term strategy work.
- This represents work in progress that needs to be refined and updated during and after the other segments complete their business plans.

Contents

- Segment Business Plan process
- Business Plan template (based on WS segment)

Segment Business Planning Process Context and Scope:

Segment business planning and execution plans are based on strategic plans and are normally produced on an annual basis; updates and adjustments are made as necessary (usually quarterly revisits). Business planning needs to be linked to corporate CSD and SBU strategy and provides direction for product line planning and product development.

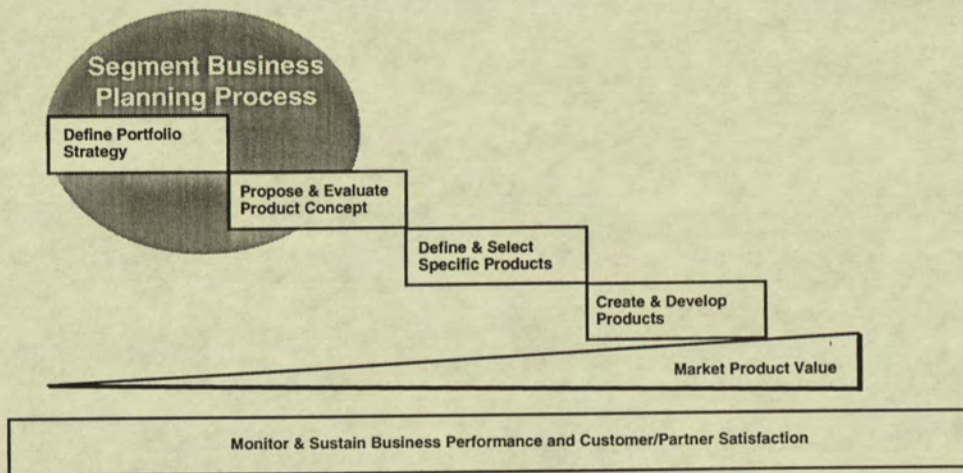
Document Objective:

To provide an overview of the segment business planning process for SBU segments managers and their staffs by addressing critical issues, steps taken, and resources required to plan and execute business plans. This document is meant to be a guideline to be adjusted and refined as needed.

Target Audience:

Segment business managers, business strategy managers, finance managers, marketing managers, product line managers, etc.


Lifecycle Management Backbone



PM&D

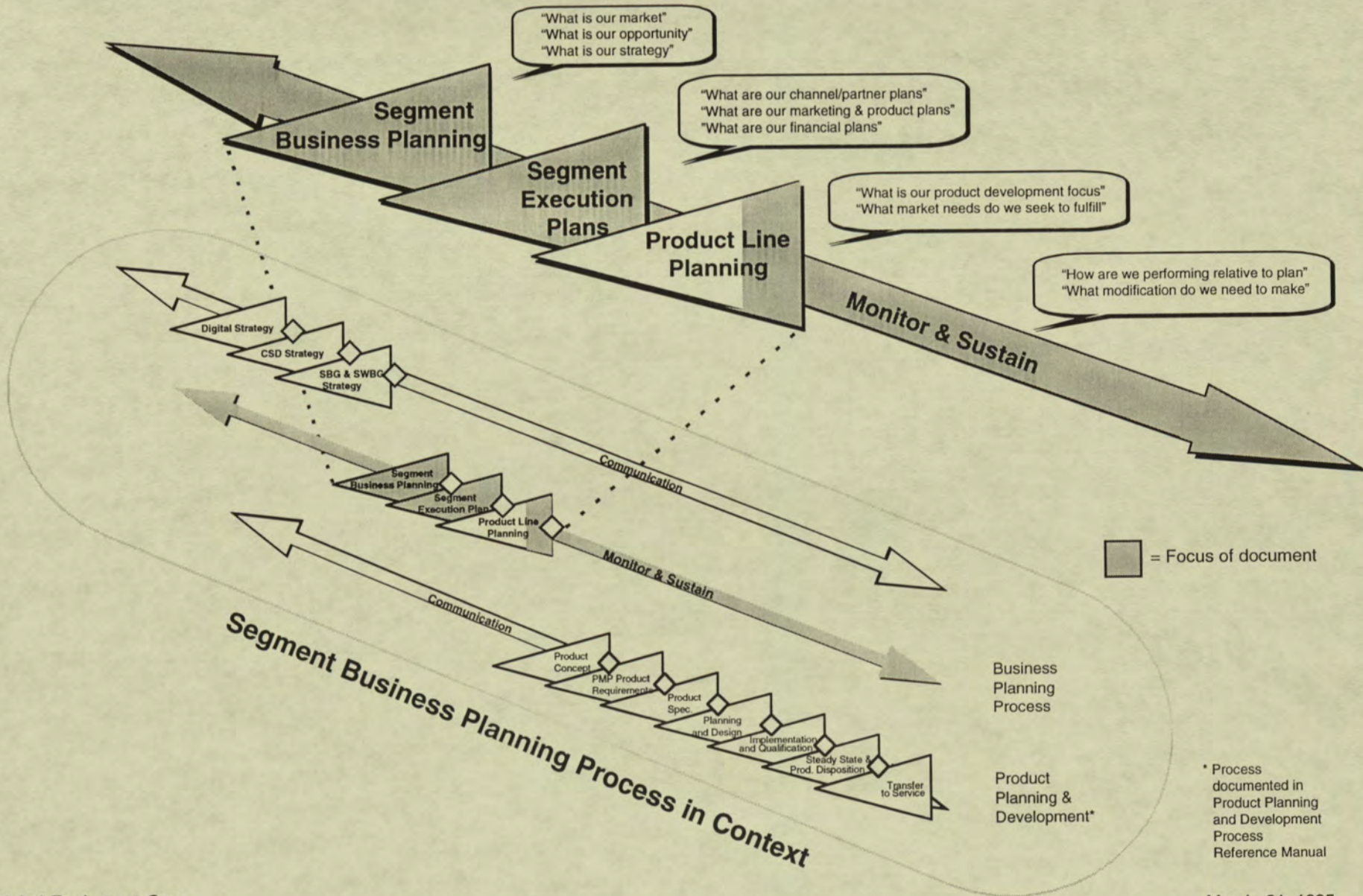
Product Management & Strategy Setting		
Segment Business Planning		
Product Planning	Product Development	Product Marketing

	Key Activities	Decision Maker	Forums	Driver (DRI)*	Key Linkages (Coordination, Cooperation, Agreement)	Key Input
CSD Strategy	<ul style="list-style-type: none"> Develop <ul style="list-style-type: none"> - financial stgy. - capability stgy. - marketing stgy. Integrate Business Unit plans, resolve conflicts 	<ul style="list-style-type: none"> CSD Mgr. 	<ul style="list-style-type: none"> Board of Directors 	<ul style="list-style-type: none"> CSD Planning 	<ul style="list-style-type: none"> Digital corporate strategy CSD Business Units Other Divisions <ul style="list-style-type: none"> - DSC - MCS - C&P - ATG 	<ul style="list-style-type: none"> Key Partners Customers ISV
SBU Strategy	<ul style="list-style-type: none"> Develop strategy within scope of CSD strategy Integrate PM&D Group plans, resolve conflicts 	<ul style="list-style-type: none"> SBU Mgr. 	<ul style="list-style-type: none"> Product Committee 	<ul style="list-style-type: none"> SBU Planning 	<ul style="list-style-type: none"> CSD Planning PM&D Groups Planning Other Divisions (MCS, DSC, ATG, C&P) Other CSD/ SBU entities (ABU, SPG, SBU Sales & Marketing, SBU M&D) 	<ul style="list-style-type: none"> Key Partners Customers ISV
SBG & SWBG Strategy/ Planning	<ul style="list-style-type: none"> Develop strategy within scope of SBU strategy Integrate Segment plans, resolve conflicts 	<ul style="list-style-type: none"> Group Mgr. 	<ul style="list-style-type: none"> Product Committee Group Staff 	<ul style="list-style-type: none"> Group Planning 	<ul style="list-style-type: none"> SBU Planning Segment Planning Other groups Other Divisions (MCS, DSC, ATG, C&P) Other CSD/ SBU entities (ABU, SPG, SBU Sales & Marketing, SBU M&D) 	<ul style="list-style-type: none"> Key Partners Customers ISV
Segment Business Planning	<ul style="list-style-type: none"> Develop plan within scope of Group strategy Integrate Product Line plans, resolve conflicts 	<ul style="list-style-type: none"> Segment Manager 	<ul style="list-style-type: none"> Product Committee Market Segment Planning Team 	<ul style="list-style-type: none"> Segment Planning 	<ul style="list-style-type: none"> Group Planning Product Line Mgrs. PM&D Segments Other Divisions (MCS, DSC, ATG, C&P) Other CSD/ SBU entities (ABU, SPG, SBU Sales & Marketing, SBU M&D) 	<ul style="list-style-type: none"> Key Partners Customers ISV
Product Line Planning	<ul style="list-style-type: none"> Develop plan within scope of Segment strategy Integrate Product plans, resolve conflicts 	<ul style="list-style-type: none"> Product Line Mgr. 	<ul style="list-style-type: none"> Market Segment Planning Team 	<ul style="list-style-type: none"> Product Line Planning 	<ul style="list-style-type: none"> Product Mgrs. Other PM&D Groups /Segments Other Divisions (MCS, DSC, ATG, C&P) Other CSD/ SBU entities (ABU, SPG, SBU Sales & Marketing, SBU M&D) 	<ul style="list-style-type: none"> Key Partners Customers ISV
Product Planning	<ul style="list-style-type: none"> Support Prod. Line Strategy Full Lifecycle Scope 	<ul style="list-style-type: none"> Product Mgr. "Product Champion" 	<ul style="list-style-type: none"> Extended 5 x 5 	<ul style="list-style-type: none"> Product Planning 	<ul style="list-style-type: none"> Product Marketing Mgr. Product Development Mgr. Program Mgr. SBU M&D, Sales & Mktg. 	<ul style="list-style-type: none"> Key Partners Customers ISV

 = Focus of document

* Role or Position, based on org. design

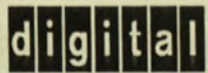
Purpose of Each Key Segment Business Planning Stage



* Process documented in Product Planning and Development Process Reference Manual

Key Steps	Critical Decisions	Specific Scope	Decision Maker	Forums	Driver (DRI)*	Key Linkages (Coordination, Cooperation, Agreement)
<ul style="list-style-type: none"> • Market Assessment 	<ul style="list-style-type: none"> • What is our market? • How are we positioned? 	<ul style="list-style-type: none"> • Understanding of market size and trends • Assessment of competitor offerings 	<ul style="list-style-type: none"> • Segment manager 	<ul style="list-style-type: none"> • Segment staff • Software partnering group 	<ul style="list-style-type: none"> • Segment strategy manager 	<ul style="list-style-type: none"> • Software partnering group (SPG) • Product marketing • Business strategy group • PM&D group planning (SBG, SWBG) • Sales & Marketing
<ul style="list-style-type: none"> • Opportunities Assessment 	<ul style="list-style-type: none"> • What is our value proposition? • What is our opportunity? 	<ul style="list-style-type: none"> • Identification of business opportunities, customer & competitor strengths and weaknesses 	<ul style="list-style-type: none"> • Segment manager 	<ul style="list-style-type: none"> • Segment staff • Software partnering group 	<ul style="list-style-type: none"> • Segment strategy/ marketing/ finance managers 	<ul style="list-style-type: none"> • SPG • Product marketing • Business strategy group • PM&D group planning (SBG, SWBG) • Sales & marketing
<ul style="list-style-type: none"> • Goal Formulation 	<ul style="list-style-type: none"> • What are our goals? • What are our commitments? • How do we integrate with other orgs? • What are our long-term plans? 	<ul style="list-style-type: none"> • Development of overall plan of attack and segment goals, and product concept guidelines 	<ul style="list-style-type: none"> • Segment manager 	<ul style="list-style-type: none"> • Segment staff 	<ul style="list-style-type: none"> • Segment strategy/ planning manager 	<ul style="list-style-type: none"> • SPG • PM&D segments • Sales & Marketing • Other divisions (MCS, DSC, ATG, C&P)

* Role or Position, based on org. design



Activity Flows & Deliverables: Segment Business Planning

Key Steps	Activity Details	Inputs	Deliverables	Metrics
<ul style="list-style-type: none"> • Market Assessment 	<ul style="list-style-type: none"> • Compare and analyze external market research data • Analyze & synthesize data into desired form • Assess customer offerings and product set • Track trends <ul style="list-style-type: none"> - geographic - operating system - product offerings 	<ul style="list-style-type: none"> • Market research data • Sizing of segments from market research firms • Customer and competitor trend data and analysis • Internal financial results • SPG and field input 	<ul style="list-style-type: none"> • Segmentation framework • Customer needs framework • Competitor positioning analysis • Strength/weakness list of our capabilities • Agreement on business driving metrics 	<ul style="list-style-type: none"> • Market success <ul style="list-style-type: none"> - profitability - market share - growth • Historical volume and revenue performance by segment, channel/ partner
<ul style="list-style-type: none"> • Opportunities Assessment 	<ul style="list-style-type: none"> • Agree on framework and criteria for evaluating segments • Internal assessment of core capabilities/competencies • Analyze capabilities and offerings to come up with potential value proposition • Agree on value propositions 	<ul style="list-style-type: none"> • Customer needs from representative customers • SPG views • Feedback from field, channels, customers, MCS, DSC, C&P, SBU, M&D • Competitor assessments 	<ul style="list-style-type: none"> • Value proposition statement for "today" and "tomorrow" • Ranking of target Segments • Understanding of our fit with target segments 	<ul style="list-style-type: none"> • Target segment potential • Growth • Volumes • Relative competitive benchmarks in target segments
<ul style="list-style-type: none"> • Goal Formulation 	<ul style="list-style-type: none"> • Agree on strategic direction and performance commitments • Assessment and consensus on key issues • Investment and capability requirements over time • Link with product plans 	<ul style="list-style-type: none"> • Digital/CSD/SBU/Group strategy • Existing assumptions and plans 	<ul style="list-style-type: none"> • Business performance goals <ul style="list-style-type: none"> - quality - financial - innovation • Product concept definitions • Overall business strategy for fiscal year • Senior management agreement on dependencies 	<ul style="list-style-type: none"> • Segment profitability • Sales & revenue growth • Volume/market share <ul style="list-style-type: none"> - overall - in target markets

Decisions & Responsibilities: Segment Execution Plans

Key Steps	Critical Decisions	Decision Maker	Forums	Driver (DRI)*	Key Linkages (Coordination, Cooperation, Agreement)
• Channel/Partner Plans	<ul style="list-style-type: none"> • In which partners do we want to invest? • In which distributors do we want to invest? 	• Segment manager	<ul style="list-style-type: none"> • Segment staff • Software Partnering Group • Segment advisory boards 	• Segment marketing manager	<ul style="list-style-type: none"> • Software partnering group (SPG) • Product marketing • Business strategy group • PM&D group planning • Sales & Marketing
• Marketing Plans	<ul style="list-style-type: none"> • How do current plans map to our strategy? • What marketing plans do we need to implement our strategy? • What marketing changes do we need to advance the strategy? 	• Segment manager	<ul style="list-style-type: none"> • Segment staff • Software Partnering Group • Segment advisory boards 	• Segment marketing manager	<ul style="list-style-type: none"> • Software partnering group (SPG) • Product marketing • Business strategy group • PM&D group planning • Sales & Marketing
• Product Plans	<ul style="list-style-type: none"> • How do current plans map to our strategy? • What products do we need to implement our strategy? • What product changes do we need to advance the strategy? 	• Segment manager	<ul style="list-style-type: none"> • Segment staff • Software Partnering Group • Segment advisory boards 	• Segment product manager	<ul style="list-style-type: none"> • Software partnering group (SPG) • M & D • Business strategy group • PM&D group planning • Sales & Marketing
• Financial Plans	<ul style="list-style-type: none"> • What margins and volumes can we deliver? 	• Segment manager	<ul style="list-style-type: none"> • Segment staff • Software Partnering Group 	• Segment finance manager	<ul style="list-style-type: none"> • Group finance organization • Business strategy group • PM&D group planning • Sales & Marketing

* Role or Position, based on org. design



Activity Flows & Deliverables: Segment Execution Plans

Key Steps	Activity Details	Inputs	Deliverables	Metrics
<ul style="list-style-type: none"> • Channel/Partner Plans 	<ul style="list-style-type: none"> • Identify primary partners/channels • Estimate effort/investment required to grow channel/partner share • Assess competitor strengths and weaknesses 	<ul style="list-style-type: none"> • Partner profiles/plans • Channel data • Competitor data • Situational data • Market segmentation 	<ul style="list-style-type: none"> • Channel/partner plan • Target partners/channels 	<ul style="list-style-type: none"> • Measure partner/channel performance (e.g. market share with target partners)
<ul style="list-style-type: none"> • Marketing Plans 	<ul style="list-style-type: none"> • Develop global marketing plans that link to value proposition and strategy • Integrate with other organization marketing plans 	<ul style="list-style-type: none"> • Profiles of existing marketing plans • Competitor marketing program profiles • Marketing program requests from SPG, field and geographies 	<ul style="list-style-type: none"> • Detailed marketing plan 	<ul style="list-style-type: none"> • Validate marketing plan opportunity in terms of costs and revenues
<ul style="list-style-type: none"> • Product Plans 	<ul style="list-style-type: none"> • Assess input from product planning process (see next page) • Map product plan to strategy and target segments • Rationalize product line (initial stakes) • Perform gap analysis and provide new direction for pipeline 	<ul style="list-style-type: none"> • Profiles of existing product plans and existing initiatives • Competitor marketing program profiles • Product planning process recommendations 	<ul style="list-style-type: none"> • Segment product plans • Recommendations on <ul style="list-style-type: none"> – product pipeline direction – migration of mature products 	<ul style="list-style-type: none"> • Validate product development delivery • Customer satisfaction
<ul style="list-style-type: none"> • Financial Plans 	<ul style="list-style-type: none"> • Scenario/sensitivity analysis • Compare business models, eg. volume vs. premium 	<ul style="list-style-type: none"> • Internal financial data • Key assumptions - (GM, SG&A, R&E) 	<ul style="list-style-type: none"> • Detailed margin and revenue/volume commitments 	<ul style="list-style-type: none"> • ROI • Margins • Volumes

Based On Product Planning & Development Process Reference Manual

Key Steps	Critical Decisions	Decision Maker	Forums	Driver (DRI)*	Key Linkages (Coordination, Cooperation, Agreement)
<ul style="list-style-type: none"> • Product Plans 	<ul style="list-style-type: none"> • How do current plans map to our strategy? • What products do we need to implement our strategy? • What product changes do we need to carry out to advance the strategy? 	<ul style="list-style-type: none"> • Product line manager 	<ul style="list-style-type: none"> • Market segment planning team 	<ul style="list-style-type: none"> • Product planning 	<ul style="list-style-type: none"> • Product managers • Other PM&D groups/segs • Other divisions (MCS, DSC, ATG, C&P) • Other CSD/SBU entities (ABU, SPG, S&M, M&D)
<ul style="list-style-type: none"> • Product Specific Opportunity Assessment 	<ul style="list-style-type: none"> • What capabilities do we need to develop? • What opportunities can we identify? 	<ul style="list-style-type: none"> • Product line manager 	<ul style="list-style-type: none"> • Segment staff • Product line staff • Target market teams 	<ul style="list-style-type: none"> • product planning 	<ul style="list-style-type: none"> • Product marketing • SBU sales & marketing

N.B.: Product Line Planning was not specifically covered in the Workstation Business Plan experience and needs to be developed going forward

* Role or Position, based on org. design

Based On Product Planning & Development Process Reference Manual

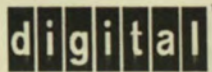
Key Steps	Activity Details	Inputs	Deliverables	Metrics
<ul style="list-style-type: none"> • Product Plans 	<ul style="list-style-type: none"> • Assessment and consensus on key product issues with channels/ customers/ISVs • Development investment and capability requirements over time 	<ul style="list-style-type: none"> • Product line long-range plan • Product line target markets • Feedback from fields, channels, customers, MCS, DSC, C&P, SBU M&D, etc. 	<ul style="list-style-type: none"> • Product plans across lifecycle • Product goals <ul style="list-style-type: none"> - quality - cost - performance - innovation 	<ul style="list-style-type: none"> • Product profitability • Spending/revenues versus plan • Success vs. milestones
<ul style="list-style-type: none"> • Product Specific Opportunity Assessment 	<ul style="list-style-type: none"> • Market research with focus on stage in the lifecycle • Product strengths and weaknesses relative to competitors • Select best channels for competitors 	<ul style="list-style-type: none"> • Market segmentation • Product position analysis • Competitive product data 	<ul style="list-style-type: none"> • Market opportunity document • Detailed competitive analysis by major competitor • Channels document 	<ul style="list-style-type: none"> • Product profitability • Volume/market share <ul style="list-style-type: none"> - overall - in target markets

N.B.: Product Line Planning was not specifically covered in the Workstation Business Plan experience and needs to be developed going forward

Key Activities	Critical Decisions	Decision Maker	Forums	Driver (DRI)*	Key Linkages <small>(Coordination, Cooperation, Agreement)</small>
<ul style="list-style-type: none"> • Performance Review 	<ul style="list-style-type: none"> • What key metrics do we need to track? • How have we been performing relative to plan? • What is the cause for variance? 	<ul style="list-style-type: none"> • Segment manager 	<ul style="list-style-type: none"> • Segment staff 	<ul style="list-style-type: none"> • Segment Finance Manager 	<ul style="list-style-type: none"> • Software partnering group (SPG) • Product marketing manager • Finance manager • Sales & marketing
<ul style="list-style-type: none"> • Modification of Plan/Targets 	<ul style="list-style-type: none"> • What parts of the plan do we need to change? • How do we execute change? 	<ul style="list-style-type: none"> • Segment manager 	<ul style="list-style-type: none"> • Segment staff 	<ul style="list-style-type: none"> • Segment strategy manager 	<ul style="list-style-type: none"> • PM&D Group planning • PM&D segments • Sales & Marketing • Key partners/customers

* Role or Position, based on org. design

Key Activities	Activity Details	Inputs	Deliverables	Metrics
<ul style="list-style-type: none"> • Performance Review 	<ul style="list-style-type: none"> • Define metrics • Collect data & analyze metrics • Conduct interim review to determine if segment business planning process metrics are met • Identify key causes for variance 	<ul style="list-style-type: none"> • Original business commitments • CERTs/ships analysis • Market share analysis • Lost sales analysis 	<ul style="list-style-type: none"> • Analysis of performance vs. plan • Key performance metrics • Adjustments required 	<ul style="list-style-type: none"> • Variance from revenue plans • Variance from volume plans • Variance from business plan goals
<ul style="list-style-type: none"> • Modification of Plan/Targets 	<ul style="list-style-type: none"> • Socialize and agree on modified plan • Identify execution risks and net gains • Determine changes in plan 	<ul style="list-style-type: none"> • Original plan • Recommended modifications 	<ul style="list-style-type: none"> • Feedback to phase management process • Revised plan 	<ul style="list-style-type: none"> • Customer and partner satisfaction • Amount of variance closed



6 - 8 Weeks Required to Complete Segment Business Plans

Key Activity	Month 1		Month 2				Month 3	
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
Kick-off Meeting, with Segment Manager present to Underscore Need for Clear Objectives	◆							
Capture market Segment Content	▨							
Work-to-date Reviewed by Segment Manager			◆	◆	◆	◆	◆	
Core Planning Team Members to Evaluate & consolidate Findings Into Cohesive Plan			▨					
Socialize & Refine Plan with Key Constituencies						▨		
Deliver Segment Business Plan								◆



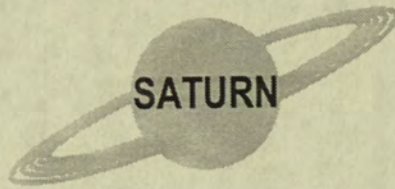
Next Steps...

- Refine/modify segment business plan to capture further learning from other segments
 - Revisit process
 - Revisit template

- Further develop/define role of product line planning/group planning

- Link to Digital/CSD/SBU strategy as soon as possible

- Once planning methods/principals are agreed to then train relevant stakeholders and rollout so it can be more easily replicated next year



Titan Business Plan

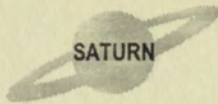
March 1995

Titan Business Segment



Example Only - All Sensitive Data Has Been Altered!

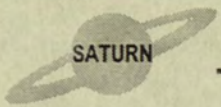
"Titan" ~ Segment



Contents

	<u>Page</u>
I. Executive Summary	X
II. The Titan Market	X
III. The Opportunities	XX
IV. Execution Plans	XX
• O/S	
• Product	
• Marketing	
• Europe	
• P&L	
V. Going Forward	XX
 Product Plan Attachments	 XX

Handwritten notes:
Draft
1/26
Marketing plan
add details
1/26
here



I. Executive Summary

*Draft for
Kickoff.*

*Missing Vision/
Mission.*

*add: Actions
needed
here.*

Business Plan Positioning

- This document represents the Titan Segment plan for FYXX and is based on the following assumptions:
 - Titan business segment relies exclusively on the Omega architecture, which is positioned above Intel-based platforms
 - The Omega Titan business is a full-line, volume oriented, on-going business for Saturn rather than aimed at a specific niche
 - Omega processor performance leadership is maintained in FYXX
 - Relative market stability in technology, competition and channels is expected over the next XX months
- This plan's primary goals are to:
 - Recapture market share in FYXX; significantly grow volumes
 - Evolve and develop the Titan strategy in the positive direction to allow Saturn to compete aggressively and to control selected market targets over the long term
- The channel strategy is a key open issue that needs to be resolved

Issues Addressed:

- What is the purpose of this plan?
- What is the scope and timeline covered?
- How should it be used?
- What are the key assumptions behind the plan?

Steps Taken:

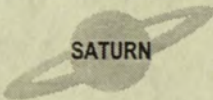
- Agree on key assumptions and positioning of the plan

Participants:

- Segment manager (D)
- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Product manager (S)

→ split Product line Product Manager.

Recommend capture history + people in notes - incl process.



Summary: Current Situation

- **A Maturing Market**
 - Competitors consolidating (top X have XX% in 'XX)
 - Modest growth (X%)

- **Shifting market power**
 - **Low end** gaining prominence
 - **ISVs** gaining power
 - High end user **brand attachment** continues

- Saturn is a **second tier** player coming from behind with
 - XX% market share (vs. Mars at XX%)
 - \$XXXM revenue in FYXX

- Issues Addressed:
- What are the principal market trends?
 - What is our current situation?
- Steps Taken:
- List key industry trends and summarize recent performance
- Participants:
- Segment manager (D)
 - Strategy manager (R)
 - Finance manager (S)
 - Marketing manager (S)
 - Product manager (S)

Summary: Our Opportunity

- **Growth and/or volume segments** exist that fit our offerings
- Weaknesses in our competitive **offerings will be fixed** by FYXX
 - Hardware available (e.g. graphics, low end)
 - Key applications optimized
- **Prior weaknesses** that hampered sales can be **addressed**
 - Lack of focus on target segments (i.e. ISVs)
 - Minimal demand generation capabilities
 - Lack of volume VAR network
- **Mars** installed base **vulnerable**

Issues Addressed:

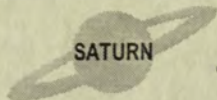
- What are our opportunities?
- Why have we chosen them?

Steps Taken:

- Agree on key opportunities

Participants:

- Segment manager (D)
- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Product manager (S)



Summary: Baseline Strategy

- **Establish an applications-driven focus, and target key ISVs to “follow” into high potential markets**
 - Focus on X key target segments (Ganymede, Io, Europa, and Calypso), chosen for either current volume or future growth opportunity. Each has specific target ISVs
 - Continue to look for high opportunity segments
- **Develop the product set around X distinct design points, low-price and performance, both aggressively optimized for cost**
 - Full line better meets customer needs
 - Performance line has higher margins
- **Focus growth on CLOUD and SPOT**
- **Attack Mars installed base**



- #### Market Position
- X point market share gain in FYXX
 - Number X market share or better in targeted markets medium term (XX months to X years)

- #### Business Performance
- XXX,XXX Titan units in FYXX
 - X% operating profit
 - XX% growth in units

Issues Addressed:

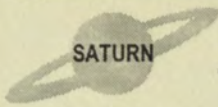
- What is the overall strategy that we will follow?
- What goals are we committing to based on that strategy?

Steps Taken:

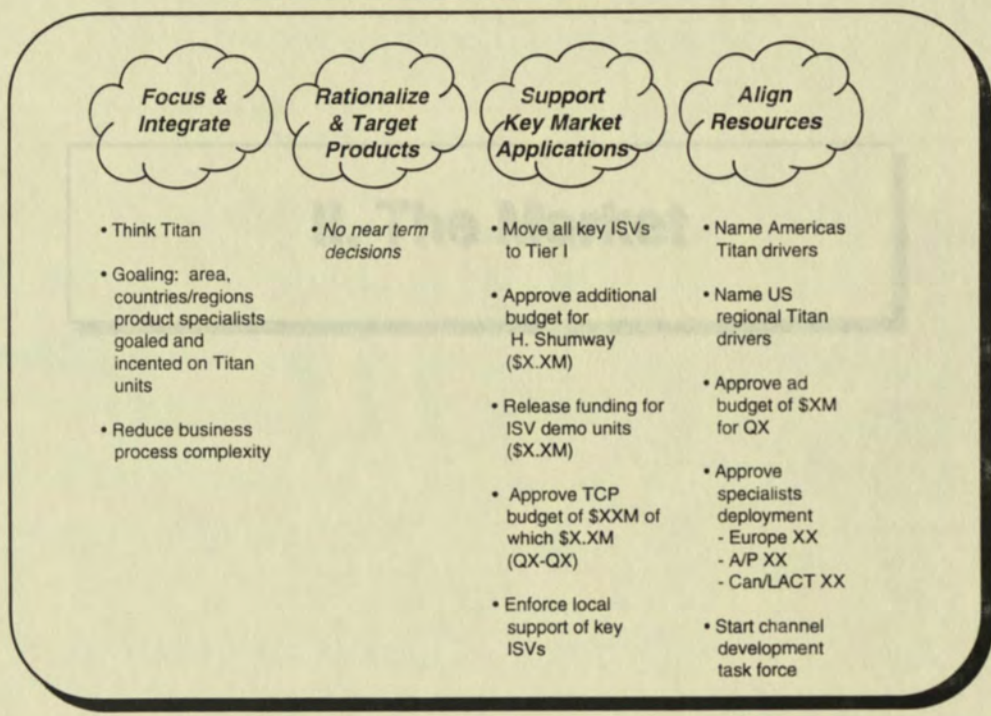
- Agree on overall Strategy
- Agree on product and business goals/objectives achievable within the coming fiscal year

Participants:

- Segment manager (D)
- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Product manager (S)



Summary: What's Required



Issues Addressed:

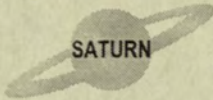
- What decisions must be made before the plan can be executed?

Steps Taken:

- List key decisions required by key management for business plan to succeed

Participants:

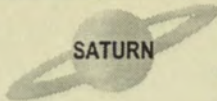
- Segment manager (D)
- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Product manager (S)



SATURN

Market

II. The Market



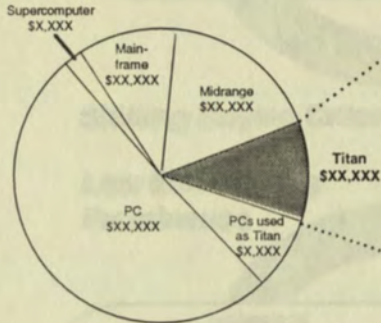
What is the Titan market?

Market

Definition

- A Titan is a ...

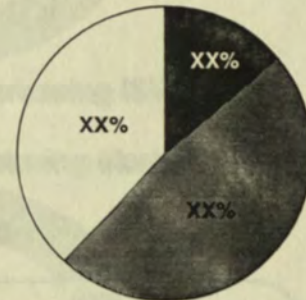
Computer H/W Market
XXXX Forecast (\$M)



Titan Revenue and Unit Growth



Priceband



Growth

	1993	1994	1995	1996	1997
Revenue	XX%	XX%	XX%	XX%	XX%
Units	XX%	XX%	XX%	XX%	XX%

CAGR

Revenue	XX%
Units	XX%

XXXX Sales

Worldwide Titan Market by Region

USA, Canada	XX%
Europe	XX%
Asia/Pacific	XX%
ROW	XX%

High End	>\$XXK
Midrange	\$XX-XXK
Entry	\$X.X-XXK

Source: Dataquest

Example Page

Titan Business Segment

BPEXAMPLPPT -10-

Issues Addressed:

- How do we define our market?
- What is the size of the market?
- What are the growth rates/regional mix?
- what is the operating system mix?
- what is the system value/performance mix?

Steps Taken:

- Select and reconcile market research data
- Analyze and synthesize data into desired form

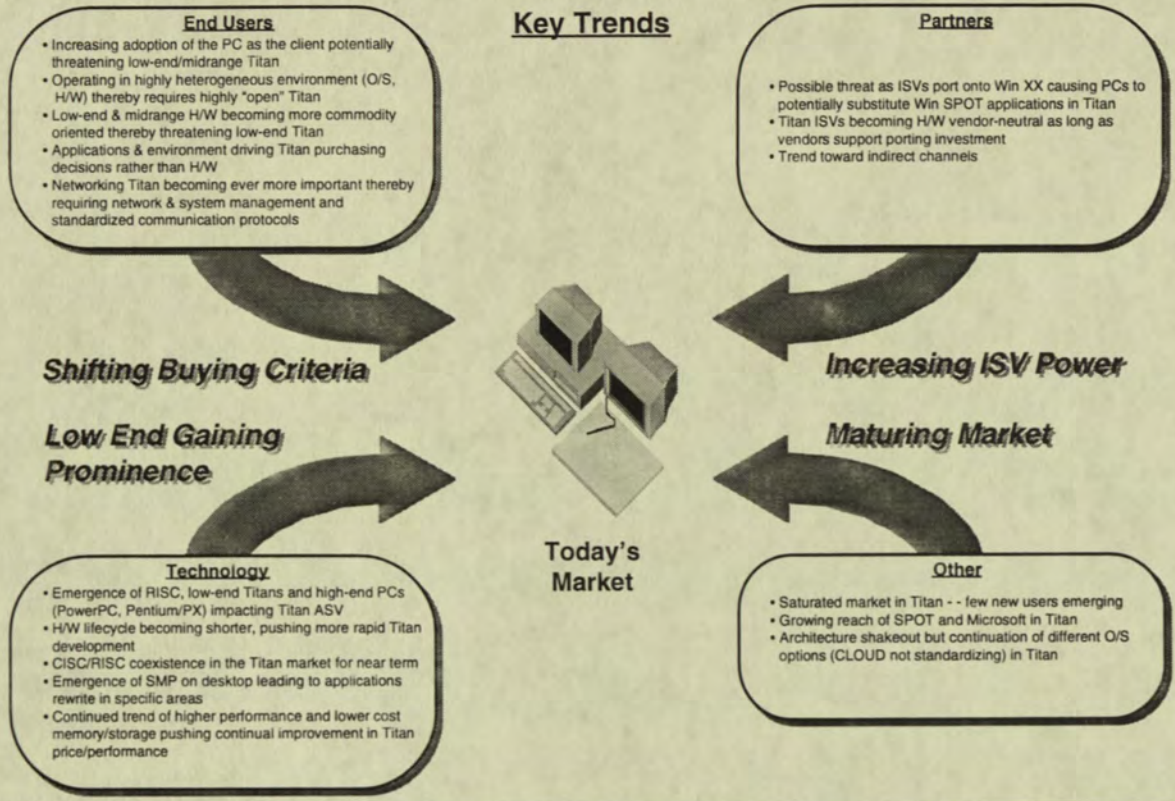
Participants:

- Strategy manager (R)
- Marketing manager (S)
- Market/Competitor Research specialist (S)
- Software Partnering Group managers (S)



How is the Titan market evolving?

Market



Example Page

Titan Business Segment

BPEXAMPLPPT -11-

- Issues Addressed:
- How is the market evolving?
 - What are the key trends of the key stakeholders in the market?
- Steps Taken:
- Track, monitor, and characterize key trends
- Participants:
- Strategy manager (R)
 - Marketing manager (S)
 - Product manager (S)
 - Market/Competitor Research specialist (S)
 - Software Partnering Group managers (S)

Performance Sensitive

Price Sensitive

<p>Key Product Requirements</p> <ul style="list-style-type: none"> • Compute performance critical • Graphics capability critical • Performance at a price point but price less than critical • X sweet spots: \$XX-XXX, \$XX-XXXX <p>Brand Sensitivity: Very high, mitigated by graphics</p> <p style="text-align: center;">Neptune</p>	<p>Key Product Requirements</p> <ul style="list-style-type: none"> • Compute performance critical • Graphics capability critical • Wide range of ISVs • Adheres to leading industry standards (e.g., PCI) • Ease of inserting into existing environment <p>Brand Sensitivity: Very high, mitigated by graphics, industry "standards"</p> <p style="text-align: center;">Venus</p>
<p>Key Product Requirements</p> <ul style="list-style-type: none"> • Price/performance, thus cost • Commodity components, plug-n-play • X sweet spots: \$X-XXX, \$XX-XXX • Graphics less important <p>Brand Sensitivity: Medium/High</p> <p style="text-align: center;">Mars</p>	<p>Key Product Requirements</p> <ul style="list-style-type: none"> • Price/performance, thus cost • Wide range of ISVs • Ease of inserting into existing environment • Adheres to leading industry standards (e.g., PCI) • Graphics less important <p>Brand Sensitivity: High</p> <p style="text-align: center;">Venus</p>

Need to establish a clear position

Low Interoperability/Compatibility Needs

High Interoperability/Compatibility Needs

Issues Addressed:

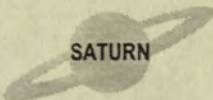
- What are customers looking for?
- What are partners/channels looking for?
- What are their product requirements?
- How are competitors positioned against these needs?

Steps Taken:

- Summarize customer needs in terms of product requirements

Participants:

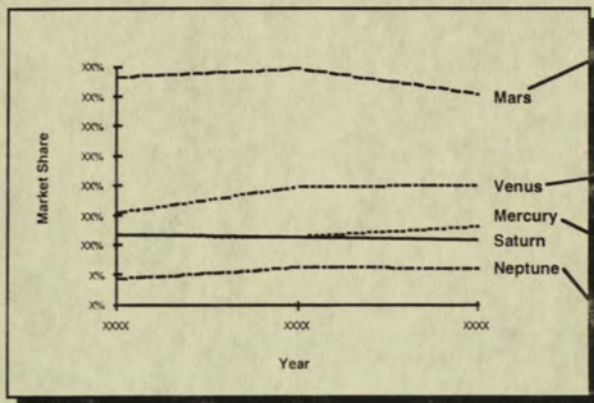
- Strategy manager (R)
- Marketing manager (S)
- Product manager (S)
- Market/Competitor Research specialist (S)
- Software Partnering Group managers (S)



How have the players positioned themselves?

Market

XXXX-XX Titan Market Share



Source: Dataquest

always start with IDC, document variances.

Mars

- Perceived as behind the technology curve
- Large number of VARs/distributors

Venus

- 'Open' message leader
- Application performance and P/P leader

Mercury

- Largest gov't supplier
- Positioning PowerPC as the next generation

Neptune

- Leader in animation/high end 3D
- Bundles tools to enable value-add through channels

Example Page

Titan Business Segment

BPEXAMPLPPT -13-

Issues Addressed:

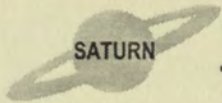
- Who are the overall market leaders?
- Where do they focus their business?
- How does our business compare with key competitors' businesses?

Steps Taken:

- Select and reconcile market research data
- Determine key data sets to be displayed
- Summarize key results

Participants:

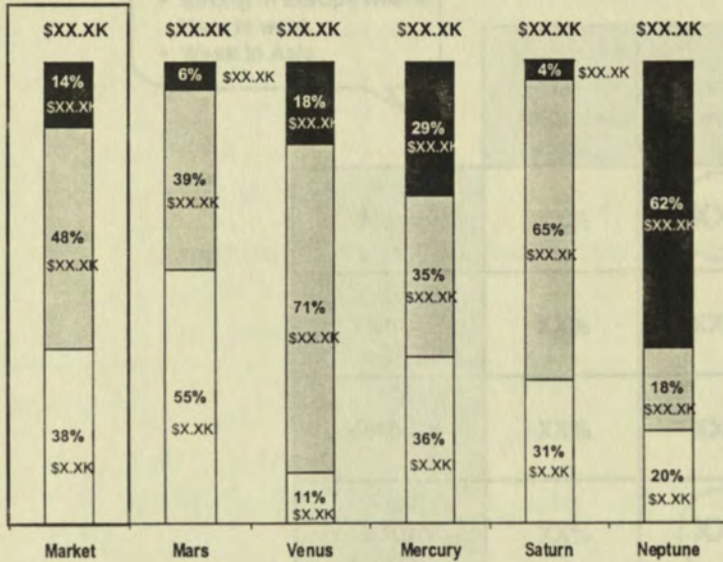
- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Market/Competitor Research specialist (S)
- Software Partnering Group managers (S)



Where is their business focused? Mix

Market

Average Selling Value (ASV)



Key Messages for Saturn

- We have had second tier volumes but volume player business mix (i.e. ASV)
- Need to increase sales of units priced above \$XXX

Source: Dataquest

* XX units shipped

- High End >\$XXXK
- ▒ Mid Range \$XX-XXXK
- Entry \$X.X-XXXK

Example Page

Titan Business Segment

BPEXAMPLPPT -14-

Issues Addressed:

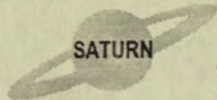
- Where do competitors focus their business?
- How do we compare with the competition?

Steps Taken:

- Select and validate market research data

Participants:

- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Market/Competitor Research specialist (S)
- Software Partnering Group managers (S)



Where is their business focused? Geography

Market

Saturn is:

- Strong in Europe where Mars is weak
- Weak in Asia

	US/ Canada	Western Europe	Asia/ Pacific	Rest of World
Mars	XX%	XX%	XX%	X%
Venus	XX%	XX%	XX%	X%
Mercury	XX%	XX%	XX%	X%
Saturn	XX%	XX%	X%	X%
Neptune	XX%	XX%	XX%	X%

Source: Dataquest

Example Page

Titan Business Segment

BPEXAMPLPPT -15-

Issues Addressed:

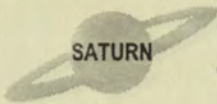
- Where do competitors focus their business?
- How do we compare with the competition?

Steps Taken:

- Select and validate market research data

Participants:

- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Market/Competitor Research specialist (S)
- Software Partnering Group managers (S)

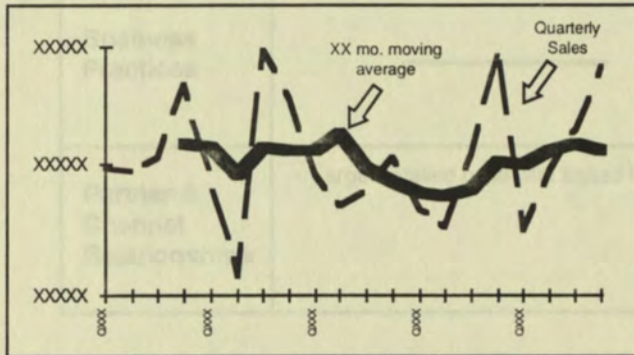


What is our current situation in Titan?

Market

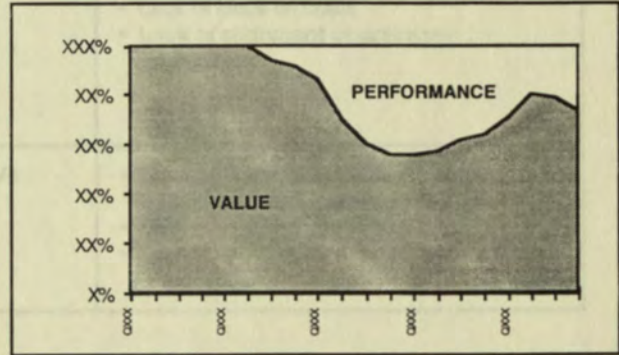
- **FYXX FORECAST:** \$XXXM revenue, XX.XK units
- **MARKET SHARE:** XX%, second tier behind Mars and Venus
- **LEAD POSITION:** in only X of XX segments (X% of market)
- **YEAR-TO-YEAR GROWTH:** of X%/XX% in QX/QX (weaker in QX)
- **ASV DROPPING:** as value station mix increase
- **GM:** flat at XX%

**Total Titans
Units Shipped by Quarter**



Source: Dataquest

Titan Mix (Units)



Source: Dataquest

Example Page

Titan Business Segment

BPEXAMPLPPT -16-

Issues Addressed:

- What is our current business performance?
- How do we compare with the competition?
- What segments do we lead in, or trail in?

Steps Taken:

- Decide what key metrics will summarize the state of the business today
- Select and validate market research data
- Summarize key internal financial results

Participants:

- Segment manager (D)
- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Market/Competitor Research specialist (S)



Why are we in our current position?

Market

	+	-
Overall	<ul style="list-style-type: none"> Momentum with installed base 	<ul style="list-style-type: none"> Diffusion of resources and lack of focus Minimal demand generation efforts Focused on processor performance and price/performance (\$/spec mark) instead of application performance Complexity of executions
Product Set	<ul style="list-style-type: none"> Price/performance of processor architecture Choice of X operating systems 	<ul style="list-style-type: none"> Multiple architectural transitions (e.g. I/O, processor) Product line gaps (e.g. low end, graphics)
Business Practices	—————	<ul style="list-style-type: none"> Lack of focus on costs Lack of alignment of upstream/downstream
Partner & Channel Relationships	<ul style="list-style-type: none"> Large installed base with limited ISVs 	<ul style="list-style-type: none"> Have not developed strong partner relationships with existing ISVs Lack of a clear channel strategy Lack of volume plans

Example Page

Titan Business Segment

BPEXAMPLPPT -17-

Issues Addressed:

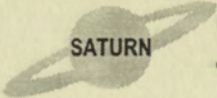
- Why are we in our current situation?
- How strong is the product set we offer?
- How effective are our business practices?
- How well have we supported our partners?

Steps Taken:

- List strengths and weaknesses of current capabilities/processes by each category

Participants:

- Strategy manager (R)
- Finance manager (S)
- Product manager (S)
- Marketing manager (S)
- Software partnering group manager (S)



Today
FY02

Tomorrow
FY03

Process: Performance Leader

- We provide the performance edge with high quality, cost-effective products
- We provide the performance edge with high quality, cost-effective products
- We provide the performance edge with high quality, cost-effective products

Product Development

- We provide the performance edge with high quality, cost-effective products
- We provide the performance edge with high quality, cost-effective products
- We provide the performance edge with high quality, cost-effective products

Customer Relationship

- We provide the performance edge with high quality, cost-effective products
- We provide the performance edge with high quality, cost-effective products
- We provide the performance edge with high quality, cost-effective products

Support Service

- We provide the performance edge with high quality, cost-effective products
- We provide the performance edge with high quality, cost-effective products
- We provide the performance edge with high quality, cost-effective products

Applications Performance Leader

- We will provide high-quality, cost-effective products with high performance and reliability
- We will provide high-quality, cost-effective products with high performance and reliability
- We will provide high-quality, cost-effective products with high performance and reliability

Product Development

- We will provide high-quality, cost-effective products with high performance and reliability
- We will provide high-quality, cost-effective products with high performance and reliability
- We will provide high-quality, cost-effective products with high performance and reliability

Customer Relationship

- We will provide high-quality, cost-effective products with high performance and reliability
- We will provide high-quality, cost-effective products with high performance and reliability
- We will provide high-quality, cost-effective products with high performance and reliability

Support Service

- We will provide high-quality, cost-effective products with high performance and reliability
- We will provide high-quality, cost-effective products with high performance and reliability
- We will provide high-quality, cost-effective products with high performance and reliability

III. The Opportunities

Issues Addressed:

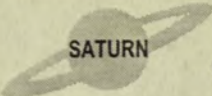
- What do we offer today that our customers care about?
- What do we hope to offer tomorrow that will be attractive to our customers?

Steps Taken:

- Develop/agree on value propositions for "today" and "tomorrow"

Participants:

- Segment manager (D)
- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Product manager (S)
- Software Partnering Group managers (S)



What is our Titan Value Proposition?

Opportunity

Today FYXX

Tomorrow FYXX+

Processor Performance Leader

- We provide X-Xx performance edge over Mars in critical/compute intensive applications
- For compute/performance driven sales, we can provide the leading price/performance
- First XX-bit technology and XX-bit operating system provider

Protect Investment by choices of O/S

- We provide the most comprehensive multi-operating systems platforms
 - For RISC, CLOUD, SPOT, RING
 - Intel (Win XX, Win SPOT)
- Scalability in processors is superior to competitors

Flexible Networking

- We provide the best interoperability between CLOUD and SPOT
- Superior interoperability between Titan and other systems overall

Support Scope

- Worldwide presence and breadth of field service & systems integration

Applications Performance Leader

- We will provide applications performance leadership leveraging XX-bit technology for critical/targeted applications
 - X.X-Xx Venus
 - Xx Mars
 - X.Xx Neptune
 - X.Xx Pentium running SPOT

Protect Investment

- We will provide the best interoperability in a client/server environment for multiple operating systems
- Scalability & upgradability is superior to competitors
- Protection of installed base investments

Flexible Networking

- We will provide the best interoperability in a client/server environment for multiple operating systems

Performance/Value

- We will provide price performance leadership by leveraging XX-bit technology across the product range (low end, mid range, high end)

Support Scope

- Worldwide presence and breadth of field service & systems integration



Example Page

Titan Business Segment

BPEXAMPLPPT -19-

Issues Addressed:

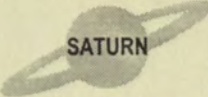
- What do we offer today that our customers care about?
- What do we hope to offer tomorrow that will be attractive to our customers?

Steps Taken:

- Develop/agree on value propositions for "today" and "tomorrow"

Participants:

- Segment manager (D)
- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Product manager (S)
- Software Partnering Group managers (S)



Where is our opportunity?

Opportunity

Segment	Market		Saturn			Competitive Environment
	Size (XXXX)	CAGR (XXXX-XX)	Product Fit	'XX Share 'XX Position	ISV	
Io	XXK units X% of Market	XX%	●	X% X	●	●
Europa	XXK units XX% of Market	XX%	●	X% X	●	●
Ganymede	XXK units XX% of Market	XX%	●	X% X	○	○
Calypso	XXXK units XX% of Market	XX%	●	X% X	○	●
Orpheus	XXK units X% of Market	X%	●	XX% X	○ Channel	●

Saturn Position Relative to Competition	● Positive
	● Neutral
	○ Negative

Source: Dataquest, IDC for Calypso, SPG assessment

Example Page

Titan Business Segment

BPEXAMPLPPT -20-

Issues Addressed:

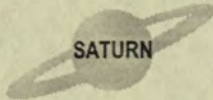
- Where are the opportunities in the marketplace?
- Which of these segments are the most attractive to Saturn?

Steps Taken:

- Determine segment attractiveness evaluation criteria
- Rank and summarize market opportunities for key segments

Participants:

- Segment manager (D)
- Strategy manager (R)
- Marketing manager (S)
- Product manager (S)
- Market/Competitor Research specialist (S)
- Software Partnering Group managers (S)



Opportunity X: Io

Opportunity

☆ Segment Opportunity ☆

- Mars (market leader) is vulnerable
 - Poor price/performance
 - No XX-bit capabilities (important within Traditional Io and Remote Sensing segments)
- Strong product fit due to increasing compute/database needs (e.g. price/performance, XX-bit technology) and are well positioned with our Io partners (applications ported and share)

Segment Threats

- Venus and Mercury may be heavily investing in Io
- Window of opportunity for leveraging our leadership in XX-bit offerings is closing

Segment Focus

Target ISVs	Units FYXX	Units FYXX
• A	XXXX (XX%)	XXXX (XX%)
• B	XXX (XX%)	XXX (XX%)
	XXXX	XXXX
Others:	XXXX	XXXX
Total:	XXXX	XXXX†
Market Share:	X%	XX%

Segment Leverage Points		
• Build on our already strong position with the leading Io ISV (ESRI)		
• Real product differentiation available for XX-bit		

Cross-Segment Market Plans	Cross-Segment Product Plans	Cross-Segment Resource Plans
<i>To be discussed later in presentation</i>		

† Includes incremental SPOT units

Issues Addressed:

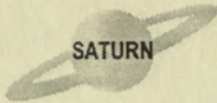
- What opportunities and threats do we face?
- What is our plan for attacking the segments opportunities?

Steps Taken:

- Develop a detailed segment profile
- Summarize segment-specific opportunities for growth and profitability

Participants:

- Strategy manager (R)
- Marketing manager (S)
- Product manager (S)
- Market/Competitor Research specialist (S)
- Software Partnering Group managers (S)



Opportunity X: Europa

Opportunity

☆ Segment Opportunity ☆

- Market with a handful of major ISVs — potentially high return for focusing on a few ISVs
- Large Saturn RING installed base ready to upgrade
- Significant Omega SPOT opportunity in low-end of the market
- Large, vulnerable Mars installed base

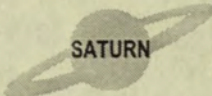
Segment Threats

- Neptune attacking low and midrange segments of Europa market
- Saturn is losing installed base
- Intel may overwhelm Omega SPOT opportunity

Segment Focus

Target ISVs	Units FYXX	Units FYXX
• A	XXXX (XX%)	XXXX (XX%)
• B	XXXX (XX%)	XXXX (XX%)
• C	XXXX (XX%)	XXXX (XX%)
• D	—	—
• E	XXX (X%)	XXXX (XX%)
• F	XXX (X%)	XXXX (XX%)
	XXXX	XXXXX
Others:	XXXX	XXXX
Total:	XXXXX	XXXXX†
Market Share:	XX%	XX%
Segment Leverage Points		
<ul style="list-style-type: none"> • Best in class application performance with A • Saturn perceived as a leader in SPOT on RISC 		
Cross-Segment Market Plans	Cross-Segment Product Plans	Cross-Segment Resource Plans
<i>To be discussed later in presentation</i>		

† Includes incremental SPOT units



Opportunity X: Ganymede

Opportunity

☆ Segment Opportunity ☆

- Attack Mars installed base that needs higher computing capability (speed & memory bottlenecks)
- We can leverage our ability to offer the most comprehensive set of multi-OS platforms

Segment Threats

- Mars and Venus future performance plays which diminish our technical performance leadership
- Inability to successfully negotiate Cadence contract
- PX/PowerPC encroachment



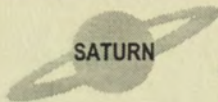
Segment Focus

Target ISVs	Units FYXX	Units FYXX
• A	XXX (X%)	XXXX (XX%)
• B	XXX (X%)	XXX (XX%)
• C	XXX (X%)	XXX (XX%)
	XXX	XXXX
Other:	XXXX	XXXX
Total:	XXXX	XXXX†
Market Share:	X%	XX%

Segment Leverage Points		
• Deliver complete, optimized Ganymede tool suites to end users (selective porting)		
• Re-establish Cadence contract		

Cross-Segment Market Plans	Cross-Segment Product Plans	Cross-Segment Resource Plans
<i>To be discussed later in presentation</i>		

† Includes incremental SPOT units



Opportunity X: Calypso

Opportunity

☆ Segment Opportunity ☆

- Rapidly becoming a XX-bit environment
- Huge Mars installed base is vulnerable
- Significant downsizing from MF/Minis
- SD has potential linkages to sales in other target segments (Ganymede, Europa, etc.)
- Emerging interest in SPOT has increased need for SPOT/CLOUD interoperability (Saturn strength)
- Customer need to improve SD process — opportunity to leverage COHESioNworx

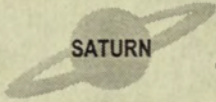
Segment Threats

- Mars may close performance gap
- Venus has lots of resources pointed at this segment

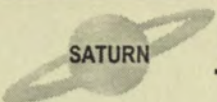
Segment Focus

Total:	XXXXX	XXXXX†
Market Share:	X%	XX%
Segment Leverage Points		
<ul style="list-style-type: none"> • COHESioNworX on Mars, Venus and Omega • SEE-IT Alliance • Differentiators: only vendor with product in "large team" space; only vendor covering all project sizes, enhanced functionality of COHESioNworX over competition 		
Cross-Segment Market Plans	Cross-Segment Product Plans	Cross-Segment Resource Plans
<i>To be discussed later in presentation</i>		

† Includes incremental SPOT units

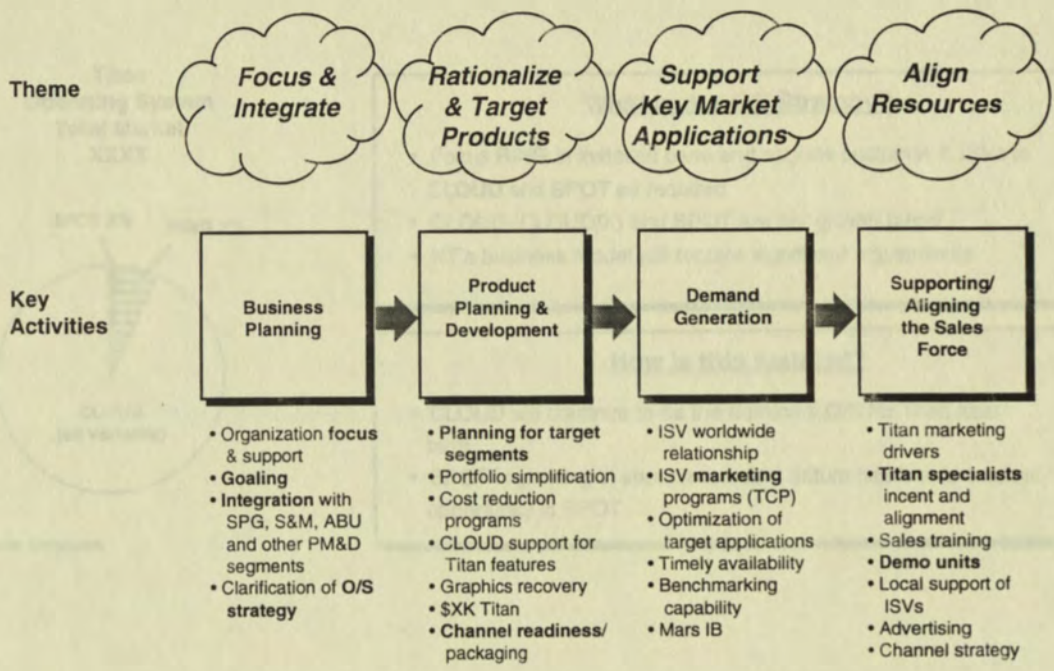


IV. Execution Plans



How do we reach our goals?

Execution



Example Page

Titan Business Segment

BPEXAMPLPPT -26-

Issues Addressed:

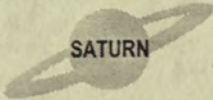
- How do we reach the goals we have set?
- What steps do we have to take to:
 - understand our customers?
 - develop the right product mix?
 - generate demand for our products?
 - support the sales force?

Steps Taken:

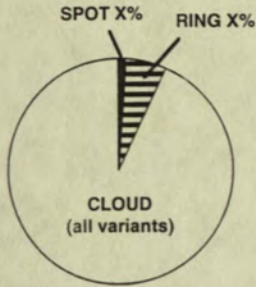
- Summarize key segment execution activities
- Prioritize and list problems requiring an immediate fix
- Align segment activities to current gaps

Participants:

- Segment manager (D)
- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Product manager (S)



Titan
Operating System
Total Market
XXXX



Source: Dataquest

What is our OS Strategy?

- Focus RING in installed base and migrate customer & ISVs to CLOUD and SPOT as required
- CLOUD (CLOUD/X) and SPOT are our growth target
- NT's business model will require significant adjustments

How is this justified?

- CLOUD will continue to be the dominant O/S for Titan near term
- SPOT is growing in importance, and Saturn has first-to-market opportunity in SPOT

Issues Addressed:

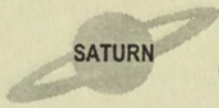
- What is our operating system strategy?
- How are we justified in pursuing these opportunities?

Steps Taken:

- Agree on and summarize operating system strategy opportunities

Participants:

- Segment manager (D)
- Strategy manager (R)
- Marketing manager (S)
- Product manager (S)



Major Themes

- Responsive and efficient product development process
- Focus on key design goals, value and performance that supported to cost
- Alignment of product development to business requirements
- Continuous performance improvement, not limited from alternatives to upgrade performance

IV. Execution Plans

- Product Development Plans

Secondary Themes

- Product Attractiveness
 - "Out of box" experience
 - Multimedia capabilities
 - Universal design and packaging
- Ease-of-use
 - Installation
 - Upgrade

Issues Addressed:

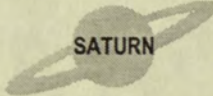
- What product development efforts are required to fulfill market needs?

Steps Taken:

- Develop and maintain product plans and link to other proposition and marketing plans

Participants:

- Segment manager (D)
- Product manager (R)
- Strategy manager (S)
- Software Partnering Group managers (S)



Major Thrusts

- **Rationalize** into simpler product lines (platforms, peripheral commodity, channel packaging)
- Focus on **two design points**: value and performance, both optimized for **cost**
- Alignment of product development to **targeted segments**
- Continued **performance emphasis**, but shifted from specmarks to application performance
 - Applications portfolio
 - Graphics
 - I/O, memory bandwidth
- Fix **product gaps**
 - Starter Titan (\$X-XK)
 - SPOT dedicated machine
 - 3D Graphics, via partnering with Evans & Sutherland as well as DPI

Secondary Thrusts

- **Product Attractiveness**
 - “Out of box” experience
 - Multimedia capabilities
 - Industrial design and packaging
- **Ease-of-use**
 - Installation
 - Upgrade

Issues Addressed:

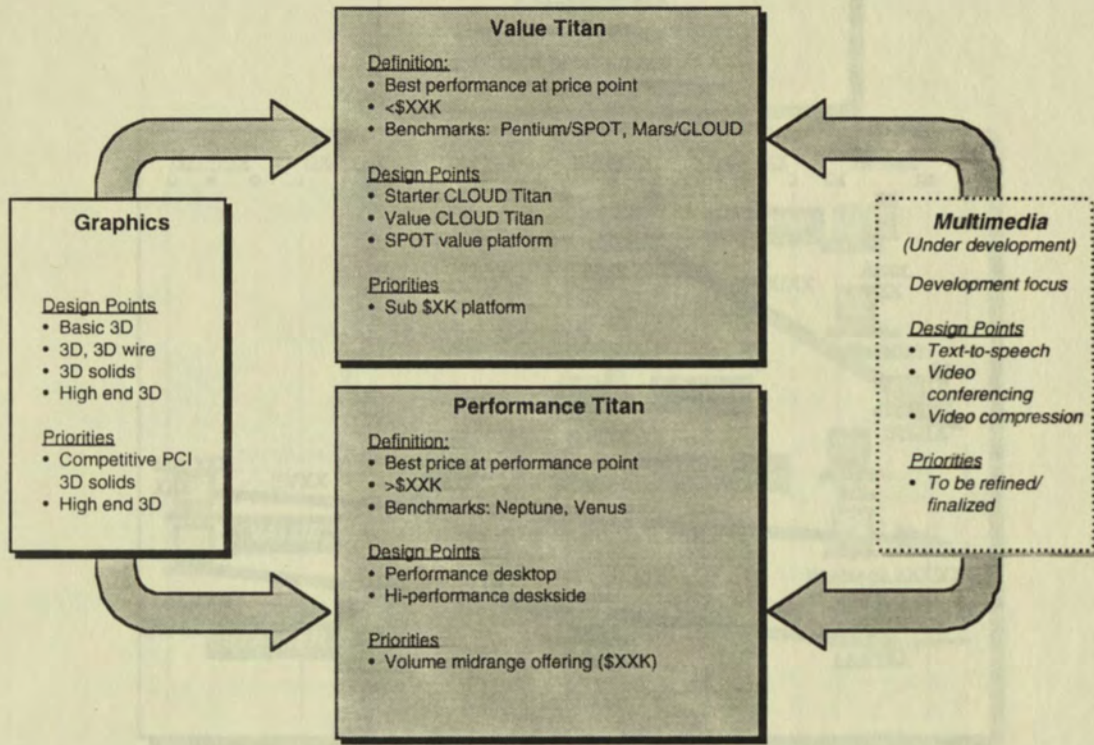
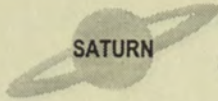
- What product development efforts are required to fulfill market needs?

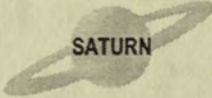
Steps Taken:

- Develop and summarize product plans and link to value proposition and marketing plans

Participants:

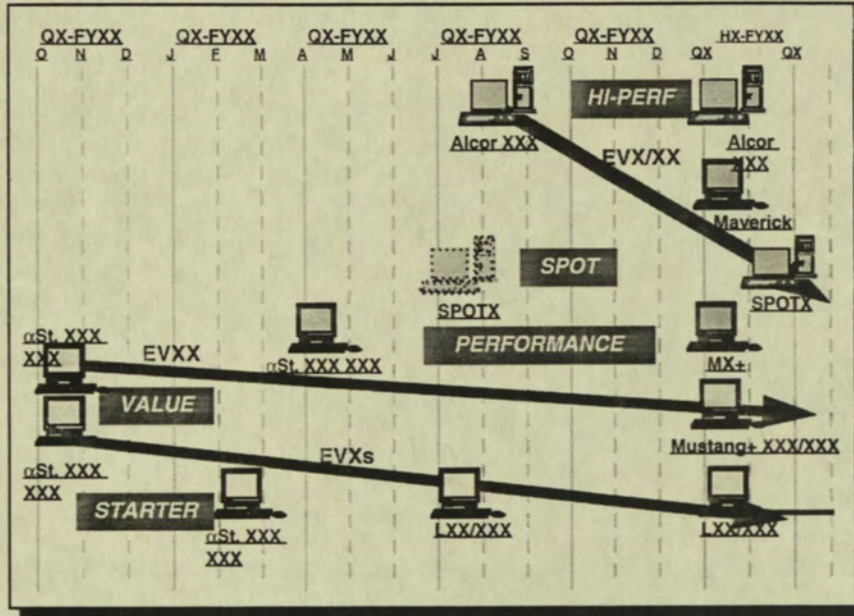
- Segment manager (D)
- Product manager (R)
- Strategy manager (S)
- Software Partnering Group managers (S)

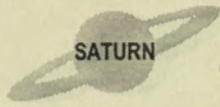




Key Messages

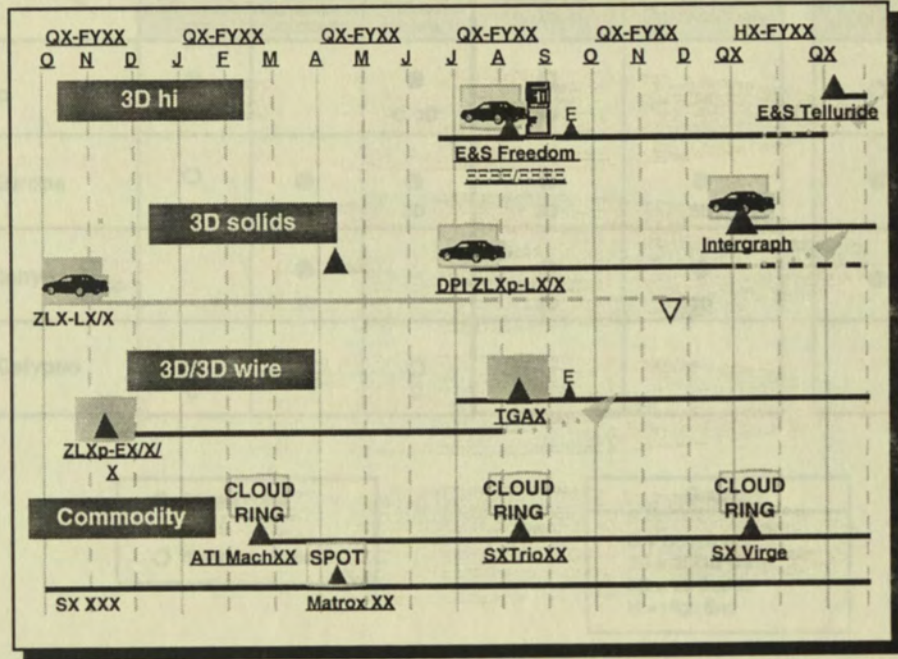
- Five design points
- Fill out product set
- SPOT dedicated platform





Key Messages

- Achieve parity
- Introduce new high end
- Internal project for FYXX



Issues Addressed:

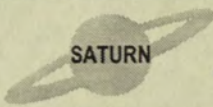
- How will our product pipeline meet the needs of our target segments?

Scope/Titan:

- Develop and minimize product plans for key segments using tomorrow's products

Participants:

- Segment manager (S)
- Strategy manager (S)
- Marketing manager (M)
- Product manager (P)
- Software Partnering Group manager (S)



Titan Product Mapping

Execution - Products

• Leverage midrange platforms and graphics

Future Products FYXX

T
a
r
g
e
t

S
e
g
m
e
n
t
s

	Value			Performance		Multimedia
	Starter Omega Station XXX	Value Omega Station XXX/XXX	SPOT "Dream Machine"	Performance MX	High End ALCOR	
Io	● C, 3D		● C, 3D	○ 3D		○
Europa	○ 3D	● 3D, 3D	● 3D	● 3D	● 3D	●
Ganymede		● 3D		○ 3D	● 3D	●
Calypso	● C		○ C			

- Primary Focus
- Secondary Focus

Graphics

- C = Commodity
- 3D = 3D/3D Wire
- 3D = 3D Solids
- H = High End

Issues Addressed:

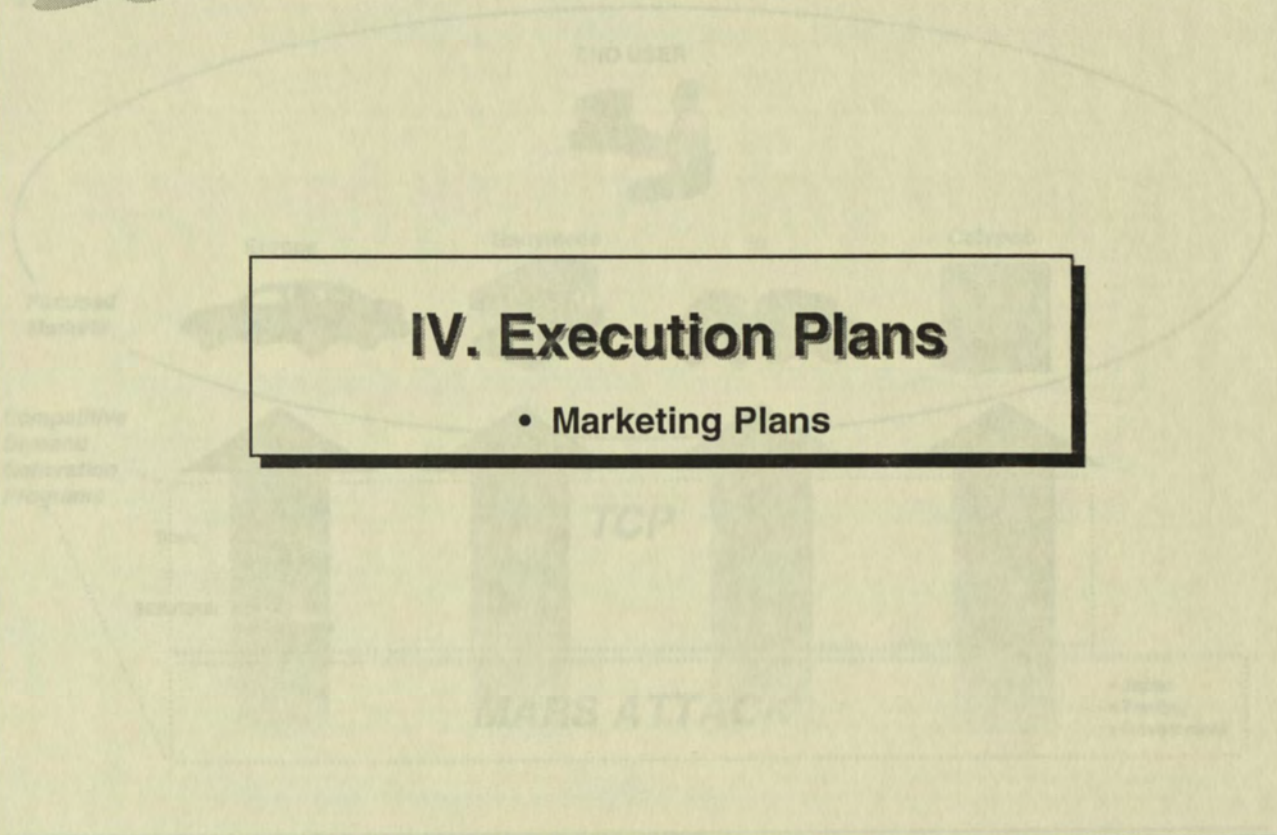
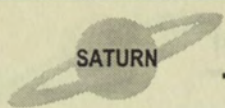
- How will our product pipeline meet the needs of our target segments?

Steps Taken:

- Develop and summarize product plans for key segments using tomorrow's products

Participants:

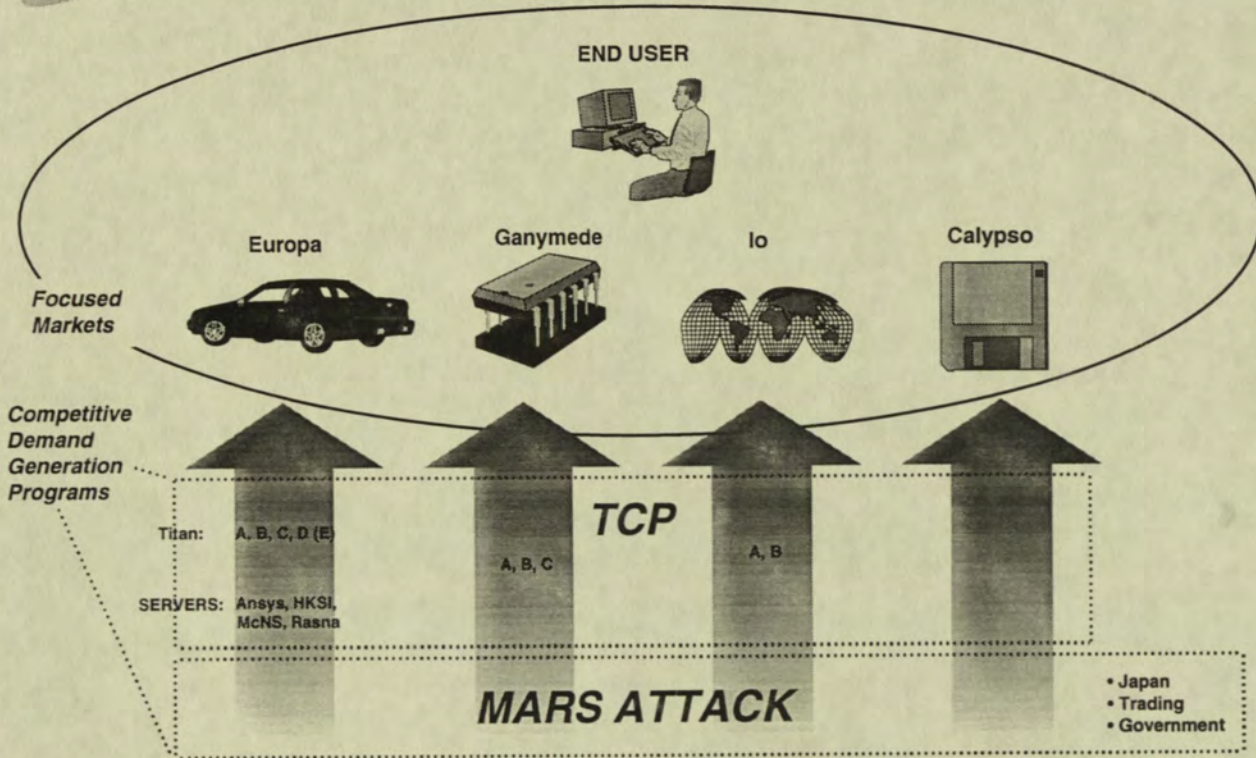
- Segment manager (D)
- Strategy manager (S)
- Marketing manager (S)
- Product manager (R)
- Software Partnering Group managers (S)



IV. Execution Plans

- Marketing Plans

- Issues Addressed:
- What are our marketing plans?
 - What programs are we going to focus on and why?
- Steps Taken:
- Develop and summarize marketing plans linked to value proposition and product plans
- Participants:
- Segment manager (1)
 - Strategy manager (1)
 - Marketing manager (3)
 - Software partnering group managers (5)
 - Sales & marketing field managers (5)



Issues Addressed:

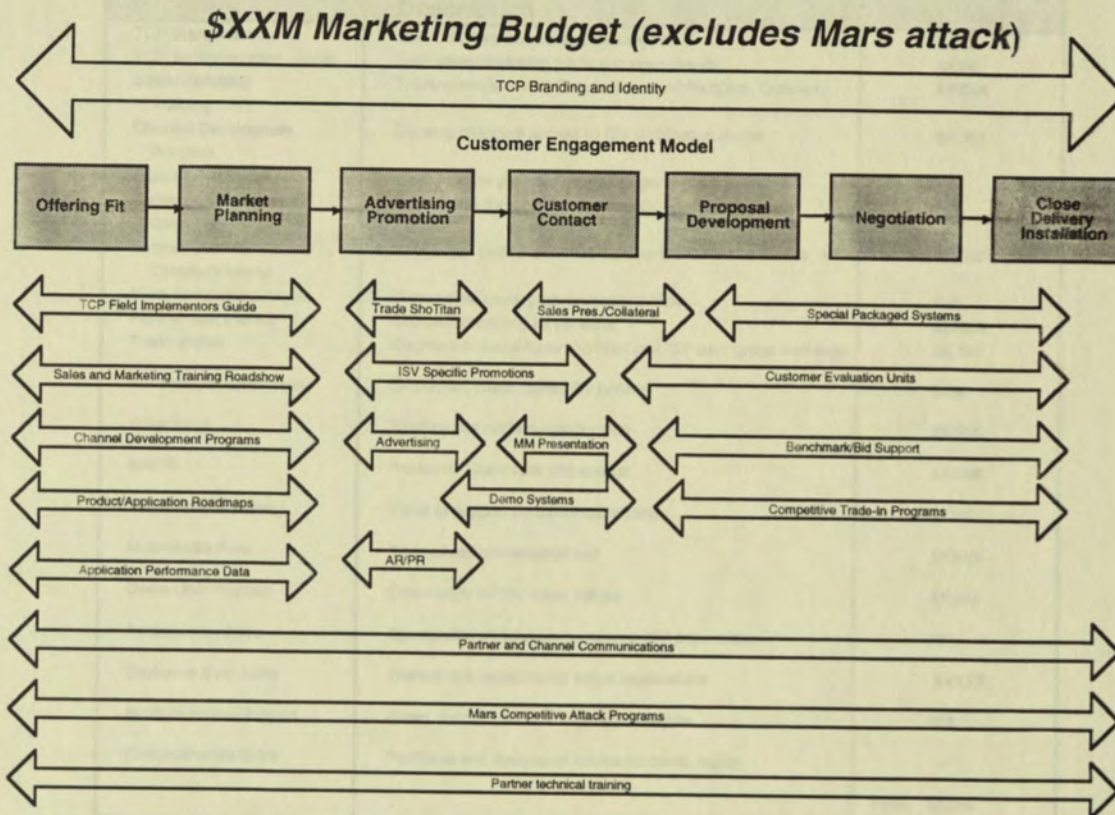
- What are our marketing plans?
- What programs are we going to focus on and why?

Steps Taken:

- Develop and summarize marketing plans linked to value proposition and product plans

Participants:

- Segment manager (D)
- Strategy manager (R)
- Marketing manager (S)
- Software partnering group managers (S)
- Sales & marketing field managers (S)



Example Page

Titan Business Segment

BPEXAMPLPPT -36-

Issues Addressed:

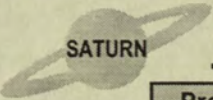
- What are our marketing plans?
- What programs are we going to focus on, and why?
- What resources are required?

Steps Taken:

- Develop details of the marketing plans

Participants:

- Segment manager (D)
- Strategy manager (S)
- Marketing manager (R)
- Software Partnering Group managers (S)
- Sales & Marketing field managers (S)



FYXX/XX Titan Marketing Plans

Execution – Marketing

Program	Description	Resources
TCP Brand/Identity	TCP Umbrella themes and messages	SXXX
TCP Implementation Guide	Field sales/marketing guide and resource list	SXXX
Sales/Marketing Training	Training roadshow for Saturn Sales and Partners, Quarterly	SXXX
Channel Development Program	Develop channels aligned to ISV distribution model	SX.XM
Product Roadmaps	Configuration guidelines for all target applications	N/A
Application Performance Data	Competitive Benchmarks for Top XX Applications	N/A
Partner/Channel Communications	Worldwide partner communications: DVN, NeTitanletters, etc.	SX.XM
Mars Competitive Attack	Competitive game plan, tactics and tools	N/A
Partner tech training	Self-paced training for partners	SXXX
Trade shows	Segment-focused trade shoTitan and ISV user group meetings	SX.XM
ISV-Specific Promotions	Brochures, direct mailers by partner	SXM
Advertising	Product and partner- specific ads	SXXM
AR/PR	Proactive Titan press and analyst	SXXX
Sales Presentations	Tools to support customer sales calls	SXXX
Multi-Media Pres.	Titan-based presentation tool	SXXX
Demo Unit Program	Demo units for ISV sales offices	SX.XM
Packaged systems	Special offers/packages to support ISV promotions	N/A
Customer Eval. Units	Product trial capability for target applications	SXXX
Bid/Benchmark Support	Direct field support for large opportunities	N/A
Competitive trade-ins	Purchase and disposal of displaced comp. equip.	-
Total		SXXM

QX/QX Budget Requirements

● TCP		\$X.XM
- Demo units to ISV sales offices		\$XXXK deprec. (\$X.XM)
- QX training roadshow		\$XXXK
- TCP program development		\$XXXK
- SPOT Europa campaign		\$XXXK
- Segment trade shows		\$XXXK
<H		
- Target ISV Marketing Programs		\$X.XM
<A	\$XXXK	
<B	\$XXXK	
<C	\$XXXK	
<D	\$XXXK	
<E	\$XXXK	
<F	\$XXXK	
<G	\$XXXK	
● Advertising		\$X.XM
● Total		\$X.XM

Issues Addressed:

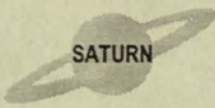
- What are our channel plans?
- What programs are we going to focus on, and why?

Steps Taken:

- Develop and summarize channel plan

Participants:

- Segment manager (D)
- Strategy manager (S)
- Marketing manager (M)
- Software Partnering Group managers (S)
- Sales & Marketing field managers (M)



- **Issues:**
 - Lack of volume channels
 - Lack of VARs (US)
 - Poor alignment with ISV channels

- **Guidelines (preliminary):**
 - Create distribution infrastructure to support volume objectives
 - Develop channels aligned with ISVs distribution model:
 - ABU (e.g. A, B)
 - ISV-VAR (e.g. B, C)
 - ISV's VARs (e.g. B, D)
 - ISV's PC-VARs (e.g. E, D)
 - Adjust demand generation (push/pull) to ISVs model
 - SPOT channels for Intel/Omega NT-platform

- **Need to develop a working channel plan in conjunction with downstream**

Issues Addressed:

- What are our channel plans?
- What programs are we going to focus on, and why?

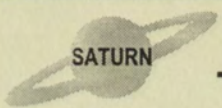
Steps Taken:

- Develop and summarize channel plans

Participants:

- Segment manager (D)
- Strategy manager (S)
- Marketing manager (R)
- Software Partnering Group managers (S)
- Sales & Marketing field managers (S)

Apply to each area.



IV. Execution Plans

- Example: European Plan

- Identified resources required
- Overall channel plans
- Established critical success factors
- Identified critical success factors
- Launched major products
- Launched SPOT/Europe programs

Issues Addressed:

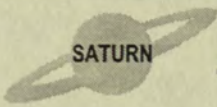
- How will we execute in a geography?
- What have we accomplished?

Steps Taken:

- Develop and summarize geography plans

Participants:

- Segment manager (D)
- Strategy manager (S)
- Marketing manager (M)
- Software Partnering Group managers (S)
- Sales & Marketing field managers (S)



Accomplishments

Execution – Europe



- Identified resources requirements and started staffing
- Overall channel plans in place
- Countries engaged on target segments & ISVs
- Established unit goals by country
- Identified critical product requirements and schedule for resolution
- Launched mid-range recovery:
 - CLOUD/Europa XXX promotion
- Launched SPOT/Europa program:
 - Defined B business plan
 - SPOT/Europa platform

Example Page

Titan Business Segment

BPEXAMPLPPT -41-

Issues Addressed:

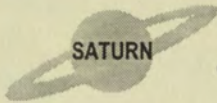
- How will we execute in a geography?
- What have we accomplished?

Steps Taken:

- Develop and summarize geography plans

Participants:

- Segment manager (D)
- Strategy manager (S)
- Marketing manager (R)
- Software Partnering Group managers (S)
- Sales & Marketing field managers (S)



Requirements identified
 Must Staffing started
 Eliminated X layer of management

	<u>Large</u>	<u>Medium countries</u>	<u>Small</u>	<u>Total</u>	<u>On board</u>
<u>Area level</u>					
Marketing				X	X
ISV rel. mgr.				XX	XX
<u>Country level</u>					
Marketing	X	X-X	X	XX	XX
Pull Sales	X-X	X-X	X	XX	XX

Issues Addressed:

- What are our resource requirements in each geography?

Steps Taken:

- List resource requirements by geography

Participants:

- Segment manager (D)
- Strategy manager (S)
- Marketing manager (R)
- Software Partnering Group managers (S)
- Sales & Marketing field managers (S)



Channels

Execution – Europe

Requirements identified
Must reduce direct VARs and grow distributors

	<u>Large</u>	<u>Medium countries</u>	<u>Small</u>	<u>Total</u>	<u>Current</u>
Distributor	X	X-X	X		
VAR	XX-XX	XX-XX	XX		
Reseller	X	X	X-X		
Total	XX-XX	XX-XX	XX-XX	XXX	XXX

Example Page

Titan Business Segment

BPEXAMPLPPT -43-

Issues Addressed:

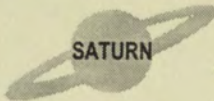
- What are our channel plans in each geography?
- What types of partners are we going to focus on, and why?

Steps Taken:

- Develop and summarize channel plans

Participants:

- Segment manager (D)
- Strategy manager (S)
- Marketing manager (R)
- Software Partnering Group managers (S)
- Sales & Marketing field managers (S)

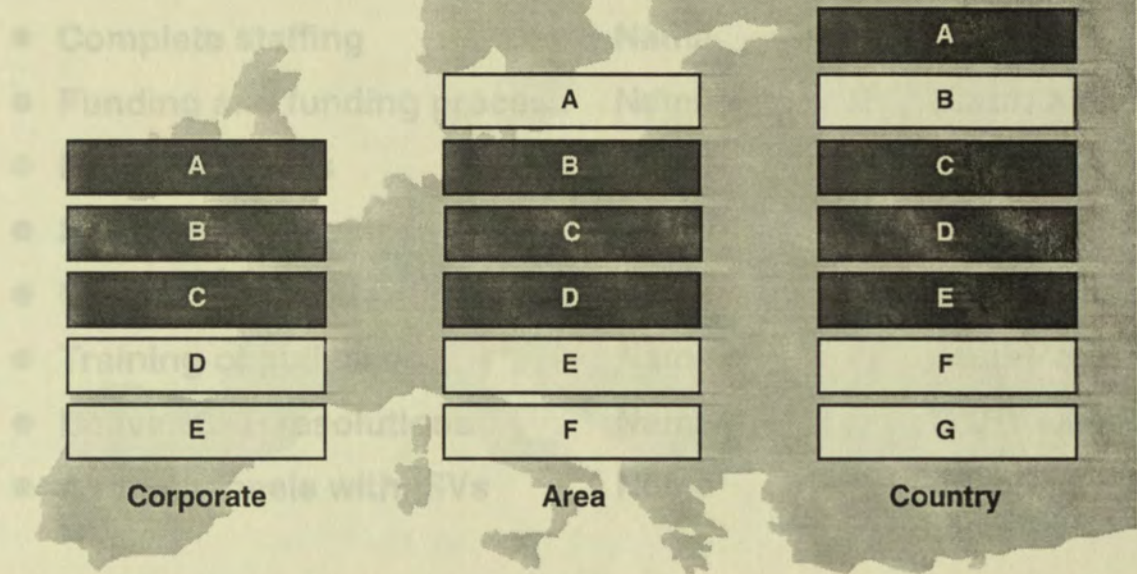


Target ISVs

Execution - Europe

- SPOT
- CLOUD

Agreed upon target segments
 Agreed upon target ISVs



Example Page

Titan Business Segment

BPEXAMPLPPT -44-

Issues Addressed:

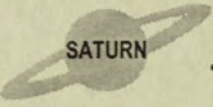
- What ISVs have we targeted in each geography, and why?

Steps Taken:

- Develop and summarize ISV plans

Participants:

- Segment manager (D)
- Strategy manager (S)
- Marketing manager (R)
- Software Partnering Group managers (S)
- Sales & Marketing field managers (S)



Europe implementation - Next steps

Execution

**Finalize FYXX plans at April
Mktg meeting
Phase in of TCP**

● Complete staffing	Name	March XX
● Funding and funding process	Name	March XX
● FYXX unit plans	Name	April X
● FYXX goals by pull sales	Name	April XX
● Finalize TCP plans	Name	April X
● Training of pull sales	Name	April-May
● Deliver CPR resolutions	Name	QXFYXX
● Align channels with ISVs	Name	April X

Issues Addressed:

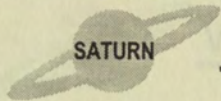
- What steps must be taken in each geography before the business plan can be implemented?

Steps Taken:

- List key decisions and steps required by key management to execute the business plan

Participants:

- Segment manager (D)
- Strategy manager (S)
- Marketing manager (R)
- Software Partnering Group managers (S)
- Sales & Marketing field managers (S)



Target Segments	XX	XX	XX	XX	XX
Gasoline					
Europe					
Le					
Canada	XX		XX	XX	XX
Sub Total	XX	XX	XX	XX	XX
Other Segments	XX	XX	XX	XX	XX
TOTAL	XX	XX	XX	XX	XX

IV. Execution Plans

- P&L

Issues Addressed:

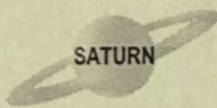
- How much product do we intend to ship?
- What key segments will experience the most growth, and why?
- What is our base plan and alternative plan?

Steps Taken:

- Develop and summarize volume plans for key segments

Participants:

- Segment manager (D)
- Finance manager (R)
- Strategy manager (S)
- Marketing manager (S)
- Product manager (S)
- Software Partnering Group manager (S)



Volume Build-up FYXX

Execution - P&L

	FYXX Forecast	FYXX Base Plan		FYXX Stretch Plan	
	Volume (XXs)	Volume (XXs)	Y to Y Growth	Volume (XXs)	Y to Y Growth
Target Segments					
Ganymede	X.X	X.X	XX%	X.X	XX%
Europa	XX.X	XX.X	XX%	XX.X	XXX%
Io	X.X	X.X	XXX%	X.X	XXX%
Calypso	XX.X	XX.X	XX%	XX.X	XX%
Sub Total	<u>XX.X</u>	<u>XX.X</u>	<u>XX.X%</u>	<u>XX.X</u>	<u>XX%</u>
Other Segments	XX.X	XX.X	XX.X%	XX.X	XX.X%
TOTAL	XX.XK	XXK	XX%	XXXK	XX%
	Units	Units	Growth	Units	Growth

Example Page

Titan Business Segment

BPEXAMPLPPT -47-

Issues Addressed:

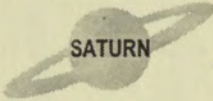
- How much product do we intend to ship?
- What key segments will experience the most growth, and why?
- What is our base plan and alternative plan?

Steps Taken:

- Develop and summarize volume plans for key segments

Participants:

- Segment manager (D)
- Finance manager (R)
- Strategy manager (S)
- Marketing manager (S)
- Product manager (S)
- Software Partnering Group managers (S)



Base Case

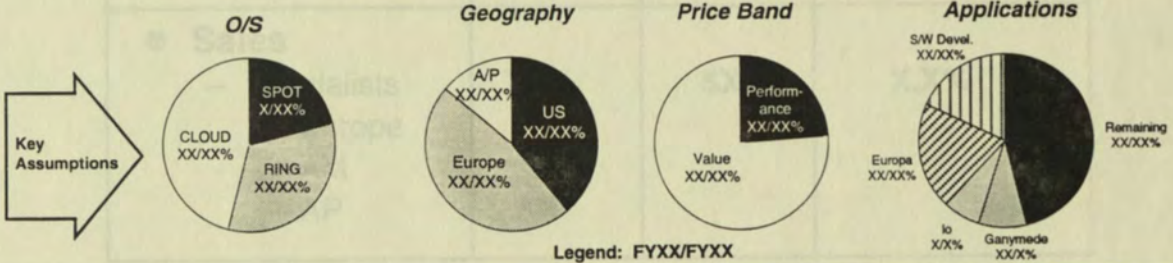
Execution - P&L

Base Case Highlights

- Unit growth XX%
- Revenue growth XX%
- ASV dropping XX%
 - Price erosion: XX%
 - Mix: XX%

Base Case Financials
(\$ thousands)

	FYXX	FYXX	
Units	XX,XXX	XX,XXX	
NOR	\$XXX	\$XXX	
Expenses			
Product Cost	XXX	XXX	XX%
ODC	XX	XX	X%
IBP	XX	XX	X%
Gross Margin	XXX	XXX	XX%
Engineering		XX	X%
- Titans	XX	XX	
- O/S	N/A	XX	
Marketing/SG&A	N/A	XXX	XX%
Operating Margin	N/A	X	X%



Legend: FYXX/FYXX

Key Assumptions

Example Page

Titan Business Segment

BPEXAMPLPPT -48-

Issues Addressed:

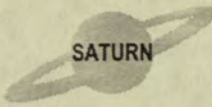
- What performance are we committing to in the base case?
- How much product do we intend to ship?
- How much revenue do we intend to generate?
- What kind of financials do we hope our business will achieve?

Steps Taken:

- Develop and summarize volume and revenue plans, and financial results

Participants:

- Segment manager (D)
- Strategy manager (S)
- Finance manager (R)
- Marketing manager (S)



Titan FY XX key investments

Execution - P&L

	HC	\$M	% of NOR
<ul style="list-style-type: none"> ● Marketing <ul style="list-style-type: none"> - advertising - SPG - people <ul style="list-style-type: none"> - TitanBS - Europe - US - AP - baseline - strategic/TCP - Mars 	<ul style="list-style-type: none"> ns XX XX XX XX (e) XX (e) ns ns na 	<ul style="list-style-type: none"> \$XX \$XX \$XX \$XX \$ X \$XX \$ X (e) 	<ul style="list-style-type: none"> XX% X.X% X.X% X.X% X.X% X.X% X.X%
<ul style="list-style-type: none"> ● Sales <ul style="list-style-type: none"> - specialists - Europe - AM - AP 	<ul style="list-style-type: none"> XXX XX XX XX 	<ul style="list-style-type: none"> \$XX 	<ul style="list-style-type: none"> X.X%

Example Page

Titan Business Segment

BPEXAMPLPPT -49-

Issues Addressed:

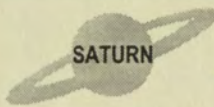
- What investments are required to meet our base case?
- How many people in marketing and sales will this require?
- What impact will this have on our financials?

Steps Taken:

- Develop and summarize headcount and investment plans, and financial results

Participants:

- Segment manager (D)
- Strategy manager (S)
- Finance manager (S)
- Marketing manager (R)
- Sales & marketing field managers (R)



Stretch Case

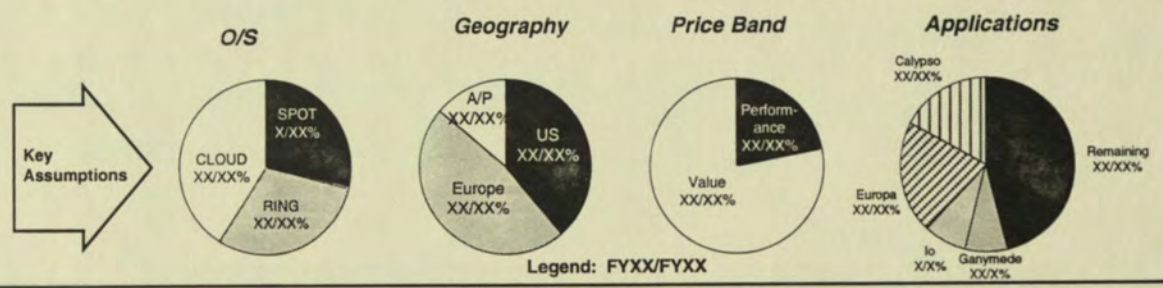
Execution - P&L

Stretch Case Highlights

- Unit growth XX%
- Revenue growth XX%
- ASV dropping XX%
- XXXK additional units from SPOT

Stretch Case Financials
(\$ thousands)

	FYXX	FYXX	
Units	XX,XXX	XXX,XXX	
NOR	\$XXX	\$XXX	
Expenses			
Product Cost	XXX	XXX	XX%
ODC	XX	XX	X%
IBP	XX	XX	X%
Gross Margin	XXX	XXX	XX%
Engineering		XX	X%
- Titans	XX	XX	
- Other	N/A	XX	
Marketing/SG&A	N/A	XXX	XX%
Operating Margin	N/A	XX	X%

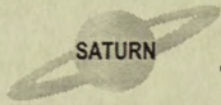


Example Page

Titan Business Segment

BPEXAMPLPPT -50-

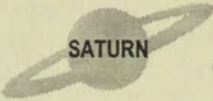
- Issues Addressed:
- What is the alternative business performance that could be achieved?
 - How much product do we intend to ship?
 - How much revenue do we intend to generate?
 - What kind of financial performance do we hope our business will achieve?
- Steps Taken:
- Agree on alternative scenario assumptions
 - Develop and summarize volume and revenue plans, and financial results
- Participants:
- Segment manager (D)
 - Strategy manager (S)
 - Finance manager (R)
 - Marketing manager (S)



SATURN

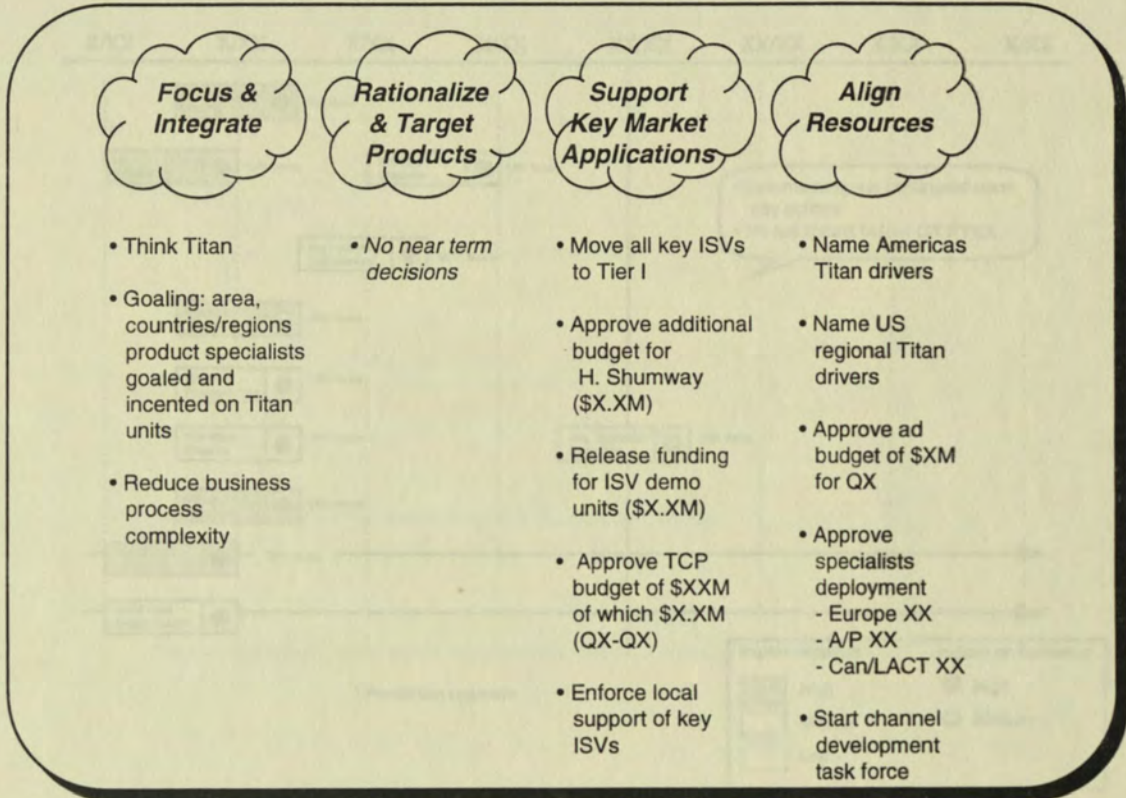
Forward

V. Going Forward



Immediate Decisions Required

Forward

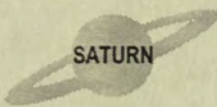


Example Page

Titan Business Segment

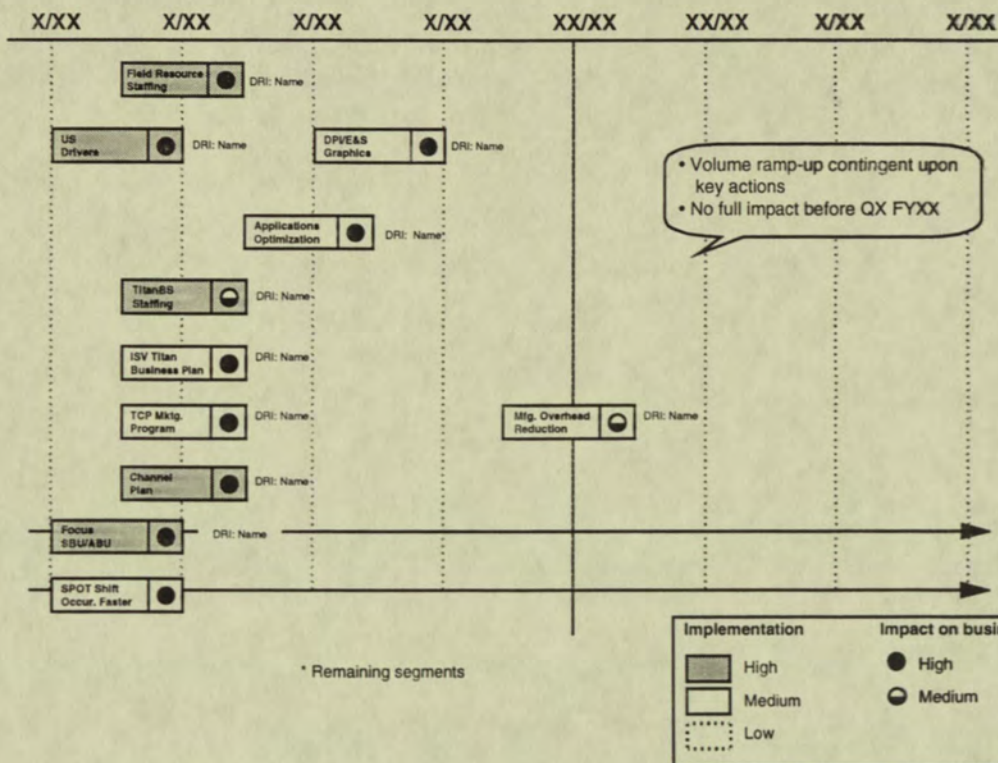
BPEXAMPL.PPT -52-

- Issues Addressed:
- What decisions must be made before the plan can be executed?
- Steps Taken:
- List key decisions required by key management for business plan to succeed
- Participants:
- Segment manager (D)
 - Strategy manager (R)
 - Finance manager (S)
 - Marketing manager (S)
 - Product manager (S)



Critical Milestones and Risks

Forward



Example Page

Titan Business Segment

BPEXAMPLPPT -53-

Issues Addressed:

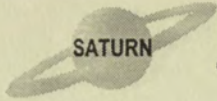
- What critical milestones and risks do we face?

Steps Taken:

- Summarize critical milestones, assign responsibility, and assess risk to business if milestones are not met

Participants:

- Segment manager (D)
- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Product manager (S)



What are longer term plans (X+ yr) in Titan?

Forward

Positioning

- Tighten focus on critical segments
- Development of "test beds" to identify emerging growth segments

Product

- Heighten focus on CLOUD on the high-end, SPOT for the low-end and continue to push migration of RING users
- Drive EVXX platforms cost down quickly
- Graphics leadership

Channel

- Develop SPOT channels & adjust sales/SG&A model

Example Page

Titan Business Segment

BPEXAMPLPPT -54-

Issues Addressed:

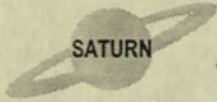
- What are our plans beyond the next fiscal year horizon?
- How do we plan to position ourselves?
- What types of product do we want to offer?
- What channels do we want to use?

Steps Taken:

- Agree on and summarize longer-term plans in terms of positioning, product, and channel opportunities

Participants:

- Segment manager (D)
- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Product manager (S)
- Software Partnering Group managers (S)

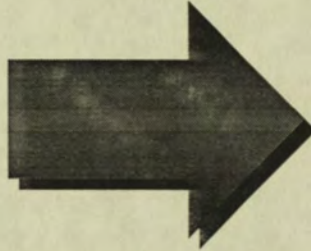


Why we will succeed

Forward

Key Success Drivers

- Attractive market segment opportunities exist that have good offering fit
- We will have a competitive product offering by QX FYXX
- We focus our resources on target segments
- We will fix gaps that have hampered sales
- Mars's large installed base is vulnerable



FYXX Goals

- XXXK units
- XX% growth
- #X or X in targeted marketing segments

Example Page

Titan Business Segment

BPEXAMPLPPT -55-

Issues Addressed:

- Why will our business plan succeed?
- What are the key success drivers?
- What business goals do we want to achieve and how do they relate to our goals?

Steps Taken:

- Agree on and summarize key success drivers and business goals

Participants:

- Segment manager (D)
- Strategy manager (R)
- Finance manager (S)
- Marketing manager (S)
- Product manager (S)
- Software Partnering Group managers (S)

From: STAR:BECKER *15-Mar-1995 1639* 15-MAR-1995 16:41:24.33
To: @R.DIS
CC: BECKER
Subj: A: Action items from the OpenVMS/NT Strategy Meeting

Note -- the dist list is attached at the end. If I missed anyone, pls forward the message to them.

Here are the action items I recorded from this morning and I believe they are all due in one week:

Anne - first draft of application deployment strategy
Bill - slide(s) on seamless integration for clusters
Chris - slide(s) on seamless integration for networks
Mark S - slide(s) on seamless integration for objects
Peter - information on seamless integration for database
Peter - information on seamless integration for tp
Connie - information on seamless integration for system mgmt
Bill - get data on unlimited file size and unlimited file names
Mark S - get data on encapsulation w/ object broker
Peter - get w/ Morris Marks on FX32 and how it relates to ABI
Rich - schedule another meeting in a week

I have one copy of Ken's slides -- if folks want copies, let me know and I can get Beth to make some copies.

Thanks,
Amy

IR.DIS
nm%star::Becker
nm%star::Zalewski
nm%star::BMatthews
nm%star::STEBULIS
nm%LJSRVI::LIEBERWIRTH
nm%HUMAN::CONKLIN
nm%MSBCS::SWANTON
nm%star::RMARCELLO
nm%BEEMER::CUCCIA
nm%star::ADDUNCAN
nm%star::mcquaid
nm%star::sorenson
nm%star::GALLOZZI
nm%MSBCS::BISBO
nm%star::kaler
nm%star::PAWELCZAK

Return-Path: tle::tle::blake
Received: by tlgmax.zko.dec.com (5.65/fma-100391);
id AA25530; Mon, 20 Mar 1995 11:31:25 -0500
Date: Mon, 20 Mar 1995 11:31:21 -0500
From: tle::tle::blake (20-Mar-1995 1127 -0500)
To: @extstf
Cc: BLAKE
Subject: *** fyi - please do not forward - info impacts on-going negotiations **
*
Status: RO

From: AOSG::HARBERT "18-Mar-1995 1120" 18-MAR-1995 11:24:33.36
To: LIPCON,QUINN
CC: TLE::BLAKE
Subj: Fortran NT and Microsoft

Bill Blake's attached note summarizes a really EXCITING business opportunity that has been developed with Microsoft around Fortran.

This could lead to a lot of other development environment opportunities and to some very positive marketing collateral for Digital.

don

From: TLE::BLAKE 16-MAR-1995 14:54:32.28
To: AOSG::HARBERT
CC: ELLEN,XIRTLU::YEATON,BLAKE
Subj: An update on our NT/Fortran activities

Our bottom up efforts to develop a business case for providing DEC Fortran on NT gathered a lot of momentum this week. This note is an "fyi" to keep you posted.

Both the NT (and now OVMS) want DEC Fortran on Win32. We assigned William Young to develop the business case for doing this in conjunction with the NT and OVMS product management folks, with Marin Bocinsky in Seattle being the key PM contact.

There are two keys to successfully putting Fortran on Win32, first having a Windows development environment including tools and Intel code support.

We prepared a list of PC Fortran and/or software companies that might be interested in source licensing a Window IDE (Microsoft, Watcom, Borland, etc.) But in talking with our NT people (esp Ed Muth) the real win would be if we could partner with Microsoft on this and gain access to their channels/market.

To make a long story short, we asked Microsoft if they would get out of the Fortran business (they are the leader in PC Fortran) and let us be their Fortran supplier (and provide us with thier IDE and tools).

This week the Microsoft "Fortran PM&D" met with us in ZK2 and said yes. And they had approval from Heinen to say that.

They will stop Fortran development, reassign the engineers, provide us the IDE and tools and work with us as their Fortran supplier on Intel and Alpha. We will negotiate a split revenue model for the deal.

The NT PM&D will negotiate the t's and c's. To make this work, we will need to provide Intel code support on GEM and do the IDE integration with Fortran 90 (estimated as an incremental 3 people for GEM and 1 person for Fortran).

We will be including this in our NT/OVMS LRP submission and are actively working with those groups now.

One of the benefits to the UNIX segment on this will be the insiders view it will provide (from the Fortran team) as to how Microsoft is proceeding with Win32, OLE and development environments in general. For instance, the Microsoft people stated clearly that they will follow the same packaging scheme for software development as they did for business apps, ie, the office suite for apps, and the "developers office" for software development. They even demo'd the integrated Visual C++/Fortran package to be released this summer.

I am really encouraged by this development. More details to follow.

/bill

IDE on VMS? win32 on VMS?
other ?

From: MSBCS::JACOBS "20-Mar-1995 1100 -0500" 20-MAR-1995 11:01:32.86
To: @OVMSTF.
CC: MEMIT::FRIGAND,ASABET::BENDIT
Subj: REVISED OPENVMS BUSINESS PLANNING INFORMATION AND CALENDAR -PLS DISTR.

OPENVMS SYSTEMS BUSINESS GROUP
REVISED BUSINESS PLAN CALENDAR

+-----+ TM
| d | i | g | i | t | a | l |
+-----+

Interoffice Memorandum

TO: OpenVMS Staff

DATE: 20 MAR 95
FROM: Nora Jacobs
EXT.: 223-5929
LOC: PK03-2/T20
ENET: MSBCS::JACOBS

SUBJ: REVISED OpenVMS Business Planning Calendar

The OpenVMS Systems Business Group business plan will be composed of the following major sections and leaders for each section:

Overall Strategy & Mission	DRI: Wes Melling
Overall Market Analysis	Roger Bisbo
Target Market Selection/Analysis	Nora Jacobs
Product Strategy & Plan	Peter Conklin
Marketing Strategy & Plan	Ken Swanton/Roger Bisbo
Financial Plan	Karen O'Connor

The sum of all the DRI's equals the "Core Team". My expectation is that everyone on the core team drives the overall coordination of that section of the plan.

As agreed at last week's staff meeting, we postponed the "Kick-off" meeting for the Business Plan until 3/29. It will now be more of a "Progress Review" meeting. It will be an opportunity to update each other and the extended staffs and managers on the status of work performed to date. The tentative agenda follows at the end of this memo. Please review it for your allotted times and send me any updates or suggestions for improvement.

The due date for completion of the business plan was also extended by 2 weeks. ALL SECTIONS ARE NOW DUE APRIL 26th. We still have no calendar from the Systems Business Group or the SBU. Hence, we run a slight risk that they may impose some due dates before this. I'll keep everyone informed as the other timetables get established.

After April 26th, I propose we continue with weekly OVMS SBG reviews to refine, revise, and integrate the April 26th submissions into one coherent document.

Under a separate memo from Peter Conklin, the Booz-Allen business plan template was distributed. You should continue to use this as a guideline for each section.

Any questions on the overall process or timeline, please contact me.

OVMS SBG Progress Review & Update

DATE: 3/29/95 TIME: 8:30 - 12:15 LOCATION: Babbage Auditorium
ZK01-3/ Pole A/A

WHO SHOULD ATTEND:
OVMS SBG staff, extended staffs, ext. ext. staffs

CORE TEAM Progress Review

DATE: 4/5/95 TIME: 9:00 - 11:00 LOCATION: PORT C.R. ; PK03-1/30C

WHO SHOULD ATTEND: CORE TEAM

/19/95

CORE TEAM Progress Review

DATE: 4/12/95 TIME: 9:00 - 11:00 LOCATION: PORT C.R. ; PK03-1/30C

WHO SHOULD ATTEND: CORE TEAM

CORE TEAM Progress Review

DATE: 4/19/95 TIME: 9:00 - 11:00 LOCATION: PORT C.R. ; PK03-1/30C

WHO SHOULD ATTEND: CORE TEAM

CORE TEAM Progress Review

DATE: 4/26/95 TIME: 9:00 - 11:00 LOCATION: WESTFORD C.R.; PK03-2/12F

WHO SHOULD ATTEND: CORE TEAM

***** 4/26/95 ALL SECTIONS DUE *****

all day.
DECIDE

From: NEMTS::NEMTS::MRGATE::"ICS::A1::TUTTLE.JAN" 22-MAR-1995 14:58:11.53
To: @Distribution_List
CC:
Subj: BPLP Kick-Off Summary / Next Steps

1

From: NAME: Jan Tuttle @PKO
FUNC: ALPHA SYSTEMS BUSINESS GROUP
TEL: DTN:223-5190 508 493-5190 <TUTTLE.JAN@A1@ICS@PKO>
To: See Below
CC: See Below

* This is a joint memo from Jeanette Horan & Jan Tuttle *

Thanks for your time and energy during today's Business & Product Line Planning (BPLP) kick-off. And particular thanks to Ron Locklin and his team, with Booz Allen, for sharing the leadership work of the Workstation Business Segment in developing their plan, capturing the learnings and developing a template for all of our benefit.

As we move forward under an aggressive timetable, remember the recommendation to focus on the 4-pages of the EXECUTIVE SUMMARY as you launch or continue your plan efforts. Ron clearly underscored the essential focus established by setting clear business plan objectives.

ACTIONS FOR TEAM:

- * Please quickly scan the template and send any obvious additions or changes you would recommend to Jeanette & Jan. We will work with you to continue to evolve the template, and will get recommendations on to you as soon as they surface.
- * Send hot issues or plan-specific issues for discussion in our up-coming worksessions to Jeanette and Jan.

TUTTLE/HORAN ACTIONS:

- * Jan Tuttle & Elizabeth Thomas will work with the Workstation and Server Business Segments immediately to secure the baseline total IT market view of workstations and servers, as a point of integration of market sizing with the Operating System business segments. We will provide that to you electronically.
- * On the topic of achieving a worldwide plan, Jeanette Horan will summarize where the \$20M for localization was spent in FY95; and, request a summary from country management on internationalization requirements for FY96.
- * Secure summary of SPG issues (from Randy Levine).

NEXT MEETING:

Susan Mowry will work with your calendars immediately to secure a 2-hour worksession during each of the weeks of 3 APR 95, 17 APR 95, 1 MAY 95 and 15 MAY 95. We will do all possible to secure a set day of the week and time that works for as many as possible. During our next worksession, we will decide whether to schedule beyond 15 MAY, past the June Board of Directors' meeting.

Attached is the "snapshot" summary of your current business plan status.

Again, thanks for your energy and engagement. We are here to support the success of your business plan development. We will work with each of you to understand what help you need. Further, we will work with you to focus our energies in areas that increase

the success of business plan investment approval, and increase the success of business plan implementation.

regards, Jan & Jeanette

digital

FY96 is a new model

Achieving a WorldWide Plan

- FY95 internationalization

- internationalization (IIS) done by engineering group or ISE (SES)
- funding by engineering group
- some territory funding for "out of plan" work

- FY95 localization

Internationalization and Localization Issues

- central funding by engineering - \$20 million
- ISE negotiates with territories, manages process
- some territory funding to extend work



FY96 is a new model

- FY95 internationalization

- internationalization (i18n) done by engineering group or ISE (SES)
- funding by engineering group
- some territory funding for "out of plan" work

- Localization

- central funding by engineering - \$20 million
- ISE negotiates with territories, manages process
- some territory funding to extend work
- Territory funds all other localization
- ISE available to manage process - similar model to information services

FY96 model

- Internationalization

- engineering groups responsible
- need to understand what countries we're planning to do business in and understand needs (e.g. multi-byte character support for Asia)

- Localization

- PM&D responsible for funding Tier 1 country localization
 - Japan, China, Korea, Thailand in Asia
 - France, Germany, Italy in Europe — UK
 - US, Can, LACR (Spanish Port?)
- No support for a Tier 1 country is considered an exception
 - negotiate with local territory to understand business impact
- Territory funds all other localization
- ISE available to manage process - similar model to information services



Summary

	<u>FY95</u>	<u>FY96</u>
<i>i18n funding</i>	Engineering Territory	PM&D
<i>i18n implementation</i>	Engineering ISE / territory	PM&D Engineering
<i>I10n planning</i>	ISE	PM&D
<i>I10n funding</i>	Central engineering Territory	Tier 1 - PM&D Tier 2 - territory
<i>I10n implementation</i>	ISE	ISE

Business and Product Line Planning

Implementation Team

Kick-off Meeting

22 March 1995, 9-11AM

Meeting Objectives

- * [Communicate FY96 business planning & approval process]
- * Ensure understanding of:
 - planning process
 - business plan content required for approval
 - timeline for completion
- * Define next steps for Business & Product Line Planning Team

Agenda

9:00-9:30	Introductions ... <i>current business plan update</i> Objectives	All <i>Jeanette Horan & Jan Tuttle</i>
9:30-9:45	Business planning methods ... <i>process & learnings</i>	<i>John Saliling</i>
10:15-10:30	Achieving a worldwide plan	<i>Jeanette Horan</i>
10:30-10:40	FY96 plan timeline	<i>Jan Tuttle</i>
10:40-11:00	Next Steps	All

Integration with: SBU Sales ibd
SBU Mktg ibd
M&D Rodolfo Archibold

Lifecycle Management Process:
Business and Product Line Planning
Implementation Team

Team Owners Jeanette Horan & Jan Tuttle

Team Leader Pat Lastella

Booz-Allen & Hamilton John Saliling

Team Members/ Organization PM&D

OVMS: Peter Conklin & Nora Jacobs

UNIX: Tim Yeaton [Kate Thompson]

W/NT: Ed Muth

Wkstn: Ron Locklin

Servers: David Poole & Barbara Beck

EntSW: Connie Sartini, Gail Holland [Paula Kennedy]

NISW: Dick Miller

Finance: Jay Connor, Chuck Bushey

Prod Plng: Dick Loveland

HR Support: Lisa Bender

BSG Elizabeth Thomas (BSG content development)

SPG Randy Levine

CSD Peter Jordan (CSD Bus Ops/Bus Planning)

Integration with: SBU Sales tbd

SBU Mktg tbd

M&D Rodolfo Archbold

Distribution List BPLP:

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Remote Addressee (PETER CONKLIN @PKO)
Remote Addressee (JAY CONNOR @PKO)
Remote Addressee (gail holland @zko)
Remote Addressee (JEANETTE HORAN @PKO)
Remote Addressee (JACOBS @MSBCS @VMSMAIL)
Remote Addressee (peter jordan @mso)
Remote Addressee (KATET @XIRTLU @VMSMAIL)
Remote Addressee (PAT LASTELLA @MSO)
Remote Addressee (RANDY LEVINE @MRO)
Remote Addressee (LOCKLIN @WRKSYS @VMSMAIL)
Remote Addressee (DICK LOVELAND @PKO)
Remote Addressee (dick miller @lkg)
Remote Addressee (ED MUTH @ACI)
Remote Addressee (DAVID POOLE @PKO)
Remote Addressee (connie sartini @zko)
Remote Addressee (ELIZABETH THOMAS @GEO)
Remote Addressee (TIM YEATON @ZKO)



Business Planning Timeframes

- mid-June Board of Directors meeting
- early June Company business sizing to Bob
- mid-May CSD sizing / Enrico
- late-April PM&D sizing / Jesse & Bill
- mid-April PM&D plans complete

*Dates / flow under discussion;
no firm dates established*