

DIGITAL EQUIPMENT CORPORATION

AMERICAS AREA

MERRIMACK, NEW HAMPSHIRE

MKO2-2/A14

FAX COVER SHEET

FROM: RUSS GULLOTTI
LOC: MKO2
EXT: 264-6209
FAX: 264-0864

TO: Mr. George Fuciu
LOC/EXT: Sprint
FAX: 913-967-2894

*full
Sprint*



SPRINT Corporation

June 2, 1994 3:00 - 4:00 PM
Meeting with George Fuciu, Sr. V.P. Network

Russ:

Describe conversation

First of all I want to provide you with a narrative on what happened following your conversation with LeMay. I called George Fuciu's office the following day to set up an appointment. He answered the phone (which is rare) and was quite upset that he was being asked by LeMay about "some sort of Digital embargo". I quickly explained that I was the source of the briefing to you for the LeMay conversation and further explained the Weigman/Dorman issues we discussed. This conversation went on for 20 minutes and he went from being very upset to being very friendly. He apologized for venting at me. He said I just happened to be the person that caught him when he was most upset about this situation. It was a great opportunity for me and strangely differentiated me from the field of vendors that pursue him. He then said he would be happy to meet with you and I.

Objectives:

- Revisit any questions George has around your conversation with Ron LeMay.
- Secure an ongoing relationship with George Fuciu. How: You suggest to George that you have asked Earnest Williams, District Manager, to follow up with him in about 30 days and ask George if he is okay with that.
- Understand his feelings on Digital providing the Desktop support contract for Sprint. Related to this would be Mike Massey's (V.P. of this decision) recent resignation from Sprint. *About what?*
- Understand what he thinks the EDS/Sprint merger could mean to Digital. *Other telecons use?*
- Understand how we could best show Sprint Digital's leading 64 bit/UNIX technology, e.g. Technology reviews (Note: we recently lost an opportunity for Voice Card to H.P. The last thing the Digital rep. heard from the customer was that our execs didn't play golf with their execs and Digital is financially troubled. That, of course, was not the official response we received).
- Understand how we could work together on projects such as Integrated Decision Support, Voice Card (the one we just lost), "Sprint in a box" (Operational Support Systems for International Business), Video on Demand.
- Ask if Sprint would consider Digital's PC products. *- Has Bud tried?*

how about upgrades?

Current significant projects that are working:

Dec on desk?

Desktop Utility - This is an opportunity to provide procurement, break/fix, and help desk support for Sprint's entire desktop environment. It represents \$50M potential per year for 3 years. Competition is EDS (ouch), GECS and IBM/ISSC. ISSC is coming back to us for the break/fix portion.

why?

Video on Demand - Corporate Visit planned June 10 - Tom Weigman, President Multimedia and Strategic Services

OSS upgrade - This is a cost saving program we are providing to Sprint by upgrading some of their current system. Looking for an order this month. I have discussed with Karl Kramer, V.P. reporting to George. The only thing we would want to say on this would be that Karl has been great to work with. I don't want to upset Karl by looking like we're going around him.

ACES upgrade - This is a channel connect gateway solution that allows customer service reps to access VAX applications from a 3270 screen. We have had some problems with this that have been cleared up. This could be a great growth opportunity for us. We are expecting an order this week.

ROC - Regional Operating Center - expecting an upgrade this month to provide an additional center.

WAN/LAN Support Services - Sprint International - \$20K pilot for providing services in three different countries for support services.

Voice Card - this was to provide a UNIX platform for Sprint's Voice Card application. We were told we lost last week. The manager of the project will not call us back. I have noted it as a possible subject with George above. I'll have to feel this one out.

Sales Compensation System - Currently a client/server solution on HP that is not performing well. Sprint is talking to us about a solution.

Mail Integration - Sprint has a large mail mess, which includes A1. This is a great opportunity for us.

Russ: The remainder of this document is excerpts from the account plan.

Account Name: Sprint Corporation

Headquarters location: Kansas City, Kansas

Sales Account Team				
Name	Location	Percent	District Manager	Location
Bill Brammer	Kansas City	100	Earnest Williams	Kansas City
Rich Burns	Atlanta, GA	10	Bob Bruchey	Atlanta, GA
Lois Joseph	Kingsport, TN	50	Bob Bruchey	Kingsport, TN
Mike Kuzmack	Reston, VA	30	Bob Bruchey	Washington D.C.
Pete Stacy	Kansas City	100	Earnest Williams	Overland Park, KS
Alan Thomson	Kansas City	100	Earnest Williams	Overland Park, KS
Hugh Watson	Orlando, FL	50	Bob Bruchey	Orlando, FL

Size (their sales in M\$): 1100

Industry Rank:

Long Distance 3rd

Cellular 8th

Local - 9th

Total DP Budget: 300M\$

Digital total account revenue: 7M\$

Account Executive:	Bill Brammer	Location:	OPK	DTN:	452-2490
Account Executive's Manager:	Earnest Williams	Location:	OPK	DTN:	452-2451
Territory Manager:	Mike Howard	Location:	DLO	DTN:	483-XXXX
Business Unit Manager:	Al Hall	Location:	COP	DTN:	339-5831
Executive Partner:	None Assigned	Location:	TBD	DTN:	

President/CEO: William T. Esrey

Who are other key officers for Sprint?

Ron LeMay - President Long Distance

George Fucci, Sr. V.P. Network

Tom Weigman - President Multimedia/Strategic Services

Dave Dorman - President New Business Development

Dennis Foster - President Cellular

D. Wayne Peterson - President Local Telecomm

Key information decision maker: George Fucci, Sr. V.P. Network

Product interest:

To date the accounts' product interest has been for VAX systems as a platform for their network support systems. They are also using our IBM connectivity products and have used our Personal Computer's in small quantities. We have had further success with some MCS offerings. And, are beginning to have limited success with UNIX.

Key issues for Sprint:

Sprint has tremendous competitive pressures for reducing cost and adding additional services to their network. These two factors are difficult to achieve in a timely manner without using external resources.

Sprint is currently implementing a cost reduction plan. This plan was based on industry benchmarks against AT&T and MCI. They have not made enough progress in their business process re-engineering and have now turned to reduction in labor force to decrease their costs. The two major areas of focus are realtime provisioning and improvement of their internal network for personal productivity.

Key issues for Digital:

Sprint appears to be on a timeline that will pair them with partners both domestically and internationally. Digital's relationship is presently not strong enough to receive Sprint's serious attention. In terms of products, UNIX is Sprint's main interest. With Digital's small "mindshare" in the UNIX market, selling our solutions will be a challenge. Our recent product offerings and marketing thrusts will help this situation. Digital's financial stability has continued to be questioned by Sprint. Finally, it is cumbersome to manage a geographically dispersed account. Fundamental tools for the account team are missing, causing a great deal of time to be spent on administrative tasks. Development of large accounts where we have small revenue, should be viewed as an investment similar to SME. We have traditionally had to fund this development with installed based activity with nobody held accountable for the progression in the development cycle. As a proof point of the required investment, MCI has taken eight years to attain there current position. It took 3 years to get to a reasonable relationship with MCI.

Relationship:

The relationship currently is mixed. We have some Digital supporters at all levels in the organization, yet we have substantial negative press at the executive level within the account. The source of the negativism is twofold. First we have shouldered some negative press for a project we were involved with at the end of FY93. The current "hall talk" at the executive level represents Digital as having done a below average job. We will overcome these obstacles and move forward. Second is the negativism towards Digital as a result of our business dealing with Sprint as a supplier. Sprint is extremely displeased with our dealings with them regarding Kodak, Quotron and the recent RFP for telecommunications services at Digital. This negative attitude at the executive level at Sprint is paramount. It can not be ignored and must be dealt with swiftly to ensure any continued business from this account.

can't afford it - what?

what project?

Critical Changes and Business Trends in the Client Company

- Sprint is rumored to be working on a major alliance with EDS. This could include EDS purchasing some portion of Sprint or vice versa.
- Criticism from Sprint's executive level on how Digital dealt with Sprint on business deals is escalating. We have opportunities at risk due to this.
- Sprint is actively pursuing international business which provides an opportunity for Digital in the international arena.
- Majid Naderkhani, major HP proponent has left Sprint to join Bell South.

Impact on Digital

- An EDS ownership position in Sprint would greatly effect our ability to be involved with some of the major re-engineering projects Sprint needs to do to remain competitive. It could be possible to leverage product sales through this channel, however.
- Criticism from Sprint's executive level on how Digital has dealt with Sprint as a supplier have greatly impacted our ability to sell to this account. It is imperative that Digital Executives meet with Sprint Executives in an attempt to put this to rest.
- Sprint's international activity is a possible opportunity for Digital.
- Majid Naderkhani leaving should help our position.

Digital Business Outlook

- Persistent account management should afford Digital gains, providing we are able to deal with the negative tenor toward Digital from Sprint executives. We will continue to establish relationships and working tactical opportunities; however, it is imperative that we engage Digital executives with Sprint to realize any serious business opportunities. The EDS buyout rumor will need to be watched closely.

Account Team Strategy/Action Plan

Overcome negative tenor toward Digital at Senior Management Level

It is planned to have Russ Gullotti meet with Sprint's senior leadership in an attempt to quell this negativism.

Continue cultivation of executive relationships.

The first meetings with Sprint Executives has occurred with plans to return.
Identify full-time Executive Partner for Sprint

Continue establishment of a relationship with Sprint's international activity and secure a success story to leverage.

Account Manager to continue working on relationship with International sales force to identify a teaming opportunity.

Overcome negative press on Digital projects.

Discuss this with all Sprint personnel involved.

Improve Digital's perception at Sprint for providing Telecomm solutions.

Market Digital's current success within Sprint. Use installed base document to ensure Digital Executives understand the value Digital has provided to Sprint.

Duplicate success at Sprint/United Telephone Florida and Sprint/Mid-Atlantic Telecomm to the 6 other Local Exchange carriers.
Sell Digital's UNIX and Network Management strategy.

Account Manager to identify contact at Local Exchange carriers and propose SCP solutions.

Identify Network Management expertise at Digital that can articulate Netview, TeMIP, Diamonds 3G, Openview pros and cons.

Support Sprint's R&D lab with sales support individual for UNIX technology. Continually present Digital's UNIX message to Sprint.

Continue migration and expansion of our installed base.

Propose downsizing for older Digital installed base.

Establish Digital as a solution provider for LAN, WAN and Mail Integration needs.

Solve Sprint's dissatisfaction with their current mail system and implement pilot.

Develop consulting business by establishing credibility with small project.

Use UNIX literate CSP from Digital Consulting to establish consulting practice for development

Focus on MCS opportunities and establish Digital as a provider for Multivendor customer services

Achieve a significant win, ensure successful implementation and leverage to other areas in Sprint.

Develop a plan to get Digital Personal Computers into Sprint.

PCBU representative has formulated a plan for achieving grassroots support for Digital's PC products. Account Manager will strategize with the PCBU rep. through regular reviews.

Customer Satisfaction

Most significant customer concerns and issues

It is believed by one Sprint Executive that Digital has done Sprint wrong in business dealings in the past. This Sprint Executive is very vocal about these issues with the entire Sprint leadership team, thus creating a difficult environment to do any substantial business with the account.

Digital's Financial & Organizational stability.

Inconsistent UNIX/Network Management message

Digital's perceived failure in the delivery of a Network Management Project for Sprint's ATM network.

Digital purchases very little telecommunication services from Sprint.

Pricing strategy - Hewlett Packard has offered a 45% discount for UNIX systems and has labeled Sprint a "red" account.

Major decisions and corrective actions

It is planned to have Russ Gullotti meet with Sprint's senior leadership in an attempt to quell this negativism. Bill Brammer, Strategic Account Manager will continue to manage this issue and work toward resolution.

We will use the company positioning statements in all interaction with the customer.

We have and will continue to demonstrate Digital's UNIX commitment through our superior products. Regular technology reviews will be held. The new 3rd party UNIX publication will be mailed to all Sprint contacts.

This is a constant issue that has to be dealt with continually over time.

Identify a piece of business we can help Sprint win and focus on Sprint buying more from us first.

Attempt to show Digital's pricing is competitive and position ourselves as value-added resellers.

On-going and Other Business Challenge

Sprint International

Development of Sprint International business represents a major opportunity for Digital. We currently have a pilot for providing LAN/WAN Services to Sprint's international customers. The Strategic Account Manager has spent the last 6 months understanding Sprint's international business. This effort is approximately 25% completed. We have discussed the possibility of teaming with Sprint in Eastern Europe. The major obstacle is the current tendency for Sprint to deliver services based on their current Tandem environment. This is a substantial opportunity if we want to invest in the manpower to develop this over the next three years.

Sprint Advanced Research Lab

TIOCC/Magic Lab showcase Site - Digital has had some success here. We sold (yee hah!!) two AXP systems running UNIX. Sprint ported their High Speed Data Storage and Retrieval system to this platform and are extremely pleased with the performance. Optimally, we need 1-day per week of a UNIX person to work at the lab to advance our presence. This advanced Research and Development lab will be used to chart Sprint's technology directions.

Customer Information

Sprint Corporation operates the 2nd largest independent telephone system in the U.S. They merged with Centel Corporation in pooling-of-interests deal completed March 9, 1993. They provides long distance services through US Sprint and Local telecommunication services to over 5.8 million access lines. Their cellular business serves 20.3 million POPS. Sprint also has directory publishing and supply distribution operations. 1992 revenue breakdown: long distance, 61%, local phone, 32%, other, 7%. Sprint has approximately 52,500 employees, and 120,000 stockholders.

Sprint is making good progress in its long distance business. Calling volume growth has outpaced the industry average for three consecutive quarters indicating that the company continues to gain market share. On the down side, revenues per minute have been tapering off modestly. Still, the net effect has been a substantial year over year gain in long-distance revenues and operating income. What's more, a recent ruling by the FCC has created an opportunity for some additional business. The ruling calls for the portability of toll-free 1-800 numbers. Basically, this means that corporate accounts with established 1-800 numbers can void or re negotiate existing contracts to change carriers without penalty or losing the number. As a result, Sprint and other long-distance carriers hope to gain more share of the estimated 7.5B market at the expense of AT&T.

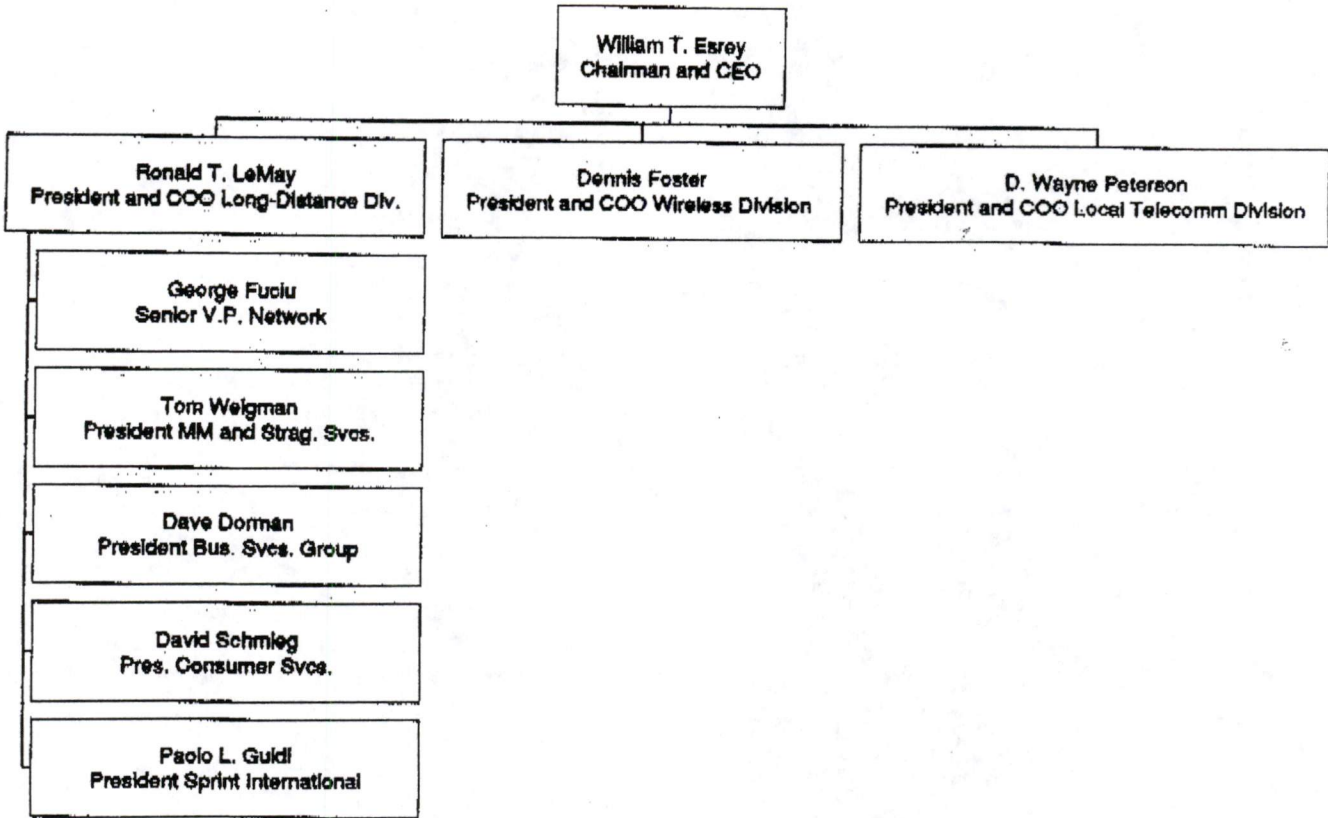
Local service remains solid. Revenues for this division continue to rise steadily due, in part to the healthy expansion of the customer base. Access lines grew by 4.3% for the 12 months ended March 31, 1993, and should continue advancing at a similar rate throughout the year. However, an increase in post retirement benefits expenses, associated with a new accounting standard, will likely pressure year to year earnings comparisons.

The cellular operations offer exciting potential. The company now serves about 428,000 cellular customers. This accounts for only 2.1% of the 20.3 million potential customers in Sprint's cellular service area (in line with the industry average). We see cellular revenues and earnings growing rapidly over the coming years as falling service costs attract more users. Sprint shares will likely outpace the market averages in the year ahead.

SPRINT Local Exchange Carrier

Sprint/United Telephone-Florida - Altamonte Springs
 Sprint/Mid-Atlantic Telecom - Wake Forest, TN
 Sprint/United Telephone-Eastern - Carlisle, PA
 Sprint/United Telephone-Kansas City, KS

Sprint/United Telephone-North Central - Mansfield, OH
 Sprint/United Telephone-Northwest
 Sprint/United Telephone-Nevada
 Sprint/Centel Illinois



Sp + call

- you / incentive were to speak.
- lots of change
- me as Americas
- Can. + seem to make progress
on big ones - utility
eg Video on Demand

5/11/94
(Bill Brannan sales)

① Tom Wiegman - went cold

② Desktop utility in as of 5/94
Mike Massey

apparently Defectors - Dave Dorman

* ADVICE - Can we ever win around -
Continue to invest?

* Persevere

* Visit with Dorman / you
in early June?

Enrico

- Max as project plan leader
- He attend Thursday

Sprint (Bell Brammer) Briefing

- 9:30
Boston
- negative environment
 - minor purchases only.
 - major deals get Shut Down.

Lucente

- Knew many Sprint folks.
- Rouleau agreed to talk with Ed L.
- Dave Dorman is the problem.
 - anti Digital
 - conversion to MCI unfair (7M penalty to MCI and Sprint based on volume).

penalty)

Kozak - who did we go with?

- ① Is it OK to do Bus. with Digital at Sprint
- ② Financial Viability?

* 7M per year - # reps = 3 full time / 5.5 people.
- Kansas City, reside location?

- ③ Video on Demand - Tom Wiegman (Went cold on us)
- ④ Desktop Utility (MCS) - tech upgrade (Mike Massey)
(U.S. DOS / 96 comp SVCS/IBM)

Is it unworkable - are we shut out of Sprint?
ADVICE - for Digital.

- we do SCP
 - nets mgmt @ megasis
 - AI in place on VAX
 - AI on alpha Beta site

- Me visit on June 2 or 2nd.

- Mexican license

Ron Lemay - Sprint 5/11/94

- NO serious reputation
problems

- Kodak was not a problem.
we followed up nicely -

- Lucente very much
dishked

- call on CID - he'll say it.

- Ricci

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 071683
Date: 09-May-1994 12:31pm EDT
From: Bill Brammer @OPK
BRAMMER.BILL AT A1 at ANGLIN a
Dept: SALES
Tel No: DTN: 452-2490 816-344-2490

TO: russ gullotti @MKO

CC: Earnest Williams @OPK

(WILLIAMS.EARNEST AT A1 at ANGLIN at

Subject: Sprint Phone call briefing

Russ:

First of all, thank you for taking this opportunity to talk with Sprint.

I have been the Strategic Account Manager on Sprint for 8 months. One of the first things I realized was the lack of executive relationships between Digital and Sprint. This call is intended to set the stage for a closer relationship with Sprint at the senior management level. Further, I would like the call to establish a tone from Sprint's senior management that it is okay to work with Digital. It has been difficult to get Sprint's attention at the senior level (more on why later).

Background:

When I learned of Ed Lucente's previous relationship with Ron LeMay (I do not know the context of that relationship; however, believe it to be when Ed was at Northern Telecommunications), I requested Ed to help me get to the Sprint Executives. The specific purpose of this call was to improve the tone of Digital's relationship with Sprint. In my 8 months on the account, it became apparent that senior management within Sprint had a neutral to negative tenor towards Digital. I eventually uncovered the source of the negative tenor, which I would like to deal with in a direct manner.

The reporting structure is as follows:

William T. Esrey, CEO

Ron LeMay President Long Distance Division

Dave Dorman, President of Business Services Group*

Tom Wiegman, President Sprint Multimedia/Strategic Services* - *Video on Demand*

George N. Fuciu, Senior V.P. Network (CIO equivalent)

Mike Massey, V.P. End User Services* - *utility*

Bob Laird, Executive Assistant*

Paolo L. Guidi, President Sprint International**

* indicates that I have met with this person

** Ed Lucente and Paolo were "very good friends". Ed had lunch with Paolo in October and "fixed" some problems we had with Sprint International. Up to that point, Sprint International had said they would not do business with Digital because we had switched Quotron to MCI when we outsourced it. We are currently working on a small pilot with Sprint International as a result of Ed's call on Paolo.

As I said in the memo to Bob Palmer, I have come to a critical juncture in my efforts at Sprint. Most efforts to sell into this account are met with resistance as the projects get large. The source of the negative tenor is Dave Dorman, President of Business Services (effectively the sales executive responsible for large business, government). Dave consistently tells the senior management team at Sprint that they should not do business with Digital. Mr. Dorman cites multiple areas where Digital has "done Sprint wrong", such as Digital's outsourcing of Kodak, Quotron, and Digital's recent RFP for telecommunications services. According to Mr. Dorman, Digital assessed a \$7M conversion penalty to only Sprint for the telecommunications RFP.

What I would like to achieve with the phone call:

- Re-establish a relationship with Sprint at the Executive level.
- Understand how Digital could move beyond these issues to work with Sprint on opportunities.
- Suggest a meeting between yourself and Ron/others June 2^{3rd} when you travel to St. Louis.
- Ask if Digital can seriously be considered for the Desktop Opportunity we are working. Note: I do not know what Ron LeMay's activity level on this opportunity is at this point. He may be removed from the current process. We turned in the RFP response May 5. They are currently evaluating. The V.P. in charge is Mike Massey. See organization above. This opportunity represents a potential revenue of \$50M per year, possibly for 3 years. Although I believe we are best qualified, I would guess that we are in political trouble.
- Discuss the opportunity to provide Video on Demand solutions to Sprint. I have worked with Tom Weigman, President Multimedia/Strategic Services. He was very excited about our solution, then went cold. He cited the "negative tenor toward Digital from some of Sprint's executives" as the reason he cooled off. Dave Dorman (again) told him that if he brought anything forward with Digital as a partner, it would ruffle a lot of feathers. Tom Weigman told me he had enough problems without dealing with politics. I pressed him to look at our solutions and he said he would; however, he has not responded lately. I will keep after him.
- Deal with Ed Lucente's departure.
- Discuss if necessary our financial situation.
- Discuss our companies partnering for Mexico's 2nd licenses. This would be a positive discussion you could have with Ron LeMay.

Suggestions on how to get started (I apologize if this is too explicit, I just know you are very busy):

I understand that you had a call scheduled with Ed Lucente this morning. I have been asked by Bill Brammer, the Strategic Account Manager to make this call. As you know Ed Lucente is no longer with Digital and I wanted to be sure that Sprint received the attention from Digital that it deserves as a valued customer. Note: I have not met Ron LeMay.

Other ideas:

Sprint's IT direction is UNIX. If appropriate, a comment about our commitment to this market and telecommunications would be good.

Risk:

The worst thing that could happen on this call is for Ron to tell you everything

is okay between us to get you off the phone. I can tell you that everything is not okay, as evidence by some of the above anecdotes.

Russ: There is a lot of history I could go into, but erred on the side of being brief. I am happy to write any additional information that would be of benefit.

I will call you per Andrea at 1:00 PM Boston time, Tuesday May 10. Earnest Williams, my District Manager, will be joining us also. He has traveled this road with me over the last 8 months and can add additional insight into the account.

Thanks again for your attention to this.

Ron LeMay's phone number is 913-624-8450. His secretary is Adele Blinn. They are expecting your call at 9:30 AM Boston time, May 11. I gave your title as President of the America's per ELF.

Regards,

Bill Brammer

MAY 05 1994

April 26, 1994

Mr. Palmer:

I appreciated the opportunity to brief you on Sprint the other day and hope that you had the opportunity to speak with William Esrey, CEO of Sprint at the European Union/U.S. Information Infrastructure Dialog.

I would like to brief you on two opportunities at Sprint Corporation that involved Ed Lucente and ask for your help.

I have come to a critical juncture in my efforts at Sprint. Specifically I am working on two opportunities that are at risk due to the negative tenor of some of Sprint's senior leadership team. Ed Lucente was scheduled to talk on the phone with Ron LeMay, President of Sprint Long Distance, May 11th. Apparently Ed knew Ron LeMay from a previous life and was going to attempt to smooth out the relationship between our two companies. I have thought very carefully about what my options are at this point and believe that a call from you would be the best choice. The problem with using alternatives to yourself is that the intent was to leverage Ron LeMay and Ed Lucente's previous relationship. To replace that missing parameter, I believe I need someone of your stature and position to make this call. I understand that you are extremely busy; however, I know that Digital is the best choice for Sprint and they will probably not choose us if this issue is not discussed.

The first opportunity is to provide a Desktop Utility for Sprint (see enclosed Opportunity Plan for more detail). This would involve procurement, staging, installation, maintenance and management of their desktop environment. Our competition is EDS, GECS and IBM. We are currently responding to an RFP for this. It will be done May 5. It represents a \$50M potential opportunity. While I am confident in the quality of our response to Sprint, the politics may preclude us from winning. The reporting structure of the decision makers is as follows: Ron LeMay, President Long Distance Division / George Fuciu Senior V.P. Information Systems Long Distance Division / Mike Massey, V.P. End User Services / Kerry Oliver - Director End User Services / Stew Monnier - Manager Vendor Liaison.

The second opportunity is for Video on Demand. This opportunity is in it's secondary stages, yet Tom Weigman, President of Sprint Multimedia and Strategic services, cited the "negative tenor toward Digital from some of Sprint's executives" as a reason for slow progress in looking at Digital.

To elaborate on the source of this problem, Dave Dorman, President of Business Development at Sprint is consistently telling the senior management team at Sprint that they should not do business with Digital. Mr. Dorman cites multiple areas where Digital has "done Sprint wrong". e.g. Digital's outsourcing of the Kodak, Quotron, and Digital's recent RFP for telecommunications services. According to Mr. Dorman, Digital assessed a \$7M conversion penalty to only Sprint for the telecommunications RFP.

We are losing business based on Mr. Dorman's comments. He is very vocal about how Digital denied Sprint opportunities. He conveys his negative message to Bill Esrey (Sprint CEO), George Fuciu (Sprint CIO), Ron LeMay (President Long Distance Division), and Tom Weigman(Sprint President Multimedia and Strategic Services) and I am sure others.

I truly believe a conversation between you and Mr. LeMay could go a long way toward improving our position. Should you be able to make this call, I will try to leave it scheduled for May 11, 9:30 AM EST and inform Mr. LeMay's secretary of the change.

Not to discuss just problems, I would ask that you support our opportunities with Mr. LeMay and reinforce Digital's commitment to providing solutions in this industry. Additionally, you could ask him how we could develop a closer working relationship with him and his staff.

Please let me know how you would like to proceed.

Regards,

Bill Brammer
Sprint Strategic Account Manager

cc: Earnest Williams, District Manager DTN:452-2452
Mike Howard, V.P. Central Region
Dawn Gilbert, America's V.P. MCS Sales DTN:297-7431

Casey Carter, Attorney at Law
1450 Broadway, New York, N.Y.
10036

Dear Mr. [Name obscured]
[Date]

I am sorry to hear that you are having
trouble with your [Name obscured]

I am sure

that you will be satisfied with the results of the [Name obscured]
I am sure that you will be satisfied with the results of the [Name obscured]
I am sure that you will be satisfied with the results of the [Name obscured]
I am sure that you will be satisfied with the results of the [Name obscured]
I am sure that you will be satisfied with the results of the [Name obscured]

483-4112

I am sure that you will be satisfied with the results of the [Name obscured]
I am sure that you will be satisfied with the results of the [Name obscured]
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Opportunity Plan
for
Sprint Desktop Utility

Abstract

Digital can provide personal computers and supporting lifecycle service to desktop end users worldwide either from a tools or solution perspective.

Digital Program Number:
Copy No. 1

Document Version: 1.0
Date: April 1994
Approved:

Digital Equipment Corporation
Maynard, Massachusetts

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Preface

Non-Disclosure

The information contained in this plan shall not be disclosed to non-Digital personnel or generally distributed within Digital. Distribution is restricted to persons authorized and designated by the responsible manager. This document shall not be left unattended, and when not in use, shall be stored in a locked storage container.

These restrictions apply for the life of the document, then disposed of through Digital confidential containers.

Sprint Bid/Win Team
April 27, 1994

People Involved in the Preparation of This Document

Function	Name
Program Manager (Opportunity Manager)	Jerry Ballard
Account Manager	David Gordon
Bid Engagement Manager	Jos denHartog
Strategic Account Manager	Bill Brammer

Review List

Reviewed by	Date

Change History

Version	Date	Revision Description
Version 1.0		First edition

Purpose

To provide a response to Sprint's request for proposal for desktop services.

Associated Documents

The following documents are associated with, and referenced by, this Opportunity Plan:

- Sprint RFP dated April 7, 1994

Chapter 1 Customer Information

1.1 Customer Name

Sprint

1.2 Customer Profile

Sprint is a diversified telecommunications company providing global voice, data and videoconferencing services and related products. Sprint has more than 50,000 employees worldwide, annual revenues of \$ 11 billion and total assets of more than \$14 billion. The company was founded in 1899 and maintains its world headquarters in Kansas City.

The company's operating units include:

Long-Distance Division: Sprint serves over 6 million customers, designed and built the first nationwide, 100% digital, fiber-optic network for voice, data and video transmission. Sprint's international unit has designed and installed more than 200 private data networks. It serves 100% of the world's direct-dial countries, is a leading supplier of worldwide messaging services and systems, and operates on of the world's largest global data network-SprintNET.

Local Telecommunications Division: The local telephone companies provide a full range of telecommunications voice, video and data products and services inside and outside the telephone operating territories. With the addition of Centel's local telephone operations, the division serves more than 5.8 million customers in 19 states. More than 95% of local customers are served by digital-switching technology, the highest percentage of any major local telephone company.

Cellular and Wireless Communications Division: With the Centel merger, Sprint has cellular communications properties in 23 states, owns majority interests in 87 markets and investment interests in 65 others, with a combined population of 20.3 million.

Sprint Publishing & Advertising: The 10th largest directory publisher in the United States, Sprint Publishing & Advertising produces nearly 270 directories in 19 states.

North Supply: Sprint's distribution subsidiary is a leading wholesaler of voice, video and data communications equipment, security/alarms systems and electrical products. More than 60% of North's Supply sales are to companies not affiliated with Sprint.

Sprint has about 30,000 workstations that are being serviced by Computerland across the country. They use VPA's (Vendor Purchase Agreements) to procure new product, stage, and install new add on equipment. Currently they use Businessland, Compucomm, and one other vendor for these services. The break/fix business is worth \$5 million annually and the procurement, staging, and installation business is worth \$17 million annually.

The current support structure is diverse:

- They have 350 locations in 250 different cities. Most of the activity will be in Kansas City (60%) and the cities that host the regional phone companies.

- The Helpdesk receives 18,000 calls a month with a 70% fix rate (30% become a work order).
- They have at least 50 full-time PC analysts (and about another 50 part time) that would re-deploy if they were able to outsource the problem management of the desktop.
- Computerland is on one system and Sprint is on another so they can't get any real-time data on call flow management etc.
- Computerland lacks professional engineers... They want professional looking and acting engineers on site to service their user.
- They are very interested in asset management for both hardware and software. Their current provider does not provide timely reports for the repair and add on's to PC's.
- Parts availability is the number one problem.
- The level of data that they need to manage effectively isn't available at all! Asset management should provide information to support effectively.
- First commercial account to sign Site License Agreement with Microsoft and Lotus.

1.3 Customer Contacts

Customer Name #1: Mike Massey

Title: VP, Processing Services

Disc Personality Profile: D

Role: Approver

Customer Name #2: Kerry Oliver

Title: Director, Service Assurance Internal Network Services

Disc Personality Profile: D

Role: Coach

Customer Name #3: Stew Monnier

Title: Manager, End-User Support Services

Disc Personality Profile: I

Role: Decision Maker

Customer Name #4: Bill Drennon

Title: Technical Specialist

Disc Personality Profile: C

Role: Influencer

Customer Name #5: Jerry Couch

Title: National Agreements Negotiator

Disc Personality Profile: D

Role: Influencer

Reporting Relationships of Above: Bill reports to Stew

Stew reports to Kerry

Kerry reports to Mike

Mike reports to George Fuciu (CIO)

Chapter 2 Opportunity Description

2.1 Business Problems

Sprint has identified their business problems as:

- They want to more effectively manage their PC assets.
- They are not meeting customer/end user satisfaction.
- They need to drive down the life cycle costs.
- They need a way to dispose of old products and to upgrade to new technology.

Sprint said they are doing the following things well:

- Help desk is solving mainframe application problems.
- Hardware acquisition - use of standardized portfolio.

Sprint said they are not doing the following things well:

- Fixing PC's and software immediately
- Supplying product in a timely fashion. Current contract calls for 7 days - it is not being met. (Want to shoot for next business day).

2.2 Perceived Solution Requirement

The opportunity started out as a break/fix opportunity which has evolved into a Desktop Utility Service. Currently Sprint spends over \$5 million a year with Computerland for remedial break/fix services and \$17 million annually with Entex and Compucomm for procurement, staging, installation, and upgrade services. All of the contracts end this spring and Sprint is looking to consolidate the contracts and have a single source provider for the desktop.

The customer has 30,000 PC's and an unspecified number of printers. The customer has an internal help desk, however they are open to outsourcing user support. There are approximately 350 locations throughout the country. They have a fairly good handle on the inventory, but they are interested in what the vendors can do to help them complete this inventory.

They want a solution team, "they want a solution focused relationship" per Kerry Oliver.

During recent meetings with Sprint, the scope of the opportunity has expanded. Sprint is now interested in outsourcing "Problems & Change at the Desktop. They want to more effectively manage their PC assets. Right now they are not meeting their users needs.

Stew Monnier, the Sprint team leader, stated that his perfect scenario would be to out source everything. He would like to out source the inventory to a vendor, lease it back. The same vendor would provide hardware support, take over their help desk. Stew wanted to get to the

point where they weren't tied to any specific brand, rather they were leasing a utility, maybe even use a generic box with a Sprint logo on the box. (This is a concept for down the road, there are too many roadblocks and emotions involved to make this a high level concern.)

Sprint is looking for a relationship with a vendor that can address the following business problems:

- Provide total asset management of desktop
- Reduce life cycle cost of ownership for the desktop
- Increase End-User satisfaction/productivity
- Partner with someone who addresses today's and future strategic directions

2.3 Customer Value Window

- Reduce desktop life cycle expense
- Simplify and automate business processes
- Improve quality and level of end user support
- Allow users to focus on core business
- More effectively manage PC assets

2.4 Program Risks

- Details are not well defined.
- Current costs are hidden or understated.

2.5 Expected Timeline

Proposal due April 29th, 1994

2.6 Customer Funding

Internal approvals have been obtained.

Chapter 4 Business Summary

4.1 Financial Projections

To be provided.

4.2 Pricing Strategy

Sprint has structured the RFP such that vendors are required to add and price services incrementally. The price will be a fixed price on a per seat basis. The prices will increase as we start from the simplest mandatory requirement to the most complex solution offered.

4.3 Strategic Leverage to Digital

Desktop Utility Services is of major interest in most industries today. Globalization and expense control are significant trends that are seen in most companies. In addition, the concept of focusing on core business is receiving a lot of attention in management circles.

If Digital can establish itself as a major provider of Desktop Utility Services for Sprint, the experience and the visibility gained will be of significant value to Digital in winning other desktop utility services.

4.4 Follow-On Business Impact

Winning and delivery of this opportunity will position Digital as a major vendor within the account and will position Digital as a major supplier of Desktop Utility Services on a global basis. Potential future business includes servers and WANs.

Chapter 3 Relationship to Industry and Account Strategy

3.1 Impact on Account Objectives

Desktop utility opportunities offer significant revenue potential, plus expanded presence in the account. In addition, the opportunity for additional business can be extensive.

3.2 Win/Loss Impact

Winning or losing can have a major impact on Digital's presence within the account. Winning positions Digital as a highly visible vendor with significant future potential. Losing can effectively reduce or kill future desktop business within the account.

Chapter 5 Win Plan

5.1 Win Strategy

The win strategy is based on the following:

- Digital's proven program methodology
- Digital's worldwide support capabilities
- Digital's existing standard services and global business processes that allow implementation with minimal effort on the part of Sprint
- Quality of service delivery
- Third party alliances (Novell, Banyan, MicroSoft, etc.)
- Digital's multivendor service capabilities on over 14,000 products.
- Digital's strategic alliance with MicroAge.

5.2 Competition

The other major competitors are GECS, Bell Atlantic, EDS, and Computerland.

5.3 Key Decision Criteria

- The ability to reduce the lifecycle cost at the desktop.
- The ability to improve end user satisfaction/productivity
- The ability to solve complex service issues
- Lowest competitive price
- Quality Service Delivery
- Solution Focused Relationship
- Partner with vendor who addresses today's and future strategic direction.
- Provide total asset management of the desktop

5.4 Bid Resources, Cost, and Schedule Requirements

The core team that is developing this opportunity is the MCS Account Manager (David Gordon), the Program Manager (Jerry Ballard), and the Bid Engagement Manager (Jos denHartog).

5.5 Issues

- Complex integration of Digital LOBs and DFS.
- Integrated support systems (asset tracking, consolidated financial reporting, and invoicing).

5.6 Assumptions

The basic assumption is that Digital has the processes and infrastructure in place to support a complex delivery program of this magnitude.

Chapter 6 Delivery Plan

6.1 Solution Summary

The proposed solution is based on standard Digital products, services, and processes. A Program Management Office will be responsible for coordinating and integrating the delivery to be provided by the existing infrastructure.

6.2 Digital Delivery Capability

The Program Management Office will be the point of responsibility for the worldwide delivery. Products and resources will be provided by the local delivery source or by the program staff.

6.3 Third Parties

800Software, MicroAge, MicroSoft, Apple, Novell are all frequently seen third parties involved in desktop outsourcing solutions.

Chapter 7 Risks, Dependencies, and Contingencies

7.1 Risks

Description: Worldwide delivery requirements.

Action: Digital will establish a Program Management Office to coordinate and manage worldwide delivery and will utilize the IBS group for pricing requirements.

Description: Consistent pricing and service delivery.

Action: High level management involvement and over all program management.

7.2 Dependencies

Description: Local Service Delivery can deliver this service at a competitive price.

Action: Program management involvement .

7.3 Contingencies

Description: All Digital functions involved will work together.

Action: This is defined as a single Program and will be managed as such. A Program Management Office will be established to manage all third party and internal Digital functions.

Sprint Desktop Utility Players		
Organization	Name and E-mail Address	Telephone Number
Service Delivery	Jim North@OPK Harry Dugas@SCA Dick Sellers@CXO	452-2510 483-4104 592-5201
Digital Financial Services	Faith Skibbe@DFS John Dingle@DFS	432-7545 255-2423
HelpDesk Asset Management	Judy Louthan@MRO	297-6776
Software Upgrades License Adm	Jay Reece@MRO Jay Beaulieu@ZKO	297-9651 381-0872
Disposition	George Chaissen@MRO Faith Skibbe@DFS	264-4283 432-7545
Finance	Frank Pellegrino@MRO	297-5407
Administration	Janet Peterson@MRO	297-4995
Logistics	Dave Piehl@TWO	247-2449
Legal	Bob Perry@MSO	223-4351
BidWin Support	Richard Drye@ALF Rick Simms@ALF Jos DenHartog@MRO	343-1213 343-0041 297-5139
Program Manager	Jerry Ballard@AUO	216-796-6620
MCS Account Manager	David Gordon@OPK	452-2469
Strategic Account Manager	Bill Brammer@OPK	452-2490
Sourcing	<u>Microage</u> -Scott Elz -Stan Chavez <u>Salem</u> - Sharon Swart@NIO	285-3392
Quality Assurance	Steve Bond@CXO3	592-4500

**Appendix A
Opportunity Data**

Program Identification Number (PIN):

Nominated By: David Gordon

Account Manager (s): Bill Brammer, Strategic Account Manager & David Gordon, MCS

Account Industry: CEM

Program Manager: Jerry Ballard

Geography's: US

District (s): Great Plains

District Manager (s): Jim Nortls

Bid Engagement Manager: Jos DenHartog

Opportunity Team Members: See list on next page.

**Appendix B
Special Requirements**

Terms and Conditions:

Export Compliance:

Security Clearances Needed:

Trade Restrictions:

Unusual Government Regulations:

Non-Disclosure Agreements:

Indemnification's:

Administration (CAS):

Purchasing: