Howar Suyder - Nestles now Std on OSF - Now reports to Nestle CTO Pa: Systems well!?
#1-going well!?
#2-going well #3 - problems not related to leting-lung OSF Thanks for hering a reference. Send results of call to -Ed Furnaro-@sco

I never did get to tach Willowan sunder?? Is he mad at me? ef I do speak with Sum - RFC

MSE1:: VANROEKENS "Peter van Roekens DTN 247-2028 Multivendor Systems Eng From: ineering 10-Mar-1994 1729" 10-MAR-1994 17:46:26.06

BILL D LARRY W

CC: AL_S MAHENDRA PETER_M BILL_K MTS\$"mlo::win hindle" BILL_S RUSS_G .

Subi: I: Perrier Group: Next migration

The last migration went so smoothly that it gave Perrier the confidence to move in their plan for the ALPHA3 Migration. Congratulations to your development teams for all the hard work to get to this point! We also appreciate the teams being on call this weekend just in case there is a problem.

Thanks for all your help.

Peter

Scott 370=5570
Brie Hydy
370 Carol
CIB Edfuraco Carol

-Mar-1994 1643" 10-MAR-1994 16:49:37.71

To: distribution

CC: SAFFORD

Subj: *A/U: Perrier Group: Next migration moved to this weekend.

I just got off the phone with Kevin Phillips, who notified me that Perrier has decided to pull the schedule for the ALPHA3 Migration in by two weeks. They will be doing the YOGI to ALPHA3 Migration this weekend (12 MAR 94)!

Given how well the ALPHA2 migration went, this is, most likely, an extremely low risk effort. However, we would like to have a little backup; just in case.

By this note, I am asking that the USEG and the LAT Engineering folks have a person on-call for the weekend. As usual, I will act as the focal point and "dispatcher" should anything come up. The account team already has my contact information.

Thanks,

Dana Safford Multivendor Systems Engineering

```
!Arrowhead Water/Perrier Distribution List: 4 JAN 94
                                                                       320-5159
                    !Nick Marro
                                      Multivendor Customer Services
(*D: CTOAVX::MARRO)
                                                                       237-7768
                                      Multivendor Customer Services
                     !Lisa Matta
(*D: WHATSA::MATTA)
                                                                       230-5479
                                      Multivendor Customer Services
(*D: MTS$::"RCH::Kevin Phillips")!
                                      Multivendor Customer Services
                                                                       320-5249
(*D: CTOAVX::THEOBALD)!Ray Theobald
                                                                       536-2019
                                      Multivendor Customer Services
(*D: MTS$:: "RCS::Kim Sheen")!
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                                                                       530-4133
(*D: SMOGGY::BALDWIN) !Glenn Baldwin (*D: MTS$::"RCH::Bill King")!
                                      Multivendor Customer Services
                                                                       320-5201
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(*D: SWAM2::MULLION_RO)!Ron Mullion
                                                                       534-2729
                                      Multivendor Customer Services
(*D: SWAM2::WALDO_IR) !Irv Waldo
                                                                       320-5180
                                      Multivendor Customer Services
(*D: MTS$::"RCH::Kathleen Pizzuti")!
                                                                       295-6555
                                      Sales
(*D: MTS$:: "SCO::Ed Funaro")!
                                                                       381-0311
                                      USEG
(*D: KRISIS::HAYDEN) !Tom Hayden
                                                                       381-1307
                                      USEG
                      !Chuck Turley
(*D: RUSURE::TURLEY)
                                                                       381-0502
                                     USEG
                      !John Steinman
(*D: GURU::STEINMAN)
                                                                       381-2457
                     !Dennis Paradis USEG
(*D: MUDRAT::PARADIS
                                                                       381-0436
(*D: KRISIS::WINCHELL)!Dave Winchell
                                                                       548-8817
                                      DECwest Engineering
(*D: DECWET::STOPPANI)!Pete Stoppani
                                                                       548-8770
                                      DECwest Engineering
(*D: DECWET::PENNEY) !John Penney
                                                                       462-6087
                     !Phil Vitale
                                      LAT Enginering
(*D: UNXA::VITALE)
                                                                       462-6048
                     !Lesley Werner LAT Engineering
(*D: UNXA::WERNER)
                                                                       264-5104
                                      Multivendor Customer Services
(*D: SOLVIT::SPECTOR) !Lee Spector
                                                                       264-0919
                                      Multivendor Customer Services
(*D: SOLVIT::EARNSHAW)!John Earnshaw
                     !Sandra Lacorti Multivendor Customer Services
                                                                       385-2734
(*D: RHETT::LACORTI)
(*D: DECATL::MATTHEWS)!Valerie Matthews Multivendor Customer Services
                                                                       343-1706
                                                                       244-6443
                                      Office of the President
(*D: AKOCOA::CANNEY) !Don Canney
                                                                       247-2101
                                      Multivendor Systems Engineering
                      !Jack Howes
(*D: MSE1::HOWES)
                      !Steve Fortuna Multivendor Systems Engineering
                                                                       247-2061
(*D: MSE1::FORTUNA)
                                                                       247-2017
                                      Multivendor Systems Engineering
                      !Dana Safford
(*D: MSE1::SAFFORD)
                                                                        247-2254
                                      Multivendor Systems Engineering
                      !Robert Rand
(*D: MSE1::RAND)
                                                                        247-2259
                                      Multivendor Systems Engineering
                      !Angela Smith
(*D: MSE1::ANGELA)
                                                                        247-2457
                                      Multivendor Systems Engineering
                      !Doug Myer
(*D: MSE1::MYER)
                                                                        247-2158
                                      Multivendor Systems Engineering
                      !Keith Parker
(*D: MSE1::KPARKER)
                                                                        247-2558
                                      Multivendor Systems Engineering
                      !John Bressler
(*D: MSE1::BRESSLER)
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                                      Multivendor Systems Engineering
                      !Robert Rand
(*D: MSE1::RAND)
                                                                        247-2259
                                      Multivendor Systems Engineering
                      !Angela Smith
(*D: MSE1::ANGELA)
(*D: MSE1::K_ANDERSON)!Kent Anderson Multivendor Systems Engineering
                                                                        247-2453
(*D: MSE1::BEAUREGARD)!Arnie Beauregard Multivendor Systems Engineering247-2095
                                                                        247-2329
                                      Multivendor Systems Engineering
                     !Pam Ellis
(*D: MSE1::ELLIS)
                                      Multivendor Systems Engineering
                                                                        247-2559
                      !Ric Grogan
(*D: MSE1::GROGAN)
```

Printed by RUSS GULLOTTI @MKO

INTEROFFICE MEMORANDUM

Doc. No: 068402

Date: 10-Feb-1994 09:08am EST

From: BILL KING @RCH

KING.BILL AT A1 at CTOAVX at N

Dept: CT/UNY MCS
Tel No: 320-5201

TO: RUSS GULLOTTI @MKO
TO: JOHN PAGET @MRO

TO: FRANK BRANCA @OFO

CC: SCOTT RIMMER @RCH

(RIMMER.SCOTT AT A1 at CTOAVX at NQO (FINER.HARRY AT A1 at CTOAVX at NQO)

Subject: PERRIER - POSTSCRIPT ATTACHMENT

The attached document is an excellent example of follow-up, after a problem has been solved. There are always lessons learned from this type of situation, and it is nice to see us capture these learnings - and, hopefully, adjust our approach in the future.

I have personally met with the Perrier Information Management staff to review all of our activities during their outage period - and they are very satisfied with Digital's effort and the ultimate outcome.

In addition, they indicated that they are pleased with the performance of the Alpha machines, and are continuing their migration toward a total Alpha environment - all located in Greenwich, Connecticut.

Scott Rimmer and his account management team will coordinate a Digital senior management visit when the time is right for an executive level meeting.

Regards,

Bill

Je Pernentuader

Date:

07-Feb-1994 09:49pm EST

From:

SAFFORD

SAFFORD@MSE1@MRGATE@TWOMTS@TWO

Dept: Tel No:

TO: See Below

Subject: The Arrowhead Water/Perrier Post Mortem Document: POSTSCRIPT

Distribution:

TO: Kevin Phillips@RCH

TO: Kim Sheen@RCS
TO: Bill King@RCH

TO: Kathleen Pizzuti@RCH

TO: Ed Funaro@SCO

Use the RDL option to see remainder of distribution lists.

Arrowhead Water/ Perrier Group Post Partum

Prepared by
Arrowhead Water/ Perrier Group Problem Management Team

FEB 94

Purpose:

This document will attempt to portray a "post-mortem" analysis of the recent problem solving activities at Arrowhead Water/ Perrier Group (Perrier). Details on the problems can be found in Problem Description section.

Objective:

The objective of this exercise is to highlight where we, as a Corporation, performed well and where improvement is necessary. The final intent is to exploit the aspects that went well and to improve on the aspects that did not.

Scope:

This report will be limited to an analysis of the activities conducted in response to the remedial outage situation. It will not attempt to critique the design of the application or options.

Management Summary:

Virtual Teams:

The "Team" concept was appropriately applied and worked well.

Commercial Applications:

Digital Engineering groups must develop a better understanding of commercial applications and how they tend to operate.

Generic Heavy Loads:

Digital should develop a generic high load test suite that would present both interactive and batch loads that are significantly higher than what is done today.

Load/Scale Testing:

Testing, in both Engineering and on Digital Consulting projects, needs to be more thoroughly done.

Communications:

Project communications and Engineering communications need to be improved.

Digital Engineering Support:

Commercial accounts need around the clock support.

Relationships:

The formation of "Relationships" with certain high visibility/impact customers would be beneficial.

Personnel:

The following people were involved in this problem situation:

- · DECwest Engineering: John Penney, Peter Stoppani
- · Digital Consulting: Kevin Phillips, Kathleen Pizutti
- · MSE: Bob Cansler, Steve Fortuna, Jack Howes, Robert Rand, Dana Safford
- MCS: Bill King, Glenn Baldwin, Nick Marro, Lisa Matta, Ron Mullion, Frank Pascucci, Kim Sheen, Ray Theobald, Irv Waldo
- · MCS Corporate Customer Relations: John Earnshaw, Lee Spector
- · Office of the President: Don Canney
- Sales: Ed Funaro
- USG Support Engineering Group:

Kernel: Tom Hayden, Dennis Paradis, John Steinmam, Chuck Turley

LAT: Phil Vitale, Lesley Werner

Analysis:

Problem Descriptions:

There are two prevalent problem areas involved.

- 1. Defects in DEC OSF/1 and caused problems to be found on the Perrier production system.
 - 1. Intermittent system hangs with CI timeouts and LAT disconnects.
 - 2. Intermittent LAT disconnects appear possibly related to the system hangs.
 - 3. Panic "u_shm_dettach: detaching non-existent segment"
 - 4. Panic in ADVfs showing file system inconsistencies
- 2. Digital Consulting Services guided a major conversion to OSF/1 over a ten week period. During that time testing took place to verify system integrity and functionality. However, that testing did not approach the actual load level that was eventually seen. The MCS account team was not adequately informed of the impending implementation of the new application. When the application was brought up on the "Production" system, under actual full load, problems were then seen. The problems were first seen on or about 6 NOV 93, when the application failed to perform as expected. At that time the MCS account team had to scramble for remedial resources.

The first IPMT case (CFS.6957) was logged on 9 NOV 93, at 21:19 and was acknowledged by USEG at 21:26 on the same day.

Timeline:

Below is an approximate timeline of events, in sequence:

8 NOV 93:	Application live with problems at Perrier
9 NOV 93, 21:19:	Case 6957 Opened
9 NOV 93, 21:26:	Case 6957 acknowledged by USEG
10 NOV 93:	USEG on site, Continuous "Engineering" on site until 3 DEC 93
10 NOV 93:	ADVfs V1.0a installed
11 NOV 93:	First LAT patches installed
16 NOV 93:	First "TEAM" meeting
16 NOV 93:	Case 7094 and 7095 opened and acknowledged
17 NOV 93:	ADVfs patch installed
17 NOV 93:	Diagnostic LAT patch installed
18 NOV 93:	Shared memory patch installed
28 NOV 93:	LAT resource measuring patch installed
30 NOV 93:	Case 7094 (shared memory) closed
1 DEC 93:	Case 6957 (system hang) closed
2 DEC 93:	LAT (XYPLEX) patch installed
10 DEC 93:	Underlying LAT (resource) problem duplicated in LAT Lab
17 DEC 93:	Final LAT patch installed
7 JAN 94:	"Official" OSF/1 LAT patch available to rest of Corporation
11 JAN 94:	Case 7095 (LAT) closed

Field Activities::

Once the MCS field team was notified that problems were occurring, the issues were quickly escalated to "Engineering". The MCS field team did an excellent job of capturing crash dumps, relaying all failure information to Engineering, and implementing the fixes in a timely manner.

Dana Safford: "The MCS team was extremely dedicated to the installation of all diagnostic and resolution patches that were delivered by Engineering. This fast implementation allowed Engineering fast feedback that made a significant difference in the resolution time of this outage."

Nick Marro: "All of the on-site people conducted themselves very professionally in spite of some occasional outbursts from the customer. Lisa Matta, Frank Pascucci and Kevin Phillips acted as our eyes and ears to understand customer concerns and frustrations. They managed the technical flow of information. Other people from engineering and MCS on the west coast also worked very hard to control the situation as much as possible. I believe a real team came together in the face of adversity and solved a customers problem."

Engineering Activities:

Engineering began working on this case on, 8 NOV 93, as soon as they were informed of the situation. They did NOT wait for an official escalation. After two days of laboratory replication attempts, USEG placed an Engineer "On-site". This was beneficial in getting the initial situation under control. However, further involvement of "On-site" engineering work, while good for "Customer Relations", was a significant drain on Engineering, with virtually no positive results.

Nick Marro: "The engineering staff that made themselves available for Perrier's outage identified problems very quickly. They were very familiar with the code and could offer work-arounds within short periods of time. All but one of the technical problems were resolved within 24hrs of their identification. The last problem was very complicated and required some very extensive testing in the lab before release to the customer. This problem took about ten days to resolve but the customer was operational with a work-around. Considering the magnitude of the problems and the political issues that were always in the background this was an appropriate action.

Engineering Quality Assurance:

Quality assurance testing must be more stringent than it is today. The issues uncovered are not specific to Perrier. As the scale at which our customers use OSF/1 systems increases, other customers will encounter similar load related issues. The Perrier management folks have said, on more than one occasion, "Your QA is asleep at the wheel."

Engineering Communications:

In general, communications from Engineering to the field MUST be done in a formal consistent manner. The use of indirect, "unofficial" channels only confuses the messages to both the MCS organization and our customers.

Lisa Matta: "The first few problems were a direct result of information not getting to the right people. There was a new version of [Advanced file system] ADVfs that "fixed" supposed known problems, and this wasn't common knowledge. The shared memory patches were available, but only if you knew where to get the correct versions.

Tom Hayden: "Prior to the actual situation, support specialist(s) in the Atlanta CSC had reported LAT and shared memory problems (discovered by another customer) to UNIX Software Group (USG) via QAR, but not via IPMT. Wanting to help a customer, USG's engineers provided patches to the CSC specialist(s), who distributed the patches to some number of customers. One customer was an ISV who provided these patches to Perrier. Not everyone in the Atlanta CSC, including the person who first fielded the call from Perrier, was aware of the existence of these patches. USEG (USG Support Eng'g Group) was also unaware of these patches, since they'd been provided via an informal channel, i.e., not through USEG.

Summary: USG provided "unofficial" patches to the field. The Atlanta CSC didn't escalate problems through defined channels. The Atlanta CSC distributed

"unofficial" patches to customers. This resulted in Perrier running patches of unknown or questionable heritage.

Account Management:

In this case, the often unruly demanding attitude of the customer made account management extremely stressful. This not only puts a strain on all Corporate resources, but it also sets a precedent that will be difficult to move

Lisa Matta: "This customer is too demanding and we gave them everything they wanted. They will expect the same next time.

Steve Fortuna: "The main theme that I perceived while there, was we were keeping the customer in the dark. Many of the issues (e.g. updating the console firmware) were kept in secret from the customer for no apparent reason. The customer had the perception of being kept in the dark on many of the issues.

Phil Vitale: "Too many times the customer dictated how we did our jobs. While I understand the customer is very important, they should not be telling us how to resolve the problem. At times this prevented us from being as productive as we could have been.

"On-Site" Support:

Ongoing "On-site" support was an important issue in this situation. Perrier management did not trust in Digital's ability to correct the situation. Their thinking has been expressed as "If an engineer is not at our site, Engineering is not working on our problem." This is just not an accurate statement. Virtually all of the real work done to solve Perrier's problems was done at Digital engineering facilities.

Tom Hayden (USEG) has an excellent suggestion: "Now that the heat's off, I'd recommend that some of this situation's key players make a follow-up visit to Perrier and work to convince Perrier management of this point. If this suggestion is adopted, I'd recommend the team plan out very carefully what they're going to say and gather data to substantiate their message. Ad hoc stuff just won't cut it!"

Digital Communications:

The new application was installed with little communication from the Digital Consulting folks to the MCS account folks. A more proactive communication path would have helped Digital look less ineffective, as the potential escalation path for any applications problems could have been setup ahead of time and invoked with a phone call, rather than being done blindly in reactive mode.

The Problem Management Process:

Virtual Team:

To ensure that all parties were an integral part of the resolution process, a Problem Management Team was formed. This "Team" consisted of representatives from the following groups: DECwest, Digital Consulting, MCS, MSE, Sales, and USEG. This "Team" had the ability to assign action items and make decisions and commitments for the Corporation.

Meetings:

The "Team" held meetings, approximately every other day. Because of the geographic dispersity of the team members, the meetings consisted of conference calls. The primary objective of the "Team" meetings was to determine status, develop action plans, and to provide a forum to discuss ideas and issues important to the resolution of this outage situation.

Tom Hayden: "[The problems were managed] very well. The right functional groups were mobilized and regular, formal channels were established. Progress was tracked and communicated to everyone involved. Plans were made and communicated as well.

Nick Marro: "At times, some difficult choices had to be made and [MSE's] knowledge of the organization and it's capabilities contributed to the choice of the correct path of action.

Team Communications:

Phil Vitale: "Information from the actions being taken to resolve the problems need to be passed up the chain better and also back to the customer. For example, it appeared that from upper management's point of view, there was only one problem that was being worked on without any progress over several weeks of time. While in reality, there were a number of problems and there was progress being made. Unfortunately, they were not all resolved in a quick enough pace for the customer.

What Was Done Correctly:

The "Team" concept was appropriately applied. The frequent meetings, while a drain on some of the engineers, were required to ensure that appropriate resources were available and that progress was being made. The groups involved in the "Team" were committed to the full resolution of Perrier's outage.

Major Outcomes:

Commercial Applications:

Digital Engineering groups must develop a better understanding of commercial applications and how they tend to operate. These applications tend to present significantly different load profiles to our systems. Therefore, before we can update our testing, we must understand any generic loading or stresses that these applications place upon the system.

Generic Heavy Load:

Digital should develop a generic high load test suite that would present both interactive and batch loads that are significantly higher than what is done today.

Load/Scale Testing:

Testing, in both Engineering and on Digital Consulting projects, needs to be more thoroughly done. The level of testing accomplished, directly affects the quality of the final application.

Communications:

Project communications:

As Digital Consulting projects are proposed and implemented, their existence should be shared with the local MCS account team. This will allow the account team time to plan for the installation and on-going support of these new applications.

Engineering communications:

Engineering must be more methodical in the dissemination of technical information to the field. While notesfiles, bulletin boards, and the like can be viable and fruitful sources of information, they are only valuable, if you know about them. Formal BLITZ and time dependent information sources should be used at all times.

Lisa Matta: "BLITZ the field on known problems and issues as they happen, not months later.

NOTESfiles are not the preferred medium for getting info to the field.

Digital Engineering Support:

Another requirement of commercial accounts is their need for around the clock support. These bet your business accounts require continuous effort on the part of Digital. Engineering structures must be adaptable to this continuous support requirement.

Ed Funaro: "24 HOUR support is absolutely required.

Relationships:

The formation of "Relationships" with certain high visibility/impact customers would be beneficial to both sides of the equation. Some engineering groups are already doing this. However, a more widespread practice would further the understanding of all parties involved.

VMSmail To information: @PMDIST.DIS VMSmail CC information: SAFFORD Sender's personal name: Dana Safford,247-2017,Multivendor Systems Engineering 0

gang Pelletier Ressier 11/16/93 - Keeping him not of the loop. gang tacking like he's in change bumping along 1/2 weeks

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8/27/93



The Perrier Group of America

777 WEST PUTNAM AVENUE • P.O. BOX 2313 • GREENWICH, CT 06836

Telephone: (203) 531-4100 FAX: (203) 863-0297 or 0298

August 25, 1993

Mr. Harry Finer
Digital Equipment Corporation
500 Enterprise Drive
Rocky Hill, CT 06067

July Jenner

Dear Harry:

This is in response to your letter of August 12th. First let me say that I very much appreciate the prompt and forthright response, and I view Digital's response as sincere and very workable.

On a point by point basis, my response to your responses is:

- Acceptable. Very good.
- Acceptable, provided that the "appropriate resources" are adequate to complete the entire
 conversion of <u>all</u> our ULTRIX systems to OSF/1. In addition the complete conversion needs to
 be completed within the 6 month time frame we discussed, and the first system needs to be in
 live production by the end of October.
- 3. Acceptable, provided it doesn't become a long winded tale of woe should a problem arise.
- 4. Acceptable. It is my understanding that this discount will apply to all items on a single order, and that the order will include, but not be restricted to a DEC 7000-610. In other words, to take advantage of this provision, we intend to order some network and storage products at the same time we order the third Alpha.
- 5. Acceptable, with the provision that the first update be held by the end of 1993.
- Acceptable.

Harry, I am generally favorably inclined toward DEC's response and am yet more eager to get this entire situation behind us. I'd ask that if we are within negotiating range of an agreement that we start immediately on the OSF/1 conversion, even if we have yet to firm up the last points. I'd suggest that we plan on on-site resources next week as the conversion is the most demanding and most important task before us.

Sincerely yours,

Rowan Snyder

Corporate Director, MIS

RS:as

Doc. No: 059926

10-Aug-1993 05:53pm DST Date:

HARRY FINER @RCH From:

FINER. HARRY AT A1 at CTOAVX at

SALES Dept:

DTN 320-5499 Tel No:

TO: See Below

Subject: Perrier memo

The Attached memo was reviewed as revised by Dick Smith, Legal Council for Russ Gullotti. I will present the attached to Rowan Snider of perrier on Weds. at 10am.

Legal Council for swan Snider of perrier on weds. I med from poder

Date:

10-Aug-1993 03:39pm EST HARRY FINER @RCH FINER.HARRY

From:

Dept:

SALES

Tel No: DTN 320-5499

TO: Remote Addressee

(NORMA SUTTON @ACI)

CC: Remote Addressee CC: SCOTT RIMMER @RCH (ROGER ROSE @ACI) (RIMMER.SCOTT)

CC: MIKE FOLK @RCH

(FOLK.MIKE)

Subject: REVISED PERRIER ACTION PLAN

The attached will be delivered to Rowan Snider, Weds. at 10 AM. I would appreciate your review and any recommendations by days end today.

August 11, 1993

Dr. Rowan Snider Corporate Director MIS The Perrier Group 777 West Putnam Avenue Greenwich, CT 06836

Dear Rowan:

Thank you for your recent letter highlighting how Digital Equipment Corporation and The Perrier Group could improve our current business relationship.

On behalf of Digital Equipment Corporation, I apologize for the past situations that may have led to disruption of The Perrier Group MIS and Operations' Plans.

We have reviewed your recommendations and are happy to respond to them with the actions Digital is prepared and anxious to implement, please see the attachment for the overview of Digital's suggestions. With your acceptance, activity including some agreements, will commence.

Rowan, I look forward to the implementation of our commitments and to reaching a new height in our business relationship and partnership.

Sincerely,

Harry Finer, Connecticut Branch Manager Consumer, Process & Transportation Industries

cc: R. Gullotti, DEC

- R. Rose, DEC
- S. Rimmer, DEC
- J. Earnshaw, DEC
- E. Funaro, DEC
- M. Evans, PGA

Perrier Recommendations:

1. Request:

Loan of Two 5900's with 512MB, R4400 and CITCA plus necessary disk tape, etc, to replace the existing 5840 until such time as it can be converted to the AXP 7000, at which time we will return the loaner 5900's.

Response:

ONE 5900 has been on-site for two weeks, we will provide the second one and anticipate a delivery within two to three weeks. These loans will continue through our support activity as below with the ALPHA migration.

2. Request:

Three consultant level people certified in both OSF/1 and Ultrix. These people will convert PGA at DEC's expense to AXP.

Response:

We will work with Perrier to convert Perrier's Ultrix applications to ALPHA/OSF. Digital along with Perrier will determine the appropriate number of resources to manage the most expedient project plan. At this time, our technical team has estimated the scope of the project would require two Digital people for three months and appropriate Perrier support. Consistant with the workstatement we will develop for the conversion, the needs for support will be outlined.

3. Request:

Access to the ISV engineering support for V-Mark. Such access to be used if V-Mark Universe for OSF/1 experiences any difficulties versus the Ultrix version.

Response:

We will request appropriate access to ISV Engineering in support of V-Mark/OSF, if required during the migration project.

916 147

Lower have much as he for consolidations

4. Request:

An allowance of \$500,000 against a third 7000-610 to be purchased by PGA in the latter part of 1993 following the successful migration from our Ultrix 5900's to the two existing 7000's (again, this to be performed by DEC).

Response:

We will provide 40% off the total system price for the third Alpha, to a maximum value of \$500K,

We will provide Professional Consulting Services in support of reducing and/or eliminating Perrier's application backlog, at a discounted hourly rate of \$100 vs. the standard rate of \$150 per hour.

5. Request:

Assurance in writing that AXP SMP will actually materialize by the end of 1994.

Response:

Digital cannot give an iron clad guarantee that AXP SMP will continue on schedule for delivery for the end of 1994. We of course believe that the schedule shall be held. we will provide Perrier with periodic status of the availability schedule.

6. Request:

Include PGA in any product focus groups or product planning sessions for OSF/1.

Response:

If applicable focus groups occur, Perrier will be appropriatly notified and included.

Distribution:

TO: roger rose@aci
TO: SCOTT RIMMER @RCH
TO: john earnshaw@mko

TO: john earnshaw@mko TO: russ gullotti@mko

CC: norma sutton@aci

(RIMMER.SCOTT AT A1 at CTOAVX at NQO

Scott Rimmer



The Perrier Group

777 WEST PUTNAM AVENUE • P.O. BOX 2313 • GREENWICH, CT 06836

Telephone: (203) 531-4100 Telex: 221130 GWFUR TWX: 710-579-2985 FAX: (203) 863-6297 or 6298

July 30, 1993

Mr. Russ Gullotti Vice President Digital Equipment Corporation Digital Drive Merrimack, NH 03054-9501

Dear Russ:

I'm writing to you for several reasons. First and very importantly I wanted to say

Thank you

for your help in resolving our recent system crashes. I believe your help in focusing engineering and crisis resources was instrumental in the effective solution.

As these issues are now behind us, we can begin getting back to work on more value-adding activities. And therein lies the second reason for my (regrettably lengthy) letter. I want to lay out for you our rather unpleasant history with DEC and to motivate in you an understanding of the strategic havoc Digital has wrought on the Perrier Group of America (aka PGA). My purpose in what follows is not to berate, aggravate, vent or otherwise make a ticklish situation worse. Rather, it is to delineate some facts (as I see them) and to spell out the implications (also as I see them).

Allow me to recant in more or less chronological order the ever deepening spiral of our relationship. You will note two themes in the following; a series of technical shortfalls, and a series of unfulfilled promises resulting in more strategic crises. Feel free to gloss the following as necessary and I'll leave out the VAX world and most of the network, which have gone passably well, though not without problems from time to time.

ANCIENT HISTORY

In 1990 PGA committed to an open strategy to run it's main application. Based on a disclosure of proprietary information (PID) indicating forthcoming SMP capabilities, PGA felt the DECsystem line would meet our needs. We therefore ordered two DECSystem 5800's. Upon initial installation of the first 5810 in July of 1990, and despite much earlier testing, the systems immediately went into a horrendous, unstable condition. Two to three crashes per day were sustained for nearly a month. Finally, DEC engineering produced hardware fixes. Later, when the full blown 5840 was installed, another round of instability occurred; this time solved by several Ultrix patches to SMP and LAT. Both of these situations required extreme anxiety, pressure and fracas in order just to get the necessary technical attention, let alone the impact to the user community. The tentative conclusion on our part was that DEC Engineering wasn't as good as

we had hoped. For ease of reference, let's lump both these events together and call them Technical Crisis #1. (There will be so many following crisis, that this letter may eventually resemble Richard Nixon's autobiography - which if memory serves me was called <u>Seven Crises</u>.)

Shortly after finally upgrading to 5840's, it became apparent that the SMP capability wasn't as robust as one might expect and a subsequent PID indicated that the product line indeed had design limitations and would be discontinued. (While I'm sure it is minor to DEC, discontinuing the product line, upset us considerably. We ultimately rolled with the punch, but DEC suffered a loss of credibility in our eyes, so I'd call this Credibility Crisis #1.) At any rate, the 58xx line was to be replaced by another SMP line again based on processors from MIPS Co. The promise here (and I still have the chart) was for a 75-100MHz R4000 uniprocessor by early 1992 and full-blown 4 x 100 Specmark SMP by late 1992. Being loyal, tolerant customers, we said, "That's more like it" and we purchased five DECSystem 5900's and told our application group to plan for that capacity within a year or so.

SEEMS LIKE ONLY YESTERDAY

The 5900's as delivered ran fine but, within a year, no upgrade appeared and none was in sight. Since no upgrade for the 5800's appeared either, PGA starting spending a lot of time holding things together. We discovered, for example, that the 5800 memory could be expanded, but isn't supported. In literal desperation, we did it anyway. (It worked fine.)

We held an important planning session with our account team to look to OSF/1. We developed a long, but safe plan, utilizing OSF/1 on MIPS R4000, leading to OSF/1 on AXP. DEC later reversed itself and revoked this avenue and provided neither OSF/1 on MIPS nor Ultrix on AXP. Considerable risk is therefore shifted to us and the conversion to Alpha becomes a much bigger deal than we expected. (This became Credibility Crisis #2.)

RECENT HISTORY (STILL TENDER TO TOUCH

In September 1992, we bench-marked systems to replace a Prime. The 5900 fared poorly and we were dismayed that no larger system is available as promised. Major screaming on our part manages to stimulate 55MHZ R3000 cards (up from 40MHZ). Digital supplied these cards, but doesn't make them. We still don't know how we got them. This became Credibility Crisis #3. Moreover, in researching the 55 MHz issue, we gain confirmation of an earlier rumor that SMP will never materialize in neither R3000 nor R4000 form. We are assured however that the R4000 will be available in production by February. This is a complete double-cross and a direct contradiction of the information on which we based our purchases. The loss of a MIPS SMP upgrade path destroyed our computing strategy. It means that the years of work we spent getting to the Ultrix platform will have to be redone for a more capable one. Moreover, it means our commitments to our internal customers will have to be renegotiated. A significant loss of credibility for DEC ensued in this Credibility Crisis #4. (Getting to be a lot of them, are there not?)

The conversion of the Prime is a technical disaster, entirely because of defective DEC products. Four months are required to get the system to work. <u>Fifteen</u> (!) separate engineering problems are discovered from CITCA microcode, HSC credits, SCSI drivers, disk drive microcode, etc. Again, a major engineering crisis with on-site crisis managers and all that. The problem is opened to Palmer's office, but it is mistakenly closed by his staff. Much yelling, etc., etc. The conversion is delayed two months beyond our plan at a cost of \$45,000/month to continue the Prime. This we call Technical Crisis #2.

Once finally "fixed" the performance of the system was not good, and was compounded by a new wave of application features. At this point, the R4000 (in any form) was one year late, and we had insufficient hardware to run the business. We spent three months optimizing the application, and beta testing the R4000. At long last the R4000 clears beta (after significant crashes and difficulty) and is placed in production. Regrettably, problems we reported in Beta went unaddressed in the production release and the system started crashing in production. (This failure to fix issues reported in Beta test, was very much the last straw for us, and made us seriously question how many of the previous crises could have been avoided.) At any rate, this is more or less where you got involved, and we can refer to it as Technical Crisis #3. I hope that the level of technical and managerial intensity it took to solve the issues are not routine from your perspective, but it is the third consecutive time we've experience a virtually identical scenario of defective products and ill-focused repair efforts. In other words, even though you missed them, Technical Crises #1 & 2 were, from our perspective, just like #3.

Having precious little alternative, we decided to look at Alpha. In early briefings we were told that the 5900's would be Alpha upgradeable, but this too turns out to be a misrepresentation of reality. DECSystem 5900's can only be upgraded to the unupgradeable 3000, and that doesn't support the CI interface, so our peripherals aren't useable. The 4000 processor supports the CI, but there are no drivers for our disk drives, and the 7000 supports the disk drives, but not the TA86-type tape drive. (Other tape drives are possible, but entail all new media. This isn't the first time we've encountered this story of tape drive A isn't supported by product line B.) This has now become credibility crisis #5.

Worse, the Alpha panacea clearly isn't ready for prime time. OSF/1 is plagued by bugs. Version 1.3 that is forthcoming this summer reportedly fixes 600+ bugs in Version 1.2 (which shipped with the system). DEC's own people say "wait for 1.3." (In our initial testing we too immediately encountered fatal defects in the LAT support.) Let us all hope that in doing so, we will avert Technical Crisis #4, but had we gone with 1.2 as suggested, there is no doubt but that we would have lived it for real.

Today everything is "working," except that

- 1. We have no growth path in Ultrix;
- 2. We have no growth path in MIPS;
- 3. Our "in box" upgrade path isn't as represented;
- 4. We're now \$500,000 over budget in real hard costs, and slipping at \$80,000 per month;
- 5. We're 8 months behind in our service delivery plans due to working the crises this year alone;
- 6. We don't have time in our business plans (but will have to make time) to convert to Alpha and
- 7. Our 5900 investment is useless.

In short, we're seriously hosed. Our business and our application requires 100 Specmark processors and we have to convert. Meanwhile, there isn't a great deal of time as application features are in the pipe.

So, what we have here is that DEC has held out a magic cure that turns out to be expensive, bug-ridden and of poor usability and configurability. It bears all the hallmarks of two previous technical fiascos. Not very encouraging, especially considering that — being stuck with several 5900's — we'll be paying twice for what we were told we were buying (and should have gotten) the first time. Such is our predicament.

Still worse, take a look at our most concrete, hardest, out of pocket costs for 1993. Most of this has already been spent, but some will follow through the remainder of the year.

\$ 90,000	2 month delay in Prime conversion caused by 5900 bugs (Tech Crisis #2).
320,000	4 month delay in replacing 5840 and 5400 systems, plus delay in replacing VAX disk all caused by PGA focus on Tech Crisis #3. These replacements are still not complete, so any further delay is costing us \$80,000 per month.
70,000	Fees (to be) paid to DEC for consultants unable to perform useful work due to focus Tech Crises #3.
240,000	Incremental, unexpected, lease expense of two Alpha systems to replace the non-upgradeable 5900's. A third Alpha will be required, but I'm not yet including it here.
\$720,000	

Please note that I've excluded our staff's time and travel. I've put no value on our inability to deliver any end-user functionality so far this year (though the ultimate cost of that may well be in the tens of millions of dollars), and I've not attempted to assess the lost productivity of the 800 users affected, by 20-120 second response time, nor the overtime that was actually paid for people to work late due to slow response.

CONCLUSIONS

As I believe there is an airtight and compelling case that

- 1. The quality of DEC Engineering has been uniformly and repeatedly abysmal. I'd give it an "D".
- 2. DEC has repeatedly misrepresented the actual performance and future capabilities of its products.
- 3. DEC has misrepresented the conversion path between Ultrix and OSF/1, and has flip-flopped on the issues.
- 4. DEC has failed to deliver what few skeletal pieces of the platform strategy remain intact in a timely fashion.
- 5. We have overpaid for the performance and capabilities we actually received, since the value implied in the future growth paths never materialized.
- 6. DEC has imposed hardware and software migration hurdles to our organization that were promised not to happen.

RECOMMENDATIONS

I believe DEC needs to take significant steps to remain a supplier, let alone partner to PGA. I would recommend that DEC provide to PGA within one week the following:

- 1. Two 5900's with 512MB, R4400 and CITCA plus necessary disk tape, etc. to replace the existing 5840 until such time as it can be converted to the AXP 7000, at which time we will return the loaner 5900's.
- 2. Three consultant level people certified in both OSF/1 and Ultrix. These people will convert PGA at DEC's expense to AXP.
- 3. Access to the ISV engineering support for VMark. Such access to be used if VMark Universe for OSF/1 experiences any difficulties versus the Ultrix version.
- 4. An allowance of \$500,000 against a third 7000-610 to be purchased by PGA in the latter part of 1993 following the successful migration from our Ultrix 5900's to the two existing 7000's (again, this to be performed by DEC).
- 5. Assurance in writing that AXP SMP will actually materialize by the end of 1994.
- 6. Include PGA in any product focus groups or product planning sessions for OSF/1.

If this is provided I'd say the score is largely even. In exchange, PGA will consider that DEC has made a full faith effort to repair what it is responsible for.

In these competitive and turbulent times, it is hard enough achieving any competitive advantage and it is exceedingly difficult when supplied by unreliable bunglers who do not keep their word. Please do something to dissuade me from this unpleasant conclusion.

Sincerely yours,

Dr. Rowan Shyder Corporate Director, MIS

cc: Scott Rimmer, DEC Harry Finer, DEC Ed Funaro, DEC Mark Evans, PGA

Date:

05-Aug-1993 04:23pm EDT

From:

Roger Rose @ACI

ROSE.ROGER AT A1 AT POBOX AT A

Dept:

Consumer, Process & Transport

Tel No:

DTN 474-5100

TO: See Below

CI

Subject: Perrier

Mike (and Scott upon your return):

I just received a copy of the letter sent by Dr. Snyder to Russ Gullotti. My faxed copy is very poor, but I can clearly understand the tone. As I discussed with you via telephone, I would like ASAP a financial summary of our view of a reasonable and best offer to help Perrier out of this situation. When I say best, I do mean best versus some negotiated first step. Is that summary on the way to me? Do I need to call the customer to tell him we are working on this or will the account team be handling that interaction? The financial difference between our conversations, Mike, and the customer's letter are significant. Should I assume he is simply pushing himself? I assume we need a conversation.

Regards,

Roger

Distribution:

TO: Scott Rimmer @RCH

TO: Mike Folk @RCH

CC: STeve Johnson @ACI

CC: Harry Finer @RCH

CC: Eli Lipcon @MRO

CC: Russ Gullotti @MKO

Use the RDL option to see remainder of distribution lists.



Please deliver ASAP

Facsimile Cover Sheet

To: Company: Phone: Fax:	ROGIA (Rose DIGITAL 474-5100 474-5824
From:	Kathie Nickerson Russ Gullott: Digital Equipment Corporation
	146 Main Street, Maynard MA 01754 (508)493-3960 DTN: 223-3960 2025 (508)493-0200 or DTN: 223-0200
Date: Pages including this cover page:	12

Comments:

See attached □
For your information □
Please handle □

Doc. No: 059702

Date: 06-Aug-1993 09:19am DST

From: RUSS GULLOTTI @MKO

GULLOTTI

Dept: U.S. AREA

Tel No: 264-6209

TO: Remote Addressee

(ROGER ROSE @ACI)

Subject: PERRIER

Roger, Russ would like to see a recommendation on how we should proceed by Monday.

Thank you

Andrea

Press RETURN to continue, GOLD MENU for options or EXIT to cancel

Date:

15-Jul-1993 08:28am DST

From:

VMSMail User EARNSHAW EARNSHAW@SOLVIT@MRGATE

Dept: Tel No:

TO: FINER@CTOAVX@MRGATE

CC: EARNSHAW@SOLVIT@MRGATE

Subject: I: Russ' note, you weren't on the original distribution

GRANIT::GRANIT::MRGATE::"SOLVIT::A1::GULLOTTI" 14-JUL-1993 10:31:03.99 From:

To:

CC: SOLVIT:: EARNSHAW

PERRIER ACTION PLAN Subj:

1

From: NAME: RUSS GULLOTTI @MKO

FUNC: U.S. AREA

TEL: 264-6209

<GULLOTTI AT A1 at WOODRO at MKO>

To: SCOTT RIMMER @RCH CC:

JOHN EARNSHAW @MKO,

BILL DEMMER @BXB, ROGER ROSE @ACI

I am receiving daily updates on the progress (or lack thereof) at Perrier. I am speaking with Rowan Snider as necessary.

I will insure (through John Earnshaw) that all people, capital, etc., needed to fix the problem are made available.

I want you to be more specific before we start giving more away. Please get your proposal to Roger Rose for his consideration ASAP.

He'll talk with me if he needs my direct involvement.

Thanks Scott.

DICTATED NOT READ

NAME: HARRY FINER @RCH From:

FUNC: SALES

TEL: DTN 320-5499

<FINER.HARRY AT A1 at CTOAVX at NQ

0>

12-Jul-1993 Date:

Posted-date: 12-Jul-1993

Precedence: 0

Subject: Perrier Action Plan

See Below To: See Below CC:

Date:

09-Jul-1993 04:21pm DST

From:

HARRY FINER @RCH

FINER.HARRY AT A1 at CTOAVX at

NQO

SALES Dept:

Tel No: DTN 320-5499

TO: SCOTT RIMMER @RCH (RIMMER.SCOTT AT A1 at CTOAVX at NQO

)

CC: MIKE FOLK @RCH (FOLK.MIKE AT A1 at CTOAVX at NQO)

CC: DWIGHT WILDMAN @RCH (WILDMAN.DWIGHT AT A1 at CTOAVX at NO

0)

Subject: RE: Funding for Perrier

Scott,

As you are aware The Perrier Account has some very serious problems and issues to be resolved, if we are to keep them as a Digital Shop.

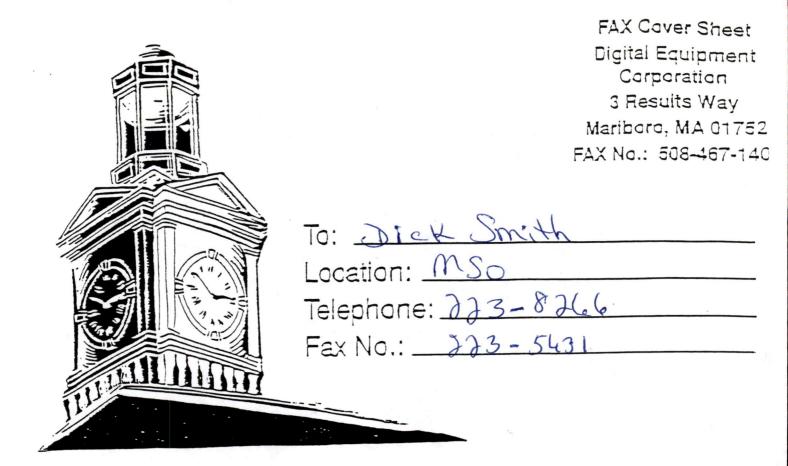
Today, I spent a great deal of time resolving issues and breaking down barriers, many of which will require funding. My past experiences indicate that the funding issues will always be focused at Sales to resolve and satisfy.

I would like to acquire approxiamately \$250K in additional expenses to satisfy the Perrier issues, which not only exist with the current DECsystem 5900s but also seem to be looming with the recent APLHA Purchases.

Issues that I see after just today's involvement are:

- MVCS will require payment for Service Engineers on site Estimated Charge \$25K
- Engineering, Ultrix, will require funding for travel and expenses Estimated Charge \$20K
- Consultants from Delaware will require funding to be on site in Greenwich @\$95/hr. plus travel, lodging and meals, maybe as much as 4 weeks time. Estimated Charge \$35K
- Reimbursement to Digital Professional Services for time spent on DECsystem 5900 issues vs. the time spent on Alpha Migration, which Perrier purchased. Estimated Charge \$50K.
- Loaner DECsystem 5900s (2), plus installation and startup. Estimated Charges \$50K
- Antipated Problem Resolutions for the ALPHA Migration, which is known to have 100 bugs in the current version of OFS1. Estimated Charge \$75K

Scott, I hope that we can eliminate the perceived financial issues by addressing the funding now vs. later.



From: Russ Gollotti
Telephone: 264-6209
No. of Pages to Follow: 5

Should we worry about any contingent
Liability Precedence.

PERRIER - (203) 863-8-55 0285

- ROLAND SCHNEIDER
- 4:00
- ACCT. MOR HAS UPPATE (HARM FINER)
 CAME ANDREA N 3:50 TO GET UPPATE.

Message Gram Harry Fina -

- Rowan Ing der is uncom fortable with the 50% discount we're giving him he wants the DBA attached to that - 16% - for a total discount of 6600 - Harry Seels 50% is enough- Suggests you stick to that figure- He thinks Rowan will back right odd if you're firm-

By the way - all is working well at Perrier -

Please Sent Harry a note after your Conv. upRowan - He's mtg with him wedn & needs to know how your call went.

Ty

August 12, 1993

Dr. Rowan Snider Corporate Director MIS The Perrier Group 777 West Putnam Avenue Greenwich, CT 06836



Dear Rowan:

Thank you for your recent letter highlighting how Digital Equipment Corporation and The Perrier Group could improve our current business relationship.

On behalf of Digital Equipment Corporation, I apologize for the past situations that may have led to disruption of The Perrier Group MIS and Operations' Plans.

We have reviewed your recommendations and are happy to respond to them with the actions Digital is prepared and anxious to implement, please see the attachment for the overview of Digital's suggestions. With your acceptance, activity including some agreements, will commence.

Rowan, I look forward to the implementation of our commitments and to reaching a new height in our business relationship and partnership.

Sincerely,

Harry Finer, Connecticut Branch Manager Consumer, Process & Transportation Industries

- cc: R. Gullotti, DEC
 - R. Rose, DEC
 - S. Rimmer, DEC
 - J. Earnshaw, DEC E. Funaro, DEC

 - M. Evans, PGA

Perrier Recommendations:

Request:

Loan of Two 5900's with 512MB, R4400 and CITCA plus necessary disk tape, etc. to replace the existing 5840 until such time as it can be converted to the AXP 7000, at which time we will return the loaner 5900's.

Response:

ONE 5900 has been on-site for two weeks, we will provide the second one and anticipate a delivery within two to three weeks. These loans will continue through our support activity as below with the ALPHA migration.

Request:

Three consultant level people certified in both OSF/1 and Ultrix. These people will convert PGA at DEC's expense to AXP.

Response:

We will work with Perrier to convert Perrier's Ultrix applications to ALPHA/OSF. Digital along with Perrier will determine the appropriate number of resources to manage the most expedient project plan. At this time, our technical team has estimated the scope of the project would require two Digital people for three months and appropriate Perrier support. Consistant with the workstatement we will develop for the conversion, the needs for support will be outlined.

Request:

Access to the ISV engineering support for V-Mark. Such access to be used if V-Mark Universe for OSF/1 experiences any difficulties versus the Ultrix version.

Response:

We will request appropriate access to ISV Engineering in support of V-Mark/OSF, if required during the migration project.

Request:

. .

An allowance of \$500,000 against a third 7000-610 to be purchased by PGA in the latter part of 1993 following the successful migration from our Ultrix 5900's to the two existing 7000's (again, this to be performed by DEC).

Response:

We will provide 50% off the total system price for the third Alpha, to a maximum value of \$500K, purchased by the latter part of 1993.

Request:

Assurance in writing that AXP SMP will actually materialize by the end of 1994.

Response:

Digital cannot give an iron clad guarantee that AXP SMP will continue on schedule for delivery for the end of 1994. We of course believe that the schedule shall be held. we will provide Perrier with periodic status of the availability schedule.

Request:

Include PGA in any product focus groups or product planning sessions for OSF/1.

Response:

If applicable focus groups occur, Perrier will be appropriatly notified and included.

130.30A9

01:11 86. 91 9NU

Doc. No: 059959

Date: 1

11-Aug-1993 09:23am DST

From:

Dick Smith

SMITH.DICK AT A1 at POWDML at

Dept: Tel No:

TO: RUSS GULLOTTI @MKO

CC: HARRY FINER @RCH
CC: NORMA SUTTON @ACI
CC: ROGER ROSE @ACI

Subject: Perrier Group of America

Harry's response to Dr. Snyder's 30 July 93 letter to you is a reasonable, and maybe even generous, offer to re-establish a positive relationship with this obviously disgruntled customer. Our response does not create any greater potential liability for Digital provided we fulfill the offered commitments made in the letter if they are accepted by PGA.

While we could have included more disclaimer, settlement or release language in the letter, I do not believe such language is necessary at this point given the apparent "internal to PGA" purpose of the letter as described to me by Harry, as well as the tone of Dr. Snyder's letter itself.

Although I believe Harry intends to deliver his letter to PGA today, since Dr. Snyder's letter was addressed to you, it might be appropriate for you to send him a short reply indicating that you have asked Harry to propose a mutually acceptable plan to restore Dr. Snyder's confidence in Digital as both a supplier and business partner to PGA.

I have attached one approach to such a reply for your consideration. If you would like me to do anything else at this point, please let me know.

Regards,

Attachment

DRAFT LETTER

Dr. Rowan Snyder Corporate Director, MIS The Perrier Group 777 West Putnam Avenue P.O. Box 2213 Greenwich, CT 06836

Dear Dr. Snyder:

Thank you for your detailed letter of 30 July 93 relating to your disappointment with what you see as a deterioration of Digital's credibility as a supplier and business partner to The Perrier Group of America. While I may not agree with your conclusion that Digital is responsible for all of the problems you recite, I do accept the sincerity of your disappointment as expressed in your letter.

Accordingly, I have asked Harry Finer to review our relationship over the time period addressed in your letter and to develop a fair proposal to you that will restore your faith in Digital as a customer focused supplier and business partner.

Harry's proposal will be delivered to you within the next week, if you have not already received it. I trust that it will demonstrate Digital's commitment to re-establishing The Perrier Group of America as a satisfied customer of Digital products and services.

Sincerely,

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963

INTEROFFIC

MEMORANDUM

Doc. No: 059341

Date: 29-Jul-1993 12:01pm DST

From: MIKE FOLK @RCH

FOLK.MIKE AT A1 at CTOAVX at N

Dept: OPERATIONS

Tel No: 320-5386 ext 203-258-5386

TO: See Below

Subject: PERRIER GROUP MIPS/OFS SATISFACTION ISSUE

Roger, this note is to recap our proposal and request your help to resolve the issues at Perrier Group regarding Digital's reduced support of the MIPs product line and Digital's decommit of OSF on the MIPs platform. Several background notes are attached. Some bullets:

- 1. Perrier was an early buyer of 5800s and UNIX, all purchased through a VAR. There were start-up and performance problems with the 5800s as we know.
- 2. After considerable pain we sold them on 5900's which were promised with SMP. Only SMP would give them acceptable performance. Due to the need for performance they put the 5900's in production early in the delivery cycle and Perrier experienced many problems with these also.
- 3. In may 1992 Perrier was told that yes MIPs was in the future, the R4000 would be part of a family and OSF would be on MIPs. By February the no SMP, R4000 was 1 year late, MIPs was decommited, Perrier was seriously out of power and stuck with several recently purchased 5900s that were a dead end and forced to a migration that was unplanned and not budgeted.
- 4. Circa March/April we convinced Perrier that Alpha 7610s were the best way to go. Among other things this was because we had effectively no tape support for OSF, no LAT support in OSF 1.2 and before, and disk compatibility issues. Therefore the 4000 class Alphas would not work.

Perrier is now 9 months late with their application development due to Digital's problems with MIPs and OSF and they have overrun their MIS budget by \$800k. Due to this issue, Rowan Snider is near termination due to the user Vice Presidents complaints over his and Digital's performance. Nestle, the parent company, is becoming restive over the lack of support by Digital and Nestle is pushing for a movement to HP.

Rowan is in the process of sending another letter to Russ regarding the issue (there have been several meetings and Telecons) expressing his unhappiness and desire to be made whole.

Our collective solution is basically as follows:

1. 2 senior people for 3 months each, (1 OSF and 1 Ultrix) to convert

QO

and bail out the application environment.

- 2. An additional 7610 Alpha that Perrier needs at about 30% to 35% off.
- 3. Some latitude at the District level to work the issue with a cap of any further compensation at NTE \$200K, (probably less than \$100k) and a release from Perrier.

As the decision to discontinue the MIPs space and decommit OSF was a business decision by Engineering, the reserve fund (if not in fact then in principle) which has been set up should pay for the fix. We in the District and at the CBU level should not carry the burden of Engineering or Manufacturing problems like these.

I look forward to your support and help with acquiring and funding these resources. As time is becoming critical, with your approval we will move ahead and/or I will ask Debbie to set up a call to review the solution to this issue with you.

regards,

Distribution:

TO: ROGER ROSE @ACI

CC: BILL DEMMER @BXB
CC: RUSS GULLOTTI @MKO

CC: HARRY FINER @RCH

CC: SCOTT RIMMER @RCH

CC: JOHN EARNSHAW @MKO

(FINER.HARRY AT A1 at CTOAVX at NQO) (RIMMER.SCOTT AT A1 at CTOAVX at NOO

Russ,

Rowan Snider at Perrier is becoming very concerned and impatient with Digital's inability to correct his current problems as it relates to his DECsystem/Ultrix failures.

We have an objective to bring the current problems under control and to stabilize the systems ASAP. John Earnshaw, Corporate Customer Relations Manager, has been very active to address Rowan's concerns and has pulled together a team from The Ultrix Engineering Group, which will be onsite on July 13.

These system failures have caused Perrier to loose time and money not only with their daily business management but also with their planned migration to an ALPHA Platform.

Rowan must see quick progress with the resolution of these issues, as he is being pressured by Perrier's Executives at NESTLE' Corporation to look to H-P and others as an alternative.

What we need your support with is the following:

- 1. We need full cooperation by Engineering and Services, as well as any other department within Digital to support this effort, funding should not be a roadblock. A regular high level concall sponsored by you would facilitate getting this issue closed.
- 2. We've been assured by John Earnshaw, that the funding issues as it relates to correcting these problems are resolved. Sales is always viewed as the bearer of funds, but our expense budgets never are funded for this.
- 3. Perrier is migrating towards a Client / Server ALPHA Platform, which has not only been delayed by re-directing his resources, \$75K of PSS, to work the DECsystem/Ultrix outages, but also has been delayed by the current version of ALPHA OSF being delayed by bugs. What we request is your support to help fund a Project Team of Migration Specialists who will assist in the migrating the MIPS platform at reduced charge for Perrier. This effort will then quickly facilitate the migration to ALPHA allowing us to eliminate the DECsystem/Ultrix Platform quickly, while building goodwill with Perrier for all the problems we've caused with their current platform. Additionally, we could then position Perrier as Digital's Testimonial for Client/Server and ALPHA.
- 4. Establish Perrier as a showcase for OSF/Client Server and help establish APLHA.

Russ, What we are trying to accomplish is a resurrection of a once excellant Digital customer, while prohibiting a possible reoccurance of another situation similiar to that of Reebok. I look forward to your support.

To Distribution List:

RUSS GULLOTTI@MKO

Digital Equipment Corporation 500 Enterprise Drive Rocky Hill, Connecticut 06067



August 12, 1993

digital

Dr. Rowan Snider Corporate Director MIS The Perrier Group 777 West Putnam Avenue Greenwich, CT 06836

Dear Rowan:

Thank you for your recent letter highlighting how Digital Equipment Corporation and Perrier Group could improve our current business relationship.

On behalf of Digital Equipment Corporation, I apologize for the past situations that may have led to disruption of The Perrier Group MIS and Operations Plans.

We have reviewed your recommendations and are happy to respond to them with the actions Digital is prepared and anxious to implement. Please refer to the attachment for the overview of Digital's suggestions. With your acceptance, activity including some agreements, will commence.

Rowan, I look forward to the implementation of our commitments and to reaching a new height in our business relationship and partnership.

Sincerely

Harry Finer

Connecticut Branch Manager

Consumer, Process & Transportation Industries

Attachment: 1

cc:

J. Earnshaw, DEC

M. Evans, PGA

E. Funaro, DEC

R. Gullotti, DEC

S. Rimmer, DEC

R. Rose, DEC

Perrier Recommendations:

1. Request:

Loan of two 5900's with 512MB, R4400 and CITCA plus necessary disk tape, etc, to replace the existing 5840 until such time as it can be converted to the AXP 7000, at which time we will return the loaner 5900's.

Response:

One 5900 has been on-site for two weeks, we will provide the second one and anticipate a delivery within two to three weeks. These loans will continue through our support activity as below with the ALPHA migration.

2. Request:

Three consultant level people certified in both OSF/1 and Ultrix. These people will convert PGA at DEC's expense to AXP.

Response:

We will work with Perrier to convert Perrier's Ultrix applications to ALPHA/OSF. Digital along with Perrier, will determine the appropriate number of resources to manage the most expedient project plan. At this time, our technical team has estimated the scope of the project would require two Digital people for three months and appropriate Perrier support. Consistent with the work statement we will develop for the conversion, the needs for support will be outlined.

3. Request:

Access to the ISV Engineering support for V-Mark. Such access to be used if V-Mark Universe for OSF/1 experiences any difficulties versus the Ultrix version.

Response:

We will request appropriate access to ISV Engineering in support of V-Mark/OSF, if required during the migration project.

Perrier Recommendations:

4. Request:

· ...

An allowance of \$500,000 against a third 7000-610 to be purchased by PGA in the latter part of 1993 following the successful migration from our Ultrix 5900's to the two existing 7000's (again, this to be performed by DEC).

Response:

We will provide 50% off the total system price for the third ALPHA, to a maximum value of \$500K, purchased by the latter part of 1993.

5. Request:

Assurance in writing that AXP SMP will actually materialize by the end of 1994.

Response:

Digital cannot give an iron-clad guarantee that AXP SMP will continue on schedule for delivery for the end of 1994. We of course believe that the schedule shall be held. We will provide Perrier with a periodic status of the availability schedule.

6. Request:

Include PGA in any product focus groups or product planning sessions for OSF/1.

Response:

If applicable focus groups occur, Perrier will be appropriately notified and included.

Chia 295-6532 Eng - H yesterday @ 7:15 today hadn't called Customer Roged in an Manday-Engu calledin -Needs to call Brêl Denne -Rower worked w/Denna @Xmas

Rowant don't know what two Way-Snydero

Went down again this weekend-still

Joun- Not up- tight people are
engaged.

203-863-0285 Roman Snyder - Churis 295-6537

Perrier - Down since yesterday

Con come w/ Eng. = 2:15-

DM-Scott Ronner - Heads up-

3:30 m/ Row on's folks-

F- Perrier

INTEROFFICE MEMORANDUM

Doc. No: 056482

Date:

25-May-1993 12:08pm DST

From:

Fred Hurwitz @MRO

HURWITZ FRED AT A1 AT USCTR1 A

Dept: US Product Ops. Tel No: DTN: 297-7895

Russ Gullotti @MKO TO:

Subject: U: Discussion With Rowan Snyder of Perrier

The purpose of this memo is to answer the questions you asked based on Ed Funaro's memo concerning Perrier.

Ed's memo seems to list these as separate issues. In fact, most of this is connected.

Perrier had decided to use a DEC5900 as the the engine to support an application provided by a developer. A DEC5900 is a MIPS based server. The application provider told Perrier that they are discontinuing enhancing the Ultrix based version of their software. Of course, this was an issue to the customer. Digital's solution was that the DEC5900 would be able to run OSF/1. In the future, he could convert over to OSF/1 and get the then current version of the application.

Then Digital announced that it would no longer provide OSF/1 for MIPS products. How was the customer to get new versions of the application now?

Separately, the existing DEC5900 ran out of capacity and needed an upgrade.

Ed worked out a two step solution to the customer problem.

- As an interim step, continue to use Ultrix and upgrade the CPU within the MIPS line.
- Purchase an Alpha running OSF/1, converting over a planned period to the new system. This is the AXP 7610 referred to in Ed's memo. The total net sale is \$440,000.

Happy / unhappy 1 Dec really trying to Keephin whole. "frethy well" TXS to team Whole. "frethy well" TXS to team Chris albano good person

over fr BAD

The reason for the allowance was as partial compensation for the cancellation of MIPS OSF/1. The customer had based their plans on a MIPS based OSF/1. The allowance was applied to what had been an unplanned purchase of an Alpha AXP 7610, which was a portion of the resolution to the MIPS OSF/1 cancellation.

This allowance use was within our business practices considering the cancellation of MIPS OSF/1.

The Alpha AXP 7610 was scheduled to ship May 20. It has not shipped. Albuquerque is behind on a lot of shipments. It will ship this week. I have asked the people on the manufacturing floor to give me the specific date. I may have it prior to your 3:00 phone call. If so, I will call into your office.

Ed indicates he was recently surprised to find out that MIPS / Ultrix will not support disk striping or shadowing on the R4000 based product. This was to be a portion of the interim solution. This is very recent information. There is no formal process for communicating product or feature cancellation to the U.S. organization. The customer believes they need these two features for production.

Bill Demmer is de-funding the testing of a number of Ultrix R4000 features. We do not have a list. If the features are untested, they are not generally supported.

This last issue is not yet addressed. One possible solution is for Engineering to support these two features, at least for this customer. Other solutions would have to be analyzed. For now, the customer is stuck needing more compute power and no short term way to get it.

I suggest you send a note to Bill Demmer

- 1. asking for his engineers to develop an alternative for this customer and
- suggesting that he assign engineering effort to develop customer specific alternatives for customer impacted by the OSF/1 cancellation of Ultrix feature de-commitment.

Fred

- alpha a mohtmare XP 3000 ordered -OSF no stuping topes IDUKS non Support - R4000 Shadowing (sruping

on again of again

Doc. No:

056404

Date:

24-May-1993 01:49pm DST

From:

Edward Funaro @SCO & Coro

FUNARO. EDWARD AT A1 at CTOAVX

Dept:

SALES

Tel No:

203-452-6555

TO: russ gullotti @mko

KRISA BARNUM @SCO

RIMMER @RCH

(BARNUM.KRISA AT A1 at CTOAVX at NOO

(RIMMER.SCOTT AT A1 at CTOAVX at NOO

don canney @ogo CC:

SCOTT

CC:

Subject: Briefing For Rowan Synder phone call

Briefing for Rowan Snyder phone call on 5/24

what CB4 run?

There are four major issues the account team is in the process of resolving. The following is a brief synopsis of each:

Alpha Migration Plan - Presented plan to replace all 5 DEC5900's with AXP 7610's Perrier has ordered the first on May 3rd at a 120k allowance. Due to changes with Digital leasing, the total monthly lease cost's are incomplete. Perrier is considering Said? purchasing a second AXP 7610. _ what APPS?

Alpha Delivery - The DEC5900 has arrived at maximum utilization, Rowan has asked for delivery in Mid May. We expect delivery to occur on May 28th, but have been unable to confirm this. This has been escalated through Tom Colatosti's organization.

Local Management Changes - Perrier has four former Digital employees. Rowan has heard from his people that local sales management will be changing. We will be introducing the new Sales Branch Manager next month. a problem ?

R4000 - It has recently come to our attention that layered product support for Disk Stiping and Shadowing will not be supported on the R4000. This will prohibit perrier from using this board in their environment. This has been escalated to John Okeefe's organization.

Thank you for your continued support.

Regards, Ed Funaro

Doc. No: 056128

Date: 18-May-1993 03:56pm DST

From: KATHRYN SLOAN @MKO

SLOAN.KATHRYN AT A1 at OFFPLS

at MKO

Dept: U.S. Customer Visits Group

Tel No: DTN 264-8154

TO: See Below

Subject: PERRIER CUSTOMER MEETING EVALUATION FOLLOW-UP

Below is a synopsis of the customer meeting we held with THE PERRIER GROUP on 2 April, Friday with their CIO: Mr. Snyder and two of his staff.

The focus of the meeting was to discuss Alpha and Operating Systems, primarily in the OSF/1 and UNIX environments. The customer stated he "wanted to come away not confused" on the directions and strategies.

The interactive discussion focused on how Digital views the market; what is the commitment to MIPS and its longevity and growth; and what database applications and partners are we developing. Russ Gullotti joined us a lunch to discuss how Digital is balancing it resources, corporate structure, and for general discussion. The point the customer wanted to make, and the basis for this corporate meeting — Perrier made the transition into a MIPs environment and now feels that "Digital has abandoned them"... "We want a product family that has growth". As a result we outlined the MIP systems, strategy and went into an overview on the Alpha AXP products, and open systems computing.

The comments from the evaluation forms stated:

HOW WOULD YOU RATE THE EVENT OVERALL:

"Very good"; "Interactive, informative, to the point - Good"

DID YOU UNDERSTAND THE OBJECTIVES: "Yes"

DID THE EXECUTION AND RESULTS MEET YOUR EXPECTATIONS:

"Yes"; "Exceeded expectations"

HOW OFTEN WOULD YOU LIKE TO SEE EVENTS OF THIS NATURE: "Quarterly"

WHAT WOULD YOU LIKE TO SEE CHANGED:

"More emphasis and explanation of strategic analysis and rationale, i.e., in addition to the technical material. More

accountability by decision makers."

"R4000 MIPs line"

4 2 4

PRESENTATION/PRESENTOR EVALUATION:

OPEN TECHNOLOGY, OSF/1: Ted Prindle (presentor) "Forthright, highly competent presentor, compact material. Good summary of strategic situation, but time will tell if it all comes to pass."

"Excellent. First time anyone from DEC has ever spoke (to me) about Ultrix without a lot of b.s. Appreciate and respected Ted' candor."

"We appreciated Ted's direct candid approach."

DATABASE: Tom Bowman (presentor) "Tom did an excellent job adding value with Ultrix as well as databases."

"Good, but subject not previously a concern to me."

"Again, up front and realistic; not the usual boring marketing Good job" fluff.

ALPHA AXP & STORAGE: Don Gustafson (presentor) "Don presentation was well received."

"Good presentor, good material. The information on MIPS was a problem and the lack of migration plan as well."

"Fine presentation; new his facts, appreciated his pace. A lot of helpful information."

Rowan Snyder asked for additional follow-up. The meeting did result in the sales team taking the action item to do a follow-on detailed plan outlining \$, manpower, and project/product timeline.

Again, thank you all for your participation and contribution towards a successful meeting! I wish the Perrier account team the best of luck.

Kathy Sloan Corporate Customer Visits

Distribution:

TO: scott rimmer @RCH TO: krisa barnum @sco

TO: larry greene @mro TO: Donald Gustafson @MKO

TO: russ gullotti @mko

(GUSTAFSON.DONALD AT A1 at

PAGE . 002

chip interfaces, memory control

The DECchip 21966 will incorporate el's Personal Component Interconnect (i) and an integrated memory con-Her, and will be created on an imwed product process, according to vin Fielding, senior product manager Alpha microprocessors. Samples will available in the second half of this ir, with volume shipments expected in ly 1994, he says.

By incorporating PCI and the memory stroller into the 21066. Fielding says if the pin count on Alpha chips will

- p from 431 to 250.

in Hower pin count and an improved protion process will reduce the cost of - 21066, making it, Fielding says, com-

... itive with Intel processors.

on third version of the DECchip 21064. bed the DECchip 21064-AB, runs at to re than 200MHz. It will begin shipping cu sample quantities this summer, with ments slated for late this year.

ECchip 21066 to in	corp	Post-Na	orand fex t	ranomittal-m	-	# of pages +	7	
DEC, according to sources within the opany. Among the enhancements to the line if be a "low cost" Alpha microprocest, the DECchip 21066, and a third, ter version of the current Alpha chips. The latter chips, known internally as the '5 series, are slated for release next mary. Currently shipping is the 150MHz D64-AA microprocessor. The 200MHz Cchip 21064-BA, the second version of Alpha chip, started shipping in sam-	Alpha	co. Distal		From R. Snyder Co. Perrier Paone R. 863 0285				
	Hamis Chiefs Process	Pace 4	52 6	6 % 0 8.5-milcron CMOS-5 process	Fax #			ε
	Sample Date	Bept. 1991	Dec. 1992	Seconditials of 1998	Summer 1993	Jan. 1994 (est.)	Jan. 1998 (est.)	Jan 1996 (est.)
	Volume Shipmen	Sept 1992	Summer 1983	1994	Late 1993	NA	NUA	NA
	Instructions Island	Dusab	Dual	Deal	Dual (ast.)	Quad	Owad (est.)	More than 4 (est.)
	On-Chip Cache	TWO BKB	Two 8KB	Two 16KB	Tero BKB (est.)	"Much larger"	N/A	N/A
quantities in December. Volume ship- nts will begin this summer, according the company.	Special	1EQUARE:	200MHz	Greater than 2006/01/2; 2759/01/2 (est.)	N/A	NA	19/A	N/A
-chip Interfaces, memory control	Sources, DBC, O	ighal flows & Paylow		100				

according to Fielding. The 21064-AB will double the on-chip cache, to two 16KB caches, and will use DEC's CMOS-5, fifthgeneration CMOS process. Fielding declined to specify the chip's exact clock speed.

Quad-issue version on tap

Also planned is a quad-issue processor, which will also be produced using CMOS-5. Internally known as EV-5, the processor is expected to carry the DECchip 21164 name. It should ship in sample quantities next January, Fielding

The current Alpha microprocessor is a dual-issue chip, meaning two instructions are issued per clock cycle so that most integer operations can be performed at the same time as most floatingpoint operations. In the quad-issue DECchips, two integer and two floating-point

operations will be issued in the same clock cycle, so that up to four operations may be performed at once.

In addition, says Fielding, the EV-5 "will have a much much larger cache than the current 8KB instruction cache and the 8KB data cache in the AXP processor," since the CMOS-5 process of fectively quadruples the number of transistors that can fit on a chip.

"We'll use the extra transistors for onchip cache," he says.

Strecker promises upgrades to VAX, Mips lines

Although Kevin Fielding, Alpha microprocessor senior product manager, emphasizes the planned rapid innovations in the AXP line. he points out that DEC is still planning to release higher-performance NVAX chips as well.

The company currently has a 190MHz NVAX chip waiting to be added to new systems. Fielding

In a meeting with reporters last month, William Strecker, engineering vice president, also reiterated the company's commitment to VAX- and Mins-based systems, According to Strecker, users can expect at least one upgrade to each line.

We've designed pin-compatible [Alpha AXP and VAX] systems, so we can drop in either an Alpha or a VAX chip at this point," he said. "And we will ship at least one more R4000 upgrade." - By Tim Sylvester and Michele Clarke



015206 Doc. No:

07-Apr-1993 10:33am EDT Date:

RUSS GULLOTTI @MKO From:

GULLOTTI AT A1 at WOODRO at MK

U.S. AREA Dept:

Tel No: 264-6209

KATHRYN SLOAN @MKO TO:

Subject: PERRIER

Glad to help. I've sent a note to Scott Rimmer Thanks. requesting that you work your plan with Joe Nadler. He's managing some of this MIPS/Alpha migration plan for me.

I want to read the quote being attributed to Bill Demmer. Please send it to me.

DICTATED NOT READ

a- shave a call
do follow up person
with person
glanned;
I want one

Ed-795-4555 Rowan 2003-863-0785

0

Date:

06-Apr-1993 09:42am EDT

From:

KATHRYN SLOAN @MKO

SLOAN.KATHRYN AT A1 at OFFPLS

at MKO

Dept:

U.S. Customer Visits Group

Tel No:

DTN 264-8154

TO: russ gullotti @mko

Subject: PERRIER VISIT

Russ, I wanted to re-emphasize that the customers from Perrier were very glad that you could spend time with them at lunch on Friday, 2 April. The discussion and issues presented were vitally important to their continued commitment to work with Digital.

As mentioned, their concerns are based upon the "dead end" position we are now taking with the MIPS/Ultrix systems and the fact that we were, a year ago, projecting a 100 mhz chip, and will now only have a 55-60 mhz. Perrier made the commitment to migrate to the MIPS platform, based upon these earlier discussions. "The news that Digital will not have another MIPS follow-on system is disappointing" - Mr. Snyder. Additionally, they specifically mentioned the confusion over Bill Demmer's quote in the recent issue of Digital Review or Computer World.

The sales team: Ed Funaro, Krisa Barnum and District Manager: Scott Rimmer have committed to do a detailed account plan in the upcoming weeks.

I know, based upon the discussion, Mr. Rowan Snyder, will follow-up with you and the account team for further action.

Again, thank you.

Kathy Sloan Corporate Customer Visits

Doc. No: 054129

Date:

02-Apr-1993 01:09pm EST

From:

SCOTT RIMMER @RCH

RIMMER.SCOTT AT A1 at CTOAVX a

Dept: SALES

mal Na.

Tel No:

DTN 320-5520

TO: See Below

Subject: PERRIER CORPORATE VISIT

Russ:

Thank you very much for your participation in the Perrier Corporate Visit.

The comments you made were well received by the customer. At this juncture in the sales cycle, your visit was very appropriate.

Per your discussion with me, we are working on a plan with Perrier Corporate and if you are available to call Rowan Snyder in several weeks, we will make sure that Ed Funaro is able to update you prior to that call.

Regards,

Scott Rimmer
Account Group Manager, Connecticut

Distribution:

CC:

TO: RUSS GULLOTTI @MKO

CC: ROBER ROSE @ACI

CC: BOB RUSSELL @SCO

(RUSSELL.ROBERT AT A1 at CTOAVX at NQ

CC: TOM COLATOSTI @OFO

CC: KATHRYN SLOAN @MKO

Edward Funaro @SCO

(FUNARO.EDWARD AT A1 at CTOAVX at NOO

Use the RDL option to see remainder of distribution lists.

a-tulle 5/2/93 - What