

F.C. ✓ KO

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DIGITAL CONFIDENTIAL Document

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

Doc. No: 026545
Date: 21-Jan-1992 01:53pm EST
From: Ken Olsen
OLSEN.KEN
Dept: Administration
Tel No: 223-2301

Bill Strecker
TO: See Below
cc: Win + others

Subject: PREPARATION FOR STRATEGY WOODS MEETING

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The Strategy Subcommittee of the Executive Committee is meeting the first of next week. At that time, I would like to review all the computer and server products scheduled, planned or in the proposal stage. Please assemble a list to include the cost still to be incurred for development, tooling, setting up the factory, filling the inventories, and other production costs involved with each one.

At the same time, I would also like to make two propositions to the Strategy Subcommittee:

I. MODULAR COMPUTERS

First is the modular approach to building computers where the common parts are laid out only once in separate modules which then are assembled to make the type of computer people desire. Part of the modular approach is to have only four to six separate boxes with their assemblies of disks so they do not have to be designed for each computer.

Designing a computer is then concentrated on optimizing the chip, the caches and the memory, and then testing and characterizing the system.

II. MODULAR SYSTEMS

Research Board

E.C.

#1 9/16/92

2. Copy Research Board

- Questions - Will downsizing hurt cust. service levels?
- Will Gates be a comfortable partner?
 - How will you assure global service excellence?
 - Suppose Alpha is a bomb? Does it have heat problems?
 - Dish business?
 - How will you get more ISV's?
 - Why do you build your own PC's & W.S.? Why not invest in more software?
 - What is your vision for customers?
 - We read all bad stuff about DEC, when do we find good stuff?
 - Can you support that many OS's effectively?
 - Do we have to move off VAX?
 - ~~Design~~ Has anyone ever bet the Co. on a new architecture?
 - When will we have a UNIX Mainframe?

Cornig

AmEx

Mormon Church

Exxon

Johnson Control

Mass Mutual

NetLife

Scott Paper

UTC

Mellon Bank

CIT Group

Waltham... T. & S.

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

Doc. No: 030947
Date: 22-Sep-1992 04:45pm EDT
From: Ken Olsen
 OLSEN.KEN
Dept: Administration
Tel No: 223-2301

TO: See Below

Subject: SAFETY IN BEING A COMPLAINER

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Something you said this morning bothered me. When we talked about one of our senior engineers, you said he has to go because he picked a technology that turned out to be much too expensive. I know this attitude prevails in the management today, but it is a very dangerous attitude. If you play this model through to the end, it will be very catastrophic.

Years ago, when we discussed things openly, it was commonly agreed we would encourage people to take responsibility and we would tolerate mistakes. We said the people who took responsibility were the people who would become the leaders of the Company. If they learned from their mistakes, and did not make mistakes too often, they were given another opportunity.

For the last few years, those who did not take responsibility, and become particularly adept at criticizing and complaining, were the ones who got promoted to staff positions where they could then pass judgment on those who take responsibility.

In time, everyone who takes responsibility makes a mistake, and if that is their end, the Company will soon become a Company of complainers and people who do not take responsibility.

KHO:pm
KO:7785
(DICTATED ON 9/22/92, BUT NOT READ)

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E.C.

Shall I forward
Bob's response to
MLW? Y - N

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

(You will recall
forwarding Ken's
original memo
to her.)

Doc. No: 031023
Date: 23-Sep-1992 09:03am EDT
From: BOB PALMER
PALMER.BOB
Dept: ADMINISTRATION
Tel No: 223-6600

TO: See Below

Subject: RE: SAFETY IN BEING A COMPLAINER

(Background attached)

Ken, you clearly misunderstood my comments. The fact that the technology chosen was too expensive related to my remarks as to some of the reasons that the program was unsuccessful. The choice of technology has little to do with the career discussion of the individual involved. My comments in that regard related to the fact that the individual had lost credibility with his colleagues and was unlikely to regain their confidence because of his behavior not his choice of technology.

I agree that it is important to encourage people to take responsibility and risk and to recognize that sometimes mistakes will be made. I have always believed in rewarding people based on their performance and meeting their commitments, and I am not tolerant of constant complainers.

It also troubles me that you feel it necessary to copy such a wide distribution on our private conversations.

Bob Palmer

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