

Revised Agenda--The Research Board Visit

January 7, 1993

- 8:45- 9:45 - Mike Thurk, Communications, Education and Entertainment Industries
- 10:00-11:00 - Max Mayer, Systems Integration and Network Services
- 11:15- 12:15- Dennis Roberson, Software Engineering
- 12:15- 1:00 - Lunch with Jack Smith
- 1:00- 2:15 - Bill Johnson, Corporate Marketing
- 2:30- 3:45 - Bill Strecker, Engineering
- 4:00- 5:00 - Russ Gullotti, U.S. Area and Digital Services
- 5:15- 6:15 - Bobby Choonavala, General International Area

January 8, 1993

- 7:45- 8:45 - Dick Poulsen, Europe
- 9:00-10:00 - Frank McCabe, Discrete Manufacturing and Defense Industries
- 10:00-11:30 - Bob Palmer
- 11:30-12:00 - Win Hindle
- 12:00 - Leave Digital for New York

I N T E R O F F I C E   M E M O R A N D U M

Doc. No: 033420  
Date: 11-Jan-1993 02:36pm EST  
From: Win Hindle  
HINDLE.WIN  
Dept: Administration  
Tel No: 223-2338

TO: See Below

Subject: THE RESEARCH BOARD VISIT

\*\*\*\*\*  
DIGITAL RESTRICTED DISTRIBUTION  
\*\*\*\*\*

Naomi Seligman, Ernie von Simson, and Jim Roche of The Research Board (RB) had an excellent visit. They were very pleased by their discussions with all of you. Thank you for participating. Following are some of their parting thoughts:

1. Digital has major problems with some big customers that are members of RB. They surveyed their members during the past month, and Digital's ratings were below the average of the 18 suppliers covered. HP is at the top. Interestingly, the Systems Integration companies are at the very bottom of the ratings.
2. The quality of account managers covering these major customers is not nearly good enough. Some of our customers think we have employed "castoffs" from the IBM or UNISYS sales organizations.

Ernie and Naomi believe that our biggest short-term problem is getting our message to our large customers. First, we must clarify the messages; and second, we must have a high-quality sales organization that will effectively take the messages to the customers. If our customers could hear what the RB heard over these 1 1/2 days, much of our credibility with customers would be solved. The challenge is transmitting the messages.

3. RB believes our stress on bringing solutions to our customers is absolutely right for what their members want. However, they noted that some of the

people they met were stressing "systems integration" instead of "solutions." They believe that we will never meet our customer satisfaction goals unless we bring "tested solutions" to customers (i.e., systems we can guarantee and replicate).

4. They commented that they heard some hints of "Ken bashing" in the discussions, which they did not appreciate. Their counsel is that we should not blame all problems on Ken but get on with the forward-looking strategies we have underway.
5. A final RB comment. They were not looking forward to the visit--expecting to find Digital management in the doldrums. What they found was just the opposite--everyone was upbeat and optimistic about the future.

Thanks to all of you for spending time with them. I will send around a copy of their report when it arrives.

dk

**Distribution:**

TO: BOBBY CHOONAVALA	( CHOONAVALA.BOBMY )
TO: Russ Gullotti @CORE	( GULLOTTI.RUSS )
TO: Bill Johnson	( JOHNSON.BILL )
TO: Remote Addressee	( MAX MAYER @OGO )
TO: Frank McCabe	( MCCABE.FRANK )
TO: BOB PALMER	( PALMER.BOB )
TO: Remote Addressee	( DICK POULSEN @GEO )
TO: Remote Addressee	( DENNIS ROBERSON @MLO )
TO: Jack Smith	( SMITH.JACK )
TO: BILL STRECKER	( STRECKER.BILL )
TO: Mike Thurk	( THURK.MIKE )



THE RESEARCH BOARD

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RECEIVED

FEB 23 1993

Winston Hindle

February 18, 1993

FEB 23 1993

Dear Bob:

Ernie and I would like to thank you once again for the hospitality shown by everyone at Digital during our recent visit. Bill Strecker gave us a particularly useful look at the product strategy; Mike Thurk and others did their best to position the business units as the center of gravity in the new Digital. And we very much appreciated your thoughtful and candid insights during the discussions. Looking just ahead, the Research Board members are delighted you will be joining them on March 3rd at the Breakers, the Arco Executive Center in Santa Barbara.

You probably remember everything you need to know about the Research Board from our conversation. But if not, the members are the senior Information Technology Executives from forty of the largest worldwide corporations. All the members have indicated they intend to attend, along with a smaller contingent of their European-based counterparts. I believe you have a list of the attendees; no substitutes are ever permitted.

The internal dialogue will focus on the immense industry restructuring now underway, the topic of our current research. Considering all our discussions at Digital, we would hope that you might base your remarks on the three-part strategy you outlined in Maynard: first, making the company profitable: how does that stand? How will the members be affected by further retrenchments? Second, the new focus around the CBUs: how positively will this impact large corporate accounts? How will the performance-based compensation system for the field force affect large customers? Third, rationalizing the product line: what are Alpha's prospects? How will you position VMS, OSF/1 and NT? What types of products will be stabilized or discontinued? For background, we're enclosing the snapshot on Digital from the RB Report. And please feel free to comment, especially if you disagree, or ignore our scribblings and proceed however you wish.



As I mentioned in my previous letter, our usual format is to invite our guest to make prepared remarks of perhaps forty-five minutes, followed by an equal amount of time for questions and an informal exchange. I think you will find the members knowledgeable and very interested in the dialogue. (And I know you're comfortable with this format, but thought your speech assistant might find the enclosed hints helpful.) We've scheduled your presentation from 3:45 p.m. to 5:15 p.m., and are delighted you are joining the RB members for dinner that evening.

The Breakers is located at 1180 Channel Drive, about a five minute stroll from the Four Seasons Biltmore (1260 Channel Drive), where we've arranged accommodations for you March 2nd and 3rd. I believe Sarah Piper, our Vice President of Client Services, has been in frequent contact with your office on the logistical arrangements.

Everyone is looking forward to hearing your presentation on Digital leadership in response to changing industry requirements and how large scale customers should expect to be affected by the changes. I hope you'll find the exchange interesting and useful as well.

Sincerely,



Naomi O. Seligman

Mr. Robert B. Palmer  
Chief Executive Office  
Digital Equipment Corporation  
146 Main Street  
Maynard, Massachusetts 01754

# THE RESEARCH BOARD

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## Suggestions for Research Board Guests

1. Member Profile: These are the senior executives for computing and communications in very large corporations. About half have backgrounds in general business management rather than information technology. None are particularly knowledgeable about vendor/OEM nomenclature or acronyms. All are more interested in irrefutable strengths or industry-wide trends than in feature arcana or marginal nuances. We would recommend emphasizing application and business cases over technology; technology over technique.
2. Meeting Configuration: At this meeting will be forty permanent members of the Research Board. Plus several permanent members of the European Board. All or almost all have already indicated their intentions to attend; no substitutes are ever permitted. They will be seated in a horseshoe-shaped format to facilitate discussion. You can expect a lively exchange of questions and perspectives. And that they will be well informed on the issues that interest them.
3. Meeting Schedule: Our usual format is to invite our guests to make formal remarks of perhaps forty minutes, followed by an equal amount of time for questions and an informal exchange.
4. Slides and Overheads: Either is welcome if relevant to this audience. But you are unlikely to get through more than a dozen or so substantive slides in forty minutes. In addition, please be advised that we often use modest sized screens - so slides with seven lines of thirty characters each may be most readable. And pictures are worth a thousand words only if the words they contain are visible. We like to use fonts no smaller than 16 points.
5. Handout Material: Also welcome if interesting. But sales brochures are better mailed to those who request them after hearing your remarks.
6. Atmospherics: These suggestions may sound stuffy. But the members are not. We think you'll find them friendly, knowledgeable and open-minded. Especially if you try to meet them half way by not being patronizing or obscure. And by following these simple suggestions.

RECEIVED

MAR 5 1993

BILL JOHNSON

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

INTEROFFICE MEMORANDUM

TO: Bobby Choonavala  
Russ Gullotti  
Bill Johnson ✓  
Max Mayer  
Frank McCabe  
Bob Palmer  
Dick Poulsen  
Dennis Roberson  
Jack Smith  
Bill Strecker  
Mike Thurk

DATE: 03-Mar-1993  
FROM: Win Hindle *wthdk*  
DEPT: Administration  
EXT : 223-2338  
LOC : MLO12-1/A53

SUBJECT: THE RESEARCH BOARD REPORT

Attached is a copy of The Research Board report. I am only sending this to the people who were interviewed by The Research Board staff.

The reason Digital has a good relationship with The Research Board is because we respect their privileged information. Therefore, we need to respect their request and not copy or send the attached report to anyone. Thanks for making sure we honor their rules.

dk  
Attachment



# Research Board

win - good draft  
of BP RB talk.  
It has more  
content than  
needed, at Bob's  
request. He  
will edit back  
on the trip and  
on the fly.  
Do you have  
any suggested  
changes?  
have

RESEARCH BOARD - MARCH 3, 1993

## OUTLINE

### A. INDUSTRY ENVIRONMENT

1. Market shift toward commoditization
  - lower prices/greater choice for users
  - lower margins/increased competition for vendors
2. Bottom Line: Power to the Customers
3. Market shift toward value added solutions
  - greater dependency on IT
  - greater complexity of managing IT

### B. DIGITAL ENVIRONMENT

1. Loyal customer base
2. World Class Technology and Core Competencies
  - e.g. Alpha AXP Systems; networking
3. Powerful Global Service and Networking Infrastructure with capabilities for downsizing and upsizing
4. Good cash position
5. Late on some key market trends (PCs/UNIX/LANs)
6. Organizational problems:
  - inwardly focused
  - infrastructure non-competitive
7. Financial loss

### C. DIGITAL RESPONSE

1. Make the customer the primary focus of everything that we do
  - Change the way we work and are organized to become responsive to the needs of our customers (Re-engineering and Re-structuring).
  - Ensure that real value, as perceived by our customers is added at every step in the value chain, from product and service creation to customer fulfillment
2. Principles
  - customer is the driver
  - technology is the enabler
  - time is a major differentiator

3. Starting point for strategic intent: focus on where we can add value and succeed
  - Be #1 or #2 in delivering information technology-based business solutions for selected industry markets
  - Be #1 or #2 in delivering selected products, technologies, and services to the general information technology market

D. RE-STRUCTURING DIGITAL - We will be "Dedicated to Customer Success"

1. Previous organization
  - 40 product businesses
  - service business group w/ 8-10 Service Business Units
  - 3 geographies owning sales, service, SI, and technical support
  - 21 industry business units
2. New structure - based on clear accountability
  - five Customer Business Units
  - three Product Business Units
  - Multivendor Customer Service Business Unit
  - functional groups (Eng., Mfg., Sales and Professional Services) funded by Business Units based on value-added to customer
3. Customer Business Units
  - Communication and Entertainment
  - Discrete Manufacturing and Defense
  - Financial, Professional, and Public Services
  - Consumer and Process Manufacturing
  - Health
4. Customer Business Unit Responsibilities
  - P/L
  - strategy, marketing, channels
  - allocation of sales, service, SI, and technical support resources
  - .. key Research Board issues:
    - cross-border support
    - quality and guarantee of SI work
  - industry specific products and applications
  - non-industry specific product requirements
5. Product and Service Business Units
  - Personal Computers
  - Storage
  - Components and Peripherals
  - Multivendor Customer Services
6. PBU and SBU responsibility
  - P/L
  - strategy, marketing
  - engineering

← big issue



- channels of distribution

7. Corporate Status to-date

- business planning process well defined under new structure
- outside management and industry experience brought in to run Business Units (Enrico Pesatori, John Klein, Paul Kozlowski)
- now starting to bring in outside middle management (Francis Arnone)

8. Research Board Questions:

- Who will lead the sales force?
- How will the sales force react as their compensation is shifted from straight salary to commissions and other incentives?
- How will these business units, sales and systems integration activities mesh in terms of incentives and compensation?

9. Results for you

- empowered Account Teams focused on your specific industry oriented needs - globally, where needed
- Accounts Teams measured on functional excellence in improving Account Team/ customer partnerships
- products, solutions, services focused by industry at competitive prices distributed in a manner appropriate to their complexity and added value
- channels appropriate to how you want to buy
- managers dedicated to your needs sitting at the table with the President and CEO

← key point  
Can they command resources?  
What problems?

*[Handwritten signature]*

E. RE-ENGINEERING DIGITAL - "Best-in-class" by the end of FY 95

1. First success in supply and delivery re-engineering

2. First 18 months

- \$700 million cost savings
- population: 35,000 to 18,000
- facility consolidation: 5.2M sq. ft. (39% of total Mfg. space) rechartered or sold

3. Simultaneously

- total volume increased }  
- DSO dropped } How much?  
- cycle time reduced }

4. Next steps

- expand re-engineering to all core processes of company
- include full supply chain from customer engagement to complete customer satisfaction (including product and service creation)

5. Results for you

- measurable customer satisfaction
- predictable delivery time



- efficient, easy to deal with administrative practices
- competitive product lead times
- industry best business practices - example: user-based licensing

#### F. CORPORATE FINANCIAL PICTURE

1. Costs dropping and will continue to drop - we will maintain focus
  - Q2: expense growth less than revenue growth (for first time in five years)
2. Renewal focus on revenue and customer satisfaction

#### G. PRODUCT STRATEGY - We are and will be a technology firm

Note: Research Board concern: How will customer needs impact engineering plans? Through sales? CBUs? Directly?

← key point

1. Technology and market trends
  - standardization of hardware, software, and (in the near term) services
  - inexpensive microprocessors
    - with multiple operating systems per chip
  - omnipresence of networks
  - trend to shrink wrapped software
2. Leads to client server systems
  - for upsizing LANs
  - for downsizing glass houses
3. Digital products strategy overview
  - leadership client server systems
    - for workgroup computing
    - for production computing
    - for scientific and technical computing
4. Digital client server strengths
  - leadership computer systems: hw and operating systems
  - leadership networks
  - leadership enabling software
  - leadership systems engineering - labor intensive -> technology intensive
  - leadership applications (partners)
5. Digital complementary corporate strengths
  - leadership industry/application focused sales and technical support
  - leadership industry/application focused Systems Integration
  - leadership multivendor services

6. Examples of our capabilities that result from these strengths  
(TBD - Lucia Quinn)
7. Hardware Strategy
  - one modular family of personal systems with a range of processor and graphics
  - one modular family of server systems with a wide range of processor performance and storage capacity
  - based on
    - Alpha AXP technology
    - PC cost structure
    - Leadership balanced performance in I/O, graphics, networking
8. Operating Systems Strategy
  - Open VMS - mature, highly functional, XPG/3 branding
  - OSF/1 - modern, high quality 64 bit system
  - NT - able to exploit the massive investment in PC apps: Digital first full line vendor
  - all on Alpha AXP
9. Networks Strategy
  - networking sw
    - protocol support for high volume systems
    - DCE distributed computing services
  - networking hw
    - hubs for price performance
    - switches for very high performance ATM and FDDI backbones
10. Client Server enabling Software
  - workgroup computing
    - document management
    - workflow
    - end user information access
    - mail backbones
  - production computing
    - transaction processing
    - database and database integration
    - reliable queuing and transaction routing
    - system management
  - technical/scientific computing
    - programming and runtime environment supporting a variety of high performance parallel structures
11. Enabling Software Attributes
  - emphasis on systems, not components
  - emphasis on completeness
  - extensive use of third party products
  - recognition of customer realities/requirements
  - example: Alpha Updates quarterly on CD

12. Systems Engineering (and link to Systems Integration)
  - ensure products:
    - work together
    - install easily
    - are easy to use
  - help provide foundation for leadership Systems Integration
    - convert from people intensive to technology-intensive
    - tools and processes for replicable systems integration
13. Partnerships
  - driven by CBU's at vertical level, eng. at horizontal (e.g. Microsoft)
14. Results for you
  - world class technology client server computing to assist you
    - downsizing glass houses
    - upsizing LANs
    - affordable leading edge scientific/technical computing

#### CONCLUSION

1. Digital shifting from technology to customer-driven technology company; our customers and prospective customers are providing us with clear feedback and input
2. This is our clear direction and good progress is being made towards success
3. Our Account teams, solutions, customer engagement process, et. al. will be increasingly focused on your needs
4. We are in the business of partnering with our customers to solve their information technology problems so that they are better able to compete in their markets
5. We will deliver hardware, software, services and solutions with:
  - State of the art technology
  - global support
  - responsiveness and ease of doing business

/end of document 2.24.215



Research Board

*Bob Palmer*  
**THE RESEARCH BOARD**

INCORPORATED

*Naomi O. Seligman*  
Naomi O. Seligman

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RECEIVED  
MARCH 16 1993

MAR 16 1993

March 10, 1993

Dear Bob:

The members of the Research Board have asked us to especially thank you for joining them at their annual joint meeting in Santa Barbara. (We knew it was a difficult time.) Bottom line: your remarks were a considerable success. The audience came away convinced of the strong technical capabilities and potential of the Alpha processor. And of your ability to lead the company through a technological renaissance more closely aligned with industrywide trends than in the past. Everyone also cheered your drive to make Digital more customer driven, despite a few questions about the apparent organizational blurring between line and staff.

In sum, you gave these IT Executives a clear impression of Digital directions which was both more favorable and more credible than any business press exposition. Thereby helping both your company and these major customers in a timely fashion. For our part, it was a pleasure to visit with you in Maynard and to hear you again in Santa Barbara. We look forward to continuing the exchange - and your great success in the future.

Sincerely,

*Naomi and Ernest*  
Naomi O. Seligman  
Ernest M. von Simson

Mr. Robert B. Palmer  
Chief Executive Officer  
Digital Equipment Corporation  
146 Main Street  
Maynard, Massachusetts 01754

Nancy Strecker will call back

Research  
Board

Ernie von Simson 5/11/93

1. 4 customers - Process Control System on VAX  
How to re-compile source code on Alpha systems

5/12/93 - John Klein will call Ernie

(Donna advised Ernie that John will call.)

2. CIBA E-Mail Mail Bus-400

Bet-your-job decision (CIO)

robust product--manage whole company (worldwide)

(Ann Wellner DeVeer will get more info)

5/14/93 - Donna talked with Ed Turkel (297-5909)  
Ed said the Mail Bus-400 on ULTRIX shipped Sept.  
But Mail Bus-400 on Open VMS was delayed.  
Just started to ship in Europe last week.  
Will ship in US in a week or two  
Won't ship until next year on Alpha

CONTACT IN PRODUCT MARKETING (Messaging Group) is  
Audry Augin 381-0491

NOTE: NANCY STRECKER will get a briefing from Ed Turkel  
on 5/17 and will call Win on 5/17.



Ernie van Smeeden

5/11/93

Call

Frank Klein

Equipment Manager

1. 4-Customers - Process Control Systems on VAX  
How to re-compile source code ~~XXXXXX~~ on Alpha Systems

5/12/93

Frank Klein  
will call Ernie

orig. 9:50  
12+1

tomorrow

3-2900

2. CIBA - E-Mail Mail bus - 400 Delegate  
Bet- you- got decision

CEO of buying  
Robust products  
manage whole Co.  
heavy-duty  
Strong enough to run a whole Co. or is?

leaving  
by 1:00

Call Nancy Stuchus  
Home 223-3794

Home 617-259-4485

Monday

Then call back to Ernie by end of week

CV tomorrow  
CV tom  
per day

Ann Wellner Decker - will get more info -

Monday  
Ed Jankel

450 on ultraxson  
10mins

DTN 297-5909

Source  
Product  
Mktg  
Person  
messaging group  
Andy  
auger  
2FO  
381-0491

Mail Bus open  
VMS delayed

NA  
just started lost w/ Europe  
ordered - didn't get in  
will be US week or two  
on alpha next yr.



## Research Board -

~~See BTR~~

Bob Herbold - P&G - well respected

Too much staff/staff -

Organization designed it (not Bob?) -

Not org. in evolution -

Did not mention morale issues in field -

1/3 felt our "act was not together" in sales & mkt.

Herbold ran into Bob ~~grogg~~ grogg

Explained above and clarified -

- Herbold took it back to RB & it ended well -

- Herbold & Hopper positive in the end -

(Gates did not mention DEC)

(LaBont presentation for IBM (biggest problem))

D- Ernie von Simpson (sp.?) was happy with the information I gave him. He will get back to his client (our customer). The customer may want more information, in which case Ernie or the customer may want to contact Barry Reynolds. *Printed by Win Hindle* RB

I N T E R O F F I C E M E M O R A N D U M

at MRO

*Lucille*

Doc. No: 036669  
Date: 18-May-1993 08:13am EDT  
From: Nancy Strecker @MRO  
STRECKER.NANCY AT A1 at MR4DEC  
Dept: Pharmaceutical IBU  
Tel No: (508) 467-4542

TO: BARRY REYNOLDS @ZKO

*outside  
603-881-0259*

CC: WIN HINDLE @MLO

CC: BILL STRECKER @MLO

*out of town this week.  
back on monday 5/24*

Subject: RE: MAJOR INQUIRY FROM ERNIE VON SIMPSON OF THE RESEARCH BD

Barry, Reynolds *DTN 381-0259*

We tried to contact you today regarding a major inquiry from Ernie VonSimpson of the Research Board to Win Hindle on behalf of a major Pharmaceutical company (to remain confidential) on the stability and robustness of Digital's Mailbus 400 product and strategy.

Per Bill Strecker, Mailbus 400 is core to our overall strategy and this is the clear, concise message Win is delivering to VonSimpson today.

I am alerting you to the possibility that you may receive a call directly from VonSimpson regarding further substantiation and clarification on this assurance. Bill recommended you, and Win will offer you counsel should VonSimpson desire further dialogue.

Thanks in advance for helping out!

Please advise if VonSimpson calls.

Regards,

Nancy Strecker

/jl

18-May-1993

Win,

Barry Reynolds is in the Netherlands this week. He will return to his office on Monday, May 24.

Deb Murphy is filling in for him while Barry is away.  
(Tel. 603-881-1116)

Barry's hotel 31-57-56-3611 (6 hours ahead)  
Digital contact at the Netherlands: Gerritt Ekkelenkamp  
(DTN 829-4205)

Barry's work number in U.S. 603-881-0259



*Call Geoff Taylor 5676*  
*Advise*  
*the these Bob's slides?*  
*R.P.B.'s slides?*  
*Submit look at R.B. report*  
*Attached*

I N T E R O F F I C E M E M O R A N D U M

*Ernie will send me this info -*

Doc. No: 011104  
Date: 11-Jun-1993 02:15pm EDT  
From: Rachel Spaeth  
SPAETH.RACHEL AT TASEVNA1 @ ML  
Dept: Office of the President  
Tel No: 508-493-3357/DTN 223-3357

TO: DONNA KNOWLTON @MLO

*Send slide info to Geoff + advised Rachel this has been handled. H 6/16/93*

Subject: PHONE CALL REGARDING RESEARCH BOARD SLIDES

Donna,

Per Marc Chardon's recommendation, I am forwarding you (for Win) some detail on a phone call we received this morning in hopes that you will be able to assist with a response to Mr. Taylor.

Geoff Taylor, Digital British Petroleum Account Manager, called Bob Palmer from Reading, England, earlier today looking for a copy of the Research Board slides which were presented at the Research Board meeting Bob attended a few months ago.

Mr. Taylor was shown these slides by his customer, but once he tried to obtain a copy, they refused and stated a copy had been sent to Bob's attention. To date, we have not seen these slides.

By obtaining these slides, Mr. Taylor would like to compare them to the recent standard Customer Satisfaction surveys he has been receiving from British Petroleum. He would like to do some research on how the customer actually perceives Digital (because the two reports are so conflicting - i.e. the Research Board rates Digital a "0" in responsiveness, while on the Customer Sat. Surveys, Digital has maintained high marks). He feels unable to troubleshoot the customer's issues because the two reports send mixed messages.

He is working with his Quality group to have in place by next Friday an action plan to attend to BP's issues. He also mentioned that John Klein will be in Reading on July 29 (visiting with BP), and they would like to have their research report readily available to him with their action plan.

Mr. Taylor's secretary, Jo Warner, can be reached at DTN 847-6395.

Thank you for your help!

Regards,

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JUN 16 1993

Winston Hindle

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*Copy to Ed Lucenti  
+ Geoff Taylor, BP Acct mg.  
+ Len Sedovik, Johnson Control Acct mg (6/15)*

June 15, 1993

Dear Win:

Good to speak with you yesterday. As promised, I am enclosing the summary chart of how RB members ranked 18 top IT suppliers on adding the most - and least - value through sales and services. An earlier message (December 1992) included member comments received with the rankings. In DEC's case, the responses were mixed: "Locals have good paths to corporate experts to solve business problems; corporate strength in integration with manufacturing." "Good technically but very poor marketing; late deliveries, continual contradictions, escalating costs and endless projects." "Very fragmented in sales and support... Lack of focus and competition."

Comments on IBM were similarly mixed. Those on HP were surprisingly positive: "They live up to their commitments." "Excellent global account program." "Knowledgeable technical support in the field."

The respondents are a fairly small sample: about 55 of the IT Executives from Fortune 150 scale companies who comprise the Board. I hope this helps. Naomi sends her best wishes.

Sincerely,



Ernest M. von Simson

Mr. Winston R. Hindle, Jr.  
Senior Vice President,  
Corporate Operations  
Digital Equipment Corporation  
146 Main Street  
Maynard, Massachusetts 01754



Tabulated below are RB member rankings of the three vendors who add the most value through sales and service and the three whose sales and service were most destructive. Eliminated are vendors who received less than three mentions. Scores were derived by awarding three points for each first place ranking, two points for second place, one for third, minus one for eighteenth, minus two for nineteenth and minus three for twentieth place. Average rankings represent the vendor's total score divided by the number of times ranked.

Company	#1	#2	#3	#18	#19	#20	Total Score	Avg. Rank
Hewlett-Packard	10	---	2	1	---	1	28	2.00
Amdahl	4	4	3	---	1	---	21	1.75
Micro-soft	4	4	1	2	---	1	16	1.33
Sun	---	3	2	---	1	---	6	1.00
Hitachi	---	2	1	---	1	---	3	0.75
IBM	6	6	6	1	1	6	15	0.58
Apple	1	1	1	1	---	1	2	0.40
Novell	1	2	1	---	---	2	2	0.33
Lotus	---	1	2	---	2	---	0	0.00
Digital	2	2	2	4	1	2	0	0.00
Word Perfect	---	---	1	2	---	---	-1	-0.33
Sybase	---	1	1	1	2	1	-5	-0.83
Tandem	---	1	---	2	1	1	-5	-1.00
Oracle	---	1	1	1	5	2	-14	-1.40
Andersen	---	---	1	1	1	3	-11	-1.83
CA	---	---	---	---	2	4	-16	-2.66



# THE RESEARCH BOARD

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## RESEARCH BOARD MEMBERS

John D. Loewenberg  
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Managing Director  
Salomon Brothers

Donald W. Shump  
Vice President of  
Information Systems  
Scott Paper Company

Geraldine DiCostanzo  
Senior Vice President  
Securities Industry  
Automation Corporation

W. D. Lewis  
Vice President, Management  
Information Systems  
United Technologies



FAX'd to Geoff Taylor

RECEIVED

JUN 10 1993

Winston Hindle

THE RESEARCH BOARD

INCORPORATED

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Copy to  
Ed Lucente  
Copy to

June 15, 1993

Dear Win:

Good to speak with you yesterday. As promised, I am enclosing the summary chart of how RB members ranked 18 top IT suppliers on adding the most - and least - value through sales and services. An earlier message (December 1992) included member comments received with the rankings. In DEC's case, the responses were mixed: "Locals have good paths to corporate experts to solve business problems; corporate strength in integration with manufacturing." "Good technically but very poor marketing; late deliveries, continual contradictions, escalating costs and endless projects." "Very fragmented in sales and support... Lack of focus and competition."

Comments on IBM were similarly mixed. Those on HP were surprisingly positive: "They live up to their commitments." "Excellent global account program." "Knowledgeable technical support in the field."

The respondents are a fairly small sample: about 55 of the IT Executives from Fortune 150 scale companies who comprise the Board. I hope this helps. Naomi sends her best wishes.

Sincerely,



Ernest M. von Simson

Mr. Winston R. Hindle, Jr.  
Senior Vice President,  
Corporate Operations  
Digital Equipment Corporation  
146 Main Street  
Maynard, Massachusetts 01754

Tabulated below are RB member rankings of the three vendors who add the most value through sales and service and the three whose sales and service were most destructive. Eliminated are vendors who received less than three mentions. Scores were derived by awarding three points for each first place ranking, two points for second place, one for third, minus one for eighteenth, minus two for nineteenth and minus three for twentieth place. Average rankings represent the vendor's total score divided by the number of times ranked.

Company	#1	#2	#3	#18	#19	#20	Total Score	Avg. Rank
Hewlett-Packard	10	---	2	1	---	1	28	2.00
Amdahl	4	4	3	---	1	---	21	1.75
Micro-soft	4	4	1	2	---	1	16	1.33
Sun	---	3	2	---	1	---	6	1.00
Hitachi	---	2	1	---	1	---	3	0.75
IBM	6	6	6	1	1	6	15	0.58
Apple	1	1	1	1	---	1	2	0.40
Novell	1	2	1	---	---	2	2	0.33
Lotus	---	1	2	---	2	---	0	0.00
Digital	2	2	2	4	1	2	0	0.00
Word Perfect	---	---	1	2	---	---	-1	-0.33
Sybase	---	1	1	1	2	1	-5	-0.83
Tandem	---	1	---	2	1	1	-5	-1.00
Oracle	---	1	1	1	5	2	-14	-1.40
Andersen	---	---	1	1	1	3	-11	-1.83
CA	---	---	---	---	2	4	-16	-2.66



24-Jun-1993

Win,

Len Sedoryk, Digital sales rep. for Johnson Controls, called to ask for a copy of The Research Board's analysis of computer vendors that showed Digital in a poor light.

Len is a local sales rep. in Michigan and this report has started to adversely affect his sales with his customer. He heard about this report from his customer.

He would like to have the opportunity to respond to the customer, but needs to see the report.

Is it OK if I FAX the attached report to him? Y  N  Report yes

Shall I pass along a message from you when I FAX it? Y  N  letter no

Other: \_\_\_\_\_

Donna To: Len S \_\_\_\_\_

*Draft*

The attached report was sent to the Research Board (RB) members several months ago. The systems of scoring leaves some questions ~~that~~ in my mind, but ~~that~~ we cannot ~~effect~~ ~~that~~ change what they did. The question is ~~what~~ ~~value~~ ~~the~~ sales of service ~~and~~ groups adds to the relationships between ~~each~~ ~~company~~ and the ~~computer~~ company and the ~~the~~ ~~ranking~~ was in the question of.

② D - Did I send a copy to Ed Lucenti? *Yes*

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

**INTEROFFICE MEMORANDUM**

TO: Len Sedoryk  
FAX # 471-5176  
(only report)

DATE: June 25, 1993  
FROM: Win Hindle *WHH*  
DEPT: Administration  
EXT : 223-2338  
LOC : ML012-1/A53

SUBJECT: THE RESEARCH BOARD REPORT

The attached report was sent to The Research Board members several months ago. The system of scoring leaves some questions in my mind, but this is what The Research Board members received.

dk



~~Call Norma Seligman - Critique~~ *Take to NY - 9/23*

~~Call Normy Dec 1st~~  
~~Harvey Partnerships~~  
~~www~~

THE RESEARCH BOARD

INCORPORATED

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288-3810

*updated list of Board associates*  
*Good people leaving?*

~~Call Tom~~

RESEARCH BOARD ASSOCIATES

*The Research Board*

- |   |                      |   |                      |
|---|----------------------|---|----------------------|
| <p>X Lyle C. Anderson<br/>Chief Technology Officer<br/>Enterprise Technology Services<br/>Aetna Life &amp; Casualty</p> | <p><i>FS</i></p>     | <p>Kailash C. Khanna<br/>Senior Vice President<br/>Systems &amp; Technology<br/>The CIT Group, Inc.</p>           | <p>✓</p>             |
| <p>X William G. Nichols<br/>Director - AMIS<br/>Aluminum Company of America</p>   | <p><i>Mfs.</i></p>   | <p>Harvey R. Shrednick<br/>Senior Vice President<br/>Information Services<br/>Corning Incorporated</p>            | <p>✓ <i>mfs.</i></p> |
| <p>X Thomas J. Kiernan<br/>President<br/>SABRE Computer Services<br/>American Airlines, Inc.</p>                        | <p><i>Trans.</i></p> | <p>R. David Butler<br/>Director<br/>Information Systems<br/>Dow Chemical U.S.A.</p>                               | <p>X <i>mfs.</i></p> |
| <p>✓ Jerry Cole<br/>Senior Vice President<br/>TRS Technologies International<br/>American Express Europe Limited</p>    | <p><i>Trans.</i></p> | <p>Derek R. Mumford<br/>Vice President - Information<br/>Technologies<br/>Eaton Corporation</p>                   | <p>X</p>             |
| <p>James S. Marston<br/>Senior Vice President and<br/>Chief Information Officer<br/>American President Companies</p>    | <p><i>Trans.</i></p> | <p>Robert E. McNulty<br/>Senior Vice President<br/>Technology Management and<br/>Operations<br/>The Equitable</p> | <p><i>FS</i></p>     |
| <p>X Bruce Fadem<br/>Executive Vice President<br/>Bank of America</p>   | <p><i>FS</i></p>     | <p>Robert T. Price<br/>Information Systems Manager<br/>Exxon International</p>                                    | <p><i>Oil</i> ✓</p>  |
| <p>Mousa F. Natan<br/>Senior Vice President<br/>CIGNA Corporation</p>   | <p><i>FS.</i></p>    | <p>Dennis H. Jones<br/>CIO &amp; Senior Vice President<br/>Federal Express Corporation</p>                        | <p><i>Trans.</i></p> |
| <p>✓ Darwin A. John<br/>Managing Director,<br/>Information Systems<br/>Church of Latter-day Saints</p>                  | <p><i>Ford</i></p>   | <p>William L. Harrison<br/>Senior Vice President<br/>The Hartford Insurance Group</p>                             | <p>X <i>FS</i></p>   |

John W. Biggs  
Senior Vice President  
Accounting and Administration  
Hyatt Hotels Corporation

*Travel*

Richard F. Tritt  
Assistant Vice President  
Information Systems  
Norfolk Southern Corporation

*Travel*

Diane B. Smigel  
Vice President  
Corporate Information Services  
John Hancock Mutual Life  
Insurance Company

*F.S.*

John Archer  
Vice President  
Corporate Information Services  
Northern Trust Company

✓

*F.S.*

✓ Stephen C. Finnerty  
Director, Information Systems  
& Services  
Johnson Controls, Inc.

*Mfg.*

Gerald T. Montgomery  
Director of Special Services  
J.C. Penney Company, Inc.

*Dist*

Frank R. Caccamo  
Vice President  
Management Systems Division  
The Procter & Gamble Company

X

*Mfg.*

William M. Kiedaisch  
Vice President  
Information Technology & Services  
Kraft General Foods

X

*Mfg.*

William D. Friel  
Executive Vice President  
The Prudential Insurance Company  
of America

*F.S.*

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Reader's Digest Association

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Insurance Company

*F.S.*

William C. Harker  
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Royal Trust Corporation of Canada

X

*F.S.*

X ✓ David A. Moore  
Senior Vice President  
Mellon Bank

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Peter L. Bloom  
Managing Director  
Salomon Brothers

*F.S.*

Howard P. Sorgen  
Senior Vice President  
Global Information Services  
Merrill Lynch & Company

*F.S.*

✓ Donald W. Shump  
Vice President of  
Information Systems  
Scott Paper Company

*Mfg.* ✓

Jesse E. Johnston, Jr.  
Director of Corporate Systems  
Milliken & Company

X *Mfg.*

Geraldine DiCostanzo  
Senior Vice President  
Securities Industry  
Automation Corporation

X *F.S.*

✓ John B. Foy  
Senior Vice President  
New York Life Insurance Company

*F.S.*

W. D. Lewis (Doug.)  
Vice President, Management  
Information Systems  
United Technologies

✓ *Mfg.*



Win to read ASAP

Printed by Win Hindle

INTEROFFICE MEMORANDUM

Doc. No: 037625  
Date: 12-Jul-1993 09:11am EDT  
From: GENE HODGES  
HODGES.GENE AT A1 at MILPND at  
Dept:  
Tel No: 508-493-3812

MLO

TO: win hindle @MLO

(The Research Board report attached)

Subject: Research Board

Hello, Win. I'm working for Bob Jolls leading competitive programs in Product Marketing. We have been seeing significant competitive impact from a survey supposedly conducted by The Research Board. This study evaluated the value added by computer vendor's sales and service organizations. We fare poorly in this survey, trailing IBM, HP, Sun and Novell.

Do you know anything about this survey? Was it conducted by the RB? Have they shared their findings with us? HP and Sun are using this heavily to sell against our services capability. Understanding the RB's perspective on the services aspects would therefore be of highest priority. Thanks for your time. Reagrds.



draft

To: Gene Hodges

I am very aware of the Research Board's (RB) survey. It was done ~~in the fall~~ last Fall by the RB staff and reported to the members at their Jan 7, 1993 meeting. Bob Palmer spoke to the <sup>RB</sup> members ~~on that~~ at that meeting. ~~You can see from the survey~~ ~~that it is a~~ peculiar scoring system, as you can see. ~~Of course~~ The RB is small but influential and we have to work hard to get their members (our customers) to say better things about our value added ~~through papers and seminars~~ ~~sales~~ ~~surveys~~ ~~of~~ ~~handwritten~~ This was not a survey of ~~handwritten~~ the "service business!"

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

**INTEROFFICE MEMORANDUM**

TO: Gene Hodges

DATE: July 14, 1993  
FROM: Win Hindle  
DEPT: Administration  
EXT : 223-2338  
LOC : MLO12-1/A53

SUBJECT: THE RESEARCH BOARD SURVEY

I am very aware of The Research Board (RB) survey. It was done last fall by the RB staff and reported to the members at their January 7, 1993 meeting. Bob Palmer spoke to the RB members at that meeting.

The survey used a rather peculiar scoring system, as you can see. The RB is small but influential, and we have to work hard to get their members (our customers) to say better things about our "value added" through sales and service. This was not a survey of the "service business." Let me know if I can give you any more information.

smv  
Attachment



Tabulated below are RB member rankings of the three vendors who add the most value through sales and service and the three whose sales and service were most destructive. Eliminated are vendors who received less than three mentions. Scores were derived by awarding three points for each first place ranking, two points for second place, one for third, minus one for eighteenth, minus two for nineteenth and minus three for twentieth place. Average rankings represent the vendor's total score divided by the number of times ranked.

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IBM	6	6	6	1	1	6	15	0.58
Apple	1	1	1	1	---	1	2	0.40
Novell	1	2	1	---	---	2	2	0.33
Lotus	---	1	2	---	2	---	0	0.00
Digital	2	2	2	4	1	2	0	0.00
Word Perfect	---	---	1	2	---	---	-1	-0.33
Sybase	---	1	1	1	2	1	-5	-0.83
Tandem	---	1	---	2	1	1	-5	-1.00
Oracle	---	1	1	1	5	2	-14	-1.40
Andersen	---	---	1	1	1	3	-11	-1.83
CA	---	---	---	---	2	4	-16	-2.66

August 3, 1993

Win -  
Arthur Filip  
sent the notes  
to Nancy Scull.

Donna --

Here is the fax I referred to on the phone. Arthur Filip is a Marketing Development Program participant on rotation in the Pharmaceutical segment in Europe. He's looking for feedback to offset the negative reviews that The Research Board is giving our customers.

If Win has some insight, we would appreciate it. Meanwhile, we will provide Arthur reports from a couple of industry analyst firms that are more positive.

Thanks for your help.

Regards,

Nancy Scull @MLO  
223-4722

To: Nancy Scull, Arthur Filip  
I spoke today with Naomi Seligman of the Research Board <sup>(RB)</sup> about the notes that Arthur Filip sent to you. ~~She was really upset~~ These notes came from a talk she gave at Glaxo in the UK. And she ~~is~~ reported that they reflect the biases of the note taker, not her biases. She has spoken with David Horne, CIO of Glaxo (who is a member of the RB) and he is most apologetic that these notes were published. She ~~is~~ reports that she did make the comments about Novell and Microsoft, and she does believe that we need more "important" partners in Alpha. However, she did not say that Digital was "in trouble". ~~How would you like to proceed from here? Naomi is calling attention. Unless the report is ~~damaging~~ severely damaging our reputation, I suggest we not try to "reply."~~



**digital**

# FAX

Digital Equipment Co. Ltd  
Progress House  
The Boulevard  
Welwyn Garden City  
Herts AL7 1LS

National	International	Telex
Tel: 0707 374061	+44 707 374061	915885
Fax: 0707 374059	+44 707 374059	

TO: NANCY SCHEIDT R10
ORGANISATION: MARKET RELATIONS
FAX NUMBER:
FROM: Arthur Filip
TITLE: Marketing Specialist
DEPARTMENT: Pharmaceuticals - Europe
DATE: 2.5.73
NO. PAGES: 4

**MESSAGE:**

Nancy/Harry!

PLEASE SEE MAIL MESSAGE. YOUR ASSISTANCE  
IS GREATLY APPRECIATED AS WE FIGHT OFF THE  
COMPETITION! Cheers,  
ARTHUR

P.S. I AM TRYING TO FIND NAME OF  
CONSORTIUM - THIS IS NOW BEING  
PRESENTED TO # OF ACCOUNTS!

The Research Board

707 JCS 124  
Call

**GALAXIES & FALLING STARS  
IN THE COMPUTER INDUSTRY**

Mrs Naomi Seligman  
Ernie van Simson

**SLIDES**

**1/2 The Research Board Structure**

- HP are the only company to have smoothly moved to professional management.

**1/4 Roses in the Railway**

- New application will come from customers not vendors.

**1/5 Savage Consolidation**

- All of the technology for the car existed by 1921.

**1/6 Roses in the Railway (2)**

- Innovation at the moment is all about improving quality and reducing costs.
- C/S, OOPS, parallel processing.
- New technology of miniaturisation is only new area.
- Hardware platforms will continue to reduce.
- Software survivors: MS, Soft Associates, Oracle, SAP, Sybase, HP (LOTUS?)  
(NOTES is excellent product but only 4% of sales. No integration - not strategic.)
- Creativity from:
  - i. Gene information
  - ii. Education
  - iii. Entertainment.

**2/1 The Big Picture**

- is 1985 view.

**2/2 The Big Picture (Towards 2001)**

- is 1990 view.

**2/3 The Big Picture (Towards 2001)**

- is today. Exedent, Experimentation, Education, entertainment.

**2/6 IBM**

- PowerPC and 390 will win. Very strong.
- AIX, AS4/400, MVS, OS/2? OS/2 on the slide.



### 3/1 IBM

- Dreadful

### 3/2 Digital

- Alpha is only hope - faster and better but who cares.
- Digital take Microsoft seriously. Microsoft doesn't.

### 3/3 Hewlett Packard

- HP: 4 good, 2 bad.

### 3/4 Microsoft

- In silicon valley, Microsoft not the Japanese are the ones to beat.
- Bill Gates and his thugs want to dominate everything.

#### • Service Ranking:

1. HP
2. Amdahl
3. MS
4. Sun
5. IBM
6. Apple
7. Novell → Like the plumbing. No successor. Short run OK - Long run not good.
8. Digital
9. Oracle
10. Anderson

- Oracle and Sybase will both survive and do well.

#### • Product Ranking

1. MS
2. Little IBM
3. Intel
4. HP
5. Oracle
6. Big IBM
7. Apple
8. Sun
9. Digital
10. Novell

• Future Prospects

	<u>Score</u>
1. MS	84
2. HP	80
3. Little IBM	76
4. Intel	76
5. Big IBM	64
6. Oracle	50
7. Apple	48
8. Sun	44
9. Digital	36
10. Novell	34

- Digital and Novell are in real trouble.

**4/1 Industry Oligopoly in 2005**

Industry will combine into a small number of large consortia (cf car makers) plus a bunch of suppliers.

**4/3 Tasking the IT Organisation - Falling behind the competition**

IT challenges and responses:

- a. IT must take a leadership role not just do what is asked for.
- b. MVS, UNIX and Windows will dominate.
- c. System development comes in on time and budget.  
- Need to increase risk and faster, using prototypes.
- d. Would you pay for your own staff from the outside?

**4/4 Retasking the IT Organisation - Gaining the edge**

- a. Need to see what others are doing.
- b. Need to define core competencies.
- c. Got to find new ways of doing things.
- d. Staff must be able to communicate and enable (negotiating skills).
- e. Taking advantage of technologies not just logging costs.



Important

Win to review ASAP.

3-Aug-1993

Win,

Nancy Scull was contacted by Arthur Filip, marketing specialist--Pharmaceuticals/Europe, regarding a negative report that has been circulated to Digital customers. The report was written by The Research Board (see attached).

Someone needs to respond to Arthur Filip but Nancy does not know what is the appropriate response and she knows that you are familiar with The Research Board.

NOTE FYI--not related to the above (I thought you should be aware): Nancy plans to invite The Research Board to the Corporate Strategy Briefing being held in September.

What action would you like to take regarding the attached?

Donna

Will be done

7/1/93

W/1/93

August 3, 1993

Donna --

Here is the fax I referred to on the phone. Arthur Filip is a Marketing Development Program participant on rotation in the Pharmaceutical segment in Europe. He's looking for feedback to offset the negative reviews that The Research Board is giving our customers.

If Win has some insight, we would appreciate it. Meanwhile, we will provide Arthur reports from a couple of industry analyst firms that are more positive.

Thanks for your help.

Regards,

Nancy Scull @MLO  
223-4722



*file  
RB*

Printed by Win Hindle

**I N T E R O F F I C E   M E M O R A N D U M**

**Doc. No:** 038229  
**Date:** 03-Aug-1993 02:06pm EDT  
**From:** AMY RIO @MLO  
RIO A.AMY AT A1 at Memit1 at M  
**Dept:** Corporate Analyst Relations  
**Tel No:** 3-1664

LO

**TO:** Arthur Filip @WLO

*Background attached*

**CC:** NANCY SCULL  
**CC:** Win Hindle @MLO

( SCULL.NANCY AT A1 at Memit1 at MLO )

**Subject:** Response to The Research Board Report

Arthur,

Thank you again for forwarding the report made by The Research Board, in which Digital Equipment Corporation capabilities and strengths as a technology provider were inaccurately depicted.

The Research Board, which Naomi Seligman represents, consists of top executives from large technology companies. Reports typically contain the opinions and predictions of top technology executives, though sources for the "Galaxies & Falling Stars In The Computer Industry" report were not identified. Directors Seligman and Ernie von Simson's last visit to Digital was July 9, 1991.

Win Hindle, Vice President of Ethics and Business Practices, manages Digital's relationship with The Research Board. Several sales people have alerted him to the recent Research Board report. We gave a copy of your fax to Win. We expect him to follow up.

In the meantime, Naomi Seligman and Ernie von Simson are being personally invited by Win to the Corporate Strategy Briefing in Boston. The Corporate Strategy Briefing, to be held September 14-15, provides analysts and major consultants the opportunity to review new marketing approaches and technological advances, listen and respond to Digital's strategies for the new fiscal year, and interact with Digital's Senior Leadership Team. (Please find the agenda attached.)

Other documentation I will send will provide immediate material to counter the report's findings. One document is the press release announcing Digital's earnings and return to profitable growth. The other report is Aberdeen's assessment of the new and improving Digital, emphasizing Digital's key competitive advantages that will lead in the 21st century.

Another report I will send upon its release is Gartner Group's Vendor

Evaluation. From tracking previous comments made by Gartner analysts, Corporate Analyst Relations expects the research to give Digital high marks.

Please let us know if we can be of further assistance,  
Amy



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

**INTEROFFICE MEMORANDUM**

TO: Nancy Scull

DATE: August 4, 1993  
FROM: Win Hindle *W.H. dk*  
DEPT: Administration  
EXT : 223-2338  
LOC : MLO12-1/A53

SUBJECT: THE RESEARCH BOARD SURVEY

I am aware of The Research Board (RB) survey. It was done ~~last~~ *in the fall of 92* fall by the RB staff and reported to their members at their January 7, 1993, meeting--so it does not refer to current opinions. Bob Palmer spoke to the RB members at that meeting.

A copy of the survey is attached. The survey used a rather peculiar scoring system, as you can see. The rankings were done through surveys of the RB members and are not necessarily RB staff members' opinions (*i.e., Naomi Seligman*).

The RB is small but influential, and we have to work hard to get their members (our customers) to say better things about our "value added" through sales and service.

The FAX from Arthur Filip appears to me to be a transcription of an RB member's notes taken from the conference and their interpretation of what Naomi Seligman said. I suggest you send Arthur Filip this information plus any surveys you have from analysts.

dk  
Attachments

Tabulated below are RB member rankings of the three vendors who add the most value through sales and service and the three whose sales and service were most destructive. Eliminated are vendors who received less than three mentions. Scores were derived by awarding three points for each first place ranking, two points for second place, one for third, minus one for eighteenth, minus two for nineteenth and minus three for twentieth place. Average rankings represent the vendor's total score divided by the number of times ranked.

Company	#1	#2	#3	#18	#19	#20	Total Score	Avg. Rank
Hewlett-Packard	10	---	2	1	---	1	28	2.00
Amdahl	4	4	3	---	1	---	21	1.75
Micro-soft	4	4	1	2	---	1	16	1.33
Sun	---	3	2	---	1	---	6	1.00
Hitachi	---	2	1	---	1	---	3	0.75
IBM	6	6	6	1	1	6	15	0.58
Apple	1	1	1	1	---	1	2	0.40
Novell	1	2	1	---	---	2	2	0.33
Lotus	---	1	2	---	2	---	0	0.00
Digital	2	2	2	4	1	2	0	0.00
Word Perfect	---	---	1	2	---	---	-1	-0.33
Sybase	---	1	1	1	2	1	-5	-0.83
Tandem	---	1	---	2	1	1	-5	-1.00
Oracle	---	1	1	1	5	2	-14	-1.40
Andersen	---	---	1	1	1	3	-11	-1.83
CA	---	---	---	---	2	4	-16	-2.66



digital

DIGITAL EQUIPMENT CORPORATION

Winston R. Hindle, Jr.  
Senior Vice President

Maynard, Massachusetts  
01754-2571

*The Research Board*  
*D - Please give me*  
*the rest of the background*  
*who sent the notes?*

18 August 1993

Mr. Ernest M. von Simson  
The Research Board  
220 East 61st Street  
New York, NY 10021

Dear Ernie:

Attached is a FAX of notes that were given to one of our sales representatives in the U.K. It looked to me as though they were notes taken during a Research Board presentation by one of your members.

I would be interested in your comment.

Sincerely,



smv  
Attachment

L 212

**GALAXIES & FALLING STARS  
IN THE COMPUTER INDUSTRY**

Mrs Naomi Seligman  
Ernie von Simson

**SLIDES**

**1/2 The Research Board Structure**

- HP are the only company to have smoothly moved to professional management.

**1/4 Roses in the Railyard**

- New application will come from customers not vendors.

**1/5 Savage Consolidation**

- All of the technology for the car existed by 1921.

**1/6 Roses in the Railyard (2)**

- Innovation at the moment is all about improving quality and reducing costs.
- C/S, OOPS, parallel processing.
- New technology of miniaturisation is only new area.
- Hardware platforms will continue to reduce.
- Software survivors: MS, Soft Associates, Oracle, SAP, Sybase, HP (LOTUS?)  
(NOTES is excellent product but only 4% of sales. No integration - not strategic.)
- Creativity from:
  - i. Gene information
  - ii. Education
  - iii. Entertainment.

**2/1 The Big Picture**

- is 1985 view.

**2/2 The Big Picture (Towards 2001)**

- is 1990 view.

**2/3 The Big Picture (Towards 2001)**

- is today. Exedent, Experimentation, Education, entertainment.

**2/6 IBM**

- PowerPC and 390 will win. Very strong.
- AIX, AS4/400, MVS, OS/2 OS/2 on the slide.

### 3/1 IBM

- Dreadful

### 3/2 Digital

- Alpha is only hope - faster and better but who cares.
- Digital take Microsoft seriously. Microsoft doesn't.

### 3/3 Hewlett Packard

- HP: 4 good, 2 bad.

### 3/4 Microsoft

- In silicon valley, Microsoft not the Japanese are the ones to beat.
- Bill Gates and his thugs want to dominate everything.

#### • Service Ranking:

1. HP
2. Amdahl
3. MS
4. Sun
5. IBM
6. Apple
7. Novell → Like the plumbing. No successor. Short run OK - Long run not good.
8. Digital
9. Oracle
10. Anderson

- Oracle and Sybase will both survive and do well.

#### • Product Ranking

1. MS
2. Little IBM
3. Intel
4. HP
5. Oracle
6. Big IBM
7. Apple
8. Sun
9. Digital
10. Novell



• Future Prospects

Top 3

	Score
1. MS	84
2. HP	80
3. Little IBM	76
4. Intel	76
5. Big IBM	64
6. Oracle	50
7. Apple	48
8. Sun	44
9. Digital	36
10. Novell	34

Generic

- Digital and Novell are in real trouble.

4/1 Industry Oligopoly in 2005

Industry will combine into a small number of large consortia (cf car makers) plus a bunch of suppliers.

4/3 Tasking the IT Organisation - Falling behind the competition

IT challenges and responses:

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4/4 Retasking the IT Organisation - Gaining the edge

- a. Need to see what others are doing.
- b. Need to define core competencies.
- c. Got to find new ways of doing things.
- d. Staff must be able to communicate and enable (negotiating skills).
- e. Taking advantage of technologies not just logging costs.

Naomi Seligman  
8/31/93

Novell

Microsoft - accurate

Digital - Needed more sponsors for Alpha -  
- Potential customers are MIPS users -

Taken from speech Naomi made at Claxo  
Reflects prejudices of writer

DIGITAL RESTRICTED DISTRIBUTION Document

I N T E R O F F I C E M E M O R A N D U M

Doc. No: 038698  
Date: 02-Sep-1993 03:31pm EDT  
From: Win Hindle  
HINDLE.WIN  
Dept: Administration  
Tel No: 223-2338

TO: Remote Addressee ( NANCY SCULL @MLO )

CC: Remote Addressee ( ARTHUR FILIP @WLO )

Subject: THE RESEARCH BOARD

\*\*\*\*\*  
DIGITAL RESTRICTED DISTRIBUTION  
\*\*\*\*\*

I spoke yesterday with Naomi Seligman of The Research Board (RB) about the notes that Arthur Filip sent to you. Naomi informed me that these notes came from a talk she gave at Glaxo in the U.K., and she reported that they reflect the biases of the note taker, not her biases. She has spoken with David Horne, CIO of Glaxo (who is a member of the RB), and he is most apologetic that these notes were published.

Naomi reports that she did make the comments about Novell and Microsoft. She also believes the Alpha comment is accurate; i.e., that we must attract new partners for Alpha. However, she did not say that Digital was "in trouble."

How would you like to proceed from here? Unless the report is severely damaging our reputation, I suggest we not try to "reply."

smv

DIGITAL RESTRICTED DISTRIBUTION Document





Printed by Win Hindle

I N T E R O F F I C E   M E M O R A N D U M

Doc. No: 038706  
Date: 03-Sep-1993 07:46am EDT  
From: NANCY SCULL  
SCULL.NANCY AT A1 at Memit1 at  
Dept: Corporate Analyst Relations  
Tel No:

MLO

TO: Win Hindle  
MLO )  
CC: NANCY SCULL @MLO  
CC: ARTHUR FILIP @WLO

( HINDLE.WIN AT PNDVUEA1 at MLMAIL at

*Background attached*

Subject: RE: THE RESEARCH BOARD

Win --

Thanks for following up with Naomi and enlightening us. It's encouraging to know that she's not delivering as strongly negative messages as the interpretive notes indicated.

I agree with your recommendation, and have asked Arthur Filip to advise us ASAP if his people over there feel differently.

Regards,

Nancy

Printed by Win Hindle

I N T E R O F F I C E   M E M O R A N D U M

Doc. No: 038731  
Date: 03-Sep-1993 08:36am EDT  
From: Arthur Filip  
FILIP AT A1 at WELCLU at WLO  
Dept: Pharmaceutical Enterprise  
Tel No: 0707 374061

TO: NANCY SCULL

( SCULL.NANCY AT A1 at Memit1 at MLO )

CC: win hindle @mlo

CC: amy rio @mlo

*Background attached*

Subject: RE: The Research Board

Nancy,

Thank you very much for the quick response that you and Amy Rio have provided us with. As a result of the information received from Win, the Glaxo Team has been able to re-position their response and are now able to proceed on a local level in rectifying any misinterpretations of Digital's capabilities.

Thank you for your support.

Best Regards,

Arthur

I N T E R O F F I C E M E M O R A N D U M

Date: 14-Nov-1993 11:54pm EST  
From: BRIAN MITCHELL  
MITCHELL BRIAN AT A1@SNOC02@SN  
Dept: MARKETING  
Tel No: 61-2-561-5744

TO: ray wood @ako

CC: Larkin Ron ( LARKIN RON AT A1@SNOC02@SNO )  
CC: Cris Nicolli ( NICOLLI CRIS@A1@MEOC02 )

Subject: A: STrategic Research Board

Ray,

I understand an organisation we believe is called The STrategic Research Board has recently rated Digital at number 8 or 9.

This Board seems to have some significant influence given that most blue chip companies in Australia participate in receiving its reports and act on many of the views that it has.

I wonder if you could verify if this is the case, given that we believe they have recently produced a video tape for their clients which either refers to Bob Palmer or has Bob Palmer within it and negative conclusions are drawn from his performance.

We have received this information from a local participant in this process and we believe it could damage our credibility in the local market.

Regards

Brian



Printed by Win Hindle

INTEROFFICE MEMORANDUM

Doc. No: 039882  
Date: 15-Nov-1993 03:59pm EST  
From: Ray Wood @AKO  
WOOD.RAY AT AKOV12A1 at AKOMTS  
Dept: GIA Sales  
Tel No: 508-264-6513

at AKO

TO: WIN HINDLE @MLO

CC: RON LARKIN @SNO  
CC: BRIAN MITCHELL @SNO  
CC: Ian Ferguson @AKO  
@AKO Bobby Choonavala @AKO  
TS at AKO )  
Subject: RESEARCH BOARD

( FERGUSON.IAN AT AKOV12A1 at AKOMTS a  
( CHOONAVALA.BOBBI AT AKOV12A1 at AKOM

Win,

I believe you have been involved with the Research Board on behalf of Digital in the past. It appears that a negative Research Board report regarding Digital (see attached memo) has surfaced in Australia. I would appreciate it if you could help me verify this. If it is time, we will need to build a strategy to counter this position.

Thanks in advance.

-Ray

*D - Let me see (draft) before we send this - also let me see list of members - I think only 1 is Australian*

*Win, Is this the same situation*

*that you worked at the BP Acct mgr + the Johnson Control's acct. mgr.? (B/G attached)*

*Yes*

*Shall I forward the attached B/G to Ray at a note from you? (DRAFT)*

*Shall we discuss?*

*Y-N-*

*Other D - Please send a memo to Ray just the same as I sent to names Scull (with some edits I made). Also send a list of members.*

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

INTEROFFICE MEMORANDUM

TO: Ray Wood

DATE: 22-Nov-1993  
FROM: Win Hindle *WH dk*  
DEPT: Administration  
EXT : 223-2338  
LOC : MLO12-1/A53

SUBJECT: THE RESEARCH BOARD SURVEY

\*\*\*\*\*  
DIGITAL CONFIDENTIAL  
\*\*\*\*\*

I am aware of The Research Board (RB) survey. It was done in the fall of '92 by the RB staff and reported to their members at their January 7, 1993, meeting--so it refers to year-old opinions. Bob Palmer spoke to the RB members at that meeting.

A copy of the survey is attached. The survey used a rather peculiar scoring system, as you can see. The rankings were done through surveys of the RB corporate members and are not necessarily RB staff members' opinions.

The RB is small but influential, and we have to work hard to get their members (our customers) to say better things about our "value added" through sales and service.

dk  
Attachment

Tabulated below are RB member rankings of the three vendors who add the most value through sales and service and the three whose sales and service were most destructive. Eliminated are vendors who received less than three mentions. Scores were derived by awarding three points for each first place ranking, two points for second place, one for third, minus one for eighteenth, minus two for nineteenth and minus three for twentieth place. Average rankings represent the vendor's total score divided by the number of times ranked.

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Micro-soft	4	4	1	2	---	1	16	1.33
Sun	---	3	2	---	1	---	6	1.00
Hitachi	---	2	1	---	1	---	3	0.75
IBM	6	6	6	1	1	6	15	0.58
Apple	1	1	1	1	---	1	2	0.40
Novell	1	2	1	---	---	2	2	0.33
Lotus	---	1	2	---	2	---	0	0.00
Digital	2	2	2	4	1	2	0	0.00
Word Perfect	---	---	1	2	---	---	-1	-0.33
Sybase	---	1	1	1	2	1	-5	-0.83
Tandem	---	1	---	2	1	1	-5	-1.00
Oracle	---	1	1	1	5	2	-14	-1.40
Andersen	---	---	1	1	1	3	-11	-1.83
CA	---	---	---	---	2	4	-16	-2.66



I N T E R O F F I C E   M E M O R A N D U M

Date: 21-Dec-1993 10:36am EST  
From: James P. Summers @ALF  
SUMMERS.JIM AT A1 at ODIXIE at  
Dept: US FMMG Market Segment Manager  
Tel No: DTN 385-5113 / (404) 772-5113

ALF

TO: Bill Gilster @GNO

CC: Randy Dailey @CBO

CC: John Ardini @AKO

Subject: re: The Research Board

1

My research yesterday, Bill . . .

confirmed my earlier understanding; the Research Board is very-closed/by-invitation-only group of senior information executives representing large USA-based companies. Vendors, including Digital, brief Research Board about strategy and direction much as they do financial analysts and consultants. At a point in time, Win Hindle was the Digital executive who did the briefing; my source was not sure if Win was still doing so or if this assignment had been passed to someone else.

As Win is familiar with the Milliken account, you may want to contact him directly and ask about current Digital involvement with the Research Board and for his damage-control guidance relative to the comments made to Newt Hardie by Naomi Seligman.

Hope this helps.

Best wishes for a safe, enjoyable and happy holiday season and for a healthy and prosperous 1994.

Cheers and Regards,

JPS



*Ditany - Jan 15*  
*Call Naomi Seligman*  
*ask how and when*

*[Handwritten signatures]*

Printed by Win Hindle

**I N T E R O F F I C E M E M O R A N D U M**

Doc. No: 040463  
Date: 21-Dec-1993 12:43pm EST  
From: BILL GILSTER @GNO  
GILSTER.BILL AT A1 at MSDOA at  
Dept: SALES  
Tel No: DTN 367-5005

ALF

TO: win hindle @mlo

CC: RANDY DAILEY @CBO  
CC: Emory Simmons @CEO

( DAILEY.RANDY AT A1 at MSDOA at ALF )  
( SIMMONS.EMORY AT A1 at MSDOA at ALF )

Subject: Research Board

**CONFIDENTIAL - DON'T REFERENCE THAT THIS CAME FROM MILLIKEN**

I understand that you were the digital person on the Research Board. I was wondering if you still are or who currently has that responsibility.

Recently Naomi Seligman of the Research Board visited with Milliken at Newt Hardie's request. Her comments about the future of digital was very negative and cautioned Milliken not to invest too heavily in us because we may not be a major player for the long-term. Milliken's reaction was surprise that the Board was so negative (the Board was apparently very thorough and had lots of data to back up their opinion). Milliken will cautiously continue their investments with us in their plants, and watch our success in the marketplace to determine future commitments.

The purpose of this memo is to warn others that the Research Board is negative on us and they may hurt other of our accounts.

**IMPORTANT**

Do not let the Board know that Milliken told us this. It may cost some IS folks their job if this gets out. They shared this with us to warn us about the messages by the Board.

*Digital Confidential*  
*Craft*

*You can be sure that I will check Newt's comments not ~~just~~ ~~his~~ ~~memo~~.*

To: Bill Gilster

Thanks for your memo on the Research Board (RB). Digital is not a member since no company in the industry may belong. However, Naomi Seligman is always very open with us about what their members are saying about Digital and I am in touch with her to find out their current "radix". I find it hard to believe that she would over



~~say what Newt reported.~~

say that Milliken should not invest in Digital. I can believe that she would say that Digital has a new top management team that is ~~just now~~ being tested; ~~that~~ and that she would say Alpha has not achieved the volumes needed to make it an industry force. My experience with her over many years is that she and her colleagues ~~at the~~ ~~P~~ who staff the RB stick to factual material and have the conclusions to the CIO's to form. Thus, I ~~think~~ suspect you are hearing Newt's conclusions on the basis of the facts he heard from Naomi.



Printed by Win Hindle  
DIGITAL CONFIDENTIAL Document

I N T E R O F F I C E M E M O R A N D U M

Doc. No: 040641  
Date: 06-Jan-1994 03:45pm EST  
From: Win Hindle  
HINDLE.WIN  
Dept: Administration  
Tel No: 223-2338

TO: Remote Addressee ( BILL GILSTER @GNO )

Subject: THE RESEARCH BOARD

\*\*\*\*\*  
DIGITAL CONFIDENTIAL  
\*\*\*\*\*

Thanks for your memo on The Research Board (RB). You can be sure that I will not disclose Newt's comments. Digital is not an RB member since no company in the industry may belong. However, Naomi Seligman is always very open with us about what their members are saying about Digital, and I am in touch with her to find out their current "reading."

I find it hard to believe that Naomi would say that Milliken should not invest in Digital products. I can believe that she would say that Digital has a new top management team that is still being tested; and that she would say Alpha has not achieved the volumes needed to make it an industry force. She may make other factual comments.

My experience with her over many years is that she and her colleagues who staff the RB stick to factual material and leave the conclusions to the member CIOs to form. Thus, I suspect you are hearing Newt's conclusions on the basis of the facts he heard from Naomi. I suggest you engage him more fully in the facts he heard from her about various companies. At least he should be willing to share what he heard about Digital.

smv

R.B. 1/6/94 Naomi Seligman

Research Board

Volume on Alpha - MIPS users not moving to Alpha -  
Not working as teams at the top

H-P bad - but always had excellent sales

~~DEC not long~~

So it's possible to come back

Naomi will call back in a week or so with  
survey results -



# For MEMBERS ONLY

There are times when diversity is not desirable. For IS executives of major corporations, those times arise when they are tackling issues peculiar to large institutions, issues that only their counterparts at other mammoth organizations can properly appreciate and advise them on. Fortunately for these singularly challenged CIOs, a unique and somewhat idiosyncratic institution known as The Research Board Inc. makes it easier for like to reach out to like. The Board provides a mechanism for the top IS executives at some 80 of the country's largest, most technology-rich companies to stay in close contact. Meetings, telephone calls and electronic mail enable them to share details about problems and strategies, swap advice, commission joint research and lend emotional support. These days, they seem to need that support more than ever.

"CIOs are taking more risks, and they're doing everything faster," explains Ernest von Simson, senior partner and co-founder of the Board. "It's exhilarating, but it's also stressful." And that's where the Board comes in.

At first glance, The Research Board's home base would appear an unlikely setting for high-

powered business interactions. Located in a midtown-Manhattan brownstone, it is distinguished from its upscale residential neighbors only by a small brass plate inscribed with the letters "RB." The offices are referred to as the

Board's "house," and, in fact, the decor is very much that of a home. In the comfortably large living room, a table is set for tea, the fire in the fireplace is agreeably smoky, and French windows overlook the sort of garden courtyard for which many New Yorkers would kill. "[Bank of America Vice Chairman] Marty Stein loves that garden," beams Naomi Seligman, The Research Board's other senior partner and founder.

In her own large office, Seligman is happy to point out some of the dozens of framed photographs of Board members lining the walls. In one, a group poses casually on a train; in another, several members ham it up at EuroDisney. "Creating warm relationships is the key to how the Board functions," explains Seligman. But then, as if anxious not to suggest that the Board exists simply to

further its members' leisure interests, she adds: "These aren't collegial, shoot-the-breeze get-togethers. We keep things very efficient."

In The Research Board, CIOs of large corporations have a forum for discussion of serious issues, a source of information on technologies and trends, and a place to network with the rest of the information elite



Seligman's reference is to the thrice-yearly meetings at the core of The Research Board's activities. The ground rules for the meetings were set 23 years ago when the Board was founded with 10 members: No sending substitutes, be discrete, and come prepared. Members still attend meetings themselves, and attendance is generally near 100 percent, says Seligman.

**“LARGE COMPANIES SIMPLY TEND TO HAVE A LOT OF PROBLEMS IN COMMON WITH OTHER LARGE COMPANIES.”**

*—Naomi Seligman*

The discretion rule, which prohibits passing information gleaned from fellow members to the outside world—and especially to vendors, the press or competitors—is meant to foster frankness. It apparently succeeds: Recently, for example, one member from a financial-services company blurted out to the group that his CEO had chewed him out for failing to provide enough leadership. And as for being prepared, woe to the member who hasn't read the Board-produced report that sets the agenda for each meeting. “Max Hopper always reads it three times, and he comes ready to ask his colleagues some hard questions,” says Seligman of the American Airlines senior vice president of IS and chairman of the SABRE technology group.

The makeup of the Board also follows a few straightforward rules. First of all, if you don't head up IS at one of the largest companies in the United States, don't hold your breath waiting for an invitation. (The Research Board also runs a separate organization in Europe.) It's not that CIOs at less-than-huge organizations don't have much to contribute. Few on the Board dispute the notion that smaller companies are in many cases even more innovative in their use of information technology than their mammoth counterparts. The emphasis, however, is less on finding ways to advance the state of the art than on tackling shared problems. “Large companies simply tend to have a lot of problems in common with other large companies,” says Seligman. Everyone on the Board represents a company with at least \$5

billion in revenues. (The Research Board also runs an “associate” board for “smaller” companies like Corning that don't quite make the \$5 billion mark.)

Members come from just about every major industry, one notable exception being computers and communications. To the Board, companies in that industry are simply on the wrong side of the fence—the vendor/user fence, that is. No one wants to risk intimate details of his or her corporate problems resurfacing during a sales pitch (or even worse, during a sales pitch to a competitor). But vendors are often invited to meetings to answer members' questions and make presentations relevant to the discussion. Not surprisingly, such invitations

are rarely turned down. The list of companies that sent their CEOs to meetings last year alone reads like a *Who's Who* of the computer industry. IBM Corp. CEO Lou Gerstner came to two meetings, and Microsoft Corp. Chairman Bill Gates visited as well, says Seligman.

If joining this august body is starting to sound attractive, don't get your hopes up. The Board isn't actively hunting for new members, according to Seligman. If anything, the Board has consciously become choosier about whom it admits. For example, when a member retired, the Board used to automatically offer that person's place to his or her successor. No longer; now everyone is scrutinized for their potential to make valuable contributions to the group. Some members have even been asked to resign from the Board because they weren't contributing enough, says Seligman.

The Board is not looking for CIOs who are only interested in preserving the status quo, Seligman explains. “Our membership is becoming younger and more iconoclastic. Half of them [have backgrounds] outside of IT, and many of them are going on to jobs outside of IT.”

The new, more dynamic profile of the typical Board member reflects a widespread change in the ways businesses are applying IT, asserts Seligman. “The conventional wisdom is that nobody is really doing competitive-edge systems,” she says. “But suddenly it's become pervasive—our members are building applications that are differentiating them in the marketplace.” For obvious rea-



sons, Seligman refuses to discuss the details of any of these applications. But she points out that a key element of the new approach is speed. Recently, members have been completing every major system they tackled within eight months of the systems' conception, Seligman says. This is in spite of the fact that approximately 90 percent of these implementations required integrating different areas of the business.

The high-speed, strategic, integrated approach to systems has been inspired by, and has helped inspire, a change in members' attitudes, according to von Simson. "Our members are more focused—they have a stronger sense of mission—than I have ever seen since companies first started applying computers," he says. "Nobody is sure yet what the boundaries are to these new approaches, but they're trying to find out."

One thing von Simson says Board members have discovered the hard way: Don't assume that designing an important new application around a client/server model will make it cutting edge. He notes that one \$25 million client/server system is now regarded by the Board as the biggest failure of any system developed by a member in recent memory. By the same token, he adds, several members are working on mainframe-based systems that are as high speed and strategic as they come. "It's not the technology that counts; it's the mind-set," he says. "It's employing self-sufficient development teams that allow IT to partner with users; it's rapid prototyping; it's thorough integration."

The new CIO agenda involves more than simply developing the systems that users demand; members are also helping to determine what their companies need to become more responsive to the marketplace. "Instead of taking orders, IS has become the leader in toppling organizational stovepipes," von Simson says. The increasingly close partnership between IS and other managers can't be described in conventional terms: Von Simson calls it a "striped-line relationship," meaning that it is closer to so-called dotted-line relationships than to conventional hierarchical line relationships.

All this turmoil and attendant risk have left members thirsting for information and perspective, a need that the Board strives to fill. Its most prominent efforts are the three reports the Board issues every year, one before each meeting. Topics are chosen by the members themselves; recent ones have included computer-industry restructuring and

## Ace of Clubs

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The Research Board reveals  
the secrets of its success

**C**IOs at giant corporations typically aren't starving for companionship, addicted to research reports or looking for ways to fill large blocks of open time on their calendars. So, if the New York-based Research Board can boast meeting-attendance rates that approach 100 percent and a slew of requests for other types of interactions from members, it must be doing something right. Here, according to Senior Partner and Co-Founder Naomi Seligman, are some keys to the Board's success:

- The Board creates an atmosphere that emphasizes relationships. By keeping its offices homey and adding lots of personal touches—hanging photographs of members relaxing, for example, and keeping track of which chairs people prefer—The Research Board imbues its meetings with the aura of a family get-together.
- Meetings are productive. Despite the warm atmosphere, once a meeting begins, Seligman keeps it moving briskly and focused on the topic at hand. Members making presentations about new projects, for example, are limited to one overhead foil. "All the members have developed a lot of affection for Naomi," says David Evans, vice president and director of information systems at J.C. Penney Co. Inc., "but she runs a tight ship."
- Frank discussion is encouraged. To make sure members don't hold back in meetings, The Research Board jealously protects the confidentiality of shared information.
- The Board strives to broaden its influence. Though The Research Board's membership is limited to 40 top CIOs and 40 associate members (20 more in Europe), it sponsors a number of ancillary meetings and other activities that bring together, for example, human-resources managers and data-center executives. The Board also fills members' requests to present research and run meetings with other executives at their companies.
- The Board facilitates networking. To encourage members to keep in touch with the Board and with one another outside of meetings, the Board broadcasts a steady stream of E-mail messages that pass on requests for information or keep members up to date on research results.
- Vendor influence is prohibited. Though vendors are sometimes invited to face the music at meetings, their CIOs can't be members, and the Board never accepts any sort of vendor sponsorship.

—D.H. Freedman

IS downsizing trends. The reports are prepared over a nine-month period by a half-dozen or so full-time researchers who canvass members and grill vendors. Out of respect for members' time, the results are boiled down to about 70 pages of double-spaced text—approximately 20 percent of the material gathered.



Though the reports often tackle complex and nebulous issues, they attempt to focus on the information CIOs need to prepare for the future. The most recent report on technology trends, for example, looks at how wireless communications, combined with the appropriate applications, will free employees from their offices. It also examines the new opportunities interactive television will provide for companies to sell their goods and

the most valuable outside activity I have," says David Evans, vice president and director of information systems at J.C. Penney Co. Inc. in Dallas. "There isn't even a close second." Evans says the payoff from interacting with members is sometimes psychological: It helps to know that other people have the same problems he has. He also emphasizes the importance of being able to call up other members for impromptu consultations, despite the fact that he and his colleagues are notoriously difficult to reach. "It's my policy that when I'm told another member is trying to get ahold of me, I call back right away," he says. (Indeed, members' secretaries sound as if they are snapping to attention when callers mention The Research Board.)

**"IT'S MY POLICY THAT WHEN I'M TOLD ANOTHER MEMBER IS TRYING TO GET AHOLD OF ME, I CALL BACK RIGHT AWAY."**

*-David Evans*

services directly into consumers' living rooms. Another report spelled out the high—often undocumented—support costs of client/server systems and included members' tips for reducing those costs by as much as 20 percent. "We're not the Gartner Group, providing endless information on products and technologies; nor are we [CSC Index], trotting out inspirational academics," says Seligman. "We've systematically documented what works and what doesn't."

The Board also whips up mini-reports on an ad hoc basis for members who request them and will even prepare presentations on various topics for executives at a member's company. To gather high-quality material quickly for these reports, Board researchers frequently broadcast requests for information to all members via electronic mail. Five members responded to a request by Senior Researcher Ann Seligman (Naomi's daughter) for companies willing to test and report on Lotus Development Corp.'s Notes group software. And Senior Researcher James Roche was inundated with tips when he asked for advice about ways to improve the ergonomics of software interfaces. (Some examples: Never use more than five colors; try to keep users from having to press keys with the same finger twice in a row.) The Board also enlists E-mail to distribute mini-reports, case studies and summaries of relevant articles culled from dozens of business magazines.

Members are quick to enthuse about their association with The Research Board. "It's

senior vice president of Federal Express Corp. in Memphis, Tenn., agrees to the value of being able to chat casually with other members. But he also stresses the importance of the Board's more formal activities. He notes, for example, that during one regular meeting, a member related the experience of his company's data center getting knocked out by the World Trade Center bombing. That helped reinforce the necessity of continued heavy investment in backup facilities, despite the fact that with a little luck, the investment will never pay off. And the Board's report on the costs of client/server computing impressed Jones so much that he distributed copies to his company's business planning groups. "From both a professional and personal point of view, the relationships have been of tremendous value," he says.

Perhaps the greatest tribute to The Research Board's success is the fact that, according to Seligman, no one has ever dropped their membership, despite the hefty annual fees (the size of which the Board refuses to disclose) and the deep budget cutting that the highest and mightiest of IS departments have recently endured. "We didn't lose anybody when departments were being downsized by as much as 40 percent," boasts Seligman. "And we're a completely discretionary product." That's one point with which many members might take issue. **CIO**

*David H. Freedman is a freelance writer based in Brookline, Mass., and author of Brainmakers, published by Simon & Schuster.*



**digital**

DIGITAL EQUIPMENT CORPORATION

Winston R. Hindle, Jr.  
Vice President

Maynard, Massachusetts  
01754-2451

15 June, 1994

Ms. Naomi Seligman  
Mr. Ernest M. von Simson  
The Research Board  
220 East 61st Street  
New York, NY 10021

Dear Naomi & Ernie:

As you know, I will retire from Digital at the end of June. It will be hard to leave after 32 years, which I know you can appreciate. I feel that my contribution has been made and it is now time to move on.

It has been a special privilege for me to know you both and to have participated in Research Board activities for many years. The objectivity of your analysis and the care you put into your observations are unique in the industry. It is no wonder to me that you have such loyal members.

I also salute the fun you have in your work and the good natured humor you bring to otherwise dry subjects. Even as the recipient of your "steady gray" label, we respected your reasoning for pinning that title on us. Every one of my colleagues has always been eager to talk with you because of the balanced perspective you bring to every meeting.

I will miss our conversations. You have always responded to questions with clarity and warmth. More than anyone I can think of outside of our company, you have seen Digital's strengths as well as the gaps. Thank you for caring and helping us by pointing to our shortcomings and celebrating our contributions. You have been good friends.

I wish you continued good fortune as you guide The Research Board into the future. If you will permit me one caution, I hope you are thinking carefully about your successors, just as you would counsel your clients to do. I am sure you have plans to do this and will do it well.

Best personal regards. I hope our paths will cross.

Sincerely,





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Sincerely,

A handwritten signature in dark ink, appearing to be "W. R. Hindle, Jr.", written in a cursive style.