Russ ⟶

INTEROFFICE MEMORANDUM

Date:	28-Dec-1988 05:43pm GMT
From:	Hermann BINDER @GEO
	BINDER AT AMISA1@EHQMR1@GEO
Dept:	EDUCATIONAL SERVICES
Tel No:	893-3111 X227

TO: David BARLOW @GEO   (BARLOW AT AMISA1@EHQMR1@GEO)
TO: PAT CATALDO @BUO

CC: PIER CARLO FALOTTI @GEO

Subject: Quarterly Report for ES

1. Business

This is and will be the main focus area for the reminder of the year.
As Q2 actual are not available I will give more general comments,
however I believe we will have a strong Q2 which will help to improve
the situation. The positive side is that ytd we grow the customer
business over 20 percent the manpower by 10 percent.
The main problem areas are:

Country	Margin impact	Comments
Germany	-3.9M$	Lower business, no related expense reduction. Competition. A review scheduled for January.
Norway	-450K$	General Business situation, new mgr does his best.
Finland	-250k$	Manager was taken out, new one interviewed chances are to recover some.
Sweden	-220k$	New focus put on again, chances are good to recover all.
UK	+1.3M$	Strong demand for business, need more staff to deliver.
Italy	+370K$	Strong Business
All Ctry.	-1.5M$	Net negative currency impact, this means they manage to their local currency goal but can not compensate for the $ impact.

All other countries are within a few percent of their goals and they
are all able to make it.

The net impact of the revenue transfer reduction from .6% of MLP to .5%
for Q3 and Q4 will have another negative impact on the margin as we
recognize the revenue immediately but have delivery commitments over

the next 12 months. For this year the delivery will not go down but the revenue transfer. With the January forecast the countries will be able to reflect it. It a very positive sign that the service content will remain in the systems price.

ACTIONS: Any new hiring needs my approval, Germany has proposed an action plan, local review to take place. Sweden has plan to recover and Finland is being reviewed by the FS Manager. All other countries are asked to improve performance.
A major focus is put on the sale of PL02 Products (Self study material) as we have received corporate approval to receive material at cost. Thank you,Pat! This is a step in the right direction and the increase of volume will make it a win situation for all of us.

2. Internal Training

After a weak start in Q1, DECWORLD had an effect our training volume is about 10 percent higher.
- The Network University in Paris was attended by 400 persons.
- The OLTP University has 20 persons registered and the first phase of the nine months program was a full success. It was a good mix of technical and skills content and managed by DECollege in the UK.
- 700 Specialists were trained in Europe on Workstations by a traveling instructor.
- AI, 5 week program in Munich, successful outcome
- Corporate SWS and FS Training have accepted our Networks Training Curriculum and support development.

3. DECTOP

We put focus on this program and for the first time we produced a single plan, stating which training is offered for which function. This plan was received very positive by Marketing and other functions. Customer Training has a set of very relevant CBI courses for our worksttations which I would like to see bundled. The MLP is 400$, if we could receive 200$ from Systems Business all would win, including the customer. To sell these packages individually is very difficult and the users may not get the raining they need. I take up the action.

4. Open Learning Centers (OLC's)

The activity increase is substantial and the demand for this type of learning exceeds our capacity. Germany is opening 10 new centers. The IVIS courses are booked out for weeks.
The DVN tapes which we get within a week to the learning centers are successful only in some locations where local moderation is arranged. In these cases they are really appreciated. More work needs to be done. Similar with PACE, thanks to our OLC's we are the most successful company to use. Again people have to get used to this kind of learning.

5. FOM

We have completed our ES-FOM document for implementation, it is being published. The remaining issue is that we strongly believe that the Regional ES Manager should be part of the regional team. This is not accepted and we need to see how it gets resolved. With the criteria of an ES Region and the manager not part of the team weakens the regional efficiency.
Once we had the FOM defined it became evident to define the HQ role, this has been done and will be published in Q3.

6. External Events.

Participated and gave several presentations at the 1. European Conference on Continuing Education in Stuttgart. The trend to form collaborations between the public education sector (Univ. and Polytechnics) and Industry is increasing. Some Professors are leading and it is up to us to work with them. Others still have no motivation to find out what industry needs.
Participated at the final day of an INSEAD course.
Became elected to the new INSEAD Advisory Board, this is a 40 person body which has an annual meeting at INSEAD to give direction and advise to them. First meeting is planned in May 89.
We extended our teaching contract with IMEDE, they buy in turn DEC HW.

7. People

Had to take action with the Finish ES Manager, the people in ES became very unhappy with his style of management. An outplacement process has started. I am interviewing an internal candidate today.

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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

                              Date:      21-Dec-1988 00:55am GMT
                              From:      RUSS GULLOTTI @NPO
                                         GULLOTTI AT A1 at WOODRO at M
KO
                              Dept:      CSS ADMIN.
                              Tel No:    264-6209

TO:  PAT CATALDO @OGO


Subject: European Staffing Plan


     Herman wants to hire sixty-eight permanent people during Q3 and
another twenty-five in Q4.  When you approve these hiring plans, do you
go into the mix of direct labor and indirect labor people?  Given all
of his expense problems, I would wonder why he would hire anybody in
the indirect category.

     Is the data that he submitted to you sufficient for you to approve
the plan?  If you want me to be the approver, I would require much more
data from him because I don't understand what's behind the request.  If
you want to approve it, that's your call of course.  I will wait to
hear from you before I respond to Herman.
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You should certainly discuss with him your concerns!

Pat

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

Date: 21-Dec-1988 01:00am GMT
From: RUSS GULLOTTI @NPO
           GULLOTTI AT A1 at WOODRO at M

Dept: CSS ADMIN.
Tel No: 264-6209
           (603) 673-8303

KO

TO: PAT CATALDO @OGO

Subject: Staff Meeting Minutes

Pat,

     You will get to read the staff meeting minutes from the December
19th ESMC, but I would like to give you some of the key thoughts about
what I thought went on.

     The discussion on the CD ROM was amazing to hear. The staff was
spinning. I ended up telling people what I would do if I were running
Ed Services. My opinion is that you take $175K in funding from others
and use it to keep the project going. It's also my opinion that you do
not use the $175K from others to offset the $300K that you have already
sunk into the project. That would be unfair to the people who are
funding you because it implies that the project will stop. Further, I
absolutely do not support a program announcement in January. The
project is really poorly defined, has no product manager, and has no
commitment to volumes nor does it have a selling method. One thought
would be to involve the R&D Group further in this effort. If things
proceed well with the $175K for the rest of this year then you could
decide whether or not you want to fund it again in FY90. John McClean
was of the opinion that you would disagree with my conclusion and that
you wanted to stop the project and use the funding that you have just
received to offset your own expenses to date. I would disagree with
that.

     The Maritz Company came in to discuss motivational programs. It
was good exposure and I am delighted that you are examining such
programs. However, I do not support the Maritz's proposal for a
Digital Group. I have been involved in suggestion programs before;
they don't work well.

     Jim Melanson's operational review was superb. His group is very
professional. They were well prepared and did a good job of
articulating the charter of their organizations. I am not quite sure
what you intend to get out of these operations reviews, but I learned a
great deal about the organization just by listening.

     You should be aware that your staff is quite frustrated about the
fact that they have had several strategic issues on their plate for
years that have no resolutions. I think probably that the group
expects you to lead them in the resolution of some of these strategic

problems. You and I can discuss this more, but I did want to talk to you about it in case you hear anything about it from any of your staff members.

I'll talk to you more about the meeting after the holidays. In the meantime Pat, Merry Christmas and Happy New Year.

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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

                              Date:      22-Dec-1988 08:44pm EST
                              From:      Patrick A. Cataldo
                                         CATALDO.PAT AT a1 at CECV01 a
t BUO
                              Dept:      Educational Services
                              Tel No:    249-4200

TO:  RUSS GULLOTTI @NPO
TO:  PAT CATALDO @OGO


Subject: ES BUSINESS - EUROPE
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INTEROFFICE MEMORANDUM

Date: 22-Dec-1988 11:28am EST
From: Hermann BINDER @GEO
          BINDER AT AMISA1@EHQMR1@GEO
Dept: EDUCATIONAL SERVICES
Tel No: 893-3111 X227

TO: PAT CATALDO @BUO

CC: JOHN MCLEAN @BUO
CC: Werner OPPLIGER @GEO   (OPPLIGER AT AMISA1@EHQMR1@GEO)

Subject: ES Europe, Business Situation

This is the status of the ES Business in Europe and the actions we decided to take as a result of the meeting with Werner Oppliger.

1. Key numbers on performance: M$

        Revenue: Corporate BOD   113.0
                 December forecast   113.1

        ACM ($):   BOD: 38.2
                      NOVEMBER TARGET: 39.1
                      December forecast: 34.9

    Key elements impacting the ACM target:

    Positive: UK, IT and PG: +1.7
              Area savings   +0.6   +2.3

    Negative: Germany perforemance: -3.9
              SW, FN, NW performance: -0.8
              Currency impact: -1.5   -6.2

    Elements not reflected in the december forecast:

    The impact of the Revenue transfer reduction from 0.6% to 0.5% of HW MLP will be shown in the January forecast.

    The $ 0.6 M additional profit due to the PL02 ITP change to be added in the January forecast as well.

2. Actions:

- Additional hiring, if any, needs my approval.
- Specific business review will be done in Germany in January.
- Above mentioned countries with margin problems are asked to put forward action plans to improve their profitability.
- Plans have been established to meet the new PL02 goals.
- Resource optimization between all faculties to meet training demand with the existing headcount.
- Activities to get additional revenue are in place in all countries.

Regards, Hermann

Date: 29-Dec-1988 07:07am EST
From: Patrick A. Cataldo
            CATALDO.PAT AT a1 at CECV01 a

t BUO

Dept: Educational Services
Tel No: 249-4200

TO: RUSS GULLOTTI @NPO
TO: PAT CATALDO @OGO

Subject: HERMANN BINDER QUARTERLY REPORT

INTEROFFICE MEMORANDUM

TO: David BARLOW @GEO   (BARLOW AT AMISA1@EHQMR1@GEO)
TO: PAT CATALDO @BUO

CC: PIER CARLO FALOTTI @GEO

Subject: Quarterly Report for ES

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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
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TO: type "SH" to see distribution list

Subject: EXPENSE REDUCTION FOR THE REMAINDER OF FY'89

Marianne, (ECA)

After reviewing the latest Redbook forecast for the remainder of Q2, Q3, and Q4 FY'89, the business picture has significantly deteriorated. As a country we dropped our revenue projections by almost $3.0M and our margin by more than $2.0M. This forecast follows the preceeding one in which we reduced revenue projections by $7.0M. After waiting one month to determine the accuracy of last month's reductions, it is now apparent our business is uncertain and we must take steps to act in accordance with our revenue projections. While we will urgently drive our "get well" plans assembled in our last quarterly, and prioritize all revenue opportunities as #1, #2, and #3, we also find it necessary to take the following prudent business action:

1. All hiring, including replacement slots, are on hold until further notice. This includes all previous approved requistions. Any attrition deemed critical to maintain your revenue stream should be reviewed with me personally. All area CTS consultant slots will continue to be filled as soon as possible.

2. The use of all temporary personnel, including those now on board, must be approved by me. I will ask you to identify all temporary personnel with Jamie who will then schedule a conference with you to discuss those on board as well potential hires. The sooner you provide this data to Jamie, the faster we can respond to determine the disposition of your temporary help requirements.

3. Expense reductions to compensate for the reduction in revenue will be targeted by area. Your expense reduction target for Q3 and Q4 is 150K. I would like you to work closely with Sharon Simpson to determine how you will achieve this target and submit this plan (one page) to Bob Bianchi and myself by January 15th.

With these steps we will be able to maintain a responsible business posture (but not a pleasant one) until our revenue picture improves. These difficult management decisions are not ones we enjoy imple menting but will cause each of us to seek out and eliminate waste, poor use of resources, unnecessary expenses, and poor business practices. It will make us a better and stronger organization, able

to deal with any competition or challenge. I have complete confidence
in you and your people and know that, in spite of the present
obstacles, we will be successful. I recommend that you share this
memo with your people and ask for any ideas they may have to help
achieve our goals. I will look forward to reviewing these with you
during our discussions.

Thanks,

Joe

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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
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TO: type "SH" to see distribution list

Subject: EXPENSE REDUCTION FOR THE REMAINDER OF FY'89

Lise, (LEA)

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1. All hiring, including replacement slots, are on hold until further notice. This includes all previous approved requistions. Any attrition deemed critical to maintain your revenue stream should be reviewed with me personally. All area CTS consultant slots will continue to be filled as soon as possible.

2. The use of all temporary personnel, including those now on board, must be approved by me. I will ask you to identify all temporary personnel with Jamie who will then schedule a conference with you to discuss those on board as well potential hires. The sooner you provide this data to Jamie, the faster we can respond to determine the disposition of your temporary help requirements.

3. Expense reductions to compensate for the reduction in revenue will be targeted by area. Your expense reduction target for Q3 and Q4 is 100K. I would like you to work closely with Val Ragsdale to determine how you will achieve this target and submit this plan (one page) to Bob Bianchi and myself by January 15th.

With these steps we will be able to maintain a responsible business posture (but not a pleasant one) until our revenue picture improves. These difficult management decisions are not ones we enjoy imple menting but will cause each of us to seek out and eliminate waste, poor use of resources, unnecessary expenses, and poor business practices. It will make us a better and stronger organization, able

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Thanks,

Joe

Date: 16-Dec-1988 02:22pm GMT
From: JOE FABRIZIO
           FABRIZIO.JOE
Dept: ED SERVICES
Tel No: 249-4213

TO: type "SH" to see distribution list

Subject: EXPENSE REDUCTION FOR THE REMAINDER OF FY'89

Gary, (WRO)

After reviewing the latest Redbook forecast for the remainder of Q2,
Q3, and Q4 FY'89, the business picture has significantly deteriorated.
As a country we dropped our revenue projections by almost $3.0M and
our margin by more than $2.0M. This forecast follows the preceeding
one in which we reduced revenue projections by $7.0M. After waiting
one month to determine the accuracy of last month's reductions, it is
now apparent our business is uncertain and we must take steps to act
in accordance with our revenue projections. While we will urgently
drive our "get well" plans assembled in our last quarterly, and
prioritize all revenue opportunities as #1, #2, and #3, we also find
it necessary to take the following prudent business action:

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    further notice. This includes all previous approved
    requistions. Any attrition deemed critical to maintain your
    revenue stream should be reviewed with me personally. All
    area CTS consultant slots will continue to be filled as soon
    as possible.

2. The use of all temporary personnel, including those now on
    board, must be approved by me. I will ask you to identify all
    temporary personnel with Jamie who will then schedule a
    conference with you to discuss those on board as well
    potential hires. The sooner you provide this data to Jamie,
    the faster we can respond to determine the disposition of your
    temporary help requirements.

3. Expense reductions to compensate for the reduction in revenue
    will be targeted by area. Your expense reduction target for
    Q3 and Q4 is 90K. I would like you to work closely with Tom
    Oiye to determine how you will achieve this target and submit
    this plan (one page) to Bob Bianchi and myself by January
    15th.

With these steps we will be able to maintain a responsible business
posture (but not a pleasant one) until our revenue picture improves.
These difficult management decisions are not ones we enjoy imple
menting but will cause each of us to seek out and eliminate waste,
poor use of resources, unnecessary expenses, and poor business
practices. It will make us a better and stronger organization, able

to deal with any competition or challenge. I have complete confidence in you and your people and know that, in spite of the present obstacles, we will be successful. I recommend that you share this memo with your people and ask for any ideas they may have to help achieve our goals. I will look forward to reviewing these with you during our discussions.

Thanks,

Joe

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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

                                 Date:      16-Dec-1988 02:24pm GMT
                                 From:      JOE FABRIZIO
                                            FABRIZIO.JOE
                                 Dept:      ED SERVICES
                                 Tel No:    249-4213
```

TO: type "SH" to see distribution list

Subject: EXPENSE REDUCTION FOR THE REMAINDER OF FY'89

Matt, (SWA)

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one in which we reduced revenue projections by $7.0M. After waiting
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    as possible.

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    board, must be approved by me. I will ask you to identify all
    temporary personnel with Jamie who will then schedule a
    conference with you to discuss those on board as well
    potential hires. The sooner you provide this data to Jamie,
    the faster we can respond to determine the disposition of your
    temporary help requirements.

3. Expense reductions to compensate for the reduction in revenue
    will be targeted by area. Your expense reduction target for
    Q3 and Q4 is 130K. I would like you to work closely with
    Karen Shelley to determine how you will achieve this target
    and submit this plan (one page) to Bob Bianchi and myself by
    January 15th.

With these steps we will be able to maintain a responsible business
posture (but not a pleasant one) until our revenue picture improves.
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menting but will cause each of us to seek out and eliminate waste,
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Joe

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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
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Date:	16-Dec-1988 02:11pm GMT
From:	JOE FABRIZIO
	FABRIZIO.JOE
Dept:	ED SERVICES
Tel No:	249-4213

TO: type "SH" to see distribution list

Subject: EXPENSE REDUCTION FOR THE REMAINDER OF FY'89

Larry Sears: (m A A)

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3. Expense reductions to compensate for the reduction in revenue will be targeted by area. Your expense reduction target for Q3 and Q4 is 50K. I would like you to work closely with Tony Porter to determine how you will achieve this target and submit this plan (one page) to Bob Bianchi and myself by January 15th.

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INTEROFFICE MEMORANDUM

TO: type "SH" to see distribution list

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Sherry, (SOA)

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3. Expense reductions to compensate for the reduction in revenue will be targeted by area. Your expense reduction target for Q3 and Q4 is 100K. I would like you to work closely with Yvette Casey to determine how you will achieve this target and submit this plan (one page) to Bob Bianchi and myself by January 15th.

With these steps we will be able to maintain a responsible business posture (but not a pleasant one) until our revenue picture improves. These difficult management decisions are not ones we enjoy imple menting but will cause each of us to seek out and eliminate waste, poor use of resources, unnecessary expenses, and poor business practices. It will make us a better and stronger organization, able

to deal with any competition or challenge. I have complete confidence
in you and your people and know that, in spite of the present
obstacles, we will be successful. I recommend that you share this
memo with your people and ask for any ideas they may have to help
achieve our goals. I will look forward to reviewing these with you
during our discussions.

Thanks,

Joe

INTEROFFICE MEMORANDUM

Date: 16-Dec-1988 02:28pm GMT
From: JOE FABRIZIO
           FABRIZIO.JOE
Dept: ED SERVICES
Tel No: 249-4213

TO: type "SH" to see distribution list

Subject: EXPENSE REDUCTION FOR THE REMAINDER OF FY'89

John, (SCA)

After reviewing the latest Redbook forecast for the remainder of Q2, Q3, and Q4 FY'89, the business picture has significantly deteriorated. As a country we dropped our revenue projections by almost $3.0M and our margin by more than $2.0M. This forecast follows the preceeding one in which we reduced revenue projections by $7.0M. After waiting one month to determine the accuracy of last month's reductions, it is now apparent our business is uncertain and we must take steps to act in accordance with our revenue projections. While we will urgently drive our "get well" plans assembled in our last quarterly, and prioritize all revenue opportunities as #1, #2, and #3, we also find it necessary to take the following prudent business action:

1. All hiring, including replacement slots, are on hold until further notice. This includes all previous approved requistions. Any attrition deemed critical to maintain your revenue stream should be reviewed with me personally. All area CTS consultant slots will continue to be filled as soon as possible.

2. The use of all temporary personnel, including those now on board, must be approved by me. I will ask you to identify all temporary personnel with Jamie who will then schedule a conference with you to discuss those on board as well potential hires. The sooner you provide this data to Jamie, the faster we can respond to determine the disposition of your temporary help requirements.

3. Expense reductions to compensate for the reduction in revenue will be targeted by area. Your expense reduction target for Q3 and Q4 is 200K. I would like you to work closely with Thomas Hunter to determine how you will achieve this target and submit this plan (one page) to Bob Bianchi and myself by January 15th.

With these steps we will be able to maintain a responsible business posture (but not a pleasant one) until our revenue picture improves. These difficult management decisions are not ones we enjoy imple menting but will cause each of us to seek out and eliminate waste, poor use of resources, unnecessary expenses, and poor business practices. It will make us a better and stronger organization, able

to deal with any competition or challenge. I have complete confidence
in you and your people and know that, in spite of the present
obstacles, we will be successful. I recommend that you share this
memo with your people and ask for any ideas they may have to help
achieve our goals. I will look forward to reviewing these with you
during our discussions.

Thanks,

Joe

INTEROFFICE MEMORANDUM

Date: 16-Dec-1988 02:31pm GMT
From: JOE FABRIZIO
          FABRIZIO.JOE
Dept: ED SERVICES
Tel No: 249-4213

TO: Remote Addressee   (MANFRED TADLHUBER @AWO)

CC: Remote Addressee   (DOMENICK CARPENTIERI @AWO)

Subject: EXPENSE REDUCTION FOR THE REMAINDER OF FY'89

Manfred, (NYA)

After reviewing the latest Redbook forecast for the remainder of Q2, Q3, and Q4 FY'89, the business picture has significantly deteriorated. As a country we dropped our revenue projections by almost $3.0M and our margin by more than $2.0M. This forecast follows the preceeding one in which we reduced revenue projections by $7.0M. After waiting one month to determine the accuracy of last month's reductions, it is now apparent our business is uncertain and we must take steps to act in accordance with our revenue projections. While we will urgently drive our "get well" plans assembled in our last quarterly, and prioritize all revenue opportunities as #1, #2, and #3, we also find it necessary to take the following prudent business action:

1. All hiring, including replacement slots, are on hold until further notice. This includes all previous approved requistions. Any attrition deemed critical to maintain your revenue stream should be reviewed with me personally. All area CTS consultant slots will continue to be filled as soon as possible.

2. The use of all temporary personnel, including those now on board, must be approved by me. I will ask you to identify all temporary personnel with Jamie who will then schedule a conference with you to discuss those on board as well potential hires. The sooner you provide this data to Jamie, the faster we can respond to determine the disposition of your temporary help requirements.

3. Expense reductions to compensate for the reduction in revenue will be targeted by area. Your expense reduction target for Q3 and Q4 is 120K. I would like you to work closely with Domenick Carpentieri to determine how you will achieve this target and submit this plan (one page) to Bob Bianchi and myself by January 15th.

With these steps we will be able to maintain a responsible business posture (but not a pleasant one) until our revenue picture improves. These difficult management decisions are not ones we enjoy imple menting but will cause each of us to seek out and eliminate waste,

poor use of resources, unnecessary expenses, and poor business practices. It will make us a better and stronger organization, able to deal with any competition or challenge. I have complete confidence in you and your people and know that, in spite of the present obstacles, we will be successful. I recommend that you share this memo with your people and ask for any ideas they may have to help achieve our goals. I will look forward to reviewing these with you during our discussions.

Thanks,

Joe

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

TO: type "SH" to see distribution list

Subject: EXPENSE REDUCTION FOR THE REMAINDER OF FY'89

Jack, (NEA)

After reviewing the latest Redbook forecast for the remainder of Q2, Q3, and Q4 FY'89, the business picture has significantly deteriorated. As a country we dropped our revenue projections by almost $3.0M and our margin by more than $2.0M. This forecast follows the preceeding one in which we reduced revenue projections by $7.0M. After waiting one month to determine the accuracy of last month's reductions, it is now apparent our business is uncertain and we must take steps to act in accordance with our revenue projections. While we will urgently drive our "get well" plans assembled in our last quarterly, and prioritize all revenue opportunities as #1, #2, and #3, we also find it necessary to take the following prudent business action:

1. All hiring, including replacement slots, are on hold until further notice. This includes all previous approved requistions. Any attrition deemed critical to maintain your revenue stream should be reviewed with me personally. All area CTS consultant slots will continue to be filled as soon as possible.

2. The use of all temporary personnel, including those now on board, must be approved by me. I will ask you to identify all temporary personnel with Jamie who will then schedule a conference with you to discuss those on board as well potential hires. The sooner you provide this data to Jamie, the faster we can respond to determine the disposition of your temporary help requirements.

3. Expense reductions to compensate for the reduction in revenue will be targeted by area. Your expense reduction target for Q3 and Q4 is 400K. I would like you to work closely with Kathy Sullivan to determine how you will achieve this target and submit this plan (one page) to Bob Bianchi and myself by January 15th.

With these steps we will be able to maintain a responsible business posture (but not a pleasant one) until our revenue picture improves. These difficult management decisions are not ones we enjoy imple menting but will cause each of us to seek out and eliminate waste, poor use of resources, unnecessary expenses, and poor business practices. It will make us a better and stronger organization, able

to deal with any competition or challenge. I have complete confidence in you and your people and know that, in spite of the present obstacles, we will be successful. I recommend that you share this memo with your people and ask for any ideas they may have to help achieve our goals. I will look forward to reviewing these with you during our discussions.

Thanks,

Joe

ESMC   12/19/88

1. My schedule/Role
2. Quarterly
3. SIB
4. Mktg Structure Changes

① Harmony   CD Rom.   Tim Walsh
        Delay program mgmt.

② Marity - performance improvement planning.
        Ties company goals to worker goals. Sets up
recognition program.
        Ed Svcs already does much of this.
        Feels like a program for companies that are
disconnected. ES is in good shape here.
        Uses suggestion program/ quality circle approach.
        Recognition program requires Dick Walsh
OK.

$\frac{200 \text{ rts}}{\times 12 \text{ mos}}$ $^{\$}40^{K}$ $^{\$}330K$? shown as fixed costs. Fee?
$\frac{\$2400}{14,800}$ $\frac{40}{e72000}$ $\frac{\times 20}{\$6,600}$ saved if 20x return.
                    $\frac{25 \text{ rto}}{\$9,000}$ - lost work time
                    $\times 20 = \$180$

Problem
being?
Solved?   — Problems — Suggestion bad feelings
engaged that they're   — Time to evaluate/meet
working   — reward differentiation doesn't for De
more negative that
        2 yr. effort.
    — Sell it via Ed Svcs ??

US BoD delayed
— 7 —

* Cecil Dye   — Set up Solo Demo ??

*pat   Frustration — never decide on strategic issues?
No follow through. "Silence acceptance" Syndrome.
Group spins (remarks) doesn't decide.
all hangs on Pat —

open ✓ Salem

ESMC

Audit starts Jan. } Tom Eaton group Mgr.
George Kay auditor. }

Beware — prog mgmt controls
appraisal systems
purchasing controls.
adherence to self imposed policy/rules.
FDP's prejudge. get them early.
Scoping strategy ?!

Need plan/scoping

Bedford Kitting
- start in Q1
- expand it to field? (needs evaluation)

- Keep Billerica process
- Change accounting (Q1?)
- Expand service to the field after study.

Cafeteria — expand it $110K

Ops Review — Jim Melanson

CSP   got UAW brought in Early — who did it?
       Boeing sheet metal

JM did | prof job | — | Clear visions | Pride |

- ~~Prog~~ | CSP — well kept secret
            Strong QA function / DSS
            R+D learn more |

* CDRom — | -$300K vs Simply forget it |
          -175-225 More this year to define
          product clearly. Not lose touch with technology.
look at other causes to shut off — Propose to ESMC/others — get funding — Yes R+D
          - Proceed @ engineering   (look at need!)

PROJECT HARMONY
12/19/88

1. Of the total workstations we've shipped, Harmony has no, limited or
    questionable use in the following areas:

        - VS2000
        - Admin type users
        - Unix applications
        - Already trained environments

2. To be effective, courses need to be designed for specific use and
    implementation using Bookreader. Usability testing has demonstrated
    both instructional design and interfacing issues with existing
    courses being used.

        - Examples of overlapping windows:
          courses vs. books

        - People fatigue quickly on this
          product, further emphasizing the
          need for new or redesigned
          courseware.

3. Using current courses and resource/reference data there are but (3)
    three updates that could be completed as part of our offering.

4. To date, there have been insufficient plans to train people on how to
    use the system itself upon release. This appears to be a moderate
    level task.

5. It is not clear what the other competitive products are in this area.
    There is a big concern that this technology as presented is not an
    interactive training tool. This is in conflict with our desired
    training process.

6. The main attraction to this technology thus far is ease and speed of
    information access and as a software load device.

7. This technology seems to be an essential component in our future but
    needs to be coupled to a courseware loading as well as an information
    retrieval and training delivery strategy.

8. Tools, templates and process need to be developed/made available to
    mass produce courseware in this format but we can not neglect our
    traditional market/customer base. This implies the need for a market
    strategy to support this product.

9. We need to have a clear understanding of impacts to current revenue
    streams for this product to be implemented.

ESMC *REVISED* BI-WEEKLY AGENDA
DECEMBER 19, 1988
MIDDLESEX ROOM, BEDFORD, MA

8:30 - 8:45	OPENING REMARKS	RUSS GULLOTTI
8:45 - 9:00	VOTE ON HARMONY PROJECT	TIM WALSH
9:00 -10:00	PERFORMANCE IMPROVEMENT PLANNING FOR EDUCATIONAL SERVICES	MARITZ COMPANY
10:00 -10:15	BREAK	
10:15 -11:15	EDUCATIONAL SERVICES AUDIT UPDATE	TOM EATON
11:15 -11:20	STRETCH	
11:20 -11:50	BEDFORD KITTING	JOHN MCLEAN
11:50 - 1:00	LUNCH	
1:00 - 3:00	CSP, R&D, QA OPERATIONS REVIEW	JIM MALANSON
3:00 - 3:15	BREAK	
3:15 - 4:00	DISCUSSION - NOVEMBER EXPANDED SMALL GROUP REPORTOUTS, "HOW CAN E.S. WORK MORE EFFECTIVELY TO IMPROVE OVERALL BUSINESS RESULTS?"	
4:00 - 5:00	OPEN DISCUSSION	

EDUCATIONAL SERVICES MANAGEMENT COMMITTEE
ESMC

DATE _Dec. 19, 1988_

NAME	ATTENDING	NOT ATTENDING	REASON
~~HERMANN BINDER~~			
ROGER BLOMGREN	✓		
DREW BOYD	✓		
CECIL DYE	✓		
JOE FABRIZIO	✓		
DON ELIAS	✓		
SUSAN GEORGE	✓		
JIM MALANSON	✓		
JOHN MCLEAN	✓		
MEL PIERCE	✓		
ROY STEELE	✓ P.M.	✓ a.m.	Jim Sakellaris - a.m
CHARLES THARP		✓	vac - Bob Murphy
DEL THORNDIKE			
JOLUUT VANDERHOOFT		✓	vac - Pat Wager
TIM WALSH	✓		

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

                              Date:     13-Dec-1988 02:00pm EST
                              From:     Jan Svendsen
                                        SVENDSEN.JAN AT a1 at CECV01
                              Dept:     Strategic Planning
                              Tel No:   249-4279

TO: See Below

Subject: ** REVISED ** ESMC Agenda for December 19, 1989


                    ESMC *REVISED* BI-WEEKLY AGENDA
                          DECEMBER 19, 1988
                       MIDDLESEX ROOM, BEDFORD, MA


  8:30 - 8:45     OPENING REMARKS                         RUSS GULLOTTI
```

8:45 - 9:00   CD Rom Update   Tim.

```
  9:00 -10:00     PERFORMANCE IMPROVEMENT PLANNING
                  FOR EDUCATIONAL SERVICES                MARITZ COMPANY

 10:00 -10:15     BREAK

 10:15 -11:15     EDUCATIONAL SERVICES AUDIT UPDATE         TOM EATON

 11:15 -11:20     STRETCH

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 11:50 - 1:00     LUNCH

  1:00 - 3:00     CSP, R&D, QA OPERATIONS REVIEW          JIM MALANSON

  3:00 - 3:15     BREAK

  3:15 - 4:00     DISCUSSION - NOVEMBER EXPANDED SMALL GROUP REPORTOUTS,
                  "HOW CAN E.S. WORK MORE EFFECTIVELY TO IMPROVE OVERALL
                  BUSINESS RESULTS?"


Press RETURN to continue or EXIT SCREEN to exit
  4:00 - 5:00     OPEN DISCUSSION



Distribution:
```

```
TO:    RUSS GULLOTTI @NPO
TO:    CHESTER BOWLES @DLB
TO:    BARBARA CARY @MSO
TO:    MEL PIERCE @BUO
TO:    TIM WALSH @BUO
TO:    JOLUUT VANDERHOOFT @BUO
TO:    DEL THORNDIKE @BUO
TO:    CHARLES THARP @FPO
TO:    ROY STEELE @BUO
TO:    JOHN MCLEAN @BUO
TO:    JIM MALANSON @BUO
TO:    SUSAN GEORGE @PKO
TO:    JOE FABRIZIO @BUO
TO:    DON ELIAS @BUO

Press RETURN to continue or EXIT SCREEN to exit
TO:    JOLUUT VANDERHOOFT @BUO
TO:    DEL THORNDIKE @BUO
TO:    CHARLES THARP @FPO
TO:    ROY STEELE @BUO
TO:    JOHN MCLEAN @BUO
TO:    JIM MALANSON @BUO
TO:    SUSAN GEORGE @PKO
TO:    JOE FABRIZIO @BUO
TO:    DON ELIAS @BUO
TO:    CECIL DYE @OGO
TO:    PAT CATALDO @BUO
TO:    DREW BOYD @FPO
TO:    ROGER BLOMGREN @AKO
TO:    HERMANN BINDER @OUO
TO:    GAEL DUSSAULT @BUO

CC:    ED OSTERHUBER @CECV03
CC:    TOM SALEMME @KNX
CC:    JOE ALBERTI @BUO
CC:    TOM EATON @AKO
```

SMALL GROUP REPORT-OUTS - "HOW CAN E.S. WORK MORE EFFECTIVELY TO
IMPROVE OVERALL BUSINESS RESULTS?"

Group 1: Charlie Tharp- John Romeo, Spokesperson
  o Market and sell our internal systems, services and processes
    to our customers.

  o Monitor and control discretionary spending, e.g.
    . overnight express mail
    . travel ($14m/year) - decrease 25%
    . overtime - preapproved
    . meetings - decrease 50%
    . dues and subscriptions ($25K)
    . purchase orders ($80/order)

  o Creative use of labor resources to get a job done. e.g.
    . reassignable pool
    . parttime
    . interns
    . co-ops
    . temps

  o Pay employees bi-weekly for exempt

  o Rejustify the need for computer equipment at home and use of
    DIAL

Group 2: Don Elias - Bill Chaplin, Spokesperson

  o Increase organizational effectiveness
          . complimentary metrics
          . reduce redundancy

  o Doing business with customer perspective
          . flexible
          . train DEC personnel

  o Improve use of mail system

  o Improve business practices
          . development and delivery
          . technology

o Reduce approval process

o Consolidate Systems
    . order administration and registration

Group 3: Vanderhooft/Pierce - Bob Mjos, Spokesperson

o Reduce internal competition and duplication
    . delivery (U & C course)
    . sharing resources (instructors)
    . development (modules)
    . curriculum management
    . flexible delivery, and dollar management
    . non-E.S. groups, too
    . project duplication (PTP, testing)
    . administration (registration, policies)
    . not just to reduce costs but drive increased activity

        * need pilot with a 'driver'

o Review and prioritize every program/project for impact on
  revenue, costs, or client group's performance
    . increase priority of PTP
    . review new facility programs to reinforce sharing
    . review new administration system (QUEST, CATS) for
      effectiveness
    . institute project reviews and learn from them (rating
      process)
    . make sure programs drive business or support the field

        * Pilot of program review process

o Review management metric to ensure they reinforce the
  desired behavior
    . market penetration vs. SW activity
    . foster sharing
    . metrics conflict with desired and with each other
    . employee idea incentives
    . utilization of C/E (VAX's)
    . cost saving/productivity on goal sheets/job plans
    . cross-function look at metrics

        * Personnel drives task force

Group 4: George/Boyd - Joe Alberti, Spokesperson

o Expense Management
    . facilities - utilities
    . impact to budgets
    . individual contributions
    . awareness
    . better defined investment plans

o Productivity
    . on an individual basis

. management inconsistencies

Action Items:
  A. Establish expense reduction targets for FY89-90
    (Specific %)

  B. Establish and evaluate productivity targets

  C. Increase awareness and feedback to all levels of E.S.
    . E.S. management takes individual ownership for
      process
    . productivity prize for individual/group
    . Finance prepares the Awareness Paper
    . Personnel prepares Delivery Guidelines
    . CC manager conduct group meetings with staff
    . ESMC members to report Group Plans

Group 5: Tim Walsh - Joe Gallagher, Spokesperson

  o Analysis:
    . IEG expendables
    . Telecom
    . System usage

  o Goal: Reduce costs by x%.
    . master file for instructors
    . resource sharing - classroom, systems, people
      (instructors, registrars)
    . goals for cost effectiveness: recognize and reward
    . internal resources/vendors
    . rush jobs!!

Group 6: Steele/Malanson - Marsha Cullinane, Spokesperson

      o Believable
      o Achievable
      o Measurable
      o Affordable

  o Revenue:
    Establish a strategy for new product introductions:
      . development, delivery plans, marketing program, ROI,
      . long term strategy, short term tactics

  o Efficiency/Productivity
    . WC2 labor exception reporting

  o Duplication of Efforts
    . consolidate all PTP efforts by: halting all current
      activity; assessing status; formulating one strategy
      and moving forward

  o Other Opportunities
    . Registrar stovepipes

  o Capital Investment

. Reevaluate all field and HQ investment plans

A.I. The ESMC will discuss the work of the Small Group at its December
19th meeting.

MultiSurvey II Question Result Report

Question # 5   Sequence # 5

          I FEEL THE AUTOMATED RESPONSE SYSTEM

          IS A GOOD IDEA.

          5   4   3   2   1   0
          SA   A   N   D   SD   NA

          NUMBER OF ANSWERS = 5   CORRECT ANSWER = 0

     NUMBER OF RESPONSES   PERCENTAGE
     ====================   ==========
        1.   0   0%
        2.   0   0%
        3.   2   13%
        4.   6   40%
        5.   7   47%

     Total number of responses :   15
     Average Response   :   4.3

Resp   % Tot   Percentage
                  10   20   30   40   50   60   70   80   90   100
                   | | | | | | | | | |
  1.   0%
  2.   0%
  3.   13%   *******
  4.   40%   *********************
  5.   47%   ***********************

```
                              PAT CATALDO
------------------------------------------------------------------------
|       |                |               |                |       |     |
|  OA   |                US              GIA              EUR      |     |
|       |                CUST            ---              ---      |     |
|       FS               ------------------------------->  C  E  SWS/    |
|       J.V.                                                     SALES   |
------->
```

```
                              PAT CATALDO
--------------------------------------------------------------------
|                       |               |                |
|                       US              GIA              EUR
CUST MKTG               ---             ---              ---
|                                       |   |
|OA                                     C   E
|SWS/SALES/MFG                          --  --
|DIS                                    || | |
|F.S.TRNG                               FS/SWS/DME/SLS
|ESDP/MFG
|MEDIA
|DME
```

hold

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

                              Date: 2-Dec-1988 10:28am GMT
                              From: JOLUUT VANDERHOOFT
                                         VANDERHOOFT.JOLUUT AT a1 at C

ECV01 at BUO
                              Dept: ESDP
                              Tel No: 249-1411

TO: MEL PIERCE @BUO ⟵ *TO*
TO: PAT CATALDO @BUO

These are the types of hiring requests Dec cannot afford to honor these days.

Subject: Human Resource Manager - ESDP

Per your request the following are some of the responsibilities of the
proposed HRM:

I would not do this in FY 89. Rumfield

1. Human Resource Planning and Development:

   A. Define and establish consistent processes for JPR, Performance
       Appraisal, and salary reviews and career development planning to
       ensure that business needs are met and skills are developed to
       accommodate future business requirements. (Specific attention
       needs to be paid to changes occurring as a result of the
       transition to Electronic Publishing and other emerging
       technologies.)

   PS — Please call to discuss.

   B. Career Development - decrease undesired organizational
       churn/turnover while facilitating the movement of the employees,
       when necessary, to more appropriate skill matches through the use
       of individualized training plans for contributors world-wide.

   C. Work Force Planning - help anticipate changing workforce needs due
       to changes in technology. Develop training plans and define
       strategies to accommodate changing technological needs and skill
       set requirements. Develop programs and processes to facilitate
       the implementation of meaningful career planning for contributors
       world-wide which enables re-skilling, as appropriate, to meet
       changing business needs.

   D. Define and advise on employee relations impact of business
       decisions.

   E. Identify and define impact of sick time, absenteeism and work
       related short term disabilities and develop programs and
       strategies to reduce the impact.

   F. Develop programs to help manage the organizational impact of
       technological changes and change to the roles of employees in the
       work place resulting from the transition to electronic publishing
       and the impact of workstations/DECWindows on the course
       development documentation and publishing processes.

   G. Work with the employment organization to facilitate sourcing of

potential employees who meet future skill requirements out add to the EEO/AA goals of the organization.

2.   Succession Planning – develop a strategy to prevent the loss of organizational productivity by actively planning a succession process for key managers and consultants.

3. Compensation/Benefits:

   A. Ensure that organizational issues that can effect work productivity are escalated.

   B. Reward and recognition – support the maintenance of the existing recognition program and, as needed, propose alternate reward programs.

   C. JEC – responsible for the organizational analysis of job codes world-wide, participation in cross-organizational review process, and assessment of: population movement, adverse EEO impact and the successful completion of the process.

   D. Salary Planning – ongoing evaluation of salary planning and implementation to support the optimum use of available dollars and attainment of organizational spending goals and metrics.

4. Organization Development:

   A. Analyze organizational dynamics and assess the effectiveness of the organizational structure to meet defined business goals.

   B. As part of the ESDPMC, work to improve the effectiveness of the team in problem solving and planning.

   C. Facilitate management committee meetings to ensure that the process supports the attainment business goals.

5. EEO/AA/Valuing Differences:

   A. Develop programs that create a climate that attracts and maintains a workforce that reflects the changing demographics of the population.

   B. Develop programs to increase the productivity of work teams by effectively utilizing the skills of all members.

6, Communication and linkage:

   A. Coordinate and provide key communication link to world-wide ESDP Personnel consultants to ensure consistent direction and application of programs across diverse sites.

   B. Coordinate cross-functional integration of ESDP with other Ed. Services organizations to ensure consistency of programs and practices within Ed. Services.

C. Support Employment in its sourcing of specialized skills required to meet the demands of changing technology.

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**Educational Services Consolidated
Training Information Plan (ver.1)**

[handwritten notes:]

- ~~why not OA~~
- Impact on tng courses? on site vs Lab.
  Impingement factor?
- funding clarity.
  - no product mgt.
  - no pricing strategy

not ready.

spend 10M to get 40M ??
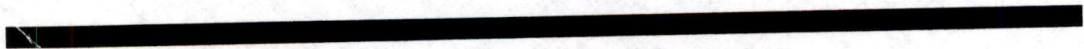
December, 1988

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DECUS	RSTS	
DECwriter	RSX	

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This document was prepared using VAX DOCUMENT, Version 1.1

CONTENTS

TABLES

EDUCATIONAL SERVICES CONSOLIDATED TRAINING INFORMATION PLAN

1. PURPOSE OF THIS DOCUMENT

This document is designed to update and solicit feedback from Educational Services Management on the status of CDTIP program.

The CDTIP "Notes File" is the primary communication vehicle used to keep CDTIP information current.

CDTIP Notes

The CDTIP Notes File was created to allow people access to the latest information regarding the project. Access to the conference is currently restricted and requires notification of the moderator.

To be allowed access to the CDTIP Notes File, please contact John Cleary on node CDROM::CLEARY.

CDTIP Committees

CDTIP is a committee that meets bi-weekly to review the progress of various subcommittees.

The members are:

Brian Osborne - Program Manager
Kathy Jamieson - Product Definition
Lisa Erhlich - Research and Development
John Shack - Business and Finance
Robert Hoffman - Manufacturing
Jim Stewart - Product Marketing
Bob Mjos - Industry Marketing
John Osborn - Third Party Development
Kevin Whittemore - GIA
John Cleary - CDTIP Coordinator

Subcommittees

Product Definition - Kathy Jamieson

Charter: To define phase 1.0 product descriptions.

Research and Development - Lisa Erlich

Charter: To define and integrate new technology to enhance functionality as these technologies emerge.

Business and Finance - John Shack

Charter: To examine business/financial issues related to CDTIP and develop pricing strategies and terms and conditions.

Manufacturing - Robert Hoffman

Charter: Integrate Educational Services manufacturing and distribution strategies with the Software Business Technologies program.

Third Party Development - John Osborn

Charter: Investigate the requirements for providing product and services to third party companies for the development and distribution of training and information.

2. CONSOLIDATED DISTRIBUTION OF TRAINING AND INFORMATION PROGRAM

Introduction

The Consolidated Distribution of Training and Information, (CDTIP), is a subset of the Software Business Technologies program (SBT) formed within the VMS Product Management Organization. VMS Product Management's role is to plan and implement new software business technologies within Digital in a timely manner. To this end Digital Software Engineering is currently pursuing four separate integrated technologies to improve the distribution, installation, and access to software, technical documentation and training. These technologies are:

1. On-line Documentation - OLD

2. Consolidated Distribution of Software - CONDIST

3. Software Access Management - DDSLA/LMF

4. Consolidated Distribution of Training and Information Product (CDTIP)

Each technology has an impact on the following:

- System management

- Ease-of-use

- End-user productivity

- Educational services organizations

- Customer organizations

- Customer and Digital business procedures

- Licensing policies and pricing systems

- Customer satisfaction

- The selling process

CDROM manages software documentation and training access and distribution. CDROM features:

- 600 megabytes of data

- Random access

- Improving seek times

- Acceptance in the industry is growing rapidly

- Less costly drives and media for access to vast quantities of data

- Read-only improves security

- Audio and video short-term potential

The computer industry continues to grow aggressively, with a noticeable shift towards workstations. The market size is no longer unlimited. The shift from unlimited growth to "share-wars" is taking shape.

If Digital is to maintain its growth and increasing market share, software services enterprise solutions (integration) and standards are seen as the major new competitive fronts.

As hardware prices continue to drop, other factors play an increased role in the system price. These are:

- Cost of sale

- Engineering

- Manufacturing

- Service delivery costs

Desktop power, brought on by these changes in technology, is having a dramatic impact on the way people work. It is anticipated that 50% of the US work force will change jobs within the next five years, fewer people are entering the work force who are not qualified in the new technologies.

Educational Services has an opportunity to provide a leadership role in providing high quality training at the workstation. CDTIP is the vehicle that provides that capability.

Goals and Objectives

The goals of this program are to:

- Provide industry leadership in on-line training

- Give our customers the benefits of emerging technologies while improving our competitive position

- Improve customer satisfaction with Digital

- Provide an incremental revenue stream for Educational Services

These are met through the following:

1. Customer benefits

   - Easy access to training for everybody

   - Improved course management

   - Improved productivity

   - Improved employee morale

2. Cost Reduction

   - Cost of sale

   - Cost of manufacturing and distribution

   - Cost of inventory

Non-Goals

It is not a goal of this program to:

- Take responsibility for certain problems that exist today

- To solve the problem of synchronizing courseware distribution with first customer ship or implement version changes. (These issues must be resolved in Product Marketing.)

- To solve licensing or pricing issues

- To take on the responsibility of product pricing strategies. This is Product Marketing's responsibility. For example:CBIs that are currently priced as a point of product available at a single price will be delivered by CDTIP under the same terms and conditions.

Description

REQUIREMENTS

There are five elements that comprise the consolidated distribution program:

1. Compact disks and their contents

2. Information consolidation and manufacture of disks

3. The customer offering and delivery

4. Courseware access management

5. Consolidated distribution in the customer environment

3. PRODUCT DESCRIPTION

Executive Summary

This document describes the product, services and support requirements for Phase 1 of a multi-phase program to take place over the next 5-10 years. It is based on a quick-to-market goal consistent with the Software Business Technologies Program goals. Subsequent phases will be documented as they are designed, developed and approved by CDTIP.

Phase 1 focuses on a core VMS curriculum with supporting VMS operating system documentation, relevant *Digital Press* books and administrative support functions such as getting started with DECwindows, curriculum planners, etc.

The target audience for Phase 1 is the technical staff in a Data Processing or MIS organization—programmers, operators, system managers, etc.

The main design objective is that the product be a self-contained learning environment. That is, by using windows, the student will be able to quickly and easily access all of the resources required to complete the training.

Subsequent phases will provide product enhancements in terms of new courses, curriculum, upgrades to existing courses, and new functions.

Market Description and Needs

(To be supplied.)

Customer Profile

The product is targeted to departments within large corporations (DNA 600) that have technical staffs of ten or more. This represents approximately 60% of the total end-user market. However, this market is limited by:

- Version 5.0 of VMS

- DECwindows

- Workstations

Initially, the product will have most impact when leveraged off of software and on-line documentation sales.

Product Description

The CDTIP product supplies text-based training and information materials on a CDROM, which will be used from a windowed workstation. The focus on learning is the key to this effort. In order to differentiate this product from other CDROM disk-based reference tools (such as documentation and dictionaries), learning opportunities are emphasized. Content and user access utilities which support learning are important elements.

The audience for this product is VMS software developers and system managers.

Goals

The goal of the Version 1.0 product is to provide a set of VMS operating system courses tailored to the needs of software developers and system managers. These are our most popular courses. The majority of the material is text-based and adapted to the current product through the conversion features of the BOOKREADER software. The Version 1.0 product addresses the needs of VMS operating system technical users with training and support materials, including:

1. How to access information and learn on-line with BOOKREADER

2. A curriculum map which highlights available CDTIP courses, thereby helping users plan their own learning program

3. VMS V5 core curriculum of text-based instruction which matches the learning needs of the target users

4. "Course kits" which include tests and practice exercises

5. A limited selection of *Digital Press* books of direct value to the target users

6. A set of reference documents to support the learning materials

Each course will be separate from all other courses. V1.0 of BOOKREADER does not support cross reference links between individual documents. Therefore, CDTIP V1.0 will not be able to support cross references between courses and their support materials.

Version 1.0 product goals involve:

- Educational

- Software business technology Product Development

- Digital hardware and software

- International Compliance

- Educational

First, the goal is to respond primarily to the learner who needs a structured body of knowledge, e.g. the worker new to a job or field. The learner could go through an explanation from beginning to end, test his knowledge after each unit, and practice his skills.

Second, the goal is to respond to the learner who needs to "learn on demand." Through the Table of Contents generated by the BOOKREADER software, the learner can search for explanations or examples necessary to perform a job task.

Since the product operates in the DECwindows environment, the learner will have the ability to open additional windows. For example, while studying a lesson in one window, the learner could open another window to run an example.

- Software Business Technology (SBT) Product Development

The goal is to support the business model and the product distribution strategy being developed by the Software Services Group. During FY '89 the SDC will begin to distribute software and documentation on CDROM.

- Digital hardware and software

The goal of the CDTIP product is to support current standards as well as develop future standards for Digital workstations and information retrieval products. The CDTIP product will be available for use on Digital workstations with DECwindows and will use the BOOKREADER software for information access and display.

- International Compliance

Since the product uses the BOOKREADER software for information access and display, the goal is to follow the international development of BOOKREADER software. DECwindows V1.0 will not be an international (I18N) product. Therefore, CDTIP V1.0 will not include internationalization plans.

Consolidated Distribution and License Management Facility Compliance

The CDTIP team is working with the SBT team to develop a new business model. Current plans include separate disks for each of the following:

— Multiple software products (CONDIST)

— Multiple software documentation sets (OLD)

— Multiple Educational Services products (CDTIP)

— Administration and marketing information

Access to the first three disks will be managed through the License Management Facility (LMF), a VMS operating system utility. Customers will be issued Product Access Keys (PAKs) for products they have licensed.

Product Content

The key design feature for CDTIP is accurate, comprehensive, up-to-date information a specific topic. The V1.0 product will include:

- Installation Booklet—containing procedures for mounting the CDROM, a list of the disk contents, and other pertinent information

- Reference Card—for "getting started" (multiple copies)

- CDROM, containing:

    — Navigational tools (menu system)

    — The Educational Services course catalog (descriptions)

    — Curriculum map(s)

    — Front end administration package

        + Introduction ("how to")

        + Administrator guides

        + Test administration package

        + DECwindows CBI course

— VMS V5.0 text-based course materials, including course kits:

+ *VMS Operator*

+ *VMS Utilities and Commands*

+ *VMS System Management*

+ *Advanced VMS Command Procedures*

+ *VAXcluster System Management*

+ *Introduction to VAX TPU Programming*

+ *Small System Manager*

+ *Programming DECwindows*

+ *Utilizing VMS Features from BASIC*

+ *Utilizing VMS Features from C*

+ *Utilizing VMS Features from COBOL*

+ *Utilizing VMS Features from FORTRAN*

+ *Utilizing VMS Features from MACRO*

+ *Utilizing VMS Features from PASCAL*

— Digital Products and Services Sales Training Course

— VMS V5.0 Documentation Set

— VMS DECwindows V1.0 Documentation Set

— VMS related *Digital Press* books, specifically:

+ *VAX Internals and Data Structures*

+ *The Digital Dictionary*

+ *The Digital Technical Journals*

+ *Programming X-Windows*

+ *A Beginner's Guide to VMS Utilities and Applications*

Hardware and Software

CDTIP V1.0 will require the following hardware:

- VAX Workstation or P/VAX

- RRD50 or RRD40 CD Reader

CDTIP V1.0 will require the following software:

- VMS V5.0 or higher

- DECwindows V1.0

- High level language for the customer who has purchased one of the *Utilizing Features from VMS* courses

Administration Software

- The License Management Facility (LMF) will be used to provide a security control point for access to text files on the CDROM.

- Course kits will be installed using VMSINSTAL and accessed through the LMF.

- Testing software to facilitate student self-evaluation of prerequisite knowledge and of post-instruction ability must be developed. Some redesign of the text-based tests may be required to allow for automatic evaluation (scoring) and to record completed course activities.

Retrieval Software

The key design concept for the Retrieval Software is ease-of-use. Users should be able to complete training activities using minimal menus and forms. Graphic or icon-oriented selection should be used when possible. All functions, whether training or information access, should be standardized and follow a common methodology (command/qualifier, menu/form, mouse point/click, etc).

Since CUP Engineering is producing the DECwindows, VMS, and layered product on-line documentation under the BOOKREADER (a facility under DECwindows V1.0), the CDTIP courseware and *Digital Press* books will also use BOOKREADER. This will ensure consistency among all information products on the CDROM.

Training and Support

To meet ease-of-use criteria, training and support utilities should be provided. Users will need support in two primary areas:

1. Basic skills and knowledge

2. Productivity techniques

- Basic skills and knowledge concerning use of the components of the product and of the supporting system listed below.

This may be accomplished through documentation and courseware.

— CDROM media and CD reader

— DECwindows software (i.e. DECwindows CBI)

— CDTIP menu system

— Courseware (including course kits and test administration)

— BOOKREADER software

— User Guide Booklet or Reference Card insert with start-up information and listing of disk contents

- Productivity techniques for effective use of the product and the supporting system.

  Support utilities may provide commonly used techniques, suggestions (hints and tips) demonstrations and examples as to effective and "fast" methods to access information.

  — Introduction to the product, its educational and technical philosophy, and differentiation from other Digital educational products.

  — Utilities and demonstrations to assist new users in understanding how to use BOOKREADER to access on-line information.

  — Menus and "road maps" help users to understand the structure and organization of the product environment.

  — Educational Services curriculum maps.

  — Large corporate users may be provided with a hard copy of each course for access in a central library.

Accompanying Services

A hot-line support service is available as part of the subscription in the United States. Other areas will define their own services.

Customer Service

- Educational Services will support the product and its instructional content.

- Software Services will provide support for the VMS operating system, DECwindows and BOOKREADER (through CSC or hotline support).

- Field Service will provide installation and remedial support for the RRD50 and RRD40 and their controllers.

Potential Future Products

Third-Party

The entire SBT program is designed to allow for third-party participation. A gating factor to third-party application is a field test of LMF to support third parties.

It is possible that we could provide services to support third party training and information to be distributed and managed by Digital. Further research is necessary to test this notion, although there was a positive indication given by some CMPs at the FALL 88 DECUS.

Coordination and Manufacture of Disks

When application development is complete, and prior to the creation of a CDROM master, all files to be placed on the optical disk must be gathered together on one hard disk and formatted to the specifications of the CDROM mastering vendor.

That is, the relevant data is copied in its final form onto a dedicated magnetic disk (i.e. RA60, RA81, RA82) that has been initialized to the current Digital CDROM file standard (UNIFILE). Proprietary software is used to create an image of the disk on tape in the format specified by the chosen CDROM mastering vendor. The formatted tapes are then sent out to be mastered and replicated, a process that takes from three to fifteen days, depending on the turnaround time we select.

At the mastering plan the input tapes are read onto a VAX system, and through the use of a photo-etching process, a master optical disk is made on a glass plate. From this master a series of "offsprint" or submasters are made, culminating in a metal stamper disk. The stamper is used to stamp out replicates in polycarbonate plastic, which are laminated with a metallic backing and then silk-screened with the application label. After bundling with the appropriate documentation and packaging, they are returned to Digital for testing and distribution.

Local Language Versions

Corporate Marketing will not provide local language versions of the disk. This is a local country decision. Corporate Marketing will make available copies of the tape such that local language versions can be made by the individual countries.

The initial customers offering will be a service offering. It is proposed that the offering consist of an annual subscription to the consolidated training and documentation to support the training on a single disk. The customer would purchase a PAK to access the "Intellectual Property" i.e., the courses.

The rationale for this methodology rather than an "a la carte" version is that there is added security in customers who are in a long-term contractual relationship with Digital. Moreover, it provides a steady stream of revenue (annuity) during the life of each contract.

Other Potential Elements that are Being Considered as Part of the Subscription:

- Getting started with DECwindows (CBI)

- Course demos

- Course catalogue and curriculum guides

- Personal training plans

- *Digital Press* books

- Informational databases

- Hot line technical support

Ordering Support

- Fast efficient ordering

A unique ordering telephone number direct to manufacturing in Billerica could allow a customer to receive a PAK by overnight mail. When technology for generating PAKs via the phone exists, ordering will be instant.

Courseware Access Management

Software license management tools serve as the enabling technology for consolidated distribution and courseware license management. The LMF is the part of the operating system that includes a utility to manage the license database, a set of system services to interrogate the database and internal executive routines to distribute license checking across a VAX cluster. Basically, an application calls the LMF to obtain license information and check that it is legal. The database of license information is maintained by the Product Authorization Keys (PAKs) issued by the licenser.

Standardized license keys (PAKs) are employed for tracking courseware at installation. PAKs are used initially to register a license in the license database. The PAK contains information about the license, product, and customer. A PAK contains a unique serial number that can be used to locate original order documents and other records at the Digital site.

Customers may copy CBI courseware from their CD, but must have a license to install and run the courseware product(s). In placing all of Digital courseware on CD, a means of protecting it is required, and the current strategy is believed to be a good solution to the dilemma of too much or too little protection. The LMF provides a significantly better tracking and record keeping system than we have today.

Digital software access management strategy is built on a strong principle of customer trust. The primary goals of this strategy are to:

1. Prevent an unprivileged user from compliance avoidance

2. Require an overt system manager action to avoid compliance

3. Provide for a reconcilable audit trail of license activity

This strategy is based on a presumption of honesty and an administrative system to track performance over time, or "management" vs "enforcement".

- All security systems are breakable

- Visible security systems make many people uncomfortable

- People dislike feeling that they are not trusted

- Tolerating some shrinkage is often less expensive than trying to enforce it

- Security systems can create losses that are difficult to detect and measure by alienating potential customers

VMS and VMS DECwindows Software (BOOKREADER)

The VMS DECwindows BOOKREADER serves as the retrieval software for the on-line training database. As part of the DECwindows package, it provides a comprehensive means of accessing the courseware and related documentation on-line as and when required.

4. CDTIP MARKETING PLAN

The CDTIP marketing plan has been developed based on a variety of study programs and market research. It is an evolving plan and requires continuous updating. We are basing the first plan version on:

- DECUS Fall 88 Survey

- DEC's workstation history (installed base) and forecast

- Various focus group feedback sessions conducted by market research

- On-line documentation market research study conducted by *Decision Research Corporation*

- Various articles on CDROM applications

Program Positioning

Digital has launched several programs to address the growing workstation/desktop market. To date, Digital's major competition in this market has been companies like Sun, Apollo, and Hewlett Packard. These high-performance workstations run sophisticated graphics packages and are marketed as attractive price and performance customer solutions.

Digital brings to this market two very special features:

- A full range of vertical system integration with the VMS operating system running on CPUs ranging from the PVAX to the VAX 8800

- The new DECwindows workstation software

In addition, Digital recently announced its intention to improve business practices; make it easier for customers to do business with us. The LMF, implemented in VMS Version 5.0, is the tool that enabled innovations like cluster-wide licensing and a permanent database for customers to track their system software.

The on-line training program is being designed to support and enhance Digital's technological and business goals. In addition, this program will enhance Digital's reputation as a publisher of top-quality training products.

On-line training is marketed as an innovative and cost-effective solution to customers' training needs. It is distributed for retrieval on VAXstation systems running VMS DECwindows and thus will offer a competitive advantage to the Sun, Apollo, and Symbolics products since they do not offer on-line training. On-line training will include all of the text and graphics contained in the hardcopy documentation, however, the format is optimally displayed on the workstation monitor.

No other vendor in the market has taken this approach. This program is a technology leader in every sense.

Target Audience

The target audience for the marketing program is the system manager who is, typically, responsible for ensuring that resources available to end users. The evolution from centralized to desktop computing has made the job of the system manager far more complex. Instead of being responsible for one or two 11/780's, the system manager typically has 20 to 30 PVAX' or workstations on a local area network (LAN) or cluster to mainframe VAX. The key messages are aimed at alleviating the managers' training and support problems.

Marketing Messages

The on-line training program supports several of Digital's current marketing messages.

Digital As A Technological Leader

This program positions Digital as a technological leader. None of Digital's direct competitors are presently using CDROM as media to distribute their software products, on-line documentation or training in a consolidated form. In addition, none of Digital's competitors have devised an engineering tool like the LMF that provides a means of security and simplified license administration to support this type of innovative distribution.

This program reinforces Digital's commitment to networks and clusters by allowing the customer to purchase a limited number of CDROM drives and then distribute software and documentation and training on-line over network links.

Digital as an Innovator

Not only has Digital used the latest in technology to assist in the distribution and access of on-line training, but Digital has also created innovative business practices to complement its technology leadership. This program establishes an innovative method for customers to receive training products, innovative marketing and sales approaches (the ability to offer trial documentation reviews; new product announcements, and promotional literature), and innovative software tools for user productivity (the DECwindows BOOKREADER).

It Is Easy to Do Business With Digital

All of these innovations lead to the customer perception that Digital is a company that is easy to do business with. Many inconveniences are taken out of the purchasing process, the sales cycle, and product maintenance (predictable updates schedule).

Market Analysis

The following sections describe the characteristics of the market for this on-line documentation program.

Market Size

The on-line training market is exactly the same size as the VMS VAXstation market. Because the VMS DECwindows has the potential to take on-line training, the number of on-line training subscriptions sold will probably depend on how many CDROM drives are required to support any given cluster (containing VAXstations) or set of standalone VAXstation systems.

Refer to the Business Plan for sizing numbers.

The CDROM drive that is sold to support this program is the RRD40, which has both a QBUS and SCSI interface. Since all of Digital's workstations support either the QBUS or SCSI controller interfaces, the RRD40 will not limit the potential market for on-line training.

Customer Expectations and Feedback

The program vision and implementation strategy has been tested through a customer pilot program conducted jointly by SSG, SPG, and SPS. The design of the program included on-site visits to 12 customers who were selected to represent the different sizes, businesses, and needs of typical Digital customers. A presentation was made explaining the SBT program, and then an open discussion session was held at each site.

The overall feedback was consistent and very positive. Customers would like to receive software and documentation on compact disk today. While there is some concern over the BOOKREADER supporting only the VAXstation platform, customers will still be eager to purchase on-line documentation for the workstations they own. It was also noted during the pilots that an ULTRIX interface to the BOOKREADER would be highly desirable.

Customers identified the security benefits of read-only compact disk media, and indicated that they would also realize the benefit of improved update scheduling and easier maintenance for both software and documentation. In general, customers viewed on-line documentation as an added convenience and a user productivity tool in their environment (if they had VAXstations). However, they also recognized that this program represents a cost savings opportunity for Digital, and they expect some of that savings to be passed on to them.

On-line Training Market Requirements

Educational Services was not part of the original surveys but, through our own studies, we have confirmed customer acceptability. Further, from the *Decision Research Corp.* study, the second most needed feature required was to be able to look at examples. Our training courses provide the solution to that aspect.

Architecture/Configuration

Simplicity and ease-of-use are critical to the success of any user productivity tool; the hardware cannot get in the way of a good software application. The combination of VAXstations and RRD40 CDROM drives appear to meet these objectives.

Performance

Access time to both the BOOKREADER application running on DECwindows and to the data contained on the compact disk must be rapid. No matter what navigational features are provided by the BOOKREADER application, it cannot take longer to locate a topic of information than it would to pull a manual off the bookshelf.

While speed is crucial, performance for this kind of application is also based on the features supplied. Apart from the BOOKREADER (software) features, the on-line training CDROM must be attractively packaged and contain all necessary information for customers to understand what they have received (for example, a listing of all the files contained on the disk). Finally, the subscription disks must arrive on time at customer sites. Regular, subscription delivery implies the predictability expected from, say, magazine subscriptions.

Price/Performance

While customers expect high performance, the greater expectation is that compact disk distribution will provide them with a savings on what they spend today on software and documentation purchases. In addition, the personal computing market (as well as the CD audio market) has set certain pricing expectations for compact disk pricing.

It is critical for Digital to be innovative in our packaging, pricing, and delivery of on-line training so that we can price it somewhat in line with our comparable courseware but at the same time, pass a significant level of cost savings on to customers, thereby making it more attractive to migrate to on-line training delivery.

Transfer Cost

Transfer cost is not strictly a market requirement, but rather a means of measuring internal efficiency, competitiveness, and Digital's ability to re-invest in a particular product set. The "transfer cost" of producing the compact disks has declined substantially, and will continue to decline as volumes increase. The area of most concern for this program, then, is the transfer cost of the new generation RRD40 CDROM drive.

Time-to-Market

Digital is a leader with this program, and to maintain this competitive edge, meeting the schedule of a first distribution in Q4 '89 is essential. The first program offering in the subscription service will include the VMS Core training and related DEC press Books.

5. MARKETING COMMUNICATIONS

Educational Services' strategy is to piggyback on the promotional programs developed by SBT. It is not the goal of CDTIP to provide country-specific brochures and feature sheets.

The overall goal is to design, create, and deliver an integrated set of messages via established communications mechanisms. These delivery mechanisms include the production of literature, press events, and prepared news articles in internal Digital publications.

Literature Program

Design and produce an integrated set of promotional literature that delivers:

- SBT Brochure

- Sales Solutions Guides

- Sales Communications

- Sales Flash

- Special Sales Update issues devoted to specific product announcements; (for example, the special issue planned for the DECwindow announcement)

Audio Cassette Program

The DECwindows Desktop Environment will be featured on the Sales Training Audio Cassette Program. The tapes will provide listeners with information on DECwindows including industry news, competition, messages, etc.

Slide Show

A slide show will be needed to focus on the Marketing Strategy Messages and Components of the program. This will be required after the announcement of DECwindows.

Public Relations

The Public Relations function is extremely critical for ensuring maximum visibility for the program, through corporate and product announcements, trade publication articles, interviews, and through consultant's recommendations. Many leading editors and consultants develop perceptions of products and programs and write about what they know. It is a goal of Public Relations that these people develop the correct perceptions relative to the program.

Digest

The Q4 Digest should have the Consolidated Distribution of On-line Training and Information Program as it's feature article. The thrust should be to generate interest and request for further information.

Classroom

Educational Services has the opportunity to provide a significant pull strategy not only for CDTIP but for SBT entirely.

At a minimum, promotional material should be available through suitable courses, such as those for system managers and system programmers. At best, these courses should use on-line documentation instead of hard copy.

Customer Activities

The goal is to support SBT at every major conference planned for FY '89. Trade shows and conferences are a major forum at which the media and influential opinion leaders decide who is serious about a technology.

- Spring and Fall DECUS

- PC Expo

- Microsoft CDROM Conference

- Info '89

- Federal Computer Conference

- DEXPO East

- Communications Network Show

- DECworld '89

Application Centers for Technology it is a major program goal to ensure that the ACTs are capable of demonstrating the product and presenting the program's marketing messages. The goal of the ACTs is to leverage sales of hardware, software, and services. Increasing the effectiveness of the selling effort provides visible evidence of Digital partnership commitment to our customers and improves our image and presence in target marketing. Currently ACTs contain:

- Conference facilities

- Solutions centers

- Demonstration facilities

- Marketing experts

- Field Application Centers

Currently Digital has 14 ACTs in the US, with plans to open 6 more. Europe has 4 ACTs with plans to open 18 more.

6. CDTIP - Pricing Strategy

Pricing and Product Acquisition Key (PAK) Strategy

The pricing and packaging strategy is to provide an annual subscription service for the disk and value added information. Access to text-based courseware, *Digital Press* books, and other information, will be through Product Acquisition Keys. Computer-based courseware (CBI) is not being included in this plan.

Subscription Service

The customer can choose from two alternative subscriptions:

1. Disk and value-added information and support service @ 3 times per year

2. Disk and value-added information and support service @ 3 times per year and CD Reader

It is expected that first-time users who do not have a CD Reader will purchase option 2 in the first year and option 1 in subsequent years.

The value-added information for the first release of the product is:

*   The course catalog

*   Curriculum maps

*   Product reference manuals

*   DECwindows CBI

*   Hotline support

Support:

*   A hotline telephone support will be available (1-800-____) for technical problems

*   Automatic courseware updates for the life of the major version

The subscription price for the options are:

1. 300 per disk, per year

2. 1500 per disk, per year

Product Acquisition Keys - PAKs

Access to the intellectual property of the disk is through Product Acquisition Keys - PAKs. The first release will have two PAKs: the VMS Course curriculum and *Digital Press* reference books. PAKs are issued for each workstation that requires access to the training and information. Thus, if a customer wants 10 workstations to access training, the LMF will limit the access ten authorized workstations.

PAK prices are determined as follows:

- Course groups are priced per workstation at 10% of combined country list price

- *Digital Press* book groups are priced at 20% of combined country list price

Under this pricing structure, VMS operating systems that come with a combined CLP of $6,388.00, will have a PAK price of $650.00.

The pricing strategy should be compelling in that a customer would license all workstations making training and information available to everybody.

7. BUSINESS PLAN

Market Size

The market size for CDTIP is equal to the workstation market running VMS.

The current installed base of workstations, worldwide, is 40,000 with approximately 25,000 in the U.S. The forecast for FY '89 (including PVAX) is 48,450 worldwide and 27,270 in the U.S. This business plan focuses on the U.S. only, the geographic distribution in Europe and G.I.A. is unknown at this time. The Accumulated installed base in the U.S. by the end of FY '89 is estimated at $48,000.

Market Segmentation

As of the end of Q3, FY'88, the U.S. industry splits were:

- Basic industries @ 67.88%

- Federal government @ 8.68%

- Service industries @ 22.02%

Compared with FY'87, the federal government was the fastest growing sector at 28%. In individual industries, business services grew the fastest at 205%. Engineering, lab and telecom at 10%.

Table 1-1: Work Stations (Non RISC)

Ship Data	FY89	FY90	FY91	FY92
Forecast (K units)	27.25	48.85	71.0	89.0
Installed base	48.0	93.0	164.0	253.0
% VMS	41.0	79.0	140.0	215.0
Available market	410 (1%)	3950 (5%)	11,200 (8%)	21500 (10%)

Revenue	FY89	FY90	FY91	FY92
Subscriptions (Assuming an average number of workstations per subscription = 10)				
Number of subscriptions	41	395	1,120	21,500
Revenue at $300 per subscription	.012	.12	.34	.77
P.A.K.s				
Number of PAKs per disk	2	5	9	16
Penetration	2	2.5	3.0	3.0
Number of PAKs	820	9875	33600	64500
Revenue at 350 per PAK ($M)	.287	3.46	11.78	22.57
Total revenue	.299	3.58	12.12	23.34
Engineering	.75	1.5	2.7	5.0
Marketing and Sales	.30	.7	1.5	2.3
G & A (7% Nor)	.02	.24	.84	1.6
Total cost	1.07	2.44	5.04	8.9
Margin	-.77	1.14	7.08	14.44
%		31.7	58.4	61.9

(handwritten annotations beside "Total revenue" row: .40M and beside "Engineering" row: 10M)

(*All revenue is in millions of dollars.)

8. IMPLEMENTATION SCHEDULE

(To be supplied.)

▲ Writing/Design
MKO1 264-5765
MRO2 297-6494
CXO 522-3777

△ Direct
Marketing
MKO1 264-5765

△ Publishing
BUO 249-4361
RKA 830-4593
Electronic Publishing
BUO 249-4807

△ Photography
PKO3 223-2366
MKO1 264-5379

△ Computer
Images
BUO 249-4621
RKA 830-4593

△ Audio/Video/Film
MKO1 264-5765
MRO2 297-6494
Production
BUO 249-4032
PKO3 223-5587*
RKA 830-4593
CXO 522-3777

△ Broadcasting
BUO 249-4739

Media
Communications
Group

△ Events
MKO1 264-5765
MRO2 297-6494
Speaker Services
MKO1 264-5765

△ Media Libraries
A/V Library
MKO1 264-5765
Photo Library
PKO3 223-6763

△ Microfiche
Publishing
FPO 283-6282

Capabilities

Communication Consulting, Project Management, Promotional Writing, Graphic Design, Speechwriting, Mechanical Production

Products

Sales Literature, Brochures, Articles, Guides, Posters, Illustrations, Exhibits, Slide Shows

Conversion of Information to Microfiche, Microfiche Distribution, Microfiche Library Design	Field Service Documentation, Microfiche Libraries
Media Duplication/ Distribution	Slide Shows, Videotapes, Audio Recordings, Slides, Photographs
Event Management, Theme Development, Publicity, Speechwriting, Speaker Coaching, Staging	Invitations, Signage, Product Announcements, Sales/Award Meetings, Seminars, Conferences, Trade Shows, Exhibits
Interactive Television Programming on Digital Video Network (DVN)	Training Programs, Customer Seminars, Product Announcements
A/V Consulting, Project Management, Scriptwriting, Producing, Production and Post-Production, Video Documentation, *A.V. Rentals	Product Announcements, Testimonials, Demos, Motivational/Training Videos, Films, and Audio Cassettes
Design and Production of Computer Generated Graphics, Special Effects for Slides, Video, Film, and Print, Animation	35mm Slides, Slide Shows, 4" X 5" Transparencies, Business Graphics, Animated Video/Film
Location/Studio Photography, Slide Duplication, Optical Special Effects, Graphic Arts	Product Photographs, Portraits, Optical Slides, Overheads, Stats, Line Negatives, Prints (B&W/ Color)
Project Management, Editing, Graphic Design, Electronic Page Makeup, Typesetting, Color Prepress, Elec. Pub. Needs Analysis, Multilingual Publishing	Brochures, Magazines, Handbooks, Presentations, Catalogs, Posters, Technical and Business Publishing, Translated Documents
Marketing Communication Consulting, Direct Mail, Mailing List Selection, Fulfillment Coordination, Lead Generation, Measurement/Tracking	Catalogs, Promotional Literature, Self-mailers, Sales Initiated Campaigns
Communication Consulting, Project Management, Promotional Writing, Graphic Design, Speechwriting, Mechanical Production	Sales Literature, Brochures, Articles, Guides, Posters, Illustrations, Exhibits, Slide Shows

Count on us.

Whether you need to: *promote* one product or a range of products; *lead* a seminar; *produce* a poster, brochure, or catalog; *explain* technical service benefits to nontechnical customers; *address* an audience of 30 or 3,000; *duplicate* a set of slides; or *create* a sales training film, you can count on the Media Communications Group to help you achieve your goals.

Add up the benefits:

△ *Professional Consulting*

We listen carefully to your needs to develop the communication strategies that will help you reach your audience.

We build successful solutions in partnership with you—combining your technical or marketing expertise with our expertise in communications. Your goals are analyzed by a media team to maximize the value of our services to you. We bring the advantage of years of experience serving Digital's communication needs, with in-depth knowledge of its products and services, organizational structure, and marketing strategies.

△ *Accountability*

We recommend the most cost-effective communications for your needs. Your projects are managed in their entirety. Our project plans include clearly stated objectives, budgets, and schedules for your approval.

△ *Flexibility*

Our skilled writers, designers, producers, and other professionals will help you with a wide variety of communication projects—at any stage. We have the resources to handle short-term projects such as brochures, product photographs, and letters. We also manage sales campaigns, international presentations, and other long-term projects.

MCG's vendor services extend our capabilities by locating the extra resources you need and interfacing with the vendor throughout your project to guarantee the quality of the finished product.

△ *Quality*

The sole objective of our creative efforts is to help Digital sell its products and services. This commitment assures you that the communications we produce will reflect Digital's high standards of quality and complement corporate marketing goals.

Measures of Success

For many of your communication projects, we can build in ways to track the response to your message. You may wish to measure the impact of your communication on a particular market, or approximate the sales generated from a trade show or catalog. We have the resources to help you analyze your results so you can plan on increased success.

The Final Numbers

We are located in many Digital facilities including: Bedford, Merrimack, Marlboro, Maynard, Stow, Burlington, Colorado Springs, Atlanta, and Reading, England. Call us today at any of the DTNs listed on the front of this card.

*Media
Communications
Group*

digital™

OFFICE APPLICATIONS
Susan George

Secretary: Jill Lucia
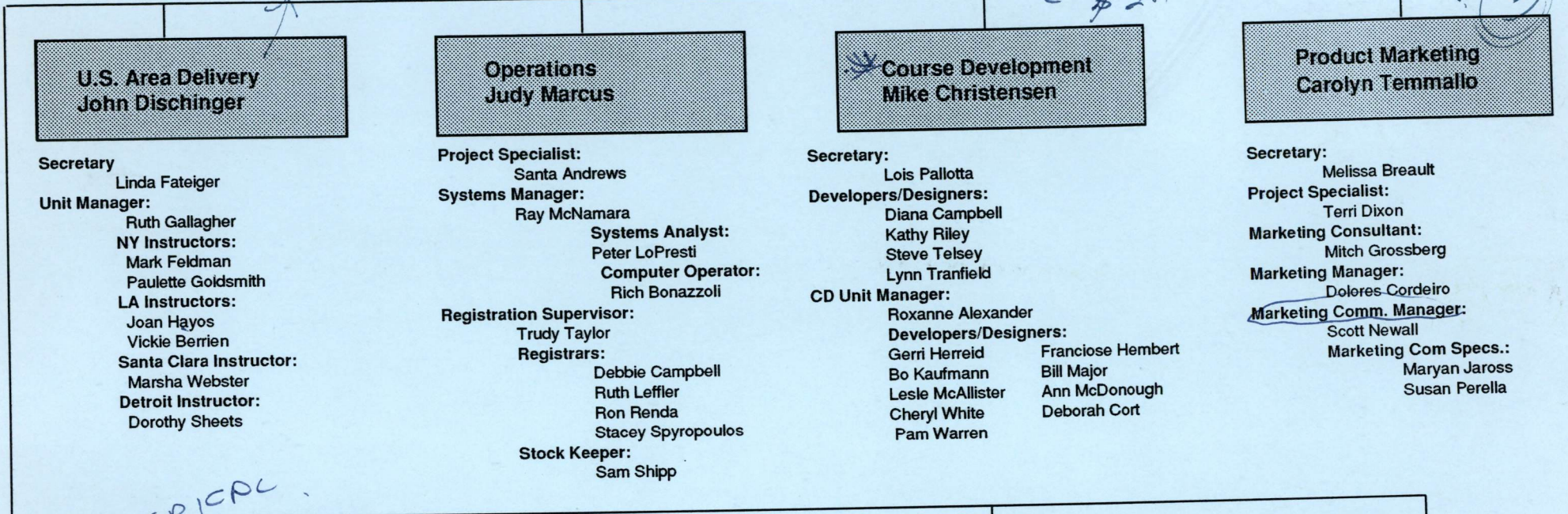
U.S. Area Delivery
John Dischinger

Secretary
Linda Fateiger
Unit Manager:
Ruth Gallagher
NY Instructors:
Mark Feldman
Paulette Goldsmith
LA Instructors:
Joan Hayos
Vickie Berrien
Santa Clara Instructor:
Marsha Webster
Detroit Instructor:
Dorothy Sheets

Operations
Judy Marcus

Project Specialist:
Santa Andrews
Systems Manager:
Ray McNamara
Systems Analyst:
Peter LoPresti
Computer Operator:
Rich Bonazzoli
Registration Supervisor:
Trudy Taylor
Registrars:
Debbie Campbell
Ruth Leffler
Ron Renda
Stacey Spyropoulos
Stock Keeper:
Sam Shipp

Course Development
Mike Christensen

Secretary:
Lois Pallotta
Developers/Designers:
Diana Campbell
Kathy Riley
Steve Telsey
Lynn Tranfield
CD Unit Manager:
Roxanne Alexander
Developers/Designers:
Gerri Herreid   Franciose Hembert
Bo Kaufmann   Bill Major
Lesle McAllister Ann McDonough
Cheryl White   Deborah Cort
Pam Warren

Product Marketing
Carolyn Temmallo

Secretary:
Melissa Breault
Project Specialist:
Terri Dixon
Marketing Consultant:
Mitch Grossberg
Marketing Manager:
Dolores Cordeiro
Marketing Comm. Manager:
Scott Newall
Marketing Com Specs.:
Maryan Jaross
Susan Perella

Office Productivity Training
Helen Goldberg

Secretary:
Wendy Ford
PTP Designers:
Gail Hall
Judy Tyler
OPT Instructors:
Joanne Bourney (Atl)
Diane Jacobson (Dvr.)

Dept. Coordinator:
Linda Couture
OPT Unit Manager:
Millie Leone
Instructors:
Cynthia Anderson
Claire Fluet
Steve Dunlap
Madeline Ives
Leslie Macone
Ed Mansfield
Mark Newall

Finance
John Ellington

Delivery - Technical
Bill Chaplin

Secretary: Robin Morin

Delivery Unit Mgr:
Ron Pieciul
Instructors:
Susan Baburins
Joyce Cheney
Robin Ephraim
Susan L'Italien
Madilyn Moody
Audrey Mintz
Gary Somers
Terry Karpel
Learning Center Mgr:
Mary Marotta
Learning Center Specialist:
Cynthia Canton
Noella Doiron (Intern)

Delivery Unit Mgr:
Brigitte Redinger
Instructors:
Anne Holden
Sandie Guerette
Lynn Hanrahan
Susan Kur
Peter Liotta
Ann Mallinson
Jonathan Ramos
Vickie Wittman
Vickie Zaccaria

Personnel
Freda Hunt

c:/usr/sys/margaret/today/PB67726.overhd
Tue   Sep   27   04:27:52   1988
for   margaret/terry

EDUCATIONAL SERVICES
Pat Cataldo

MARKETING

Corporate
Tim Walsh

Field Service
Charles Tharp

DIS
Drew Boyd

Office Automation
Susan George

Sales & Software
Services Training
Cecil Dye

Digital Mgmt.
Roy Steele

Research &
Development
Lisa Ehrlich

ESD&P

Joluut
Vanderhooft

OA Development
Mike Christensen

Development
Tom Yocum

MFG/DIST

John McLean

Dennis Pearce

AREAS

U.S.
Joe Fabrizio

Custom
Training
Solutions

Educational
Technology
Group

EUR
Herman Binder

GIA
Roger Blomgren

Customer Support
Programs

Jim Malanson

Large Customer Programs

QA System

MEDIA COMM GRP

Don
Elias

**STRATEGIC PLAN-
ING & PROGRAMS**

Del
Thorndike

PERSONNEL

Mel
Pierce

F & A

John
McLean

● Administration

● Facilities

● MIS

● Accounts
  Payable

● Purchasing

● Manufacturing/
  Distribution

EDUCATIONAL SERVICES CORPORATE MARKETING

```
                      CORPORATE
                      MARKETING
                       MANAGER

                       Tim Walsh
```

SECRETARY
Laurie Gerry

PRODUCT MARKETING SOFTWARE	HARDWARE TRAINING	COMPLEMENTARY SOLUTIONS ORGANIZATION	DIGITAL PRESS	MARKETING PROGRAMS	INDUSTRY MARKETING
Jim Stewart	Brian O'Hern	Karl Soderquist	John Osborn	Brian Osborne	Bob Mjos

MARKET RESEARCH	MARKETING CONSULTANT	OPERATIONS	TRAINING PLAN SYSTEMS	PERSONNEL CONSULTANT	FINANCE & ADMINISTRATION	EMPLOYEE CONSULTANT
Carol Ann Moore	Peg O'Brien	John Shack	Dan Cooper	Marshal Mills	Pam Boisvert	Vicki Stankovich

December 1988

EDUCATIONAL SERVICES CORPORATE MARKETING

CORPORATE MARKETING MANAGER
Tim Walsh

— SECRETARY
Laurie Gerry

PRODUCT MARKETING SOFTWARE
Jim Stewart

- DEPT. COORDINATOR
  Kerry Doherty
- VMS
  Andy Sadler
- VMS/MICRO VMS
  Eileen Mallor
- VIA LANGUAGES
  Lois Pond
- MIS/PROGRAMMER PRODUCTIVITY
  Mitch Gorka
- NETWORKS
  Jim Trant
- PDP-11/ULTRIX/ WORKSTATIONS
  Messanvi Adjogah
- MARKETING SPECIALIST
  Marion Galinos

HARDWARE TRAINING
Brian O'Hern

COMPLEMENTARY SOLUTIONS ORGANIZATION
Karl Soderquist (MKO)

- PROJECT SPECIALIST
  Maja Weaver
- CSO SALES TRAINING
  Susan Gove (MKO)
  Gary Halloran (MKO)
  Pam Turner (MKO)
- CSO MEETINGS/ PLANNING
  Irene Chevalier
- DECWINDOW CONSULTANT
  Ron Dlugosz
- CSO REGISTRAR
  (Open)
- TECH. SW INSTRUCTOR
  Debra Rockey

DIGITAL PRESS
John Osborn

- DEPT. COORDINATOR
  Margaret Tillery
- ACQUISITIONS
  Mike Meehan
  George Horesta
- MARKETING
  Will Buddenhagen
- PRODUCTION
  Chase Duffy
- PRODUCTION COORDINATOR
  Beth French

MARKETING PROGRAMS
Brian Osborne

INDUSTRY MARKETING
Bob Mjos

- SECRETARY
  Gail Porter
- INTERNAL MARKETING PROGRAMS
  Barbara Holtz
- INDUSTRY MARKETING SERVICE
  Joyce Traister
- VAX V INSTRUCTOR
  Mark Salandra (UN*X)
- VAX V INSTRUCTOR
  Marty Thall (UN*X)
- INDUSTRY MARKETING DISCRETE
  Phil Wilson
- INDUSTRY MARKETING PROCESS
  Charles Smith
- INDUSTRY MARKETING FINANCIAL
  Ann DelGreco
- DECWORLD/ PROMOTIONAL MANAGER
  Arlene Levin

MARKETING CONSULTANT
Peg O'Brien

MARKET RESEARCH
Carol Ann Moore

- DEPARTMENT COORDINATOR
  Mary Kelley
- MARKET RESEARCH ANALYST
  Maria Santaniello
- MARKET RESEARCH ANALYST
  Sosi Toomajanian

TRAINING PLAN SYSTEMS (FPO)
Dan Cooper

- SECRETARY
  Denny Ballentine (FPO)
- SYS & COMM DEVELOPMENT
  Jim Robinson (FPO)
- FIELD SUPPORT
  Sandie Johnson (FPO)
- PROCESS & PRODUCT INFORMATION
  Rona Lischinsky (FPO)
- BEDFORD PTP COORDINATOR
  Donna Meyer

OPERATIONS
John Shack

- SECRETARY
  Joan Bailey
- NEW PRODUCTS SPECIALIST
  Andrea Kovacs
- NEW PRODUCTS SPECIALIST
  Oya Koray
- PRODUCT SPECIALIST
  Lesley Burke
- BUSINESS SERVICES
  (Open)

FINANCE & ADMIN
Pam Boisvert

- SECRETARY
  Debbie Arsenault
- FINANCIAL ANALYST
  Kathy Vogel
- FINANCIAL ANALYST (FDP)
  Vicky Yeung
- FINANCIAL CONSULTANT
  Joanne Park

PERSONNEL CONSULTANT
Marshal Mills

- SECRETARY
  Hannah McIver

EMPLOYEE CONSULTANT
Vicki Stankovich

* Contract Personnel
All personnel are located at (BUO), unless otherwise specified.

Tim Walsh 12/9/88
Need to xlotron from stovepipes
to integrated organization.
Put breakout under Tim - eg OA.
MKtg doing (primarily) US work. Sending
    new courses into the geography - eg UNIX.
VMS = 60% of all cust. TNg. Huge Resl.
    re: Unix & Dec windows. No plans.

Note to Herman Bender re: expense increase on latest flash.   BOD 74.8, PFCst 77.4, New Flash 78.2.
200K NOR increase. where is $1M more for PLO2?
 - Note on PLO2 → By Jan 1st
 - Note on CDROM

the overstating profit on PLO2 — you show no course development expense. Held at corporate Impact to flash? Don Donner this division?

J.T: running mfg is a problem. loses of futurity Area pt's show no development cost. should they?

Susan George
 - assign prod Mgr. to Bring product to all groups not just a specific function.
   - would not save money by sending course developers to Joliet

Don Elias —
   CSS use of MCG
        Slides outside. Why?

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                    ┌─────────────────────────┐
                    │  EDUCATIONAL SERVICES    │
                    │  VICE-PRESIDENT          │
                    │                          │
                    │  PAT CATALDO             │
                    └─────────────────────────┘
                              │
                              ├── SECRETARY
                              │   D. Marcotte
                              │
        BUSINESS FELLOWSHIP ──┤── EXTERNAL
              PROGRAMS        │   RELATIONS
              C. Bowles       │   G. Dussault
```

U.S. AREA	EUROPEAN AREA	GENERAL INTERNATIONAL AREA	CORPORATE MARKETING	QUALITY ASSURANCE, CUSTOMER SUPPORT PROGRAMS AND RESEARCH & DEVELOPMENT
J. Fabrizio	H. Binder	R. Blomgren	T. Walsh	JIM Malanson

ACTON

CORPORATE SALES AND SOFTWARE TRAINING	FIELD SERVICE TRAINING	DIGITAL INFORMATION SYSTEMS TRAINING	DIGITAL MANAGEMENT EDUCATION	OFFICE APPLICATIONS TRAINING
C. Dye	C. Tharp	Drew Boyd / D. Boyd (Acting)	R. Steele	S. George
STOW	Charlie / BURL	BURL		Susan / PK03

DEVELOPMENT & PUBLISHING	MEDIA COMMUNICATIONS	STRATEGIC PLANNING & PROGRAMS	PERSONNEL	FINANCE & ADMINISTRATION
J. Vanderhooft	D. Elias	D. Thorndike	M. Pierce	J. McLean
Jollett		Deb	Mel	

August 1988

BUSINESS FELLOWSHIP PROGRAMS

```
                    ┌─────────────────────────┐
                    │  BUSINESS FELLOWSHIP     │
                    │  PROGRAMS MANAGER        │
                    │                          │
                    │  Chester Bowles          │
                    └─────────────────────────┘

              SECRETARY ─── SECRETARY
              Marie Bennett    Claudette Davis
```

A.I. FELLOWSHIP PROGRAMS	PROGRAM ADMINISTRATION	SENIOR MEETING CONSULTANT	NETWORKING & EXECUTIVE PROGRAMS
Ajay Berman	Mary Kirby	(Open)	Ellen O'Brien

August 1988

U.S. AREA

```
                          EDUCATIONAL SERVICES
                                MANAGER

                              Joe Fabrizio

                                          ─ SECRETARY
                                            Joan Saeva


   WESTERN        EASTERN        BUSINESS      ADMINISTRATION    MARKETING
    ZONE           ZONE          MANAGER          MANAGER         SUPPORT

 Terry Tressell  Dick McCarthy  Bill Gaudette  Beverlee Johnson  Ed Shineman


   STRATEGIC     CUSTOMIZED     FINANCE &       PERSONNEL
   PROGRAMS       TRAINING      ADMINISTRATION   PROGRAMS
                  SERVICES

   Felix Chow    Phil Corman      (Open)        Jamie Toale
```

August 1988

EUROPEAN AREA

EDUCATIONAL SERVICES
MANAGER

Hermann Binder

SECRETARY
Marie-Odile Hanson

FIELD TRAINING CENTERS	CUSTOMER TRAINING	SKILLS & MANAGEMENT TRAINING	SELLING & TRAINING	SOFTWARE & HARDWARE TRAINING
	Joe Mestermann	George Mann	Dolf Tuk	Keith Boardman

BUSINESS SUPPORT TRAINING	ESD&P READING	CONTROLLER	ES LOGISTICS
Per-Arne Hakansson	Graham Ward	Bogdan Ljubibratic	Yves Greppin
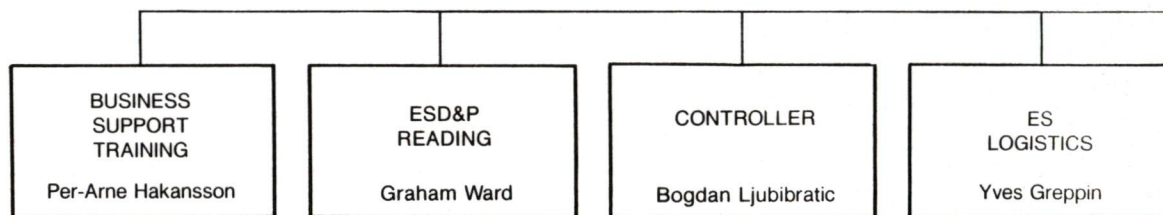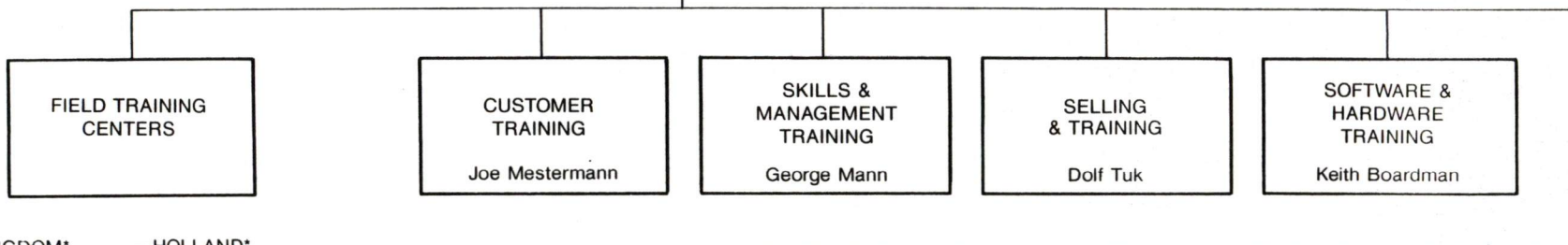
UNITED KINGDOM*
Bob Webber

IRELAND
M. Fitzgerald

ISRAEL
E. Perez

GERMANY*
F. Bermuth

AUSTRIA
W. Barosch

SWITZERLAND
R. M. Müeller

FRANCE*
M. Cantelli

ITALY*
C. Mangiarotti

SPAIN
B. Karam

HOLLAND*
H. Roelfsema

BELGIUM
M. Faust

SWEDEN*
L. Gustafsson

NORWAY
O. Nilssen

DENMARK
J. Damgaard

FINLAND
E. Lehtinen

EHQ TRAINING CENTER
R. Müeller

VALBONNE TRAINING
K. Boardman

*Country Group Manager

August 1988

GENERAL INTERNATIONAL AREA

```
                    ┌─────────────────────────┐
                    │  EDUCATIONAL SERVICES    │
                    │        MANAGER           │
                    │                          │
                    │     Roger Blomgren       │
                    └─────────────────────────┘
                                │
                                ├── SECRETARY
                                │   Ellie Jordan
```

FAR EAST	SPR	LA/CR	JAPAN	CANADA	SALES SUPPORT
Dave Smethers	John Baker	Dale Inman	Yukio Soeda	John DeBruijn	Bob Sansing

SALES TRAINING	CUSTOMER TRAINING	INT'L TRAINING TECHNICAL/ NONTECHNICAL	TRAINING OPERATIONS	MANAGEMENT EDUCATION	FIN./ADM.	PERSONNEL PROGRAMS
Bob Brownson	Harry Riddle	Marsha Cullinane	Guy Micalizzi	Bruce Palmer	Dan Andon	Marika Terlecky

August 1988

EDUCATIONAL SERVICES CORPORATE MARKETING

```
                        ┌─────────────────┐
                        │   CORPORATE     │
                        │   MARKETING     │
                        │   MANAGER       │
                        │                 │
                        │   Tim Walsh     │
                        └─────────────────┘
                                 │
                                 ├── SECRETARY
                                 │   Laurie Gerry
                                 │
                                 ├── MARKETING SERVICES
                                 │   John Shack
```

MARKET RESEARCH	HARDWARE TRAINING	COMPLEMENTARY SOLUTIONS ORGANIZATION	OPERATIONS	MARKETING PROGRAMS	MARKETING CONSULTANT	A.I. TRAINING
Carol Ann Moore	Brian O'Hern	Karl Soderquist	(Open)	Brian Osborne	Peg O'Brien	Jim Nuzzo

PRODUCT MARKETING SOFTWARE	INDUSTRY MARKETING	DIGITAL PRESS	TRAINING PLAN SYSTEMS	PERSONNEL CONSULTANT	FINANCE & ADMINISTRATION	EMPLOYEE CONSULTANT
Jim Stewart	Bob Mjos	John Osborn	Dan Cooper	Marshal Mills	Pam Boisvert	Vicki Stankovich

August 1988

QUALITY ASSURANCE, CUSTOMER SUPPORT PROGRAMS AND RESEARCH & DEVELOPMENT

```
                    ┌─────────────────────────┐
                    │   QUALITY ASSURANCE,    │
                    │   CUSTOMER SUPPORT      │
                    │   PROGRAMS AND          │
                    │   RESEARCH & DEVELOPMENT │
                    │   MANAGER               │
                    │                         │
                    │   Jim Malanson          │
                    └─────────────────────────┘
                              │
                              ├─ SECRETARY
                              │  Kathy Barton
```

RESEARCH AND DEVELOPMENT	DSS/QUALITY ASSURANCE	CUSTOMER SUPPORT PROGRAM	ESDP/QUALITY ASSURANCE
Lisa Ehrlich	Lois Collins	Diane Bauer	Connie Seidner

FINANCE AND ADMINISTRATION	PERSONNEL CONSULTANT
Pam Boisvert Lise Linnehan	Marshal Mills

August 1988

CORPORATE SALES AND SOFTWARE TRAINING

```
                    ┌─────────────────────────┐
                    │   CORPORATE SALES       │
                    │ AND SOFTWARE TRAINING   │
                    │      MANAGER            │
                    │                         │
                    │     Cecil Dye           │
                    └─────────────────────────┘
                              │
                              ├── SECRETARY
                                  Karen Laible
```

U.S. FIELD OPERATIONS	SALES TRAINING	NEW HIRE PROGRAM	U.S. SWS TRAINING PROGRAMS AND PROJECTS	TACTICAL PROGRAMS
Vicki Rose	Bristow Watson	John Maxwell	Bruce Byrne	Susan Everson

SALES SUPPORT AND TRAINING PRODUCTIVITY	EUROPEAN SELLING	GIA SALES TRAINING	EUROPEAN TECHNICAL TRAINING	BUSINESS SUPPORT SERVICES
Steve Yachimski	Dolf Tuk	Bob Brownson	Keith Boardman	Tom Yocom

SALES/ACCOUNT MANAGEMENT PROGRAM	FINANCE AND ADMINISTRATION	PERSONNEL
Terry Melle	Paul Racioppi	Atlee Caldwell

August 1988

FIELD SERVICE TRAINING

```
                    ┌─────────────────────┐
                    │   FIELD SERVICE     │
                    │     TRAINING        │
                    │     MANAGER         │
                    │                     │
                    │   Charles Tharp     │
                    └─────────────────────┘
                             │
                        ─ SECRETARY
                          Peggy Hartmann
```

CURRICULUM MANAGEMENT & COURSE DEVELOPMENT PROJECTS	FIELD TRAINING CENTERS & OPERATIONS		R&D PROJECTS	COMPUTER RESOURCES GROUP
	EAST	WEST		
Charles Eicher	John Burns	Ray Carrado	Bob Pfau	Don Evans

PLANNING & ADMINISTRATION	GIA	EUROPE	F/S LOGISTICS TRAINING
Bob Murphy	Marsha Cullinane	Keith Boardman	Dale St. Louis

August 1988

DIGITAL INFORMATION SYSTEMS TRAINING

```
                    ┌─────────────────────┐
                    │   D.I.S. TRAINING   │
                    │      MANAGER        │
                    │                     │
                    │     Drew Boyd       │
                    │     (Acting)        │
                    └─────────────────────┘
                              │
                              ├─ SECRETARY
                              │  Patricia Filosi
```

CURRICULUM MANAGER	BUSINESS DEVELOPMENT MANAGER	UNIT MANAGER	PORTFOLIO MARKETING MANAGER
Al Topolosky	(Open)	Frank Foster	(Open)

ON-SITE MARKETING	AT FACILITY MARKETING	EDUCATIONAL CONSULTANT	ADMINISTRATION & LOGISTICS
Doreen Ricard	Kam Lee	George Jakobsche	Cheryl O'Hern

August 1988

DIGITAL MANAGEMENT EDUCATION

```
                    ┌─────────────────────────┐
                    │  MANAGEMENT EDUCATION   │
                    │        MANAGER          │
                    │                         │
                    │       Roy Steele        │
                    └─────────────────────────┘
                              │
                         ─ SECRETARY
                           Laural DePinto
```

MANAGEMENT INSTITUTE	OPERATIONS	QUALITY ASSURANCE	QUALITY ED.	SALES/SOFTWARE SERVICES/GIA PROGRAMS
Joy Waldman	Jim Sakellaris	Mary Jane Knudson	Les May	Terry Melle

ED. SERVICES/ COMPUTER SPECIAL SYSTEMS/FIELD SERVICE ACCOUNTS	MEM/FINANCE, PERSONNEL, CORPORATE OPERATIONS ACCTS.	EXECUTIVE EDUCATION	PROFESSIONAL CENTER	EDUCATIONAL DEVELOPMENT
Phyllis Rappaport	Cynthia Goza	Dave Crimmin	Phil Randall	Natalie Norton

PERSONNEL	FINANCE & ADMINISTRATION
Madeline Dennis	Rich DiPrimio

August 1988

OFFICE APPLICATIONS TRAINING

```
                    ┌─────────────────────┐
                    │ OFFICE APPLICATIONS │
                    │      TRAINING       │
                    │      MANAGER        │
                    │                     │
                    │    Susan George     │
                    └─────────────────────┘
                              │
                          ─ SECRETARY
                            Jill Lucia
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COURSE DEVELOPMENT	U.S. AREA DELIVERY	PRODUCT MARKETING	OFFICE PRODUCTIVITY TRAINING
Mike Christensen	John Dischinger	Carolyn Temmallo	Helen Goldberg

OPERATIONS	DELIVERY-TECHNICAL	FINANCE	PERSONNEL
Judy Marcus	Bill Chaplin	John Ellington	Freda Hunt

August 1988

DEVELOPMENT & PUBLISHING

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                        ┌──────────────────────┐
                        │     DEVELOPMENT      │
                        │    & PUBLISHING      │
                        │      MANAGER         │
                        │                      │
                        │  Joluut Vanderhooft  │
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                                  │
                                  ├── SECRETARY
                                  │   (Open)
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LEST & CIM	MASS STORAGE	HP & MIDRANGE SYSTEMS (HW/SW)	NETWORKING & INFORMATION TECHNOLOGY	EUROPE
Clem Daems	Ron Brown	Pat Baker	Maureen Wilson	Graham Ward

PRODUCT MANAGEMENT MANAGER	MARKETING	FUNCTIONAL MANAGEMENT	PUBLISHING	BUSINESS PROGRAMS OFFICE
Shana Sheldon	Peter Browne	Pat Weger	Martin Kelmanson	(Open)

Q/A	PERSONNEL	FINANCE
Connie Seidner	Freda Hunt	John Ledoux

August 1988

MEDIA COMMUNICATIONS

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                          │        MEDIA        │
                          │   COMMUNICATIONS    │
                          │      MANAGER        │
                          │                     │
                          │     Don Elias       │
                          └─────────────────────┘
                                    │
                              SECRETARY
                              Donna Cantera
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MEDIA DESIGN & DEVELOPMENT	PUBLISHING SERVICES	COMPUTER IMAGES	SYSTEMS INTEGRATION & ENGINEERING	MEDIA ARCHIVES, DUPLICATION & DISTRIBUTION	ELECTRONIC PUBLISHING & SYSTEMS ENGINEERING
Susan Moloney	Marvin Rothberg	Bob Morey	Chris Ball	Robert Morey (Acting)	Chris Ball

DEC REFERENCE SERVICES AND CATALOGUES	DIGITAL VIDEO NETWORK	A/V PRODUCTION	MICROMEDIA PUBLISHING	PHOTOGRAPHY	BUSINESS OPERATIONS
Sharyn Rameaka	Rebecca Warshawsky	Ken Maas	Jerry Bourque	Phil Bailey	Norma Frye

MCG COLORADO	MCG EUROPE	SALES TRAINING VIDEO	FINANCE	PERSONNEL	MEM EVENT SERVICES
Ron Brown	Graham Ward	Ida Zecco	Steve Travis	Lance Forrester	Erick Sweet

August 1988

EDUCATIONAL SERVICES STRATEGIC PLANNING & PROGRAMS

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                    ┌─────────────────────────┐
                    │  STRATEGIC PLANNING      │
                    │           &              │
                    │  PROGRAMS MANAGER        │
                    │                          │
                    │  Del Thorndike           │
                    └─────────────────────────┘
                                 │
                                 ├──── SECRETARY
                                 │     (Open)
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        ┌───────────────────┐     ┌───────────────────┐
        │  MEETING          │     │  PROJECT          │
        │  PLANNER          │     │  SPECIALIST       │
        │                   │     │                   │
        │  Janice Svendsen  │     │  Jo Macomber      │
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August 1988
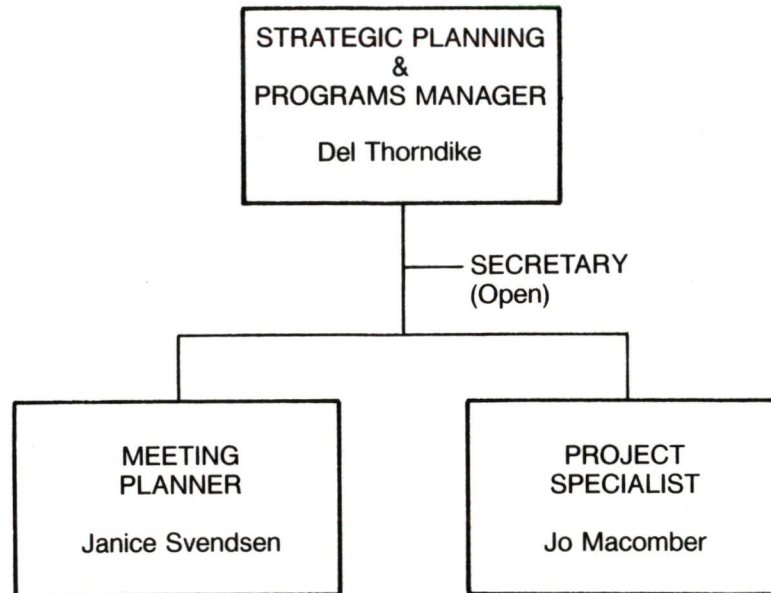
EDUCATIONAL SERVICES PERSONNEL

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                        ┌─────────────────────┐
                        │  HUMAN RESOURCES    │
                        │     MANAGER         │
                        │                     │
                        │    Mel Pierce       │
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                                  │
                          ─ SECRETARY
                            Ann Sledz
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HUMAN RESOURCES MANAGER
Mel Pierce

— SECRETARY
Ann Sledz

SITE PERSONNEL (BUO/FPO/BKO) MANAGER
John Romeo

— SECRETARY
Ginger Powderly

U.S. AREA HUMAN RESOURCE MANAGER
Jamie Toale

— SECRETARY
Ginger Powderly

EMPLOYMENT SUPERVISOR
Phil Hicks

— EMPLOYMENT CONSULTANTS
Cathy Landry
Jack Griffin
Vicki Stankovich

— DEPARTMENT COORDINATOR
Denise Carroll
(Open)

PERSONNEL CONSULTANT
Freda Hunt

PERSONNEL CONSULTANT
Atlee Caldwell

PERSONNEL CONSULTANT
Madeline Dennis

— DEPARTMENT COORDINATOR
Lyn Pasquarosa

PERSONNEL CONSULTANT
Betty Slowick

— DEPARTMENT COORDINATOR
Lyn Pasquarosa

PERSONNEL CONSULTANT
Marshal Mills

— DEPARTMENT COORDINATOR
Hannah McIver

PERSONNEL CONSULTANT
(Open)

— SECRETARY
Ginger Powderly

ES COMP/BENEFITS MANAGER
Barbara DiStefano

— DEPARTMENT COORDINATOR
Hannah McIver
Lyn Pasquarosa

— PERSONNEL SPECIALIST
Judie Hull

— PSA
Jane Flaherty

HEALTH SUPERVISOR
Mary Holly

— NURSE
Kathy Connors
Alma Rancourt (Temp)

— EAP CONSULTANT
Phil McGranahan

August 1988

EDUCATIONAL SERVICES FINANCE & ADMINISTRATION

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                    │  FINANCE AND         │
                    │  ADMINISTRATION      │
                    │  MANAGER             │
                    │                      │
                    │  John McLean         │
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                          SECRETARY
                          Chris Finger
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CONTROLLER	FINANCIAL PLANNING & ANALYSIS	U.S. AREA CUSTOMER TRAINING	GIA	EUROPE
Joe Alberti	Marianne Marshall	Bob Bianchi	Dan Andon	Bogdan Ljubibratic

FIELD SERVICE TRAINING	DEV. & PUBLISHING/ MEDIA COMM.	SALES TRAINING	CORP. MKTG. & EDUCATIONAL TECHNOLOGIES	MANUFACTURING/ DISTRIBUTION
Joe Gallagher	John Ledoux	Paul Racioppi	Pam Boisvert	Dennis Pearce

MIS	CEC PROJECT MANAGER	CEC PROJECT SPECIALIST	FACILITIES
Elaine Jones	Don Miner	Ellen O'Brien	Jack Mahoney

August 1988

INTEROFFICE MEMORANDUM

Date: 22-Nov-1988 11:22am GMT
From: DOROTHY MARCOTTE
           MARCOTTE.DOTTIE
Dept: EDUCATIONAL SERVICES
Tel No: 249-4291

TO: Remote Addressee   (RUSS GULLOTTI @NPO)

Subject: ESMC STAFF MEETINGS

~~November 28~~	Bedford/Middlesex Room	Bi-Weekly
December 19	Bedford/Middlesex Room	Bi-Weekly
January 9	Bedford/Middlesex Room	Bi-Weekly
January 23	Bedford/Middlesex Room	Bi-Weekly
February 6-8	Place TBD	Quarterly
February 9th	Place TBD	Expanded Staff
February 27	Bedford/Middlesex Room	Bi-Weekly
March 13	Bedford/Middlesex Room	Bi-Weekly
March 27	Bedford/Middlesex Room	Bi-Weekly
April 10	Bedford/Middlesex Room	Bi-Weekly
April 24	Bedford/Middlesex Room	Bi-Weekly
May 15-17	Place TBD	Quarterly
May 18	Place TBD	Expanded
June 5	Bedford/Middlesex Room	Bi-Weekly
June 19	Bedford/Middlesex Room	Bi-Weekly

(handwritten: feb 20 -23 ESMC)

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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
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Subject: RE: NEW HATS

Russ,

I have made and discussed the following observations with Pat in the past as part of my Metrics analyses.

There is an interesting, but not perfect analogy, to DECs problems in the hardware world vs PCs and Workstations.

In order to cover the real and considerable fixed costs of running Bedford and the Field Training Centers, ES has had to emphasize the more easily sold and higher priced lecture/lab type of Training. This is reflected in the ESMC Metrics set which highlights Course Weeks, Class Size etc. In the meantime, our customers (both externally and internally, like Field Service) are naturally trying to maximize their training Dollars investment and are looking to get effective training at the minimal total cost: travel, lost time, direct costs, etc. Using our Field Service Branch Managers as a good prototype of sharp, cheap

customers, they are voting with their wallets, for small, short classes, close by, scheduled when they want them. Not the kind of low cost, flexible and easily

sold stuff DEC is good at ala' PCs. Especially when the same thorough, slow and expensive Course Development processes are used for offerings that require fast, adequate, and cheap CD execution. So Field Service, like our customers, uses ES for only DEC-unique training and sources the rest with their own training function or from lean, hungry external vendors.

I realize that ES is starting to move in this direction (on site training, Seminars, etc) now but it will require a major shift of Assets, Metrics and Culture to rebalance the business model. Particularly if ES is going to provide value-added support for the wide variety of types of Consulting/Training required across the SIB Sales & Delivery cycle. (Note that the same ES individual resource could theoretically be used as a Sales Support Person (DEC SIB, HDW/SW cost), Consultant (Revenue) or Teacher (Revenue) in the same week. Our stovepipes (orgs/metrics) prevent this type of cost minimizing resource utilization from happening).

Be happy to expand/elaborate if you find this useful. BTW, am working on the issues of cross-organizational metrics/synergy that you suggested; have a viable

model, started testing it with Corporate Accounts, so far so good, next stop (with their sponsorship) is US Sales.

Ed

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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

                        Date:      21-Nov-1988 02:29pm GMT
                        From:      Del Thorndike
                                   THORNDIKE.DEL
                        Dept:      Strategic Planning
                        Tel No:    249-1446

TO:   Remote Addressee              ( PAT CATALDO @BUO )


Subject: Quarterly Minutes

Pat,

Attached you will find a copy of the Quarterly Minutes. If you would
like copies of the presentation materials, please let Jan know.
Please call me tonight if you have corrections for your 10:00 a.m.
meeting with Russ Gullotti.

Besides making these minutes accurate and complete, we have expanded
on the content of these minutes to facilitate Russ in his Educational
Services learning experience.
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MINUTES OF ESMC QUARTERLY
NOVEMBER 14-16, 1988

MONDAY, ACTON ROOM, MAYNARD, MA

PRESENT: Jim Malanson, Tim Walsh, Charlie Tharp, Harry Riddle,
Don Elias, Hermann Binder, Susan George, Drew Boyd, Mel Pierce,
Joluut Vanderhooft, Del Thorndike, Cecil Dye, Joe Fabrizio,
Harry Riddle for Roger Blomgren

PAT'S OPENING REMARKS:

   o A special meeting to discuss budgets will be announced for
     February or March. John and Jan will work on a schedule.

   o Ken Olson is involved with a contract with Prentice-Hall
     and DECPress which will be signed soon.

   o Regarding productivity and cost controls, base case decisions
     are being made. Variable costs are being looked at carefully.

   o Pat described the scope of his new project for SSMI, which is
     primarily to focus on how we do business in the future. The
     project will be for 90 days, and includes efficiency and
     effectiveness plans for 1990, looking at SSMI organization, up
     and down, and cost structures. At the end, Pat will make
     recommendations on process, procedures, and operations as well
     as recommendations to Senior Managers on how to run their
     businesses. The project team will include Personnel, Finance,
     OD and Management Sciences. Pat will work from Stow or West
     Concord for this time period.

   o Don Busick has asked Russ Gullotti to help out in Pat's
     absence, and he will be spending 50% of his time on Educational
     Services business.

   o Pat will be involved in E.S. strategic process including:
     1) goal setting process; 2) Quarterly Forums. Pat asked
     ESMC for their input on how he could be
     involved during this time. Day to day business should go to
     Russ. Members can copy Pat on information, however, especially
     news of 'big wins'. Pat will touch base with Dottie often.

   o Areas of concern for Pat's project include: 1) lights on in
     buildings at night; 2) computers in employees homes; 3) charges
     for DECmail; 4) efficiency of back-up systems for computers;
     5) T-shirts, special badges, incentives, etc.; 6) 43 other
     training groups in company; 7) learning centers and possible
     inefficiency; 8) DTN lines at home. Members should look
     outside their own area when looking for ways to cut costs.

   o Petty Cash no longer checks for accuracy of information on
     forms, only accuracy of numbers. Cost center manager will be

held accountable for correct data. This change was implemented for audit reasons.

QA UPDATE - JIM MALANSON

o There was a discussion on QA information being submitted in a timely manner as well as readable so that ratings will be accurate. This will be a focus for Pat who will look at both the QA group as well as Ed Services groups. QA group should try to get 99-100% of data returned on time for roll-up.

o There was a discussion on how to get better return of SOFs after class completion. The group that develops a course is the one that gets QA ratings, not the group that delivers.

*A.I. Jim will see that the Master File is changed so that delivery group gets credit for QA. It needs to be broken out by U.S. vs. worldwide.

o Worldwide Class Rating has remained unchanged at 89% for past 4 Quarters.
   - Europe QA rating increased 4% points over 8Q1
   - GIA QA rating remained constant for last 3 Quarters
   - US class rating exceeded new QA standard (90%) for 4 consecutive Quarters.

o Joluut and Pat Weger went to NY to view a CBT product developed by a ElRon. One more team, consisting of someone from Corporate Marketing, OA, and R&D will go to look at it from a potential business standpoint.

   - Tim would like a formalized process on how to respond to these requests. Issue is we don't have one development group.

OVERVIEW OF INDUSTRY MARKETING AND TRENDS - TIM WALSH

o Trends: 1. Product, 2) Industry Growth, 3) User Exectations, 4) Standards.

o Product Trends:

Price/Performance	FY89	FY92	FY95
MIPS:	20	1000	2000

   Power Workstations: parallel processing, networked environment, easy to use

   Product Life-Cycle: replace 70% by Q1/FY90, 2-3 turnovers next 3 years

o Digital's Strategy:
   1. Integrating the Enterprise

2. Digital's "Systems" Architecture
        3. Approach to Standards
        4. Strategic Alliances
        5. Comprehensive Services

    o E.S. Directions:
        1. Current conditions:
            -VMS is maturing
            -ULTRIX/UNIX is growing
            -Product Life-Cycle Pressure
            -Multi-Vendor HW/SW ENVIRONMENT
            -Ease of use

        2. Recommendations:
            -Use onsite to our advantage
            -Establish competency centers
            -Marketing
            -Cross-functional team

OFFICE PRODUCTIVITY - CAROLYN TEMMALLO

    o Expecting a 38% increase in OA revenue for FY89.

    o There was a discussion on bundling of office products in U.S.
      and Europe.

*A.I. John Shack is writing up a legal agreement for bundling.
There's an $800K opportunity in Europe. Hermann Binder will follow
through on this by December 19.

    o Carolyn gave the product plan for FY89, the investment and
      return for All-In-1, Electronic Publishing, PCSA, DECwindows,
      EPIC, CTP (T-T-T).

INDUSTRY APPLICATION TRAINING - BOB MJOS

    o Bob presented the FY89 strategy to:
        - target specific industry training opportunities
        - hire industry application expertise
        - establish 3rd party training alliances
        - establish market focused competency centers
        - drive focused marketing programs

    o FY89 opportunities:
        - telecommunications: VAX System V
        - Engineering: CAD/CAM Training
        - Financial Services: DECTrade
        - Manufacturing: CIM Seminars

*A.I. There was a discussion on the pricing model, and Bob Mjos will
check on consistency of pricing on all courses and get back to ESMC.

BASE PRODUCTS - JIM STEWART

o Jim presented Digital Strategy & Key Programs:
- Workstations
- Networks and OSI
- CASE
- Transaction Processing (TP) and Data Management
- Operating Systems
- Desktop

o Educational Services Strategy:
- Maintenance of existing courses
- High level skill and management training
- Optimize investments through co-funding and
  multi-format projects

o VMS Operating System:
- Version 5 update
- DECwindows support
- Vector and multi-processing
- Follow-ons for popular courses

*A.1. - CASE, multi-format L/L and TBI for product specific courses, was discussed, and Pat asked that Jim furnish ESMC and him with the issues before going to Bill Keating to ask for support.

*A.I. Pat asked that the areas take 3 presentations (1. OA, 2. technical and 3. industry) and make sure we have clarity on: 1) areas understanding of what's being work on; 2) Europe, GIA and U.S. should decide and agree on what E.S. should focus on. Pat will assume this will happen unless he hears otherwise. ESMC should let Pat know if they see something that's not an immediate priority.

*A.I. On reassignment of an employee or redeployment, Pat asked Mel to come back with a policy on transferring of employees. Each ESMC member will talk to ESMC before transferring of E.S. employees within E.S.

FINANCIAL REVIEW - JOHN MCLEAN AND ESMC MEMBERS

o John McLean presented E.S. worldwide customer training, activity, internal training and support expense as well as worldwide NOR, NOR/002, TCCE, and BCM%. E.S. missed margin by $1.9 million.

o Each ESMC member gave their own Q1 results and forecast for Q2 to the group.

OPEN DISCUSSION

o Discussion around capital equipment and how that impacts training.

o Hermann asked how do we get an integrated curriculum and budget plan.

o The Investment Committee, consisting of Charlie, Joluut, Del,
  Susan, Jim, and Cecil, is working on a strategy to present a
  plan to anyone in Digital on product development expenses and
  maximization of development dollars. It's international in
  focus.
  Feel DECwindows philosophy is where they need to concentrate.

*A.I. Investment Committee will meet 14-15 December on strategy for
budgets for next year. set up by Tim Walsh is in charge of set up.

DECWINDOWS TRAINING REVIEW - JIM STEWART, CAROLYN TEMMALLO

    o Jim presented DECwindows Training Review:
        - Digital Strategy
        - Educational Services Strategy
        - Curricula Overview
        - Product Roll-out Plans
        - Course Introduction Plans

    o Carolyn presented DECwindows applications:
        - Widespread availability of OA to technical/non-technical
          workstation users
        - Planned bundling of DECwindows with VMS V5.2
        - EPIC/Writer provides upgrade path enabling compound
          document editing for WPS-PLUS user
        - EPIC/Info provides decision support tools for technical
          environment

There was a discussion around Educational Services marketing of
training at time of sale. Tim would like Carolyn and Jim to work
together on their products, and there needs to be a person from Europe
to work with them. Strategy needs to be in place by January 10, the
DEC Top announcement date. The request for capital equipment to
deliver this training, should be in queue now as it takes 18 months to
get it.

ESMC QUARTERLY
TUESDAY, NOVEMBER 15, 1988
ACTON ROOM, MAYNARD, MA

Attendees: Pat, Tim, Cecil, Joe, Drew, Harry Riddle, Pam Boisvert,
Jim, Del, Hermann, Don, Joluut, and Susan

OPENING REMARKS - PAT CATALDO

o John McLean is in Europe attending Fishburn's Finance Committee
  meeting.

o Marianne Marshall brought the Forecast to Pat.

o Pat said each ESMC member will be given new $ numbers for
  budget target. Profit model will change.

o Before Pat takes his new assignment, he will work with Joe,
  Roger and Tim on model for revenue and profit for customer
  business. Looks like Headquarters expenses will be too high.
  All expenditures are 61% in the Field.

o Pat suggested to Joe that he look at filling some of his
  vacancies with temporary assignments, which could be short term
  opportunities for employees.

EUROPEAN OPERATIONS REVIEW - HERMANN BINDER

o Hermann presented the European Operations Review which covered:
  mission, objectives, organizational chart, facts, performance,
  training (customer, technical, skills and management, selling,
  and business support), risks and opportunities.

o There was a discussion on modularity. Educational Services
  groups should have a consistent understanding of what it means.

o There was a discussion on whether European E.S. revenue will go
  down this year if they don't get capital equipment.

*A.I. Hermann will ask each country to give him specific data on what
their capital equipment needs are so that Pat will be fully informed
before he requests it.

R & D PRESENTATION - JIM MALANSON

o Jim presented the scope of projects in Engineering including:
  Authoring, Environment, Technical Advisory, information,
  audience response, XTrain, visiting researcher and university
  relationship.

o Jim will do a process and determine the amounts to be funded by
  each of the E.S. organizations for R&D. Pat believes R&D
  budget should be petitioned approximately 25% for longer term

projects that have a strategic focus, i.e., Authoring, and that 75% should be allotted to deliverables that would be individually funded.

DESK TOP STRATEGY - MATT KOCHAN

- o 3 Phase Program for Desk Top Strategy:
    - 1) Starts 11/30-12/29 - internal conditioning and education for Digital people
      a) senior management will attend Desk Top University in Littleton for 5 sessions of L/L.
      b) detailed 2-week train on all the products

    - 2) 12/19-1/13 - key press will be informed, and on 1/3 will do same for customers
      1/9 - details
      1/10 - actual announcement

    - 3) Starting in January, 10-12 universities for customers in Littleton

    - 4) Second part of the 'road show' will be taken to each of the Areas.

- o Digital's Desktop Strategy:
    - Key component of Enterprise-wide computing strategy
    - Builds on established strengths
    - Solves business problems
    - Easy to use
    - The strategy for the organization

- o Computing evolution: Batch > Timesharing > Enterprise-wide

- o Products include: VAXstation entry level workstation; VAXstation high end workstation; VAXstation serverstation; DECstation UNIX/RISC workstation series; VAXstation SMP/3D; Low end DECstation personal computer; mid-range DECstation personal computer; High-end DECstation personal computer

- o The Desk Top market in 1991: 40% of worldwide market, and $60 billion in revenue.

- o Tim said we do not have a desk top training strategy in E.S. Would like to do one, then revisit Matt Kochan's world to see if it is right.

*A.I. Tim will assign a resource to define a customer training strategy for E.S. and bring back plan by 11/30.

STRATEGIC PLANNING - DEL THORNDIKE

- o Del reviewed Planning Process and Gap Analysis work. She presented several opportunities for E.S. to improve productivity.

1. Overlap of responsibilities identified in customer training.

- Can U.S. Area do all customer training? Discussed overlap of responsibilities identified in customer training.
- Problem between strategic and tactical and whether one group can do both.

2. Improve the curriculum development process. Investment Review Committee will work on curriculum development.

3. A/V and production resources. Should there be one focus?

*A.I. Don to make a proposal on career pathing or opportunities for the dedicated resources in these groups.

4. Duplicate publishing capabilities - should there be one central focus?

*A.I. Don to define publishing and how it's being used, make recommendations concerning the optimization of these resources.

5. Multi course development groups - should we have one focus or matrixed reporting?

*A.I. Joluut will prepare a proposal by the end of November for ESMC of what would be involved, expected gains, benefits and linkages while keeping the client/product focus.

6. A consistent E.S. review process to review contractors and vendors.

*A.I. Don will complete the MCG vendor/contract review process presently being done and then look at the overall E.S. needs in collaboration with Purchasing and report back to ESMC by December 19th.

*A.I. Tim and Jim will have John Shack come to ESMC and discuss use of contractors and vendors by December 19.

*A.I. Jim will take a copy of a Proposal Process used in CSP and send to Bill McHale telling him of our capability in E.S. He will ask if there is anything we can do to help them spruce up their customer proposals.

HARMONY: CDROM - BRIAN OSBORNE

o There was a demonstration on this product's capabilities to the ESMC.

o Brian presented current conditions, product definition, product demonstration, market strategy, and summary.

o Digital is predicted to be #1 in workstations by end of fiscal
  year.

o Discussion on the impact of the product on PL002 and 03.

o Discussion on approximately $1/2 million unfunded (Tim says he
  has $685 thousand from Charlie, Drew, Channels, and Cecil.)

o Pat asked each member if they would invest in HARMONY.
  Discussion followed with each member's rational.

*A.I. Drop dead date for project is 12/19. ESMC will vote at that
time. Tim will talk to Bill Keating about internal funders. Pat will
talk to Russ Gullotti. He will set up time with Don Busick before
12/19. Tim should recheck Brian's numbers.

ESMC QUARTERLY
WEDNESDAY, NOVEMBER 16, 1988
MIDDLESEX ROOM, BEDFORD, MA

Attendees: Joluut, Jim, Drew, Hermann, Del, Roy, Pam Boisvert, Harry Riddle, Susan, Charlie, Tim, Mel

OPENING REMARKS - PAT CATALDO

o Pat will present Thursday at the Service Awards Banquet at the Framingham Sheraton-Tara to honor 10, 15, and 20 year employees.

*A.I. Mel Pierce will check into and report back to Pat on whether participants in the Awards Banquet have a choice of locations that they can attend.

o Pat passed out a paper on Stategic Directions for Educational Services.

PRODUCT INVESTMENT COMMITTEE - TIM WALSH

o Objectives are:
  - Optimize E/S investment through sharing, eliminating redundancy, and planning ahead
  - Target strategic curriculums - Digital and cross functional
  - Consolidated Plan for E/S, and PBU's and marketing groups
  - Integrate Areas (TBD)
  - Strategic direction

o Membership includes ESMC members from Corporate, FS, OA, SSWS, DIS, ESDP, CSP/R&D, and Strategic Planning.

o The problem the committee is trying to solve is: 1) redundancy in development and getting people more connected; 2) consolidated piece of work that supports this topic area for the company, and we can take it to the customer.

o Pat read a pre-sales educational courses memo from Ken Olsen on delivering technical courses with E.S. expertise. Pat believes this is an open invitation for us to help.

REVENUE/TRANSFER ROYALTY - HERMANN BINDER

o Situation:
  - PL002 revenue is 2% of business in Europe.
  - potential is higher
  - has strategic importance
  - little incentive to sell as long as PL003 strong
  - overpriced to make local margins

o We need to change this to:

- increase NOR
        - motivate countries to sell

    o Proposal I - course development part of R&D budget

    o Proposal II - charge standard cost to countries

    o There was a discussion on revenue of particular products, and
      how countries make decisions around promoting products if they
      are not bringing in enough revenue, or if countries are not
      making their margins. Pat wants all products offered - we need
      the profit, not the revenue from Europe.

*A.I. It was agreed that we will change 02 pricing to allow Europe to
move larger volumes of packaged products. We will evaluate the
standard cost model to determine cost and require additional
contribution for Europe to make this up. Once numbers are agreed with
Hermann and new goals set, the program will be implemented. Target
date prior to or before December 30, 1988. This is an international
only proposal. If GIA would also like increased volumes, they may
make a separate proposal. Transfer cost in the U.S. will not change.

SWS/ES GIA CHARTER ISSUE - ED LAU

    o What is the situation?
        - We wouldn't sell base trainings to our customers.
        - Customers and Sales are confused about DECstart Services
          and Trainings.
        - Customer complaints.
        - DECstart but no training.
        - DECstart seen as training.

    o How did we react? Repackaging existing products into PIVOT
      (offered in 3 formats: L/L, SPI, Onsite) to meet solution
      orientation and oriental preference as driven by the market.

DISCUSSION

    o Pat's concerns:
        - instructors being available beyond th regular course hours
        - constraining family responsibilities of instructors.
        - traffic used as a reason to release classes early
        - debriefing of students back on the job
        - certification of students at end of program before being
          handed a diploma
        - competency testing and reward
        - 86% of people who have a bad course never return - these
          are the people we should be concerned about
        - pre and post testing of students

UPDATES

    o Each ESMC member reported the expense controls they have put in
      place for their own organization.

o Joe - pricing proposal has been approved. E.S. needs to be
  more flexible, more agressive, and do more onsite training to
  meet our financial commitments.

o Jim - Large project update on Boeing - $1.9 million deal before
  Christmas; Hughes Transport Canada project accepted; Allen-
  Bradley in 3 other pieces of business that will close before
  Christmas. QUEST continues to roll out. Will come back to
  the group on the testing issue.

o Hermann - Needs a shorter course development cycle. Feels
  there's an ownership issue around network training, which has
  been around for 12 months. Instructor Excellence in Europe -
  the best event yet.

o Del - 11/22 is the Quarterly Forum

o Mel - JEC training is going well. All managers will have
  information by the end of the week.

o Roy - gave Operations Review to Personnel with rave reviews.
  In process of getting confirmation on development funds for
  Executive Program. Friday (11/11) had first meeting of
  Management Development Committee (George Mann was there from
  Europe). Strategy for Executive Education bought into by SSMI
  Personnel. Came away with a strategy for executive development
  and another for a program approach originally chartered for.
  Having a dynamite year.

o Charlie - Since last week, cancellations for Q3 activities are
  coming in for people who have to fly. ACT Center in Atlanta -
  asking for development of DECwindows and courses for CSCs.

o Tim - Working A.I. training with McDonnell/Douglas for $2
  million. Core group has asked them to pick up more training
  business. Moving into SP V5.

ULTRIX AND UNIX UPDATE - BOB MURPHY

o There are 25 courses within the ULTRIX family.

o Discussed a management charge when work is transferred from one
  group to another.

o Issues:
    - continued dependence on SWS Engineering for instructor
      resources
    - use of outside vendors for delivery of training
    - various tuition rates for employees depending on
      sponsoring training organization.

PRICING STRATEGY DISCUSSION

o Discussion around vendor costs, consultant costs, inhouse

costs and subcontracting costs.

    o Suggested that a look be taken at the financial model for
      development fees.

CLOSING COMMENTS:

ESMC meetings will continue, and Russ Gullotti will run them.

There was a discussion on small group work for the Expanded Staff
meeting on Thursday, November 17th.

Pat's Schedule:

    11/17 ESMC Expanded Staff Meeting
    11/22 E.S. Quarterly Forum
    12/22 Kodak visit
    12/15 Colorado visit
    12/21 OA Christmas Party
    12/22 OA Quarterly
    2/6-9 ESMC Quarterly and Expanded Staff

Pat's goals for the next 3 months are:
    1. to be in charge of the forecast and financial metrics for
       E.S. with John McLean
    2. CEC
    3. staff planning

The following staffing plans have been approved: Don Elias,
Charlie Tharp, Drew Boyd. Hermann owes Pat information on the
Temporary situation in Europe.

    4. salary reviews
    5. JEC
    6. DEC classic

Pat plans to be in the BUO facility once a week.

Operations Reviews and Bi-Weekly meetings will continue.

For Personnel issues, call Pat in the A.M. in the office of P.M.
at home, or call Dottie.

Pat stressed that E.S. is in a mid-course correction.

Pat stressed that nowhere is there written how a 3-month special
assignment should be run or how a new manager, Russ Gullotti, can
be fitted into the business.

COPIES OF PRESENTATIONS ARE AVAILABLE UPON REQUEST.

21 November 1988
Jan Svendsen