

GIA
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I n t e r o f f i c e M e m o

TO: GIAMC:

cc: see "CC" DISTRIBUTION

DATE: MON 15 JUL 1985 5:07 PM EDT
FROM: JACK SHIELDS
DEPT: FIELD OPERATIONS
EXT: 276-9890
LOC/MAIL STOP: OG01-2/R12

MESSAGE ID: 5279128399

SUBJECT: CONGRATULATIONS!

Congratulations for an outstanding year. You achieved your goals in almost every category.

We were especially pleased with your performance in the areas of order rate and skew, asset management, order processing, shipments and revenue skew, profit contribution; and of course continued improvement in customer satisfaction.

It has been most gratifying to observe your confidence, leadership and command of your direction and strategies. The subsidiary teams are stronger and you are constantly "winning" against the competition with the added burden of a strong dollar.

We enjoy strong functions with congruent goals and high cross functional collaboration and team work. We have some of the best products we've had available in our history. As we couple that with your organization's strengths I look forward to your continued success.

I am personally proud of your accomplishments and progress.

JJS/fbw

"CC" DISTRIBUTION:

*WIN HINDLE
JOHN SIMS

KEN OLSEN
JACK SMITH

JIM OSTERHOFF

OCT 12 1983

GIA

GIA ORGANIZATION BY MANAGEMENT COMMITTEE

	SALES BUSINESS MANAGER	SALES MANAGER	SMALL SYSTEMS MANAGER	FIELD SERVICE MANAGER	EDUCATION SERVICE MANAGER	SOFTWARE SERVICE MANAGER	FINANCE AND ADMIN MANAGER	COMPUTER SPECIAL SYSTEM MANAGER	PERSONNEL MANAGER	LAW MANAGER	MFGING MANAGER	MARKETING MANAGER
GIA MC	JERRY WITMORE	NONE	*AL HUEFNER	BOB LUX	DON ELIAS	KEN BROWN	VIN MULLARKEY	*OPEN	PAUL CHAMBERS	KONRAD STREULI	DICK BRADLEY	*ROB KATZ
CMC	JERRY WITMORE (ACTING)	EVERETT ANSTAY	NONE	AL JANZ	DON ELIAS (ACTING)	AL SEAMAN	PAT FITZGERALD	ROBIN MARTIN	PETER RICHARDSON	*BRYAN ROB	MAURICE TAVARES	BRIAN COLL
CDRMC	BILL GLOVER	**DICK FINN	NONE	MATT DOYLE	FRANK HEIM	FRANK HEIM	HAYDEN ANDERSON	*TERRY THERET	BRUCE MACFADDEN	JEFF LEVINE	*OPEN	*OPEN
JMC	ED REILLY	HASANOBU WATANABE	OPEN	TOSHITERU SUGIMURA	GEN NARUI	TOSHIO UEDA	PHIL CURRAN	HIROYUKI WATANABE	TAKAMICHI KATO	*SEIBUN HOSHIZU	TOM KOBAYASHI	KOJI KANEKO
SPRMC	FRANK WROE	DAVE BALLANTINE	NICK RAMENSKY	JOHN BROWN	PAUL WILLIAMS	CHRIS FINK	PAUL KELLY	GLENN BOSTON	JERRY LOPORTO	*KIM JENKINS	NONE	RIM KERIS

GIA MC . GENERAL INTERNATIONAL AREA MANAGEMENT COMMITTEE

CMC CANADIAN MANAGEMENT COMMITTEE

CDRMC COUNTRY DEVELOPMENT REGION MANAGEMENT COMMITTEE

JMC JAPAN MANAGEMENT COMMITTEE

SPRMC SOUTH PACIFIC REGION MANAGEMENT COMMITTEE

**CDR OPERATIONS MANAGER

*NON-MEMBERS OF MANAGEMENT COMMITTEE

REVISED DATE: 10 OCTOBER 83

BY: KATHE BEYER

AKO 1-1/C14

SO.3/SO.4

2A

GIA

! ! ! ! !
! d ! i ! g ! i ! t ! a ! l !
! ! ! ! !

I n t e r o f f i c e M e m o

TO: PAXTON STAFF:

cc: see "CC" DISTRIBUTION

DATE: FRI 8 JUL 1983 5:06 PM EDT
FROM: JERRY WITMORE
DEPT: GIA
EXT: 288-6542
LOC/MAIL STOP: AKO 1-1/C14

MESSAGE ID: 5205371095

SUBJECT: GIA ORGANIZATIONS

RESENDING ***CORRECTED COPY***

I thought you would also find a GIA "WHO IS DOING WHAT" helpful;
I have attached the following:

1. A summary of GIA Field Operations Organization.
2. A Summary of Rob Katz' Marketing Organization.
3. A Summary sheet showing the Country Manager, Marketing Manager and Sales Manager for each of our four Geographies.

GIA FIELD OPERATIONS
Jerry Witmore, Vice President

GIA MARKETING
Rob Katz, Manager

GIA SMALL SYSTEMS GROUP
Al Huefner, Manager

GIA NEW VENTURES
Ron Spinek, Manager

GIA FIELD SERVICE & IBG
Bob Lux, Manager

GIA SOFTWARE SERVICES
Ken Brown, Manager

GIA EDUCATION SERVICES
Don Elias, Manager

GIA FINANCE & ADMINISTRATION
Vin Mullarkey, Manager

GIA PERSONNEL
Paul Chambers, Manager

GIA LEGAL
Konrad Streuli, Manager

GIA MANUFACTURING
Dick Bradley, Manager

CANADA
Open

JAPAN
Ed Reilly, Manager

SPR (AUSTRALIA/NEW ZEALAND)
Frank Wroe, Manager

CDR (COUNTRY DEVELOPMENT REGION)
Bill Glover, Manager

GIA MARKETING ORGANIZATION
Rob Katz

PRODUCT MARKETING
Pierre Chiha

BOS PROGRAMS
Open

MARKETING COMMUNICATIONS
Gerard Anneveldt

MARKETING DATA & PLANNING
Denise Battat

PRODUCT FORECASTING
Clayton Rix

SALES TRAINING
Open

INTERNATIONAL ACCOUNTS
Ray Lindsay

GEOGRAPHY SUMMARY SHEET

CANADA

SUBSIDIARY MANAGER, Open
SALES MANAGER, Open
MARKETING MANAGER, Open

JAPAN

SUBSIDIARY MANAGER, Ed Reilly
SALES MANAGER, M. Watanabe-san
MARKETING MANAGER, Kaneko-san

SPR

SUBSIDIARY MANAGER, Frank Wroe
SALES MANAGER, Dave Ballantine
MARKETING MANAGER, Rim Keris

CDR

SUBSIDIARY MANAGER, Bill Glover
OPERATIONS MANAGER, Dick Finn
MARKETING MANAGER, Open

105.110

"CC" DISTRIBUTION:

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MKTG/SLS STRAT COM:

WGW DIR RPT:

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GIA

I n t e r o f f i c e M e m o

TO: PAXTON STAFF:

cc: see "CC" DISTRIBUTION

DATE: FRI 1 JUL 1983 5:19 PM EDT
FROM: JERRY WITMORE
DEPT: GIA
EXT: 288-6542
LOC/MAIL STOP: AKO 1-1/C14

MESSAGE ID: 5204661700

SUBJECT: GIA ORGANIZATIONS

I thought you would also find a GIA "WHO IS DOING WHAT" helpful;
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Ron Spinek, Manager

GIA FIELD SERVICE & IBG
Bob Lux, Manager

GIA SOFTWARE SERVICES
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GIA EDUCATION SERVICES
Don Elias, Manager

GIA FINANCE & ADMINISTRATION
Vin Mullarkey, Manager

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Denise Battat

PRODUCT FORECASTING
Clayton Rix

SALES TRAINING
Open

INTERNATIONAL ACCOUNTS
Ray Lindsay

CANADA

SUBSIDIARY MANAGER, Open
SALES MANAGER, Lew Hewitt
MARKETING MANAGER, Open

JAPAN

SUBSIDIARY MANAGER, Ed Reilly
SALES MANAGER, M. Watanabe-san
MARKETING MANAGER, Kaneko-san

SPR

SUBSIDIARY MANAGER, Frank Wroe
SALES MANAGER, Dave Ballantine
MARKETING MANAGER, Rim Keris

CDR

SUBSIDIARY MANAGER, Bill Glover
OPERATIONS MANAGER, Dick Finn
MARKETING MANAGER, Open

105.110

"CC" DISTRIBUTION:

GIAMC:
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WGW DIR RPT:

* *
* D I G I T A L *
* *

INTEROFFICE MEMORANDUM

COMPANY CONFIDENTIAL

Puerto Rico
JUN 16 1981

TO: Win Hindle

DATE: June 15, 1981

FROM: Bill Hanson

DEPT: Systems Admin.

EXT: 223-2238

LOC/MAIL STOP: ML1/R14

SUBJECT: ATTACHED LETTER

To put things in perspective, we currently have 35 Continentals on relocation in Puerto Rico. This compares to a total DEC population of 3,000 people and a professional, management, supervisory population of 800 people. Both plants have had Puerto Rican Plant Managers and most of the senior management positions have had Puerto Rican Managers.

The basic problem is that some Puerto Ricans feel they are qualified for certain jobs while Digital management feels that they are not ready.

It is clear that Digital runs a far more complex manufacturing operation than practically anyone else on The Island. If we had been wiser and more experienced at the time, we probably would not have allowed our plants to be bigger than 500 people. Unfortunately by the time we understood that piece of the problem, we were at plant sizes of 1,000 to 2,000 people. A Materials Manager in a 500 person operation doesn't require the experience, talent or management ability that a person would require in a 2,000 person plant. Unfortunately, people on the way up don't always understand that. In this particular instance, Jose Cuevas was a person who felt he was ready for a bigger job when in fact he was having difficulty doing his current job.

In more recent years, we have been taking more intelligent risks in promoting Puerto Rican Managers. Prior to this I am convinced that some of our prejudices and misunderstandings of the Puerto Rican culture resulted in not taking the risks we should have. Some recent examples of this risk taking are the appointments of Ivan Nazario as Plant Manager of San German and Sam Landol as Plant Manager of Aguadilla.

Besides taking more intelligent risks, we are putting a more concerted effort into our management development and training programs. We recently hired Jim Bishop, a very senior manufacturing manager with 25 years of experience, to be the General Manager of Puerto Rico. His primary job is to be the on-site Island resource for the training and development of Senior Puerto Rican Managers. We have recently moved Jerry Cox, who was instrumental in developing the domestic, financial, management, training program, to Puerto Rico, as well as Les York who will be filling a similar role for the Personnel world.

On the surface, this may appear that we are adding more fuel to the fire by sending more Continentals to Puerto Rico. The difference is that these Continentals are there with the primary responsibility of training and developing local managers.

This is a very difficult problem, which we have compounded with the complexity and size of our operation. We do want to be able to staff ALL jobs with Nationals and we have a plan to make this happen. Unfortunately it is difficult to assess whether we are making this plan happen as fast as we can. This is the question we keep asking ourselves and is a subject we openly discuss with our Senior Puerto Rican Managers. I feel it will be a number of years before issues like these will be truly resolved.

/kn



JUN 11 0 1981

To Bill Hanson
What's the background
of all this?

June 1, 1981

Ken Olsen
146 Main Street
Maynard, Mass. 01754

Jim 6/11/81

Dear Sir:

Enclosed is copy of an article written by an ex-Digital employee which have more than succeeded with another electronic manufacturer and which probably would have stayed in DEC if it were not for the reasons he expounded in his article.

I agree that this article may be permeated with this man's personalism and most likely animosity toward the system that displaced him but we have not only to acquiesce but worry about the fact that most of what he described is nothing but the truth.

The issue of trust in the Puerto Rican worker (line and management alike) is at the top of the pyramid of the many misconcieved ideas about our people's talents and potential. This same ideas are tha main reason for the exodus of prime personnel from DEC to other companies within the industry or to other industries.

Power struggle among the various continentals which are sent to Puerto Rico is also a matter of concern. It is true and admissible that such a struggle is common to any company the size of Digital but when such a struggle interferes with the local people's most genuine interest of performing at a standard which is competitive with the industry and the reason for their pride it is time to reconsider the need for such people.

Most of the electronics manufacturers doing business in Puerto Rico are more than 85% staffed with local talent. The results have been more than anyone could expect (figures are available at government agencies).

I do not believe that you should be remained of the fact that with what it takes to bring, house and make happy a continental you could probably employ and trained two maybe three top notch engineers or financial project.

We do not have any qualms about getting all the tecnological expertise which most of the continentals bring with them again if it were not for the fact that Puerto Rico for them is a place were they can get their wings to go back to a much better and visible job.

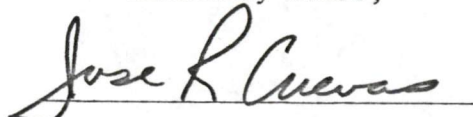
Five years from now we have projected the P.R. subsidiary to have a sales volume around the \$2.5 billion mark which is almost as big as the Corporation is now.

Sir, I truly believe that the Puerto Rico situation should be studied more closely because I still believe it can be remediated.

I do not want this letter to be construed as an assault on the most elementary fact of business enterprise which is that you have to keep "people" of your trust in the power circle but by the same token that trust should not be all-exclusive because time have proven that precisely those "people" are at the root of many of Digital's ills.

Sir, I will not take any more of your valuable time but I sincerely hope that this matter be scrutinized to determine its degree of accuracy for the benefit not only of the Corporation but also for the benefit of so many good, earnest, proud, and hard working people.

Sincerely Yours,

A handwritten signature in dark ink, reading "Jose R. Cuevas". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Jose R. Cuevas
Ex-Treasury Manager
DEC de Puerto Rico

XC: Albert Bertocchi
Dick Bradley
George Chamberlain III
Bill Hanson
Wind Hindle
Don Infante
Jack Smith
Bill Thompson
John Sims

Juncos electronics plant debbars U.S. in production, efficiency

By HARRY L. FRIDMAN
STAR Business Editor

Nicholas Ramos is so obsessed with efficiency and productivity, it has rubbed off on his 123 executives and employees at Quantel in Juncos and should be embarrassing to the home office.

He is able to land his small computers in Hayward, Calif. about 12 percent cheaper than his bosses can manufacture them there.

Ramos claims a well-trained Puerto Rican worker can work the pants off any worker anywhere, including the Japanese. He has a caseload of figures to prove it and his personnel manager, Ramon O. Del Toro, confirms each one from his own productivity studies.

"We are running about 30 points better than the stateside

plant in efficiency and productivity in general," he boasted in a STAR interview.

"Puerto Rico efficiency, by our standards, is 96 percent for the month, with 73 percent productivity. But compared to Hayward, we have 105 percent productivity, or 32 points favorable, and our efficiency is much higher."

The bushy-bearded, slightly rotund, non-stop plant manager spouts the ultimate in fine-grain factory management techniques that bespeak the human engineering and business administration he has absorbed in three colleges — University of Puerto Rico, World University and Cornell — and 21 related correspondence and other courses.

Last October, he said comparative efficiency in the plant was 157 percent and productivity 115 percent, "almost 50 percent better than the California plant."

However, he admits most plants on the mainland are not so finely focused as his, and California employees are not galled to repetitive assembly line jobs — "they're more the creative types." As for efficiency and productivity, they frequently are cut down because of peripheral functions, such as research and development, sales and marketing, and administration.

But let's explain this preoccupation with efficiency and productivity.

"Efficiency is a labor measurement," Ramos explained. "The measure is the employee's ability to do his job quickly and well."

"Productivity is a management measure. Not many people seem to understand this. It is not a labor measurement. It takes into account the supervisor's or management's use of resources available to him."

"An employee may be 100 percent efficient, or even more, depending upon the baseline. But his productivity can go down to 50 percent, or even zero, if management fouls up and does not keep his machine well maintained, or keep him supplied with materials, or clear away his completed parts, or provide him with adequate lighting, and keep him satisfied and preferably happy."

There is little reason to believe there is an unhappy soul at the Quantel plant. Founded only in 1978, the factory outgrew itself in two years and moved late last year across the street to a building more than double the size of the original. The reception room alone is unlike that of any other similar plant in the island. It certainly is not like anything in the Juncos area. Finished in varnished natural wood in monumental scale, it has a huge sweeping desk for the receptionist, deep, overstuffed chairs and sofa, with modern lamps and tables for visitors.

Reception is a signal for what is inside — an attractive administration floor, with wall-to-wall carpeting, new, modern

furniture and comfortable offices for Ramos and the higher executives and departments.

Even the assembly lines have "wall-to-wall", so to speak. Where the operators fit components, for the length of the lines, they have attractive foot-saving carpet, even though most of them work sitting on stools most of the time.

Ramos equates cleanliness and orderliness with efficiency, and Quantel has it — plus. Incidentally complete computers are built in the nearly entirely integrated plant.

It is in this area that Ramos waxes most eloquently on the capacity of Puerto Rican workers.

"We're probably one of the most integrated plants in Puerto Rico, in terms of function," he insists. We do everything, from materials planning — we negotiated schedules, we don't receive schedules from the home office.

"We negotiate them in relation to capacity, availability of materials, and what have you. Then we plan a materials master schedule, then a material plan around that."

"Then we purchase the materials, as much as possible in Puerto Rico. Also, we perform the incoming inspection. Right now, 75 percent of our procurement is local. By the end of this year, 95 percent of it will be from island sources."

"We believe we are as productive as the Japanese in terms of product," he stressed. "I am a great believer that the Puerto Rican worker is among the best, if not the best, in the world. They have a lot of features that are good in the states, and a lot that are good in Japan and elsewhere."

"Of course, there are some negative factors. But look at absenteeism. It is lower here. Turnover is lower."

"One of Puerto Rico's strongest features in manufacturing is manufacturing techniques. I would say Puerto Rico is outstanding, and probably more so than Japan. For example, if you look at Matsushita in Caguas — their efficiency is higher than it is in Japan, I'll wager."

"We have had people injecting techniques into Puerto Rico over the past 30 years. Thus, we have had 30 years or more of solid manufacturing experience."

Ramos' experience is not limited to Quantel. He was for three years with Digital Equipment Corp. in its plants in San German and Aguadilla. In those three years he rose from manufacturing to general manager. Previously, in reverse order, he was with Factor Inc., in Carolina, a casegoods manufacturing plant, Orbit Office Furniture Division, Hato Rey, and International Development Corp., Rio Piedras, at the time the third largest construction company in Puerto Rico, all in managerial status.

Where Ramos draws a line — a broad, forbidding line — is in the import of continental supervisors into local factories. In his experience it is a disaster.

"A lot of things have improved for the working environment," he commented. "Jobs are broken down into a better manner. They're more interesting. Also, I believe the average level of education has improved. People understand a little better why they are doing things."

"Of course, management also has improved in passing the message to the employee that your job is important and not just a job. I pay you for just sitting there."

"As to Continental imports, I had about 25 managers at Digital. Twenty of them were Continentals. I had more problems with them than you could shake a finger at."

"Their wives hated it because they claimed they were staring at the walls all day. This was in Aguadilla, which was even worse. Among the guys — nobody was good enough, and all that baloney. When their three years were up, they'd walk out, leaving a vacuum. They said there was nobody good enough to train."

"I said to hell with this. I stopped it. 'You don't know who he is?' (a Puerto Rican management prospect) Well, I

"I believe it is a matter of vested interest. A man has more excuses when he comes down from the States, than he would if he were a local person."

"I believe that for many more years than people believe, good manager material has been here. But the low level of trust and the propaganda issue have been so excessive, that they have hurt opportunities for local managers."

"Now there is a change. If you have a man who has three times the interest in his job, he sooner or later will make it. I don't know how, but he will."

Ramos said he is dead set against using temporary imports. As to Quantel, he said he has not brought one single Continental. His decision obviously is not political, expressing national pride, or does it come from a warped sense of duty. He bases it entirely on cold, hard industrial psychology and production facts. As we said, Ramos is obsessed, it seems with efficiency and productivity.

That obsession expresses itself in another vein — that of the assembly line, versus the

"We started a fast line in eastern industrial culture, it is old stuff. We call it that, or paced line, or mechanized line. Each station along the line adds another part of an assembly."

"We made a study and proved conclusively that the line was about 10 percent more efficient and quality was about six percent better than with the work center concept. Incidentally, Volvo also found the work center inefficient."

"What happens in the worker environment is that he or she

must memorize a broader spectrum. Let's say a module has 200 parts. The worker must memorize each one and its place. Any time you change the product, the worker must memorize all over."

"It is a matter of repetitiveness. If you can repeat an operation — any operation — there is no major problem. You can change operators quickly."

"When you have a stable, high volume demand, then you can set up work layouts for a work station flow. But with the

work center, you cannot do that. It is only for a medium or low volume operation."

In the same vein, Ramos said newangled machines that automate everything are not always cost effective. He insisted most productivity increases today are caused by capital investment, but there are pitfalls to their success.

For instance, he said, why purchase a \$200,000 automatic insertion machine for building modules, as against a semi-automatic \$20,000 installation, if maintenance and employment

for the larger machine is going to outweigh the income derived from the product?

With the expensive machine, you are apt to find that it requires a couple of high grade technicians or mechanics to keep it running, a programmer to feed the information it needs to do the job, and probably upgrading of the operator who will require higher skills to perform the work."

Besides, he said, the social impact of the working man or woman, can be of inestimable value.



Henry Rodriguez applies finishing touches to a completed mini-computer at the end of Quantel's assembly line. (STAR photo by Jose Garcia)

do, and I believe he's good enough and I'll place him."

"All of a sudden my productivity started to go up radically. Efficiency improved. Problems started to diminish. The more of those people I could ship out, the better off I was. I'm not talking about men in supervisory levels. I'm talking about management — \$40,000 a year managers."

allegedly new concept of the work center. The latter evolved from Sweden's Volvo plant, where a man at any given station of car assembly, would assemble an entire section of the car. For instance, he would install all of the windshield and window glass instead of just one pane on one side, as others were assigned equivalent, repetitive but simple jobs.

Win Hindle, ML10/A53
3x2276

GIA *DeVerg*

INTEROFFICE MEMORANDUM

TO: Ken Olsen
Operations Committee
Vice Presidents
Key Managers

DATE: 7 March 1980
FROM: Ted Johnson
DEPT: Sales and International
EXT: 223-5942
LOC/MAIL STOP: PK3-2/A55

SUBJECT: JERRY WITMORE

I am pleased to announce that Jerry Witmore will become Manager of the General International Area (GIA), effective April 1, 1980.

Jerry brings a wealth of successful Digital experience to his new position. Shortly after joining DEC in 1969 as a Senior Sales Representative, he was named District Sales Manager for Northern California. He came to Maynard 18 months later as Corporate Sales Training Manager and played a major role in the reorganization and strengthening of that function. He returned to the Field two years later as District Sales Manager in Waltham and since 1976 has served as Product Line Manager for Education Products (EPG) and, more recently, as Group Manager for Education Computer Systems (ECS) which has been a major contributor to GIA's business over the past few years.

We are delighted to have Jerry in this important position and are very enthusiastic about the contributions we know he will make to the continuation of GIA's impressive growth record. Please join me in wishing him success in his new assignment.

digital

*Barbara - Please call Carl Janyan
and say this looks fine to me.*

INTEROFFICE MEMORANDUM *Jim*

TO: Operations Committee
FMC
GIAMC
IMDDMC
Al Mullin
Dick Berube

DATE: 6 June 1979
FROM: GIA Management Committee
DEPT: General International Area
EXT: 246-2345
LOC/MAIL STOP: AK-Nagog Square

SUBJ: PLAN FOR THE TRANSFER OF DEC FIELD SERVICE RESPONSIBILITIES IN IRAN

INTRODUCTION AND SUMMARY

We are in the process of finalizing an agreement with Iran Digital Computers (IDC), DEC's Sales Representative in Iran, to transfer the current Field Service responsibilities from DEC's Branch Office to IDC, making IDC a Sales/Service Representative. We believe the current political climate will continue for the foreseeable future, presenting formidable problems for foreign companies and its' employees. GIA is requesting approval of the transfer.

This paper further details the step-by-step process for the transfer of responsibilities including legal, personnel, finance and customer issues.

BACKGROUND

DEC first established its' presence in Iran in 1975. Iran's oil boom economy, coupled with the Shah's aggressive modernization plans, created what appeared to be a large market for mini computers. Given the market potential, we would have liked to open a full Sales/Software/Field Service Subsidiary. Unfortunately, Iran's foreign investment laws prohibited us from selling through a wholly owned subsidiary. Under the laws we, however, were permitted to provide service through a wholly owned entity. Our decision, therefore, was to sell through an Agent and provide Field Service directly via a DEC Branch Office. Although the second most desirable alternative, we felt this would allow the Sales Agent to focus on marketing and minimize his startup investments.

The DEC/IDC relationship continued to mature and improve up to the time of civil unrest in the fall of '79. The business outlook for the remainder of FY79 and FY80 had been extremely positive with expansion plans under way to pursue new business in the oil refining district of Abadajan and the slated installation of two DEC 20 Systems in Tehran.

Our personnel status at the beginning of the civil unrest was six people, four Iranian Engineers, one Ex-patriot Manager (Ashok Shah) and an Iranian Secretary. One of the Iranian Engineers was participating in extended DECsystem 20 training in the U.S. when the unrest began. Our first priority was to protect our employees and the company assets; details were communicated to you in earlier memos. We proceeded to evacuate our Ex-patriot Manager and his family in December and would not allow any ex-patriots to enter Iran. We then appointed one of the Iranian Engineers as the temporary group leader and proceeded to manage Iran on a day-to-day basis from our Acton Headquarters. Prior to the actual revolution in February, communications with Iran were quite good and we spoke several times per week by phone with our people. The demonstrations and riots, naturally slowed most business activity to a standstill. Our engineers, when conditions were safe, took some service calls. Our accountants (C & L), continued paying our employees and our bills. In January, when the future looked bleak, our secretary resigned and left the country. During the chaos in February, communications were completely cut off. We were about three weeks late with January's payroll.

When the revolution subsided, we concluded that DEC could no longer do business directly in Iran. Our previous thinking had been, things wouldn't get as bad and worst case, we could recruit a local manager and continue operations at some reduced level. It is now quite apparent that:

1. The overall business situation will be depressed for some time to come.
2. Political instability will continue.
3. Anti-foreigner sentiment will continue.
4. It remains unsafe for any Westerners to travel to Iran.
5. DEC Field Service cannot continue to operate in its current mode without a full time manager and the ability to freely move management and support people in and out of the country.

For these reasons, we have decided to transfer our service responsibilities to IDC. A transfer will permit IDC to manage the service operation locally, preserve some hope of continued sales activities and provide an adequate level of service to our customer base.

THE PLAN

Our basic plan is to reach agreement with IDC. The basic terms are:

- . DEC assets and spare parts to be sold to IDC. Some cash up front and the remainder in four equal payments.
- . Transfer of existing personnel to IDC.
- . Transfer of Service Contracts to IDC.
- . Reconciliation of money currently owed to DEC by IDC.
- . Signing of a Service Representatives Contract.

Immediately following agreement on these issues, the necessary contracts will be signed and announcements will be made. We are targeting to have this resolved by June 15th.

Our employees in Iran have been notified of our intentions and are in full agreement and accept our position. We have made it very clear to our employees that we sincerely appreciate their efforts over the past several months and have every intention to try to insure their future employment with IDC. We have agreed internally to provide three months severance pay to our engineers at the time the responsibilities are transferred. The three month severance pay will fully cover our liability under Iranian Labor Law protecting DEC from any future suits.

The engineer who was undergoing training in the U.S. was permitted to and has since secured employment with DEC in the U.S. as an LCG Support Engineer. The Ex-patriot Manager has been transferred to DEC Field Service (Manhattan Branch Office).

We are working with Corporate Security (Dick Kruger) to arrange for the removal of all company confidential material from the Iran Office, with the Legal Department to draft the necessary agreements and with Finance to cover all financial aspects of the transfer. We will maintain our legal entity in a dormant state for the foreseeable future.

If there are any concerns or questions regarding the transfer, please let us know as soon as possible. We expect to proceed with these agreements expediently with final signing on or before June 15th.

GIA

New file

GIA

Bruce McHale - Training - Centers - ^{medic} - ^{anal.} - 2 #1.0M → 1.1

Dan Bachman - SWS - Planning + Analysis - ^{Japan - 2} PL90 - 2M

Rob Mortechni - IMDD #5 → 6.5M - COASIN

P/L's don't want to do business in remote areas -

Jeff Burnett - Personnel - expanding Personnel -

Mary Hall - F&A - Budgeting + Sales analysis -

Joe LaRosa - Acty. Controller F&A Bookings + 70%

Ed Sullivan - ^{Systems maint.} Systems - Wages - ^{anal.} - NZ, Japan, Brazil - NOR + 45%

Diana Fiske - O.P. - ~~\$\$\$~~ OAS for report in ^{anal.} NZ

Hank Mellette - F.S. Mkt. - Education of Sales + customer base - ^{anal.} 3. Holdings

Goals - Sm. systems maint. -

Contract Penetration - 58%

#14 → 20M

Tom Valentini - F.S. Budgeting -

4-SPR

1-IMD

1-5OR

1-Japan

Sub Op. Reg.

R all num - Subs -

Call Carl Janyan

① P&L by P/L by Country?

Too much -

② P&L Focus for Country?

③ Middle East

~~P&L Focus by Country?~~

~~Why P&L by P/L by District too much detail - expense?~~

~~Are we in too many countries; should we say no to more orders?~~

~~Does Middle East organization make sense?~~

digital

INTEROFFICE MEMORANDUM

BM: 52/78

TO: Win Hindle

DATE: 30 AUG 78
FROM: Bruce McHale *Bruce*
DEPT: GIA Training
EXT: 266
LOC/MAIL STOP: AK/G10

SUBJ: GIA COUNTRIES

During our discussion on Tuesday, 29 August, you inquired about where (outside of North America and Europe) Digital was conducting business.

- (1) In what countries do we have equipment installed? (Sold through an indirect manner or however)
- (2) In what countries do we have personnel employed? (One or more employees)

Attached is a list of countries which fall within the jurisdiction of GIA. The "E" indicates that equipment is installed in the country. The "P" indicates that we have personnel employed in that country.

/vr

GIA COUNTRIES

COUNTRY	DISTRICT	EQUIPMENT	PERSONNEL
AFGHANISTAN	1		
ANGOLA	1		
ARGENTINA	1	E	P
AUSTRALIA	3	E	P
BAHAMAS	1		
BANGLADESH	1		
BARBADOS	1		
BERMUDA	1		
BELIZE	1		
BOLIVIA	1	E	P
BOTSWANA	1		
BRAZIL	2	E	P
BURMA	1		
BURUNDI	1		
CAMBODIA	1		
CAMEROON	1		
CENTRAL AFRICAN REPUBLIC	1		
CEYLON (SRI LANKA)	1		
CHAD	1		
CHILE	1	E	P
COLOMBIA	1	E	
COSTA RICA	1	E	
CUBA	1		
DAHOMY	1		
DOMINICAN REPUBLIC	1		
EAST NEW GUINEA	1	E	
ECUADOR	1		
EL SALVADOR	1		
EQUATORIAL GUINEA	1		
ETHIOPIA	1		
FRENCH GUIANA	1		
FRENCH SOMALILAND	1		
FRENCH WEST INDIES	1		
GABON	1		
GAMBIA	1		
GHANA	1		
GUATEMALA	1		
GUINEA	1		
GUINEA-BISSAU	1		
GUYANA	1		
HAITI	1		
HONDURAS	1		
HONG KONG	1	E	P

COUNTRY	DISTRICT	EQUIPMENT	PERSONNEL
INDIA	1	E	P
INDONESIA	1	E	
IRAN	1	E	P
IVORY COAST	1		
JAMAICA	1	E	
JAPAN	2	E	P
KENYA	1		
LAOS	1		
LEEWARD ISLANDS	1		
LESOTHO	1		
LIBERIA	1		
MALAGASY REPUBLIC	1		
MALAYSIA	1	E	
MALAWI	1		
MALI	1		
MURITANIA	1		
MEXICO	2	E	P
MONGOLIA	1		
MOZAMBIQUE	1		
NAMIBIA (SOUTHWEST AFRICA)	1		
NATAL	1		
NEPAL	1		
NETHERLANDS ANTILLES	1		
NEW ZEALAND	3	E	P
NICARAGUA	1	E	
NIGER	1		
NIGERIA	1	E	
NORTH KOREA	1	E	
NORTH VIETNAM	1		
PAKISTAN	1	E	
PANAMA	1		
PARAGUAY	1		
PEOPLE'S REPUBLIC OF CHINA	1	E	
PERU	1	E	
PHILIPPINES	1	E	
PUERTO RICO	2	E	P
REPUBLIC OF SOUTH AFRICA	1	E	
REPUBLIC OF THE CONGO	1		
RHODESIA	1		
RWANDA	1		

COUNTRY	DISTRICT	EQUIPMENT	PERSONNEL
SENEGAL	1		
SIERRA LEONE	1		
SINGAPORE	1	E	P
SOMALIA	1		
SOUTH KOREA	1	E	
SOUTH VIETNAM	1		
SPANISH SAHARA	1		
SUDAN	1		
SURINAM	1		
SWAZILAND	1		
TAIWAN	1	E	P
TANZANIA	1		
THAILAND	1	E	
TOGO	1		
TRINIDAD AND TOBAGO	1	E	
UGANDA	1		
UPPER VOLTA	1		
URUGUAY	1	E	
U S VIRGIN ISLANDS	1	E	
VENEZUELA	1	E	P
WINDWARD ISLANDS	1		
ZAIRE	1		
ZAMBIA	1		

LEGEND

- 1 = IMDD (INTERNATIONAL MARKET DEVELOPMENT DISTRICT)
- 2 = SOR (SUBSIDIARY OPERATIONS REGION)
- 3 = SPR (SOUTH PACIFIC REGION)

E = EQUIPMENT IN PLACE

P = PERSONNEL EMPLOYED

GIA

JAN 07 1983

d	i	g	i	t	a	l
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INTEROFFICE MEMORANDUM

TO: Operations Committee

DATE: 21 December 82
FROM: Jerry Witmore *J. Witmore*
DEPT: GIA Area Manager
EXT: 288-6542
LOC/MAIL STOP: AKO 1-1/C12

SUBJECT: GIA TRANSITION

Enclosed is the GIA Transition Plan as discussed at the Operations Committee on December 20, 1982.

Continued operations support from the Product Groups will be required over the next six (6) months. I will continue to work, with GIA Product Line Managers, the detailed transition issues.

Thanks for your support.

Regards,
Jerry

Enclosure
JW:kb
18.20

GIA TRANSITION PROPOSAL

OBJECTIVES

- I DEFINE NEW DEC AS IT APPLIES TO GIA COUNTRIES
- II DEFINE WORK SPACE (E.G., OPERATIONS, MARKETING)
- III IDENTIFY RISKS, CONCERNS, ISSUES
 (WITH ASSOCIATED RECOMMENDATIONS)
- IV PROPOSE TRANSITION (WHAT, WHEN, WHY)

NEW DEC DEFINED

OVERVIEW

- A. SUBSIDIARY TAKES HW BUSINESS RESPONSIBILITY
 - PROPOSES BUSINESS PLANS
 - SELECTS PRODUCT, MARKET, APPLICATION, CHANNEL AND GEOGRAPHIC PORTFOLIO
 - PROPOSES COMPETITIVE LIST PRICES FOR PRODUCTS
 - MANAGES ALLOWANCES CONSISTENT WITH PLAN
 - MANAGES ACCOUNTS RECEIVABLE, INVENTORY AND REVENUE AGAINST PLAN
 - MANAGES CONTRACT T&C'S
 - FORECASTS PRODUCT/CAPACITY REQUIREMENTS
- B. SUBSIDIARY MANAGER MEASURED ON SALES AND HW BUSINESS PERFORMANCE AGAINST PLAN.
- C. SERVICE RESPONSIBILITIES DO NOT CHANGE.
- D. SUBSIDIARY MANAGER HOST RESPONSIBILITY DOES NOT CHANGE.
- E. SUBSIDIARY TAKES STRATEGIC DIRECTION FROM A/I/C AND BASE PRODUCT MARKETING GROUPS.

WORK SPACE

TABLE B

RESPONSIBILITY BY ACTIVITY

ACTIVITY: Business Management

ORGANIZATION	RESPONSIBILITY
Market/Product Lines	Provides global and long range expertise in vertical markets.
	Recommends market opportunities and programs; provides tools and products appropriate to market.
Area	Consult, help, teach subsidiary. Management review of plan, results, consistency with corporate.
Subsidiary	Full business responsibility for business plans (investment decisions, defining business trade-offs, forecasting product, support, pricing, inventory). Responsible for local regulations, business practices.

WORK SPACE

TABLE B

RESPONSIBILITY BY ACTIVITY

ACTIVITY: Strategic Planning

<u>ORGANIZATION</u>	<u>RESPONSIBILITY</u>
Corporate	Strategic planning process. Major corporate strategies and/or issues
Market/Product Lines	Identify market opportunities. Develop strategic market plans May act as strategic investment centres for startup.
Area	Subsidiary link to operations committee via process and management. Portfolio management (investments, opportunities, markets).
Subsidiary	Develops country planning process, which includes cross-functional focus. Address local technology trends, business portfolio management. Voices needs to corporate/area relating to strategic issues.

WORK SPACE

TABLE B

RESPONSIBILITY BY ACTIVITY

ACTIVITY: Product Requirements

ORGANIZATION	RESPONSIBILITY

Market/Product Line	Defines global market requirements in their specific market space.
	Produce specific requirements (DEC Standards).
	Defines cross-product requirements.

Area	Monitor, work area standards requirements.
	Define and get agreement on major market areas (vis-a-vis standards).
	Define cross product requirements.

Subsidiary	Define local specific requirements including language, documentation, process, software.
	Provide/justify market requirements (local business plan).

WORK SPACE

TABLE B

RESPONSIBILITY BY ACTIVITY

ACTIVITY: Product Development

ORGANIZATION	RESPONSIBILITY
Corporate	Develops main line products, based on inputs from market lines, areas and subsidiary.
Market/Product Lines	Develop market specific products for their worldwide space. Products developed by corporate engineering (funded by market/product lines). Produce strategic worldwide business plan for the product.
Subsidiary	Normally use corporate worldwide products; produces local business plan in support. Geographic specific products developed locally and/or centrally but funded by subsidiary, at which point subsidiary responsible for P & L of product (and business plan).

WORK SPACE

TABLE B

RESPONSIBILITY BY ACTIVITY

ACTIVITY: Local Regulations

ORGANIZATION	RESPONSIBILITY
Corporate	Works to a standards base which reflects the cross product needs of Digital's defined major market areas.
Area	Input to corporate on updated standards with justified country requirements. Ensures standards base reflects needs of Areas major market areas.
Subsidiary	Defines local requirements and justification; provides input to DEC standards/or specific business plan. Anticipate regulatory/standards changes in local area which might impact business. Competitive awareness and their capability to meet standards.

WORK SPACE

TABLE B

RESPONSIBILITY BY ACTIVITY

ACTIVITY: Marketing (Market Analysis)

ORGANIZATION	RESPONSIBILITY
Market Groups	Provides global view within specific market segment.
Area	Provides additional input (eg. pricing, area base economic assumptions). Prepares area market portfolio/opportunity analysis. Linkage between subsidiary/corporate as required vis-a-vis strategic statements, risk analysis.
Subsidiary	Provides local, geographic-specific viewpoint/analysis. Maintains cross-functional subsidiary market information base.

WORK SPACE

TABLE B

RESPONSIBILITY BY ACTIVITY

ACTIVITY: Advertising & Sales Promotion

ORGANIZATION	RESPONSIBILITY
Corporate	Provides (tools) material for new products. Defines standards.
Market/Product Lines	Suggests programs, tools and general raw materials ("boilerplates").
Area	Monitor, guide.
Subsidiary	Use/organize inputs from corporate, market/product lines to meet local needs/situation.

WORK SPACE

TABLE B
RESPONSIBILITY BY ACTIVITY

ACTIVITY: Market Support

ORGANIZATION	RESPONSIBILITY
Market/Product Lines	<p>Provides global market view/tools.</p> <p>Back-up resource with more in-depth market expertise, including customer presentations.</p> <p>Gathers/publishes strategic market information.</p> <p>Provides reference/research services to subsidiary including reference account co-ordination.</p> <p>Provides resources/tools for market specific seminars.</p>
Subsidiary	<p>Responsible for first-time market support to meet business needs.</p> <p>Provides local market expertise (application support, industry expertise, pricing, configuration) in selected markets.</p>

WORK SPACE

TABLE B

RESPONSIBILITY BY ACTIVITY

ACTIVITY: Technical Support

ORGANIZATION	RESPONSIBILITY
Corporate (Engineering)	Backup subsidiary with expert consultant role. Provide support tools and training for new products.
Subsidiary	Responsibility to provide/fund all local pre-sales, post-sales, demo and engineering support for geography. Maintains pre-sales support for all DEC or third-party hardware and software products sold in geography. Provides engineering support to customers. Funds unique geographic-specific support.

WORK SPACE

TABLE B

RESPONSIBILITY BY ACTIVITY

ACTIVITY: Selling

ORGANIZATION	RESPONSIBILITY
Area	<p>Management overview and audit role.</p> <p>Monitors subsidiary policies, co-ordinates dialog and makes recommendations.</p> <p>Co-ordinates development tools, sales programs activities, common opportunities between area subsidiaries and corporate, other areas.</p>
Subsidiary	<p>Develop sales plan within the specification of the business plans.</p> <p>"Owns" the customer base, and as such approves and co-ordinates all direct contact with the customer.</p> <p>Provides account management resources, including those for multi-nationals headquartered in subsidiary.</p> <p>Develops all people (sales, sales management, sales support).</p> <p>Establishes internal sales metrics in co-operation with subsidiary manager.</p> <p>Manages to area and corporate sales standards.</p> <p>Develops subsidiary organizational model.</p>

WORK SPACE

TABLE B

RESPONSIBILITY BY ACTIVITY

ACTIVITY: Administration Systems

ORGANIZATION	RESPONSIBILITY
Corporate	Develops overall integrated systems and standards.
	Recommends systems and provides tools in support.
Area	Co-ordinate local/corporate interface.
Subsidiary	Defines/implements all booking, collection, reporting, customer database, functional metrics systems to meet local needs.

ISSUES, RISKS, CONCERNS

1. REQUIRE MANUFACTURING BUSINESS MANAGEMENT ORGANIZATION TO SUPPORT GIA LOAD.
(JOE COSGROVE / DICK BRADLEY WORKING)
2. MUST REDEPLOY EXISTING RESOURCES TO GET PRODUCTIVITY IMPACT
(GIA PRODUCT LINE TASK FORCE WORKING ON PLAN)
3. MUST KEEP FOCUS ON SALES DURING Q3 AND Q4.
4. MUST DEVELOP SYSTEMS / EXPERTISE AT THE SUBSIDIARY LEVEL
TO FORECAST PRODUCTS AND MANAGE LOAD
(WORKING WITH US84 MANUFACTURING TASK FORCE TO DEFINE REQUIREMENTS)

TRANSITION PLAN

WHAT

1. GIA/SUBSIDIARIES TAKE PRIMARY RESPONSIBILITY FOR HW BUS PLANS
2. MANUFACTURING CREATES GIA BUSINESS MANAGEMENT FUNCTION
3. GIA PRODUCT LINE OPS SUPPORT MAINTAINED UNTIL REDEPLOYMENT ISSUES CAN BE SORTED OUT (6 MONTHS)

WHEN

1. JANUARY 1, 1983 GIA STARTS THE TRANSITION

WHY

1. PRODUCT GROUP REORGANIZATION/CHANGES CAUSING LOSS OF FOCUS ON GIA REVENUE MANAGEMENT
2. HW BUDGETS AND MANAGEMENT REPORTING ALREADY IN PLACE IN GIA SUBSIDIARIES
3. REMOVES GIA COMPLICATIONS FROM U.S. PLAN.

GIA DEDICATED MARKETING / OPERATIONS RESOURCE LINE UP

DECEMBER 82 JAN/FEB 83 JULY 83

PRODUCT GROUPS	46	37	15
AREA	5	12	18
CANADA	8	10	13
JAPAN	5	8	11
SPR	6	8	11
CDR	1	2	5
TOTAL	71	77	73

S16.30

AUG 12 1985

Germany -

17. JULI 1985

To Willi Kister -
Is this a valid
survey -

J/m

Willi:
Gün, me, we got better data

VAX is doing so very well

COE does not suit

Willi.

German survey ranks CDC tops

DELRAN, N.J. — Control Data Corp. ranks first in customer satisfaction among German computer users, according to a recent survey.

With values ranging from 1 to 4, the company received a 4 in the areas of engineering support and technical training for all of its computer system models, according to the survey, which was conducted jointly by Computerwoche newspaper — a Computerworld sister publication — and Datapro Research Corp. The company received an overall rating of 3.75, with the Siemens AG Model 7800 coming in second overall with a 3.33 rating, according to the study.

The next five overall rankings are as follows:

- BASF (Series 7) — 3.20.
- Burroughs Corp. (all models) — 3.20.
- IBM (Series 4331) — 2.94.
- Siemens AG (Series 7500) — 2.91.
- Honeywell, Inc. (DPS 7 and 8) — 2.88.

Five hundred survey participants evaluated leading computer companies in the areas of computer systems, peripherals, customer engineering support, software and technical training.

Additional information is available from Datapro, which is located at 1805 Underwood Blvd., Delran, N.J. 08075.

Germany

~~XXXXXXXXXXXX~~
digital

DIGITAL EQUIPMENT INTERNATIONAL GMBH · Postfach 1356 · 8950 Kaufbeuren

GESCHÄFTSLEITUNG

WINSTON R. HINDLE JR, VP
MAYNARD - HQTS

MAR 22 1985

DIGITAL EQUIPMENT
INTERNATIONAL GMBH

Sudetenstraße 5
D-8950 Kaufbeuren
Telefon (0 83 41) 803-0
FS 5 41 254

Ihre Zeichen

Ihre Nachricht vom

Unsere Zeichen

Durchwahl

Datum

WB/ps

March 1985

Dear Win,

Attached please find the brochure about 'HIGH
TECHNOLOGY MANUFACTURING IN GERMANY' from Digital
Equipment International GmbH in Kaufbeuren.

Target groups are all existing and new partners and
vendors we do business with, furthermore, visitors
and customers to the plant, opinion leaders and
members of the public and, last not least, our
DEC-employees worldwide, especially in Europe,
Germany and Kaufbeuren.

Please enjoy reading and give us your comments.

Regards, *and see you in May*
Chen

Germany

ANTON JAUMANN

Minister for Economic Affairs and Transport of the
Freestate of Bavaria

C u r r i c u l u m V i t a e

Born 5th of December 1927 as son of a peasant at Belzheim District of Nördlingen. After school education in Oettingen and Nördlingen entering military service. Afterwards studies in Theology, National Economy and Law (Jurisprudence) at the University of Munich. Graduated (Bachelor of Law) 1954, Bar Examination 1957 after usual apprenticeship, admitted as attorney to the Court of appeals practising law from 1957 to 1966 in Munich.

From 1958 to 1963 Executive Secretary of the Association of the Bavarian Exporters, from 1963 to 1967 Secretary General of the Christlich Soziale Union (Bavarian Government Party) Member of the Bavarian Diet since 1958. Entering Bavarian Cabinet as Deputy Minister of Finance in 1966, Minister for Economic Affairs and Transport since 1970.

Minister Jaumann is member of the German Federal Council (Bundesrat) and Chairman of its Economics Committee. President of the Permanent Commission of the German Ministry for Economy. He is chairman resp. member of a number of renowned German enterprises, as f.i. Deutsche Bundesbahn (Federal Railways), Bayern Landesbank (greatest bank of Southern Germany), Vereinigte Aluminiumwerke, Rhein-Main-Donau AG, Bayernwerk AG and others.

Numerous decorations: f.i. Grand Cross and Star of the German Order of Merit, Bavarian Order of Merit, Grand Officer of the Italian Order of Merit, Grand Cross of the Austrian Order of Merit and many others.

✓ 22 Jan.
10-11 a.m.
Kev's Conf Rm.

! _ ! _ ! _ ! _ ! _ ! _ ! _ !
! d ! i ! g ! i ! t ! a ! l !
! _ ! _ ! _ ! _ ! _ ! _ ! _ !

I n t e r o f f i c e M e m o

TO: GRANT SAVIERS
cc: see "CC" DISTRIBUTION

DATE: MON 14 JAN 1985 2:42 PM GMT
FROM: WILLI KISTER
DEPT: GENERAL MANAGEMENT
EXT: 4468
LOC/MAIL STOP: MUNICH/DECMAIL:RTO

MESSAGE ID: 5261066281

SUBJECT: Visit of Min. Jaumann - January 22nd

Thanks again for helping with Minister Jaumann's visit.
I am mailing you today more background documentation under separate cover.
In any case, I will try to get in touch with you on Monday, January 21st, p.m. to reconfirm.

Topics for the various discussions I see as follows:

With Corporate Management:

- | | |
|--|--------------|
| - Brief overview of Corporation | - W. Kister |
| - Future of our industry | |
| - DEC's future of Kaufbeuren | - G. Saviers |
| - Minister Jaumann's ideas on how his Government would like to work with DEC | - A. Jaumann |

With MIT:

Relationship between High Tech Industry and Academia in U.S., demonstrated with project ATHENA

setts High Tech Council:

Relationship between High Tech Industry and Government

Just to recap:

Minister Jaumann is the key sponsor in the Government of our Kaufbeuren facility as well as the key person in political and industrial circles in Germany.

Thanks for your help and looking forward to seeing you Monday.

Regards
Willi

14-JAN-85 10:28:42 S 4304 GER8

15-JAN-85 04:37:44 S 11233 RCS0

15-JAN-85 5:10:39 S 00363 REG1
REG1 MESSAGE ID: 19850114144244/9877aMUNOIS

"CC" DISTRIBUTION:

SAM FULLER
KEN OLSEN

*WIN HINDLE

AL MULLIN

22 Jan.
10-11 a.m.
d i g i t a l

Ken's
Conf. Rm.

C- I will agree to visit with the
Minister when he comes in Jan 22 for 1 hr.
Interoffice Memo (in less.)

TO: GRANT SAVIERS

cc: see "CC" DISTRIBUTION

DATE: THU 22 NOV 1984 3:30 PM GMT
FROM: WILLI KISTER
DEPT: GENERAL MANAGEMENT
EXT: 4468
LOC/MAIL STOP: RTO

MESSAGE ID: 5255611906

SUBJECT: MINISTER JAUMANN'S VISIT JAN. 22, 1985

Grant, you might know that I have worked for almost 2 years to get Min. Jaumann who is the original sponsor of Kaufbeuren to visit our head office in the US.

2 basic reasons:

1. We need his commitment to continue our successful operation in Kaufbeuren.
2. Min. Jaumann is a key sponsor in German politics and industry. His support opens every door.
3. Min. Jaumann has agreed to spend a full day with Digital on January 22, 1985.
 - a) The first part of the day I would like him to get together with Corporate Management (Ken Olsen, Jack Shields, Win Hindle). I had hoped you might be the host. Eventually this might include lunch.
It is not necessary for Ken, Win or Jack to spend more than the minimal required courtesy time with him (approx. 30 minutes).
 - b) During the 2nd part of the day I will try to get him together with University people who have a close tie into industry (i.e. MIT). I will let you know if I need support there.
4. The official arrangements will be made through Corporate Sales. I'll try to meet with you during DECworld to discuss details.

— Yolanda
6-9780

Regards

22-NOV-84 19:32:36 S 18483 GER8

22-NOV-84 20:13:31 S 6442 RCSO

22-NOV-84 20:31:43 S 04238 REG1
REG1 MESSAGE ID: 19841122153018/8424aMUNOIS

"CC" DISTRIBUTION:

WERNER BURCKHARDT
KEN OLSEN

*WIN HINDLE
JEAN-CLAUDE PETERSCHMITT

PETER MEISS
JACK SHIELDS

! ! ! ! ! ! ! !
! d ! i ! g ! i ! t ! a ! l !
! ! ! ! ! ! ! !

✓ 22 JAN.
~~9-10 a.m.~~
~~Stow-Customer~~
~~Conf. Rn.~~
I n t e r o f f i c e M e m o

TO: GRANT SAVIERS

cc: see "CC" DISTRIBUTION

DATE: MON 17 DEC 1984 4:19 PM GMT

FROM: WILLI KISTER

DEPT: GENERAL MANAGEMENT

EXT: 4468

LOC/MAIL STOP: MUNICH/DECMAIL:RTO

MESSAGE ID: 5258139341

SUBJECT: VISIT OF SECR. OF COMMERCE, MIN. JAUMANN, JAN. 22, 1985

Grant, just to re-confirm our previous discussion:

I will try to structure the agenda as follows:

1. Visit to Corporate, Grant is the host.
Win has agreed to attend.
Ken and Jack are still open.
Grant assumes overall responsibility for a 2h program.
2. Visit to MIT
I am trying to arrange this with Sam Fuller.
3. Discussion with the Mass. High Tech Council.
I am trying to arrange this with Jeff Kalb.

To summarize again:

Minister Jaumann is the Government sponsor of Kaufbeuren and a key person in German politics and industry. The visit is to win him as an ally for DEC. I will be there for the visit and try to discuss details with you on Monday afternoon, Jan. 21, 1985.

Regards

17-DEC-84 15:42:39 S 30220 GER8

17-DEC-84 16:12:58 S 27614 RCSO

17-DEC-84 16:49:27 S 04258 REG1
REG1 MESSAGE ID: 19841217161908/836aMUNOIS

"CC" DISTRIBUTION:

YOLANDA BORISKIN
JEFF KALB

SAM FULLER
KEN OLSEN

*WIN HINDLE
JACK SHIELDS



JAN 21 1985

CORPORATE CONFERENCE

COMMERCE OF BAVARIA

TUESDAY

JANUARY 22, 1985

digital

DISTRIBUTION:

ED BALKOVICH	HLO2-3/N11
WIN HINDLE	ML010-2/A53
WILLI KISTER	RTO
AL MULLIN	MSO/K10
KEN OLSEN	ML010-2/A50
GRANT SAVIERS	ML01-5/B94

CC:

RICK BLACK	OG01-1/M06
JIM COLLINS	OG01-2/P04
JOANN LATORTUE	OG01-2/P04
BILL LYNCH	OG01-1/M02
ROD SUTHERLAND	OG01-1/M06
FRANS VAN DER MOLEN	IVO
CONNIE WHARFF	OG01-1/M06
CSO STAFF:	OG01-2/P04

COMMERCE OF BAVARIA
CORPORATE CONFERENCE
MEETING SCHEDULES

BRIEFING SESSIONS:

Willi Kister, Country Regional Manager, has been in touch via telephone with Grant Saviers and will be at the Mill on Monday, January 21, 1985 to assure any outstanding issues are resolved prior to the conference.

CONFERENCE LOCATIONS:

DATE: TUESDAY, JANUARY 22, 1985
TIME: 9:30 AM TO 4:00 PM
LOCATION: DIGITAL EQUIPMENT CORPORATION
KEN OLSEN'S CONFERENCE ROOM, MLO10-2/POLE A50
MAYNARD, MASSACHUSETTS

LUNCHEON: AL MULLIN'S CONFERENCE ROOM
POWDERMILL ROAD, MAYNARD, MASSACHUSETTS
MSO/POLE K10

ATHENA PROJECT AT M.I.T. - 2:00 PM
77 MASS AVENUE, CAMBRIDGE, MASSACHUSETTS

MASSACHUSETTS HIGH TECHNOLOGY COUNCIL - 3:00 PM
60 STATE STREET, BOSTON, MASSACHUSETTS

TRANSPORTATION SCHEDULE VIA LIMOUSINE

JAN 22, 1985

8:30 AM PICK UP AT RITZ CARLTON HOTEL TO MLO10-2/A50

11:00 AM PICK UP AT MILL TO PMR

12:30 PM PICK UP AT PMR TO M.I.T. IN CAMBRIDGE

2:45 PM PICK UP AT M.I.T. TO MHTC IN BOSTON

LIMOUSINE WILL WAIT AT MASS HIGH TECHNOLOGY COUNCIL AND BRING TO RITZ CARLTON HOTEL.

22 Jan
10-11 a.m.

d i g i t a l

INTEROFFICE MEMORANDUM

TO: DISTRIBUTION

CC: DISTRIBUTION

DATE: 11 JANUARY 1985
FROM: Yolanda Boriskin *Yolanda*
DEPT: Corporate Sales Office
EXT: 276-9780
LOC/MAIL STOP: OG01-2/P04

SUBJECT: COMMERCE OF BAVARIA CORPORATE CONFERENCE

On Tuesday, January 22, 1985, the Corporate Sales Office will conduct a Corporate Conference for two high-level representatives from the Commerce of Bavaria of South Germany.

VISITORS:

- o Minister Jaumann
Secretary of Economics

He is a key sponsor in the government of our Kaufbeuran facility, as well as a key person in political and industrial circles in Germany. His support opens every door.

- o Dr. Bauer
Personal Assistant

Willi Kister, Country Regional Manager, will be accompanying the customers.

NOTE: Willi has worked for about two years to get the Minister to visit Digital's headquarters.

CUSTOMER OBJECTIVES:

- To get to know Digital's Corporate Management.
- Understand that we are serious about Kaufbeuren.
- Learn more about our future plans for Kaufbeuren.

DIGITAL'S OBJECTIVES:

- Ensure that Minister Jaumann is confident in Digital's future plans strategy, especially Kaufbeuren.
- Establish the Minister as a sponsor of Digital-Germany by enhancing Digital's present business relationship with the Commerce of Bavaria.

JANUARY 22, 1985

LOCATION: DIGITAL EQUIPMENT CORPORATION, MAYNARD, MASSACHUSETTS
(KEN OLSEN'S CONFERENCE ROOM, MLO10-2/POLE A50)

AGENDA

9:30 AM	WELCOME & INTRODUCTION - UPDATE ON KAUFBEUREN	GRANT SAVIERS STORAGE SYSTEMS
10:00 AM	CORPORATE OVERVIEW	WIN HINDLE CORPORATE OPERATIONS
10:45 AM	GENERAL DISCUSSION	KEN OLSEN PRESIDENT
11:15 AM	DEPART TO POWDERMILL ROAD	
11:30 AM	LUNCHEON (DIGITAL'S GOVERNMENT RELATIONS PROGRAM) [AL MULLIN'S CONF. ROOM, MSO/POLE K10]	HOST: AL MULLIN CORPORATE RELATIONS
12:30 PM	TRAVEL TO M.I.T. 77 MASS AVENUE (FRONT ENTRANCE)	
1:15 PM	M.I.T., PROJECT ATHENA (INDUSTRIAL/UNIVERSITY COOPERATION)	ED BALKOVICH EXTERNAL RESEARCH GROUP
2:45 PM	TRAVEL TO MHTC OFFICE 60 STATE STREET, BOSTON	
3:00 PM	VISIT MASSACHUSETTS HIGH TECHNOLOGY COUNCIL	MR. HOWARD FOLEY PRESIDENT
4:00 PM	ADJOURN	

PARTICIPANTS

COMMERCE OF BAVARIA

MINISTER ANTON JAUMANN
SECRETARY OF ECONOMICS

DR. BAUER
PERSONAL ASSISTANT

PARTICIPANTS

MASSACHUSETTS HIGH TECHNOLOGY COUNCIL

MR. HOWARD FOLEY
PRESIDENT

PARTICIPANTS

DIGITAL EQUIPMENT CORPORATION

ED BALKOVICH
CONSULTING ENGINEER
EXTERNAL RESEARCH GROUP
HUDSON, MASSACHUSETTS

YOLANDA BORISKIN
MARKETING SPECIALIST
CORPORATE SALES OFFICE
STOW, MASSACHUSETTS

CAROL HEBERT
SUPPORT SPECIALIST
CORPORATE SALES OFFICE
STOW, MASSACHUSETTS

WIN HINDLE
VICE PRESIDENT
CORPORATE OPERATIONS
MAYNARD, MASSACHUSETTS

WILLI KISTER
COUNTRY REGIONAL MANAGER
MUNICH
FEDERAL REPUBLIC OF GERMANY

AL MULLIN
VICE PRESIDENT
CORPORATE RELATIONS
MAYNARD, MASSACHUSETTS

KEN OLSEN
PRESIDENT
MAYNARD, MASSACHUSETTS

GRANT SAVIERS
VICE PRESIDENT
STORAGE SYSTEMS
MAYNARD, MASSACHUSETTS

ROLF - DIETER LEISTER

CONSULTANT
FOR INFORMATION PROCESSING
AND TELECOMMUNICATIONS

P.O. BOX 862

THEODOR-STERN-KAI 1

D-6000 FRANKFURT 70

TELEPHONE (06 11) 600-3672

(06 11) 63 12 19 0

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Nov 22 H. PS

digital

Digital Equipment International GmbH
Sudetenstraße 5 — 8950 Kaufbeuren
Tel. (08341) 803-0 — Twx. 541254

Publication: 1,6 million/week

Readership: approx. 6 million

Die Saubermänner von Kaufbeuren

Vierzig der insgesamt 333 Mitarbeiter der Computer-Firma Digital in Kaufbeuren im Allgäu haben einen ganz besonderen Arbeitsplatz. Sie tragen während der Arbeit nicht nur Handschuhe, Mundschutz und Kopfschutz, sondern auch Overalls, die den ganzen Körper umhüllen.

Aber nicht sie müssen geschützt werden vor irgendwelchen schädlichen Einflüssen (wie das in der Chemie-Industrie vorkommt). Schutzbedürftig sind vielmehr die Appara-

te, die sie mit größter Sorgfalt im sogenannten „Rein-Raum“ ihrer Firma zusammenbauen: Speicherlaufwerke, die einmal an Großcomputer angeschlossen werden und dann Millionen von Daten – etwa sämtliche Kontobe-

wegungen einer Zentralbank – aufzeichnen und bei Bedarf wieder ausspucken können.

Der „Rein-Raum“, in dem die vierzig Saubermänner und Sauberfrauen von Kaufbeuren arbeiten, ist von den übrigen Werkhallen und von der Außenwelt hermetisch abgeschirmt. Mit einem erheblichen Aufwand an Klima- und Filteranlagen wird darin ein Grad von Luftreinheit aufrechterhalten, wie er in natura nirgends zu finden ist, nicht einmal

in den unbewohnten Regionen der Arktis.

Warum „Rein-Räume“ bei der Fertigung von Computer-Teilen erforderlich sind, wird an Hand der Zeichnung auf dieser Seite deutlich. Im Innern von Chips oder auch von Plattenspeichern geht es um kaum noch vorstellbare Winzigkeiten.

So ist zum Beispiel die Magnetschicht auf den rotierenden Platten nur eben $0,8 \mu = 0,0008 \text{ mm}$ dick. Und der Magnetskopf, der

die Aufgabe hat, die Daten in die Magnetschicht zu schreiben oder sie daraus zu lesen, schwebt auf einem Luftkissen nur $0,00045 \text{ mm}$ über der Platte. Schon ein Fingerabdruck ist 20mal höher und würde den Schreib/Lesekopf unweigerlich zum „Absturz“ bringen. Ein Staubkorn oder gar ein Menschenhaar wäre in dieser technischen Mikrowelt eine erdbebenähnliche Katastrophe. ■

BUNTE Journal • Elektronik im Alltag

BUNTE Journal

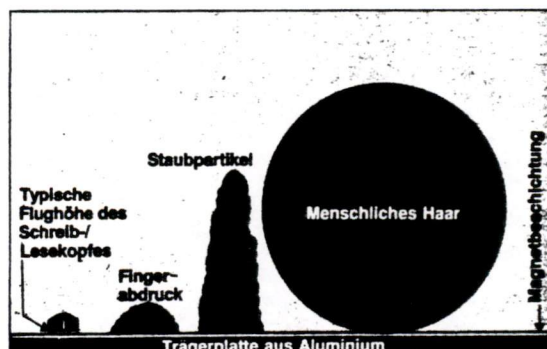


Silicon Valley liegt in Bayern. Nicht nur in Kalifornien entstehen die technischen Spitzenprodukte des Computerzeitalters. Im „Clean Room“ werden in extrem sauber gehaltener Luft Magnet-scheiben zu Massenspeichern zusammengebaut. Arbeitsplätze dieser Art kosten viel Geld; aber sie sind zukunftssicher, auch für die Bundesrepublik

Fotos: J. L. Debonne (2)



Saubermänner oder Sauberfrauen? Bei Digital in Kaufbeuren müssen alle, die im „Clean Room“ arbeiten, sich wie Ärzte für eine Operation einkleiden. Wer sie nicht kennt, weiß nicht einmal, ob da Männlein oder Weiblein schaffen



Wo ein Haar zur Katastrophe wird. Diese Zeichnung verdeutlicht die Verhältnisse in einem Speicherlaufwerk: Gegen die Flughöhe des Magnetkopfes wirkt ein Staubkorn wie ein Wolkenkratzer

THE CLEANMEN OF KAUFBEUREN

Forty of totally 333 employees of the Computer-Company Digital in Kaufbeuren in Allgaeu have a very special working-environment. During their work they wear not only gloves, mouth- and hair-protection, but also an overall which covers the whole body.

However, they don't need to be protected against any aggressive environments - as it often occurs in the chemical industry. Protection is needed by the products, which are assembled in the "cleanroom" of their company: storage drives, which will be hooked into large computer-systems and which write and read millions of data - approximately all number-operations of a big bank.

The "cleanroom", where forty cleanmen and cleanwomen of Kaufbeuren work, is hermetically cut off the other working places and the outside. By huge efforts and investments of air-condition- and filter-equipment, a level of air-cleanness is continuously achieved which is found nowhere in "natura", even not at the uninhabited region of the arctis.

Why are the cleanrooms needed for the production of computer-options: the drawing on this page makes it obvious. Inside a chip and on storage discs one has to deal with unimaginable small and precise dimensions.

For example, the magnetic layer on the rotating discs has a thickness of $.8\mu = 0.0008 \text{ mm}$. And the magnetic head, which writes data on and reads them from the disc, flies on an air-cushion of only 0.00045 mm over the disc. A finger-print is 20 times higher and would cause a "crash" of the head. In this technical micro-world a dust-particle or a human hair would cause a catastrophe like an earthquake.

CAPTION A

Silicon-Valley is in Bavaria

Not only in California, there are built High-Technology-products of the computer-age. In a "cleanroom" there are assembled head and magnetic media to mass-storage-devices. Working places of this kind cost a lot of money, but they are secure for the future, also for the Federal Republic of Germany.

CAPTION B

Cleanmen or cleanwomen?

At Digital in Kaufbeuren everybody who works in the cleanroom has to get dressed like a doctor in an operation room. To whom, who doesn't know them, it is not obvious whether they are women or men.

CAPTION C

Where a hair causes a catastrophe

The drawing shows the size relation within a storage drive: as compared with the flying height of the head, a dust particle looks like a skyscraper.

RESUMEE

PUBLICATIONS LIKE THIS HELP TO LEVERAGE

CONTRIBUTION TO THE NATIONAL ECONOMY

- * DIGITAL BRINGS TECHNOLOGY AND JOBS.

LEADERSHIP FOR ECONOMICAL ISSUES

- * DIGITAL-FUTURE TECHNOLOGY-SECURITY OF JOBS/
CATCH-UP OF GERMAN INDUSTRY.

COMPETENCE AS MANUFACTURER

- * DIGITAL IS CAPABLE OF MAKING AND CONTROLLING,
THOSE DEMANDING PRODUCTS.

AWARENESS TO THE GENERAL PUBLIC OF GERMAN SPEAKING COUNTRIES:

- * DIGITAL-EXPOSURE TO OVER 6 MIO. READERS.

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d i g i t a l
_ _ _ _ _ _ _ _

Germany
Interoffice Memo (2A)

TO: *WIN HINDLE

cc: see "CC" DISTRIBUTION

DATE: FRI 17 AUG 1984 9:11 AM HEC
FROM: JEAN-CLAUDE PETERSCHMITT
DEPT: V.P. EUROPE
EXT: 2222
LOC/MAIL STOP: GE/C1111

MESSAGE ID: 5245987111

SUBJECT: RE: EXTERNAL BOARD MEMBERS FOR DIGITAL GMBH

Thank you for your inputs.

a) Re role: The responsibilities of a board member are very clearly spelled out in German law, and therefore well understood by prospective board members. I want to make sure it is well understood that Digital, like most similar multinationals (e.g. IBM) has a worldwide strategy with which country strategies must be compatible, to set expectation of prospective board members properly. The executive search consultants I talked with are all comfortable that this is not a deterrent. Within the German environment, the other roles outlined are perceived as very important consulting functions. During their first tenure (3 years), these individuals will materially contribute to making Digital-Germany a DM 2 Billion company, from 600 Mio in FY 84.

In fact, we would expect to make a consulting agreement with these board members, separately from their board member fees. Board member fees for a company of our size (even including substantial future growth) are not adequate for such activities; they are adequate for "regular" board members (note: obviously DEC APPOINTED internal representatives waive that fee).

b) Re meeting with senior Digital management in the US: this is not a must, but desirable. It is perceived as one of the attraction of the position by all people I have talked to about our search. We will play it by ear when the time comes.

17-AUG-84 03:08:43 S 11588 GEMI

17-AUG-84 03:26:23 S 22583 RCSO

17-AUG-84 4:00:45 S 00384 GEMI
GEMI MESSAGE ID: 5245867089

"CC" DISTRIBUTION:

PIER-CARLO FALOTTI
JACK SHIELDS

WILLI KISTER
JOHN SIMS

EDWARD A. SCHWARTZ
BEAT STIEFEL

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I n t e r o f f i c e M e m o

TO: JEAN-CLAUDE PETERSCHMITT

cc: see "CC" DISTRIBUTION

DATE: WED 15 AUG 1984 12:01 PM EDT
FROM: WIN HINDLE
DEPT: CORPORATE OPERATIONS
EXT: 223-2338
LOC/MAIL STOP: ML10-2/A53

MESSAGE ID: 5245784525

SUBJECT: EXTERNAL BOARD MEMBERS FOR DIGITAL GMBH

Your guidelines on a Board Member for Digital GMBH sound fine, particularly the credibility with Germany's top 100 executives. Getting top candidates together with U.S. based V.P.'s may be too cumbersome and awkward for the kind of people you will be interviewing. I would be satisfied if Jean-Claude Peterschmitt, Pier-Carlo Falotti and Willi Kister all agreed on the same person, without a visit by that person to the U.S.

Also I question whether you can get someone really excellent unless you increase the duties of a Board Member so he feels he is helping run the company. I would not personally take a Board position in another company if my only duty was to help DEC sell to my friends.

WH:dc
WH1:S5.47

"CC" DISTRIBUTION:

PIER-CARLO FALOTTI
JACK SHIELDS

WILLI KISTER
JOHN SIMS

EDWARD A. SCHWARTZ
BEAT STIEFEL

ATTACHED: MEMO;139

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I n t e r o f f i c e M e m o

TO: see "TO" DISTRIBUTION

cc: PIER-CARLO FALOTTI
WILLI KISTER
BEAT STIEFEL

DATE: MON 13 AUG 1984 5:15 PM HEC
FROM: JEAN-CLAUDE PETERSCHMITT
DEPT: V.P. EUROPE
EXT: 2222
LOC/MAIL STOP: GE/C1111

MESSAGE ID: 5245581460

SUBJECT: EXTERNAL BOARD MEMBERS FOR DIGITAL GMBH

Having carefully investigated various approaches for the search of two external board members for Digital GmbH, I have concluded that our chances of success will be greatest by using an external search firm.

After interviewing the two finalists for this search, Beat Stiefel and I agree on Mr. Goetz von Waldau, Managing Partner of Spencer Stuart & Associates GmbH as the clear best choice : very professional; high level management career of his own; appears well introduced in German top business circles; displayed full understanding of our objectives. He would conduct the search personally.

The alternative finalist was Heidrick & Struggles, (Mr. Zimmeck) also very competent but appears less established in board level circles.

Attached is a brief I had given to search firms outlining our objectives and expectations.

APPROACH

- 1) Before going ahead with von Waldau, I would like to answer any questions you may have on objectives, process, and on von Waldau.

One question you may have is the appropriateness of using an American firm for this search. Based on my various contacts made in the process, I am confident that Spencer Stuart is highly respected and that the key consideration is the individual conducting the search.

- 2) Also, before making the final decision on the potential board members, I plan to have them meet with senior corporate management, as I believe that a good fit will be very important for the role we expect them to play.

8/13/84 Mon 16:49:35
JCP/bd

SEARCH FOR EXTERNAL BOARD MEMBERS FOR DIGITAL EQUIPMENT GmbH.

I - OBJECTIVE

Increase Digital's visibility and receptivity in high circles of management of the major German corporations.

The basic assumption is that DEC operates in Germany with an effective product and marketing strategy and a strong country organization.

II - THE BOARD MEMBER

a) Role

- Function as board member of a GmbH, with full understanding that Digital Equipment GmbH is a fully owned subsidiary of Digital Equipment Corp, which operates with a worldwide strategy. (Board meeting frequency : 2-4/year).
- Establish top level contacts with the board member and senior executive decision makers of the major German Corporations.
- Increase Digital's overall credibility in the inner circles of the German economy through the fact of his association with Digital.
- Participate in high level corporate presentations of Digital as a company to supervisory boards and management boards of these corporations.
- Advise Digital's German management on style and approach to Senior German management.

b) Characteristics

- Areas of experience : extensive experience (15-20 years) with industry and business either as a successful executive/board member or as an advisor (e.g. legal counselor, auditor, academic career with business orientation, etc...).
- Reputation
 - . "good name"
 - . successful achiever
 - . personal credibility among the "Top 100" leaders of German business.
- Visibility
 - Low public profile is preferable, the key condition being the visibility to the inner circles.

- Political color Neutral. Could have held a position close to government circles as long as not branded with a particular political image.
- Language Fluency in English, besides German mother tongue.

13-AUG-84 11:15:36 S 2088 GEMI

13-AUG-84 11:29:21 S 3887 RCSO

13-AUG-84 13:04:33 S 02296 GEMI
GEMI MESSAGE ID: 5245563455

"TO" DISTRIBUTION:

WIN HINDLE
JOHN SIMS

EDWARD A. SCHWARTZ

JACK SHIELDS

d i g i t a l

Germany
Interoffice Memo

TO: CLIFF CLARKE

DATE: FRI 25 MAY 1984 9:21 AM EDT
FROM: WIN HINDLE
DEPT: CORPORATE OPERATIONS
EXT: 223-2338
LOC/MAIL STOP: ML10-2/A53

MESSAGE ID: 5237573449

SUBJECT: DEUTCHE POSTREKLAME - DEC 840443181

This is the follow up on the order that I mentioned to you recently.

WH:dc

ATTACHED: MEMO;60

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I n t e r o f f i c e M e m o

TO: WIN HINDLE

cc: see "CC" DISTRIBUTION

DATE: THU 24 MAY 1984 2:29 PM BST

FROM: FRANK SANJANA

DEPT: LGE PROJ PROG OFFICE

EXT: 3226

LOC/MAIL STOP: READING/KRR1-17

MESSAGE ID: 5237471554

SUBJECT: DEUTCHE POSTREKLAME - DEC 840443181

Win, how nice to talk to you again after some while. We are very grateful that you are going to try to expedite the Export License for this one of 3 VAX's on order from Germany by this major new account. This is a break-through large Large Project sale of some \$7M near-term and up to \$70M potential.

Orders for all 3 VAX's were booked end-March. We are still trying to trace 2 of these somewhere in the Order Processing pipeline. The third - subject reference - got through to the point of reaching Terry Drucker in our Washington DC office on 5 May. I understand Terry to be the DEC person responsible for Export License approvals for Germany. If we can atleast expedite delivery of this order, it will help our credibility at this critical early stage of business with the customer.

Could I request that you use Hans Peter Holzwarth in our Cologne office for any further info you may need or to get back with any news. This is specially as I will be on leave for most of 25 May to 1 June inclusive. Hans Peter has country responsibility for driving Large Project Sales in Germany.

We understand, Win, that Dept of Commerce bureaucracy may prove overwhelming despite all efforts. But what a unique company we are of this size, where support from someone at your level can be enlisted so painlessly and promptly. It also starts with your secretary - thank you, Evelyn.

My best regards!

24-MAY-84 08:34:57 S 26166 REMI

24-MAY-84 10:01:10 S 9336 RCSO

24-MAY-84 10:53:42 S 02849 REMI
REMI MESSAGE ID: 5237409511

"CC" DISTRIBUTION:

Diary - May 22

Cliff Clarke will follow up and do everything we can to shape this group.

MESSAGES FOR WIN - 23 MAY 84

Evelyn received a call from FRANK SANJANA from our office in England. He is working with a German company called DEUSCHE (\$8 million order - 3 VAX's plus) but the big problem right now is an export license. He had tried to call Jack Shields, but was not able to reach him. Evelyn then tried Cliff Clarke, but Cliff was at lunch. Frank wants your help as he feels it is a serious problem. He has contacted people in our Washington office, but their hands are tied, and Frank feels that if you or Jack Shields could help, all would not be lost. Frank is on the European Management Committee. He would like you to reach him at home this evening with your thoughts on what should be done. He also gave Evelyn the DEC £, which is: 84 044 3181.
Phone: 44-256-62485

UPDATE: 5/22/84 - FRANK WILL BE GONE FROM THE OFFICE TOMORROW AND NEXT WEEK. HOWEVER, HE HAS LEFT THE NAME OF HIS "COUNTERPART" IN GERMANY (COLOGNE) WHOSE NAME IS: HANS PETER. HANS IS THE SALES MANAGER FOR LARGE PROJECTS. FRANK WILL EMS ANY INFORMATION ON DEUSCHE TO HANS AND WILL COPY WIN.

WH1:S9.18

Frank Sanjana

Call Cliff Clark -
263-3448

Deutch ~~FE~~. Postreklame

Pilot - DEC#

Jerry Orucher (DEC) - At Commerce since May 5

Germany

I n t e r o f f i c e M e m o

TO: DICK BERUBE
DON MCGINNIS

DATE: FRI 6 JAN 1984 1:04 PM EST
FROM: WIN HINDLE
DEPT: CORPORATE OPERATIONS
EXT: 223-2338
LOC/MAIL STOP: ML10-2/A53

MESSAGE ID: 5223551648

SUBJECT: MEMO FROM WILLI KISTER

FYI

ATTACHED: MEMO;19 MEMO;107

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I n t e r o f f i c e M e m o

TO: WIN HINDLE
ED KRAMER
KEN OLSEN
JACK SMITH

DATE: WED 4 JAN 1984 4:47 PM EST
FROM: JACK SHIELDS
DEPT: FIELD OPERATIONS
EXT: 276-9890
LOC/MAIL STOP: OG01-2/R12

MESSAGE ID: 5223347704

SUBJECT: MEMO FROM WILLI KISTER

The attached is for your information.

ATTACHED: MEMO;107

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I n t e r o f f i c e M e m o

TO: JACK SHIELDS

DATE: THU 22 DEC 1983 10:34 AM GMT

FROM: WILLI KISTER

cc: PIER-CARLO FALOTTI

DEPT: GENERAL MANAGEMENT

JEAN-CLAUDE PETERSCHMITT

EXT: 4468

LOC/MAIL STOP: RTO-4

MESSAGE ID: 5222037264

SUBJECT: A FEW MISC. OBSERVATIONS AT CHRISTMAS

1. HOW IS THE BUSINESS IN GERMANY DEVELOPING?

- a) We are still very much in line with the recovery plan as laid down 2 years ago.
- b) With a lot of hard work, this FY might just be doable.
- c) We are still experiencing difficulties in closing large projects and selling application products.
- d) Our main and almost only competitor has become IBM. We lost quite a few projects to them. In some cases, even projects that have been decided for DEC are being re-opened under the pressure of IBM.

2. HOW IS IBM DOING?

IBM is on a total attack

- across all markets
- across all customers
- through all the newspapers (dailies, magazines, Computer Press)
- with the Government. E.g.:
 - * IBM just visited with Kohl and 3 key ministers in Bonn
 - * at IBM's recent BTX conference with 700 (!) selected guests invited, the keynote speaker was the minister of the PTT
 - * the managing director of IBM GY and the Prime Minister of Baden Wuerttemberg just opened a joint center for technology in Stuttgart where IBM invests quite some equipment (4361, 4381, PC's) and manpower.
 - * President Reagan supposedly just sent a letter to the EEC requesting to stop the IBM antitrust suit.
 - * My contacts predict, IBM to slash prices on 4300 which is going to put even more pressure on our VAX prices and margin.

3. WHAT SHOULD OUR STRATEGY BE IN THIS SITUATION?

marketing strategy
(SNA, DCA, DIA, DEA, etc.)

- b) Put more emphasis on IBM coexistence (through product engineering and Marketing/Sales training). In my view we have given this lipservice until now.
- c) Continue the Management focus on Office Automation Applications. Make it the only strategic goal for 1985 to install "E's" with all major customers worldwide (this includes PC's).

4. WHERE COULD WE USE A LITTLE MORE HELP FROM CORPORTION?

- a) The translated press coverage we get from the U.S. is awful. Do you think we could intensify our work with the U.S. press?
- b) There are too many press (stories) about DEC dropping PC's. It would be temendously helpful if we could get some kind of a document/presentation which outlines the future PC- and workstation strategy. All customers now insist to find out what next.
- c) Our name is still really painful.
Do you believe IBM would be arrogant enough to force their international customers to pronounce their name "Internaeschonal bissness maeschins"
Declare a new decade of the company and call it DEC.

I personally believe it is not too difficult to turn DEC back into what it was before, a way-above-average company.
All of us here in Germany want to help.

Merry Christmas and a good New Year.

Regards

22-DEC-83 11:14:02 S 25010 GER8

22-DEC-83 11:54:24 S 9759 RCSO

22-DEC-83 13:32:59 S 03452 GER8
GER8 MESSAGE ID: 19831222103454/7601àMUNOIS

Germany

MISCELLANEOUS

- o PC's WILL TURN AROUND
- o APPLICATIONS SOFTWARE IS THERE
- o ORGANISATION IS NERVOUS - TOO MANY NEW PEOPLE
- o TOTALLY DIFFERENT CUSTOMERS

78' / 80 sales

- o DEC - 140 SALESMEN ←
- o NIXDORF - 400 SALESMEN ↗
- o IBM - 2000 SALESMEN ↗

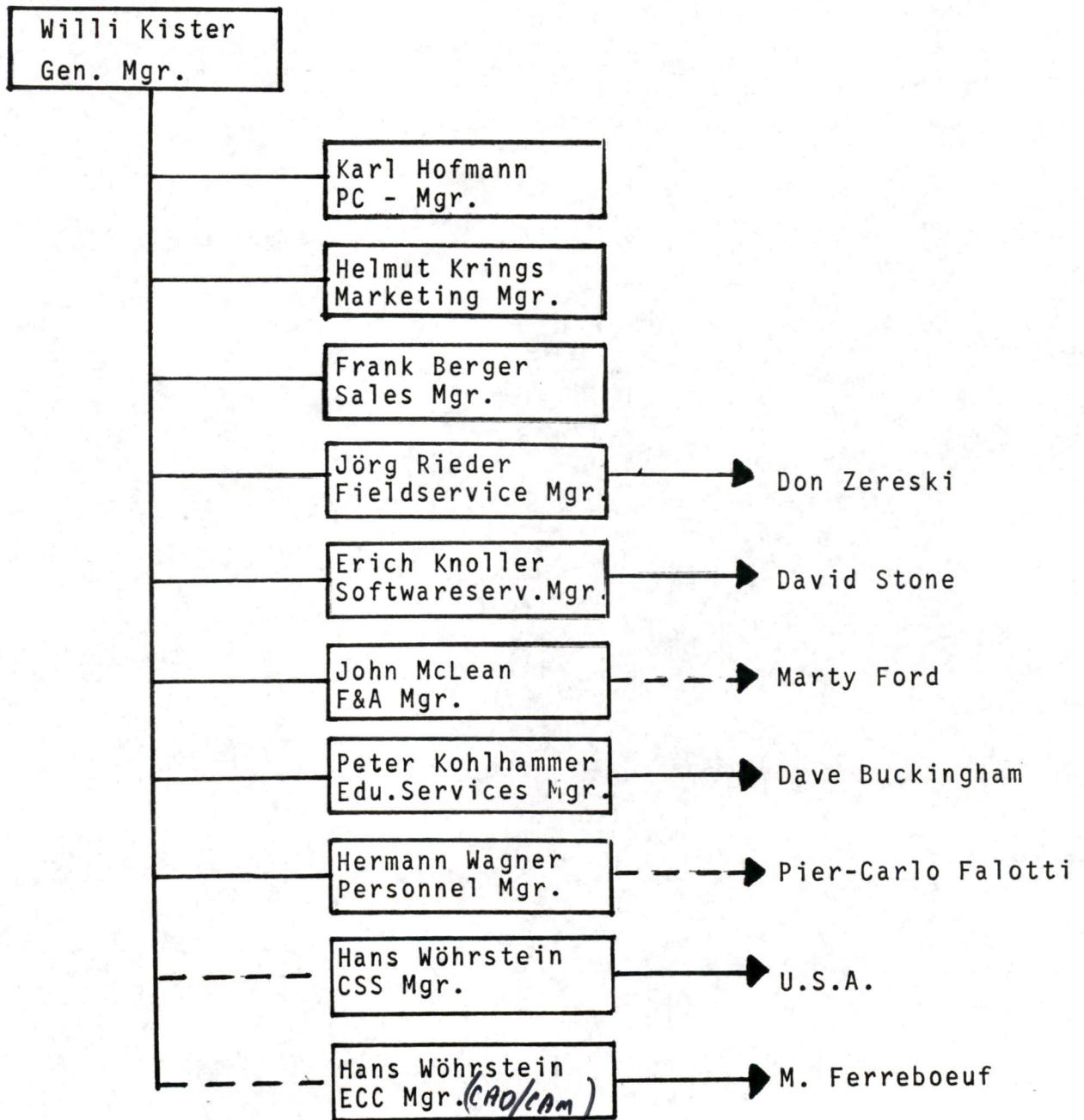
o MARKETSHARE ???

- o CAUTIOUSLY OPTIMISTIC

13.10.1983
WK

Germany

GERMAN MANAGEMENT TEAM



October 1, 1983
ro

Burkhardt - Kaufmann Plant Mgr. → Curran

Germany

* d i g i t a l *

TO: see "TO" DISTRIBUTION

DATE: TUE 11 MAY 1982 5:49 PM HEC
FROM: WILLI KISTER
DEPT: GEN MGR
EXT: 4468
LOC/MAIL STOP: MUNICH/D4

SUBJECT: ANNOUNCEMENT

Due to the restructuring of Europe which will give more responsibilities to the local organization in Germany, we want to use our management resources in an optimal way

As job rotation is one of the corporate principles which has proven successful, the following appointments will be effective immediately:

<u>Helmut Krings</u>	-	<u>Marketing</u> Manager
<u>Frank Berger</u>	-	<u>Sales</u> Manager
<u>Karl Hofmann</u>	-	Manager for Digitals <u>Personal Computer Program</u> (XT)

I am convinced that with their many years of management experience in various functions, this change will produce significant cross-fertilization and ultimately contribute to the growth of our entire organization.

Together with the Subsidiary Manager and the Software Service Manager, these positions form the nucleus of a Strategic Committee which will direct the future of the GmbH. They will primarily have a German focus, however, all will also have an advisory role for Austria and Israel.

An announcement regarding the Field Service Management position will be made shortly.

Please join me in wishing Helmut, Frank and Karl success in their new responsibilities.

Regards,

11-MAY-82 17:49:04 S 7097 GEMI

11-MAY-82 12:09:05 S 4188 RCSO

11-MAY-82 15:13:02 S 01347 GEMI
GEMI MESSAGE ID: 5163029306

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Darryl Barbe, Kgrd
Dave Barlow, Genb. B1101
Bob Bishop, Genb. E3109
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Pier-Carlo Falotti, Genb. Etang 109/1
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Geoff Shingles, Genb. C1301
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Claude Sournac, Paris
Kevin Sullivan, Genb. D2102
Bob Thorley, Kgrd.
Jim Wade, Genb. D1111
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Rob McMicking, Genb. D1213
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Silvio Garretti, Milan
Bill Passmore, Kgrd
Yves Sarrazine, Evry
Birger Kvaavik, Genb.
Renato Rettore, Milan
Avram Miller, ML 5-2 T53
John Alexanderson, RQ A30

Germany

~~XXXX~~

01000000

A N N O U N C E M E N T

DEC 9 1981

As the Corporation has decided to become very active in the field of Small Systems, we are pleased to announce that one of our Senior Managers has decided to take the challenge of introducing these Small Systems to the German market place.

As of January 1, 1982

F r a n k B e r g e r

will be the Small Systems Manager, reporting locally to Willi Kister and functionally to Si Lyle's Computer Products Group.

We are very confident that Frank will be leading us to gain a major share of the Small Systems Market by developing all the necessary products, application tools and distribution channels in Germany, which has traditionally been very strong in Small Systems.

During his 11 years with Digital, Frank has held various Management positions; the latest being, Regional Marketing Manager for CER.

We wish Frank all the best in his new job; he has our full support.

On an interim basis, Marketing Communications will continue to report to Frank, while A & SG will report to Karl Hofmann and the Product Group Marketing Organization to Willi Kister.

Munich, November 30, 1981

Willi Kister

Willi Kister
Regional Manager CER

* d i g i t a l *

Germany - ~~GER~~

TO: PPC:
cc: see "CC" DISTRIBUTION

DATE: TUE 8 DEC 1981 4:46 PM EST
FROM: DICK DOBBIE
DEPT: CORP. EURO. OFFICE
EXT: 223-4834
LOC/MAIL STOP: PK3-2/A52

SUBJECT: PRICING PROPOSAL-GERMANY

D I G I T A L

TO: PPC
CC: Geoff Shingles
J.C.Peterschmitt
Jack Shields
Bill Long
Win Hindle
Bill Thompson

DATE: 8 December 81
FROM: Dick Dobbie/
Willi Kister

SUBJECT: PRICING PROPOSAL - GERMANY

The German pricing proposal, which was supported by EBMC last week, will be presented for approval by PPC on December 21. The proposal is summarized below:

1. The GOAL of the proposal is to help improve our market position through
 - a competitive product mix and price where market is elastic
 - maximize volume in FY83
 - minimize negative PBT impact from price reductions
 - positive PBT impact from elasticity (price and resource allocation) and reduction of cost structure
2. Competitive Position. We are generally positioned 20-30% higher than we believe is necessary to compete effectively (specific data is attached as Appendix I).
3. Strategy for Price Changes by major product category is:
 - QBus, UBus - position competitively against vendors with 20-50MB Winchester disks particularly in TOEM and COEM
 - VAX - push Winchester technology with competitive back up media; differentiate from MEV's
 - Disks - in addition to the European price move position RL02 competitively against system competition with Winchester disks

Good!

- , Non-profit pricing - do away with discount agreements
instead give 10% flat non profit allowance

The specific price reductions we want to implement are shown in Appendix II.

4. Financial Impact. The total impact of this proposal on FY83 will be to:

- increase bookings (from current forecast) by \$10M.
- increase NOR by \$9M
- increase PBT/NOR % by 3.7 points
(NOTE: This translates into a 0.6 point increase for Europe)

5. We have attached (Appendix III) some additional inputs on areas where we would like to see Corporate Pricing actions.

We would like to briefly discuss this proposal at PPC on December 14 so that any major issues which should be addressed the following week can be identified.

APPENDIX I

Competitive Position

	DEC	IBM	HP	NIXDORF	PE	PRIME	DG
US	100%	180%	90%	N/A	N/A	80%	N/A
GY	100% (11/780)	120% (4341)	-	-	80% (3240)	80% (750)	65% (8000)
	100% (11/24)	60% (5/1)	-	65% (8870)			
	100% (11/44)		85% (1000, 3000)				

APPENDIX II

Price Changes - Implementation

Category	Product	% Price Change	% Elasticity
Q, U-Bus	11/23,24,44 RL02 packages (except D336, which is already done by Europe)	- 20%	+ 30%
VAX	VAX packages with	- 20%	+ 20%

	Winchester disks		
Disks	RL02, RL211	- 30%	+ 60%
	R-M02, 03, 05 disk subsystems	- 25%	+ 50%
Other	Non profit pricing	- 10%	-

APPENDIX III

Inputs to Corporation (wishlist)

- A) More flexible packages with choice of 2nd masstorage device
- B) New System packages:
 - 11/24 with RA80/RL02
 - 11/44 with RA80/RL02
 - 11/750 with RA80/RL02
 - 11/750 with RM05/TU77
- C) Phase out RK07 and RP06 packages
- D) Price uniqueness high, peripherals low (snake pricing)
- E) Hardware dependent software pricing e.g. charge different price for FORTRAN on Q-Bus, U-Bus and VAX such that it is about the same percent of hardware price.
- F) DECnet license for nets with more than 5 nodes 50% of D-license.

"CC" DISTRIBUTION:

*WIN HINDLE	WILLI KISTER	BILL LONG
JEAN CLAUDE PETERSCHMITT	GEOFF SHINGLES	JACK SHIELDS
BILL THOMPSON		

We need a
"Germany" file.

digital

Digital Equipment GmbH
Hühnerstraße 91, 8000 München 81
(089) 92 50-0, Telex: 05-215 780

Germany
SEP 28 1981

Interoffice Memorandum

Subject: Prices in Germany

Date: September 21, 1981

To: Ted Johnson, PK 3-2 A58 From: German Management Team/
Willi Kister, MUC D4

cc: GVP's

for info: Bobby Choonavala, GVA
Win Hindle, ML 10-2 A53
Jean-Claude Peterschmitt, PK 3-2 A52
Geoff Shingles, Genb.
Jack Smith, Genb.

Willi

Situation in September 1981

- ° Thanks for holding prices in Q2.
- ° We will do our utmost to get volumes back to budget, although Q1 has not shown turnaround yet.
- ° Even after your decision to hold prices, the following gaps still exist for typical configurations:

HP	15 % - 46 %
Nixdorf	36 %
IBM (low end)	67 %
Perkin Elmer	36 %
Prime	38 %

- ° I just do not know how I could let it happen.

1001 02 932

We need a
"Germany" file.

Digital Equipment GmbH
Freischützstraße 91, 8000 München 81
Telefon (089) 92 50-0, Telex: 05-215 780

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IBM (low end)	67 %
Perkin Elmer	36 %
Prime	38 %

- ° I just do not know how I could let it happen.

Proposed next steps for Germany - to be implemented in Q2

1. Source large disks (add-ons only) directly from CDC in Germany, thereby close price gap, produce incremental revenue and regain account control.
2. Cut prices on add-on memory to slightly above street price. Produce incremental volume by driving plug compatible manufactures out of business.
3. Please let me price an entry VAX 750 (standard system) and really go for marketshare.

If you were to agree in principle I would prepare the implementation plans together with Geoff Shingles almost immediately.

Longer Term

We need to do a major rethink of our structure in Germany where 80 % of our customers create 80 % of all structural expenses but contribute only 20 % of the volume. This becomes a very urgent issue and ought to be addressed as part of Jack Smith's "Productivity proposal" because:

- a) we are just not competitive (average 30 % above competition)
- b) even at today's prices we do not return average European profits
- c) once we go into commodity type business like CT, the market will not allow us to ask our historical business uplifts.

Needless to say that we are highly motivated and anxious to go. I'll keep in touch with Ted. In the meantime we will do some preparatory work.

Thanks in advance for your help.

Regards,

Germany

digital

Win Hindle's visit to Germany

Specific topics:

1. Latest Forecast for FY 82: 86 %
however positiv trend
2. DEC's prices 30 % above all competitors *and*
we will bring this down competitively rapidly
3. SWS will produce local application software.
First product is Office Automation Software.
4. Is CT our entry vehicle into Small Commercial
Market against local competitors (Philips,
Kienzle, Triumph Adler, etc.) *??*
5. The country will look at and improve its
output and efficiency whether or not
area or corporate efforts will be made.

Oct. 28, 1981

24 Italy

! ! ! ! ! ! ! !
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! ! ! ! ! ! ! !

I n t e r o f f i c e M e m o

TO: see "TO" DISTRIBUTION

DATE: MON 18 MAR 1985 2:59 PM EST
FROM: RAY SULLIVAN
DEPT: EXTERNAL PRODUCTS
EXT: 223-2537
LOC/MAIL STOP: MLO/MLO3-6 B52

MESSAGE ID: 5267236779

SUBJECT: VR290 COLOR MONITOR UPDATE TO JEAN-CLAUDE PETERSCHMITT

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INTEROFFICE MEMO

TO: Distribution

DATE: 16 March 1985
FROM: Ray Sullivan
DEPT: External Products Group
EXT: 223-2537
LOC: MLO3-6/B52
RCS: PRNT
ENET: MILVAX::R_SULLIVAN

SUBJECT: VR290 COLOR MONITOR UPDATE TO JEAN-CLAUDE PETERSCHMITT

The attached communication was sent to Jean-Claude Peterschmitt in the on-going effort to keep him informed of the progress with the VR290 Color Monitor Program with Fimi, S.p.A. (Philips, M.A.P.), Saronno, Italy.

"TO:" Distribution

Bruce Anderson
Henry Crouse
Pier-Carlo Falotti
Bill Hanson
Craig James
Kevin O'Brien
Jack Smith

Margo Cambier
Mike Cusack
Fred Forsyth
Win Hindle
George Joy
Ron Payne

Bob Chalkey
Bob Ducey
Tom Grablick
Bob Huettnner
Jeff Kalb
Jack Rathmell

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INTEROFFICE MEMO

TO: Jean-Claude Peterschmitt

DATE: 16 March 1985
FROM: Ray Sullivan
DEPT: External Products Group
EXT: 223-2537
LOC: ML03-6/B52
RCS: PRNT
ENET: MILVAX::R_SULLIVAN

SUBJECT: VR290 COLOR MONITOR CONTRACT NEGOTIATION SUMMARY

Per your request to be kept informed of the VR290 contract award activity, the following is a summary of contract negotiations held at Fimi, S.p.A. (Philips M.A.P.):

25 February thru 6 March successful contract negotiations were held with Fimi, S.p.A., at their facility in Saronno, Italy. Fimi committed for the first volume shipment to occur 10/15-11/15/85. Unit pricing ranges from \$1,126.10 to \$1,004.81, dependant on volumes actually purchased, with the pricing based on volume 0 - 30,000, with the pricing fixed for the period thru June 30, 1988, except for currency fluctuation + or - 3%. Industrial Design, in conjunction with Fimi Mechanical Engineering, has developed a very compact 19" color monitor (including an integral tilt/swivel stand), which will compliment the Digital family monitor "sculptured" look.

Mario Enrico, Fimi General Manager, was very willing to work with us on the terms and conditions of the contract, with the result of a very good set of T's and C's. He expressed being very pleased to have Digital as a customer. He reviewed the contract and officially signed all documents 6 March 1985. (It must be acknowledged that it was possible to present the formal contract documentation only thru the Digital Milan Italy Office supplying a DECMATE II and all other hardware and supplies for use at our Hotel, for updating all documents as the negotiations progressed.)

If you have any questions please contact me.

Regards,

Ray Sullivan

18-MAR-85 17:04:45 S 04080 CLEM
CLEM MESSAGE ID: 5267236920

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BRUCE ANDERSON
HENRY CROUSE
PIER-CARLO FALOTTI
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MIKE CUSACK
FRED FORSYTH
*WIN HINDLE
GEORGE JOY
RON PAYNE

BOB CHALKEY
BOB DUCEY
TOM GRABLICK
BOB HUETTNER
JEFF KALB
JACK RATHMELL

C - Did I interview Monduzzi 059-
June 4th

I n t e r o f f i c e M e m o

! _ ! _ ! _ ! _ ! _ ! _ ! _ !
! d ! i ! g ! i ! t ! a ! l !
! _ ! _ ! _ ! _ ! _ ! _ ! _ !

TO: FOMC:
MANAGEMENT COMM:
MKTG/SLS STRAT COM:

DATE: TUE 4 SEP 1984 5:23 PM HEC
FROM: PIER-CARLO FALOTTI
DEPT: VP FIELD OPER. EUROPE
EXT: 2961
LOC/MAIL STOP: GEO/C0202

MESSAGE ID: 5247707321

SUBJECT: ANNOUNCEMENT FIELD OPERATIONS EUROPE

** PLEASE DISTRIBUTE IN YOUR ORGANIZATION AS APPROPRIATE **

1. ITALY - EUROPEAN MARKETING

After 5 years of successful assignment in Italy, first as Sales Manager and then as Country Manager,

BRUNO D'AVANZO

will return to Geneva as

EUROPEAN MARKETING MANAGER

effective November 1, 1984.

Bruno has done an outstanding job in developing Italy from an organization of 300 people to 900 people and a turnover from 25 M\$ to 100 M\$, with a prestigious position in the Italian market and a very strong and successful organization. He leaves a lasting sign of his presence.

The challenge of

COUNTRY MANAGER - ITALY

will be taken by

PIER PAOLO MONDUZZI

Pier Paolo's experience in the computer field goes back 25 years with various assignments in IBM, in sales training, sales and marketing management, and lately as national sales manager for large accounts, with an outstanding success record and performance in all the positions held.

I look forward to his contribution to Digital Italy and Europe.

MICHEL FERREBOEUF

who has been European Marketing Manager for the last 2 years will
urn to France as

SALES AND MARKETING MANAGER, FRANCE

reporting to Claude Sournac.

Michel has done a terrific job in completely rebuilding the European marketing organization after the reorganization of 1982 and has managed to successfully introduce the new way to operate with the countries and corporate.

be responsible for managing the Sales and Marketing organization of France with full business responsibilities.

We look forward to his contribution to the continued development of France and to a new approach to deliver to our customers complete systems (hardware and software products) in a way to optimize our business and simplify our way of dealing with our customers.

I would particularly like to thank Michel for his co-operation and tremendous energy and capabilities that he has shown in his assignment in Geneva.

2. GEOGRAPHIES

Considering the increasing strength, size and capabilities of the countries and the excellent success of the European decentralization we are moving into a new phase of our organization to increase even further the speed and effectivity of our communication and implementation of our strategies and programs.

Starting September 10, 1984, all the country managers will report to myself, via a regular quarterly meeting where we will discuss and decide the necessary strategies and actions needed to implement our plans. This will ensure a synchronised and common understanding of our direction in all countries.

To help me in ensuring day-to-day assistance as needed, sharing of ideas and common needs, coaching and counselling, I have asked :

CLAUDE SOURNAC to help me in supporting the country managers of
 SPAIN - PORTUGAL - SEENA - ISRAEL
 in addition to continuing his role as country
 manager of FRANCE.

DAVID BARLOW to help me in supporting the country managers of
 NORWAY - SWEDEN - FINLAND
 while continuing to manage DENMARK.

DON FROST to help me in supporting the country managers of
 BELGIUM - SWITZERLAND - AUSTRIA
 while continuing to manage HOLLAND.

GEOFF SHINGLES will continue to manage
 UK - IRELAND - MIDDLE EAST.

WILLI KISTER will continue to manage GERMANY.

PIER PAOLO MONDUZZI
 will be managing ITALY.

I am sure that the seniority, capabilities and experiences of the above country managers will help the rest of the team in ensuring the necessary communication and development of the respective country organizations.

I would like to thank Shel Davis for serving as the acting MAXIS manager for the last nine months. He will now focus on his continuing assignment as Vice President, Organization Effectiveness, with primary emphasis on our evolving European organization.

I also want to thank the Area MAXIS Team which has been performing an excellent job in providing leadership and support to the countries and European management.

Each European functional manager will decide how to manage the respective functional country managers as the organizations evolve. David Stone has already announced his organization. Don Zereski, Marty Ford and I (for Personnel) do not plan to change the present responsibilities of respectively Don Herbener, Dick Wakeford and Bernard Mire.

I look forward to these new alignments as yet another step to develop strong individual country organizations and a closer co-operation with the Area management team.

Regards.

04-SEP-84 11:47:55 S 14734 GEMI

04-SEP-84 12:29:52 S 17481 RCSO

4-SEP-84 13:41:32 S 03176 GEMI
GEMI MESSAGE ID: 5247786504

Italy
2A

Italian Mgr.

- 1- Spagnuolo - entrepreneurial
- 2- Rilla - energetic
- 3- Monduzzi - opinionated

*Italian
mgr.*

*~~Take to Europe for
discussion with PCF~~*

PIERPAOLO MONDUZZI

IDENTIFICATION

Private address

10 via Francesco Ferruccio
Milan

Tel : 39.2/318.5185

Office address

IBM Italia SpA
Milan

Tel : 39.2/6357

Age

50 years (born March 1933)

Marital Status

Married; 2 children (26, 16 years)

Nationality

Italian

EDUCATION

Degree in Mathematics and Physics.
(Studied in Sydney; then University
of Bologna and terminated studies
at University of Milan).
Specialisation in supersonic aero-
nautics.

Languages

Italian : Mother tongue
English : Fluent

COMPENSATION

Total salary Lit.120 million.
Basic salary Lit.8.2 million x 13
Incentive Bonus : 10%
Company Car
Insurance Scheme

12/1/81

PROFESSIONAL EXPERIENCE

1958 - 1959

Assistant Professor, University

August 1959 - To date

IBM ITALIA SpA

Dott. Monduzzi started his career with IBM in Educational Services (both customer and internal). This was at the time that electronic devices were just starting and he was considered to be one of the most knowledgeable computer experts of that time. During the seven years he was in this department, he was also very much involved in the installation of all big computers.

Towards the end of 1966, Dott. Monduzzi spent seven months in Paris working on the unbundling task force, and then spent a year in Milan following up the unbundling practices in the Italian marketing HQ.

During the ten years 1970-1980, Dott. Monduzzi became heavily involved in sales activities, first as Sales Manager, Small Accounts and then Marketing Manager. Small and Medium sized companies.

In 1975, he became Branch Office Manager in Milan with a Lit.100 million revenue. There were 4 Marketing Managers, with a total of 35 Sales Representatives, 8 Systems Engineering Managers with 75 Systems Engineers, and 35 Administrative staff.

Confidential Report - Dott. Pierpaolo Monduzzi

In 1980, Dott. Monduzzi was promoted to Manager, Marketing Operations, Finance and in 1982 to Country Industry Marketing Manager.

In this latter position, Dott. Monduzzi has 75 people reporting to him and he was responsible for Banking, Insurance, Manufacturing, Scientific and Distribution industries which were mainly ISAM oriented.

As of January 1983, he is Area Manager, North East with ISAM also handling the medium-sized companies.

Confidential Report - Dott. Pierpaolo Monduzzi

EVALUATION OF THE CANDIDATE

Dott. Monduzzi is a man who immediately establishes an agreeable contact at a good level. He gives the impression of solidity and balance.

He expresses himself in a thoughtful and reflective manner and his dialogue is very open, direct and frank.

Dott. Monduzzi has had an interesting career, combining his technical training with sales and marketing management. He is thus a generalist who, nonetheless, has little experience of small systems.

He easily imposes himself as a leader : he is demanding, but fair. His assistants enjoy working for him as long as they perform, since those who do not perform cannot keep up with the rythm he imposes. He has, in fact, an enormous capacity for work.

Dott. Monduzzi likes autonomy and enjoys making his own decisions. He is not a "yes-man" and will not accept a compromise versus the risk of facing his superiors. It has been this point which seems to have put a brake on the development of his career. However, this is his style and it is in this way that he wishes his assistants to behave. He prefers them to be inventive rather than obedient.

Dott. Monduzzi does not really have a typical IBM profile. It is his engaging personality that is, in fact, the basis of his own character.

He is interested in D.E.C. for he sees the possibility of reaching a level to which he aspires and which he thinks he is capable of achieving.

He considers the question of remuneration to be secondary and is not looking for a substantial increase - he considers his present compensation to be satisfactory.

Ta

EDMONDO SPAGNUOLO

born in Chieti (Italy) March 31st 1936

resident in Milan (Italy) - Via C. Battisti, 2
tel. no. 02/5480907

from July 1983 = Managing Director SINTAX S.p.A.
(largest Italian private Software House -
100 % owned by OLIVETTI Group)
1983 turn-over 29 billion lire

Previous experiences:

1958 - ALITALIA Airlines

Internal Information System Dept.

1965 - OLIVETTI Computer Division - Sales Support

1966 - OLIVETTI - GENERAL ELECTRIC - Sales Support Manager
for selling in USA Market the Italian-developped
computer (GE-115)

1967 - OLIVETTI H.Q. - Internal Information System Division Manager

1971 - Government Sales Support Manager

1974 - OLIVETTI H.Q. - Software Policies & Strategies Manager

1976 - Italian Sales Operation Marketing Manager

1979 - Electronic Data Processing Sales Division Manager
and, since June 1982, also OLIVETTI COMPUTERS Sales
operation manager.