

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069351
Date: 07-Mar-1994 09:23am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(JOHN PAGET @MRO)

Subject: ORIGIN TECHNOLOGY

John, I have a customer request for you.

Origin Technology is a Digital partner that helps us with SAP installations. I met their Chief Executive Officer, Andy Woolf, at a recent CIO breakfast in Dallas. At that time I encouraged him to call me if there was ever anything I could do to help him improve the way he does business with Digital.

Well, he called the other day to talk about a problem he was having with our maintenance in what was once a division of Arco, but when it got spun off, our maintenance organization would not give them the same level of service they had when they were with Arco.

I told Andy that you, or the appropriate person close to you, would give him a call. I would appreciate it if you'd take the time to call 214-713-6894.

him at

I'd also like to know what the results of your call with Andy are. Thanks in advance John.

Dictated Not Read

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

Doc. No: 069350
Date: 07-Mar-1994 09:19am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (BOB RUSSELL @SCO)

CC: Remote Addressee (LUIS ZUNIGA @LAC)

Subject: AMERICAS

Luis Zuniga will join us by conference call for the first hour or two of the March 8th review.

I want you to fully brief him before hand so that you understand where he agrees and where he disagrees. Because he won't be able to attend the entire meeting, you'll be able to express his opinions once he drops off the line.

Please be sure this happens.

Thanks.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069349
Date: 07-Mar-1994 09:17am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee
TO: Remote Addressee

(RON LARKIN @TRC)
(LUIS ZUNIGA @LAC)

CC: Remote Addressee

(SCOTT ROETH @MKO)

Subject: SALES TRAINING

Given that we have agreed that U.S. Sales Training would be the training arm for all of the Americas Territories, how many employees are you able to reduce as a result of this?

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069422
Date: 08-Mar-1994 09:26am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(ROY WICKLUND @MRO)

Subject: LEADS MANAGEMENT

At Ed Lucente's staff meeting last week, Joe Ford stood up and took a bundle of leads that had been generated in the United States and, for effect, threw them on the table with the comment that he still gets leads because people don't know where else to send them.

Don't we have the Lead Management System up and running? Why would anybody send their leads to Joe Ford? Is our Lead Management System tied in with the Tony Craig effort on leads management?

DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069421
Date: 08-Mar-1994 09:21am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(TONY CRAIG @MLO)

Subject: SALES SUPPORT

Tony, at Ed Lucente's recent staff meeting, you asked that the Area Managers be sure to have Program Managers named who would be responsible for the transition of Sales Support from Digital Consulting to Sales. The Program Manager in the U.S. is Bill Horzempa, in Latin America it is Luis Gutierrez, and in Canada it is Nanette Cuddy.

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

Doc. No: 069420
Date: 08-Mar-1994 09:19am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(BOB SCHMITT @MKO)

Subject: APRIL ANNOUNCEMENTS

I have sent a note to Henry Ancona saying that all Territories would participate with roll-out announcements in April. Both Canada and Latin America are already able to be specific about which cities they'll be able to do this in. I urge you to get specific about the U.S. plans as soon as you can.

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069839
Date: 21-Mar-1994 09:47am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(CHARLIE HOLLERAN @MLO)

Subject: BRIAN COLL -

Confidential

Charlie, I'm impressed with the work that Brian Coll has done in helping us design an Americas communications model.

Is he a candidate to run this for us? I know you've spoken about going outside for this person but I wonder why Brian wouldn't be a candidate.

Russ

dictated NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069835
Date: 21-Mar-1994 09:35am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(TONY CRAIG @MLO)

Subject: JARGON

I noticed in several of Vincenzo's memos that he refers to "branches".
Is that the equivalent of a district in the Americas? Do we have a
common Jargon that we're trying to adopt?

Russ

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069774
Date: 18-Mar-1994 09:20am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(GRESHAM BREBACH @MLO)

Subject: MAX MAYER

***** CONFIDENTIAL *****

Just as a reminder to you, you and ^{both} I need to ~~both~~ talk to Max about his performance appraisal and salary increase, which is effective at the end of March. I will be meeting with Max on March 17th and will talk to him about his salary increase and his performance. My assumption will be that, because you're on vacation, I will be doing this before you get a chance to do it. I will be sure to emphasize to Max that he ~~has an obligation to sit with you regarding his performance, as well as, the time he spends with me.~~ ^{should} I will also be sure to emphasize that the salary increase and performance appraisal was jointly planned and is "jointly given".

I will let you know how my discussion with Max goes and hope you would let me know the results of your meeting with him as well.

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069643
Date: 15-Mar-1994 01:33pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(ED LUCENTE @MLO)

Subject: DENNIS ALBANO

***** CONFIDENTIAL *****

I spoke with Dennis Albano about his willingness to relocate to Europe. He said that he would certainly be glad to talk about it if the job was right. I did not mention what the job might be.

If you want to have Vincenzo pursue this, I think it would be worth while to call Dennis.

D. [REDACTED] ATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069642
Date: 15-Mar-1994 01:31pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(KAREN HOWARD @MRO)

Subject: THANK YOU

Thank you for the help you gave Bob Russell. At the meeting tonight at the Hanscom hanger, (you won't get this note for about a week), it was obvious that the advise you had given him was showing through.

Were would I be without you!?

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069671
Date: 16-Mar-1994 09:19am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(KAREN HOWARD @MRO)

Subject: EXECUTIVE ASSISTANT

***** CONFIDENTIAL *****

Karen, Ed Lucente will be looking for another Executive Assistant to support him. Nick Ganio will soon be receiving a significant new assignment based on his success in working with Ed. It's clear that by giving Nick a significant new assignment, ~~that~~ Ed is instantly building the importance of these Executive Assistant jobs.

He would like to have someone who lives within a one hour commute, (this can be one hour by air plane if necessary) from Boston. He is trying to avoid a major relocation of a person who will probably only work for him for one or two years at the very most.

Let's start thinking about candidates who can work for him like Nick did. That pairing seemed to work very well.

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069353
Date: 07-Mar-1994 09:32am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(RON LARKIN @TRC)

Subject: COMPENSATION

Is your sales force completely on commission at this point? Are there any groups of people who are not yet paid on variable compensation?

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

Doc. No: 070102
Date: 28-Mar-1994 03:01pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(SCOTT ROETH @MKO)

CC: Remote Addressee

(KAREN HOWARD @MRO)

Subject: DENNIS ALBANO

I want you to be aware that I have been working with Larry Cabrinety to define Dennis Albano's role at the Americas level. Though we're not complete yet, Dennis will be responsible for the Peripherals and Components Business Unit and for all component and technical OEM activities for the Americas. At this point, it seems likely that he will also manage the semi conductor sales operations from the Americas level, though these people will be scattered throughout the Geographies and will be hosted by local sales management.

If all goes well, we will be announcing Dennis' role at the Americas level in an announcement to be sent this week. It all depends on whether or not we can finalize the roles and responsibilities with Larry Cabrinety, and also whether or not we can get Ed Lucente's support for this.

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 070101
Date: 28-Mar-1994 02:48pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(ED LUCENTE @MLO)

Subject: FOLLOW-UP

When we spoke on Friday, you asked me to follow-up on a couple of things. Here's the status;

Dennis Albano has spoken to Vincenzo Damiani, but nothing much will come of it until Vincenzo visits the U.S. in April. Dennis is willing to listen and to entertain any viable job opportunities, but for the moment, what he wants us to do is go ahead and announce him in the Americas role as the Peripheral and Components Business Unit Manager with all OEM responsibility. Further, he will probably manage the Semi Conductor Operation's sales force. Larry Cabrinety and I have just about concluded our discussions on this. So if you have no difficulties, we'll announce Albano in that role then, should the European position materialize, we'll just go ahead and do that. Is this OK with you?

I spoke with Ed Kamins also. The reason he has not completed his letter to you was that his father had unexpected coronary by-pass surgery last week and he was with him in Florida. (Everything worked out fine). Ed assured me that the note was drafted and that you would have it at the beginning of this week.

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069991
Date: 24-Mar-1994 10:09am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(HARRY COPPERMAN @OGO)

Subject: BOEING PC OPPORTUNITY

Are you personally aware of the PC opportunity we have with Boeing on the RCAS program? It sounds like the kind of thing we really ought to win. What are your thoughts on this?

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069836
Date: 21-Mar-1994 09:38am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (LUIS ZUNIGA @LAC)

CC: Remote Addressee (DAVE SPRATT @MRO)

Subject: WEEK 11 ORDERS

Is the week 11 orders report for LACT an error? All I see is minus signs. What happened?

Russ

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069837
Date: 21-Mar-1994 09:39am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(RON LARKIN @TRC)

Subject: DISTRIBUTORS

Is it safe for me to assume that you are working with our distributor/
partners to ask them to take as much inventory as they possibly can in
Q3 as an aid to helping us with our revenue goals? This would be
particularly important in the area of servers, network products and
workstations.

Russ

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

Doc. No: 069838
Date: 21-Mar-1994 09:42am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(SCOTT ROETH @MKO)

Subject: SALES RECOGNITION

I watched your DVN over the weekend and I was a little surprised by your answer to the questioner who asked about Digital 100 and Circle of Excellence. Your answer to him implied that there would be "no change for FY94". Have you, in fact, reversed the company's decision that this would not be a spouse or guest event, but rather, would be business meeting? You implied that there would be five Digital 100s and that there would be "no change during FY94".

Could you clarify this for me please?

Russ

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

Doc. No: 069898
Date: 21-Mar-1994 04:54pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: See Below

Subject: FORECASTING

You and I both agree that "forecasting" is in disarray and needs to be set straight. I don't know what broke or when it broke but too many people are spending too much time on forecasting. Most of this wasted effort is simply because we're all seemingly singing from different hymnals.

Rather than figure out what went wrong, let's just design what we need to make things right.

I propose two separate processes; one for telling manufacturing what to build in the short and long term and another for forecasting our financial performance.

1. Product demand planning will state what the field needs from manufacturing. In the long run manufacturing needs this to build capacity. This should be done on an infrequent basis by the field in conjunction with our product segment managers.

In the short term the field needs to be telling the plant what demand really is (i.e. current quarter and next quarter). The plants, in turn, should be giving us lead times in response to our demand signals so that we can do delivery planning for our customers.

2. The financial forecast is different. In the short term (current quarter and next quarter) the field should say what they will sell, convert it to revenue and gross margin based on published lead times and subtract manufacturing's expected performance to those lead times. Projections of slips should be done with mfg people.

Longer term financial forecasts need to reflect new product introductions and should be done by area and product segment with territory management input. This does not require specific field sales forecasts.

I would add that a forecast is not a commitment but, rather, an assessment based on a current view. We should let people forecast what they really see and then ask them for the plans or help they need to get back to their commitments.

I would be happy to work with you and our manufacturing people to refine these thoughts or any others that people might have.

Press

Distribution:

TO: Remote Addressee	(HENRY ANCONA @MLO)
CC: Remote Addressee	(TONY WALLACE @MLO)
CC: Remote Addressee	(jim mccluyney @bxb)
CC: Remote Addressee	(BOB NEALON @BXC)
CC: Remote Addressee	(JOE NADLER @MRO)
CC: Remote Addressee	(ED LUCENTE @MLO)

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 070046
Date: 25-Mar-1994 10:21am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(RONA ZLOKOWER @MKO)

Subject: NHBRE

Here are the summarizing minutes that I took after our meeting with the Round Table Subcommittee last night...

The BRE has the following options.

1. Do nothing. Cease activities as a Round Table.
2. Continue our efforts on SIP only.
3. Continue active support for SIP and:
 - A. Take the nine elements for a successful education to the State Board of Education for their endorsement.
 - B. Work in partnership on the "education adequacy" document with the Governor, local communities, and the Legislature. We would begin by using the "what should they be able to do" document to see if we could refine it to become the statement of minimum education adequacy in New Hampshire.
 - C. We would roll this out to the communities, local chambers, etc.
 - D. We would continue to emphasize that all of our efforts are in direct support of the nine essential components.

I hope these are helpful. Please be sure that someone coaches Jack Middleton and has him be prepared to run Tuesday night's meeting. Though I know I'll get there, I'll probably be an hour late and it will be difficult for me to step in and begin chairing the meeting half way through, so Jack should be prepared to do it all.

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 070045
Date: 25-Mar-1994 10:17am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(CHARLIE HOLLERAN @MLO)

Subject: STEVE GRAY

Charlie, Steve Gray was every bit as impressive as you said he would be, but I can also understand why you would have said it was time to sell. He's quite ambivalent about whether or not he should join us.

He asked a great deal of questions about Ed Lucente and the impact that Ed was having on the company, (perhaps you and I should talk about this further).

If there is a way to get him, let's get him.

DATED NOT READ

Printed by RUSS GULLOTTI @MKO ✓

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

Doc. No: 070100
Date: 28-Mar-1994 02:37pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(DICK FARRAHAR @MLO)

CC: Remote Addressee

(KAREN HOWARD @MRO)

Subject: TFSO FUNDING

Someone made a suggestion to me the other day that, in order help us with our cash flow with Digital, we should consider paying our TFSO'd employees their money on a weekly basis, i.e., as if it were salary continuation during their transition period. This would be in lieu of a lump sum payment.

In this model, the employee gets the same amount of money, but Digital's cash flow would end up having in the magnitude of a 90 day extension on these pay outs.

What do you think?

Dictated Not Read

*****THIS ANNOUNCEMENT IS FROM RUSS GULLOTTI AND JOHN RANDO*****

We are pleased to announce the appointment of John Paget to the role of Vice President, Multivendor Customer Services for the Americas.

John's mission will continue to be to increase our growth into the Multivendor marketplace, now expanding his responsibilities to include Latin America/Caribbean, Canada and the United States.

Over the next few weeks, John will be announcing his organization and business direction.

John is currently the Vice President of U.S. Multivendor Customer Services. Prior to joining Digital, John held the position of President and CEO of Intelogic Trace Inc. He also spent 20 years with Xerox Corporation in an executive position in Sales, Service and Logistics.

We feel John is well suited for this new role based on his understanding of these diverse marketplaces, his outstanding values-based leadership skills and innovative approach to the business. Please join us in welcoming John to his new position.

At this time, we would also like to thank the outstanding contributions of Don Herbener and his APA team which has successfully positioned the new Americas organization.

OK to Send?

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068571
Date: 15-Feb-1994 08:48am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee
TO: Remote Addressee

(MAX MAYER @MRO)
(BOB SCHMITT @MKO)

CC: Remote Addressee

(SCOTT ROETH @MKO)

Subject: FIELD OFFICE MODEL

Where are we on the assignment that the two of you had to propose what capital equipment would reside within one of our field offices?

Max, I believe you were going to propose what the capital equipment needs were and Bob Schmitt, you were going to look at it from a marketing and rollout perspective. What's the progress on this? I may want to adopt what you're doing in Canada and Latin America depending on what you've done.

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069071
Date: 25-Feb-1994 10:45am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(RONA ZLOKOWER @MKO)

Subject: BUSINESS ROUND TABLE

John Swope called to say that, though he was interested in attending our meeting to discuss the future of Business Roundtable on Education, that he would be out of town on that day and would be unable to attend.

Are we getting a good response from the others?

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

Doc. No: 069070
Date: 25-Feb-1994 10:36am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(ALBERTO COSTALES @AKO)

CC: Remote Addressee

(KAREN HOWARD @MRO)

CC: Remote Addressee

(BOB RUSSELL @SCO)

Subject: REPORTING RELATIONSHIPS

***** CONFIDENTIAL *****

I want you to submit the two people you're going to bring with you to the Americas ASAP please. I also want Karen Howard to take the appropriate steps to get you formally transferred as a direct report of mine.

Your previous comments about Tony Craig being asked to be responsible for all of the Acton resources was correct, but in no way represented a problem. Tony responded to my letter and he I agreed that I would cause this transfer to the Americas to occur immediately.

Dictated Not Read

Cypress

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DIGITAL CONFIDENTIAL Document

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

Doc. No: 068634
Date: 16-Feb-1994 11:46am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(KAREN HOWARD @MRO)

Subject: BOB RUSSELL

***** CONFIDENTIAL *****

I had an hour long update with Bob Russell today on the status of the Americas development. I don't mind telling you that after that meeting, I was quite worried. Bob's approach seemed to be extremely tactical and it appeared to me that he had absolutely no process in his own head for coming to any conclusions. Rather, he spent quite a bit of time telling me how much data he was requesting "his people" to provide him regarding industry resources, reference accounts, etc.

Karen, has Bob got his act together on this task? I believe the best thing I could do at this point would be to send him a very explicit list of deliverables I expect from him. Do you think this is necessary?

Please don't share my concerns with him. At least not until you and I have spoken. But I have to confess that I'm now nervous about what I'll get on March 8th. I'll give you a call to discuss this.

Dictated Not Read

DIGITAL CONFIDENTIAL Document

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068633
Date: 16-Feb-1994 11:31am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(SCOTT ROETH @MKO)

Subject: DVN FEEDBACK

As promised, I'd like to give you some feedback on your DVN to consider for future broadcasts...

Scott, you displayed confidence, humility, and a sincere desire for customer focus and excellence. The sales people will see that and they'll respond.

Don't lose your sense of humor, I think it counts and will help you communicate.

You encouraged people to ask questions and you made them feed comfortable.

You're not at all afraid to ask your direct reports to answer questions when you don't know something. That, too, will encourage people to believe in you and what you stand for. It's only when you try and pretend you know everything that you'll get yourself in trouble, in my opinion.

Here [←] are some things to watch out for...

This was clearly a sales DVN. I could envision cafeterias all over the United States with administrative and service people leaving during your talk. Perhaps this was not the case because you promised to close with a discussion on the employee survey, but when you did, you spoke only about the sales employee survey, including the specific dates on when the sales survey results would be rolled out. No one else would have any idea when they would hear anything.

The way for you to get around this in the future would be to specifically state who your desired audience is and, of course, anyone feel free to attend, but they would not be disappointed when you only spoke to the sales force.

One of your callers asked a question about whether or not you are planning any further sales incentive programs for this fiscal year. Keep in mind that Digital is new to incentive compensation and in very rapid fire order, we have, unfortunately, conditioned our sales force to hold on to orders such that they can use them when the "inevitable" end of the quarter incentive program gets introduced. The way I always answer that question, (I got it in almost every DVN), was "no,

I have absolutely no plans for additional incentive programs. I reserve the right to change my mind anytime I want to".

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068712
Date: 17-Feb-1994 02:10pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee
TO: Remote Addressee

(BOBBY CHOONAVALA @AKO)
(VINCENZO DAMIANI @GEO)

Subject: PHONE CALLS

Do you think it would be a good use of our time to have the three of us get on a con call on a periodic basis, just to discuss what's going on in each of our Areas?

I find myself every once ⁱⁿ and a while wanting to talk with the two of you about the goings on to get your opinions on some things.

If you think this is a good idea, I'll set ^{up} a con call between the three of us in the next week or two and we can discuss whether or not there is enough value added to do it on a periodic basis.

Let me know what you think please.

Dictated Not Read

Sent -

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068657
Date: 16-Feb-1994 02:54pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (ED LUCENTE @MLO)
CC: Remote Addressee (DAVE SPRATT @MRO)
CC: Remote Addressee (TONY WALLACE @MLO)

Subject: REVENUE GOAL FOR THE SYSTEM BUSINESS UNIT

As you requested I confirm acceptance of the revised revenue forecast for the America's. The revised revenue forecast for the America's FY94 is as follows:

	<u>Revised Forecast</u>	<u>February Forecast</u>	<u>Revision</u>
US	\$1748	\$1672	\$76
CANADA	150	140	10
LACT	103	103	--
AMERICA'S	<u>\$2001</u>	<u>\$1915</u>	<u>\$86</u>

These revised forecasts have been discussed with and will be affirmed with the individual territories this week.

The SG&A target for the US Territory is also accepted as follows:

	<u>Revised Forecast</u>	<u>February Forecast</u>	<u>Revision</u>
US	\$821	\$841	\$20M

I have not yet seen the detail plans behind the \$20M reductions in the USA so I have no specific "confidence level" at this point in time. I will fix this in the next few days.

does not agree,

Russ

*agenda Monday AM
you're not aware of work being done.
but Actions in process - Not a detail
will be - caused by Euro & Asia.*

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068710
Date: 17-Feb-1994 01:54pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (BOB RUSSELL @SCO)
CC: Remote Addressee (DAVE SPRATT @MRO)
CC: Remote Addressee (LUIS ZUNIGA @LAC)
CC: Remote Addressee (TONY CRAIG @MLO)
CC: Remote Addressee (SCOTT ROETH @MKO)

Subject: GLOBAL ACCOUNTS

**** draft ****

Send

As we build the Americas model, I want you to please pay attention to the global accounts responsibility that we should propose.

Global accounts will, of course, report to the appropriate local senior management but, we do need to solve the long standing problem of the budgets for global accounts that would free them from having to convince a person with a local responsibility to let them spend money on behalf of the rest of the company.

I would recommend a global accounts budget be held at each of the three Area levels, i.e., Americas, Europe & Asia Pacific to help us accomplish this goal. Account plans should be reviewed and approved, as appropriate, at the Area level on behalf of the entire company with the Corporate industry people (depending on what the final proposal is for their roles and responsibilities).

Russ

*for + send
A.M.T
SLT*

THIS MESSAGE IS FROM RUSS GULLOTTI

We are finalizing the Americas design in the next few weeks and will be announcing the complete organization soon. However, we have already decided to make Industry Marketing a key focus for the Americas in order to continue to support our customer's needs for industry specific solutions. I am, *therefore,* pleased to announce Bob Russell as Vice President, Industry Marketing for the Americas.

In this new role, Bob will continue the process that ensures Digital makes the right investments in solutions, provides industry training for Sales and Sales Support and develops marketing campaigns which vitalize our industry focused sales efforts.

In the Americas, the three Americas territory managers, Scott Roeth, Vice President, U.S. Territory, Ron Larkin, President of Canada, Luis Zuniga, Vice President, Latin America Caribbean Region and I agreed that we will keep this strong focus on industry and customer focus by the creation of a *-Pan pan -* American industry structure. We will share crucial industry skills which will allow us to take on a more international scope across the Americas while gaining efficiencies and strengthening our ability to deal with the management of time zones and the emergence of NAFTA.

was most recently the
Bob Russell is ~~currently~~ Sales Vice President, U.S. Financial, Professional and Public Services Business Unit, *and, as you know,* and I have asked him to also lead the Design Team for the Americas. A major portion of ^{Bob's} the Design Team effort will be to work with the Corporate CBU's to define the ~~critical~~ *focus areas for FY95 and beyond.* worldwide segments ~~for FY95.~~

With Bob's tenure in Digital he has had extensive management experience including responsibility as Vice President of the U.S. Systems Integration Business. His solutions experience, together with his district and regional management expertise, position him well to address the strategic and tactical business needs of Industry Marketing. Bob holds a B.S. from Ohio University and graduated Yale School of Management Executive Education Program. He also represents Digital on the Advisory board of the Fishman-Davidson Center at the Wharton School of Business, University of Pennsylvania.

Congratulations to Bob on his new, exciting role!

Russ

Distribution:

TO: Remote Addressee (HARRY COPPERMAN @OGO)
TO: Remote Addressee (JOEL GOLDSTEIN @MSO)
TO: Remote Addressee (RON LARKIN @TRC)
TO: Remote Addressee (KAREN HOWARD @MRO)
TO: Remote Addressee (MAX MAYER @MRO)
TO: Remote Addressee (BOB NEALON @BXC)
TO: Remote Addressee (JOHN PAGET @MRO)
TO: Remote Addressee (SHANE PATTERSON @WRO)
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TO: Remote Addressee (DAVID SPRATT @MRO)
TO: Remote Addressee (LUIS ZUNIGA @LAC)

Remote Addressee (HENRY ANCONA @MLO)
CC: Remote Addressee (GRESHAM BREBACH @MLO)
CC: Remote Addressee (BOBBY CHONAVALA @AKO)
CC: Remote Addressee (CHARLIE CHRIST @MLO)
CC: Remote Addressee (VINCENZO DAMIANI @GEO)
CC: Remote Addressee (DICK FARRAHAR @MLO)
CC: Remote Addressee (RUSS GULLOTTI @MKO)
CC: Remote Addressee (WIN HINDLE @MLO)
CC: Remote Addressee (JOHN KLEIN @MLO)
CC: Remote Addressee (PAUL KOZLOWSKI @MLO)
CC: Remote Addressee (ED LUCENTE @MLO)
CC: Remote Addressee (FRANK MCCABE @MLO)
CC: Remote Addressee (ED MCDONOUGH @BXC)
CC: Remote Addressee (VIN MALLARKEY @MLO)
CC: Remote Addressee (CLEMENT OBRIEN @MLO)
CC: Remote Addressee (BOB PALMER @MLO)
CC: Remote Addressee (ENRICO PESATORI @MLO)
CC: Remote Addressee (JOHN RANDO @OGO)
CC: Remote Addressee (BRUCE RYAN @MLO)
CC: Remote Addressee (TOM SIEKMAN @MSO)
CC: Remote Addressee (ADRIANA STADECKER @MLO)
CC: Remote Addressee (BILL STEUL @MLO)
CC: Remote Addressee (BILL STRECKER @MLO)
CC: Remote Addressee (LARRY CABRINETY @MRO)

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068828
Date: 21-Feb-1994 09:06am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (WIN HINDLE @MLO)
CC: Remote Addressee (VIRGILIO GALLO @GEO)
CC: Remote Addressee (BOB NEALON @BXC)
CC: Remote Addressee (DAVID JONES @MLO)
CC: Remote Addressee (TONY CRAIG @MLO)

Subject: CUSTOMER SATISFACTION SURVEY

I followed up our discussion with a phone call to Tony Craig. Tony is very much in agreement with us that we need to have the major customer satisfaction problems played out in such a way that our Account Managers can get back to their customers with a rational story about what we will do to help close out these problem areas in time.

Tony committed to work with his customer survey people to develop a plan, whereby the sales force is armed with the data they need to get sure with their customers on these important topics. In effect, Tony Craig is representing Ed Lucente as the "switch" between the customer and all of the parts of the company that may be presenting problems in our customer's eyes.

Meanwhile, in the Americas, using Bob Nealon, we will try to implement a closed loop system much like Virgilio has created for Europe.

I hope this closes out the action that I took last week. If any of you believe I've left something out, please let me know.

Dictated Not Read

✓

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DIGITAL CONFIDENTIAL Document

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

Doc. No: 068830
Date: 21-Feb-1994 09:23am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(SCOTT ROETH @MKO)

Subject: ALBANO/KAMINS

***** CONFIDENTIAL *****

I want to talk to you (again!) about Dennis Albano and Ed Kamins.
There's far too much noise in the system about this and none of it
will do you any good.

STATATED NOT READ

DIGITAL CONFIDENTIAL Document

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068831
Date: 21-Feb-1994 09:29am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(DAVE SPRATT @MRO)

Subject: U.S. EXPENSE REDUCTIONS

You sent me a series of notes about the U.S. \$20M expense reductions. I believe that when you read those notes, you thought there was reason for optimism. After I finished reading them, I became even more convinced that the \$20M was not yet committed to.

Did I miss something? All I saw was people saying they couldn't do it or saying they could do it if they had "expense relief". Maybe I read it too quickly. I'll leave it with you that you're comfortable with the expense reduction program in the U.S..

UNRECORDED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068829
Date: 21-Feb-1994 09:15am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (BOBBY THOMAS @STO)
CC: Remote Addressee (BOB NEALON @BXC)
CC: Remote Addressee (ROGER ROSE @ACI)
Subject: MONSANTO

I spoke with Carol Holmes regarding the memo that she sent to me because of our mis-shipments to her company. I told her that, rather than send her a letter, I wanted to communicate personally with her, (for which she was grateful).

In essence, I told her that we were going to continue to struggle for the rest of this quarter, and things would be markedly better in the fourth quarter, but Monsanto was receiving priority attention from Bobby Thomas and our Logistics people and that she should please be sensitive to the fact that if she would tell us her true priorities, could deal with that.

I think she was pleased that we spoke and I believe that she's comfortable that you, Bobby, are taking good care of things.

I invited her to call me personally if she felt that things were getting back out of control. Bobby, before that should ever happen, I would expect to hear from you in advance.

DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068898
Date: 22-Feb-1994 08:41am EST
From: ANTHONY F PELLEGRINI
PELLEGRINI.ANTHONY.F AT A1 AT
Dept: GE/MMC ACCOUNT GROUP
Tel No: 297-9348

TO: RUSS GULLOTTI @MKO
TO: FRANK MCCABE @CORE
TO: SCOTT ROETH @MKO

CC: TOM COLATOSTI @OFO
CC: JOHN OLEARY @COP

Subject: MARTIN MARIETTA WORKSTATION LOSS REVIEW:

Gentlemen:

Tom Colatosti has requested that I set up a meeting to review the workstation loss at Martin Marietta Corporation.

I suggest the following dates and times in the Marlboro area:

Monday, February 28, 1994, at 1:00 PM
~~Tuesday, March 1, 1994, at 3:00 PM~~
~~Tuesday, March 8, 1994, at 2:00 PM~~

The meeting should last no more than one (1) hour.

Please respond as to your availability and/or suggest alternative dates and times.

Thanks in advance.

Regards,

Tony

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

Date: 16-Feb-1994 02:04pm EST
From: Tom Colatosti @OFO
COLATOSTI.TOM AT A1 at NEMAIL
Dept: U.S. MFG. & DEFENSE BUS. UNIT
Tel No: 274-6584

TO: TONY PELLEGRINI @MRO
TO: JOHN OLEARY @COP

CC: SCOTT ROETH @MKO
CC: RUSS GULLOTTI @MKO
CC: FRANK MCCABE @MLO

Subject: MARTIN MARIETTA/EPI DOWN SELECT

I have informed Scott, Russ and Frank of the down select and expressed my deep disappointment and frustration with this loss. At the same time I was real clear on my commitment to the selling team and the outstanding job they did. It was their credibility, dedication and relationships with the customer that kept us in the process.

Nevertheless, this is an important loss that needs corporate visibility and one we need to learn from.

Please coordinate a formal loss review debriefing for the four of us so we can learn and be better prepared for future opportunities. Please schedule this review ASAP.

Thanks,
Tom

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068983
Date: 23-Feb-1994 03:44pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(ED KAMINS @MRO)

CC: Remote Addressee

(DAVE SPRATT @MRO)

Subject: AUDIT RESPONSE

You may want to use Tony Craig as the person responsible to help resolve the observations noted in the introductory part of the audit findings. Putting Ed Lucente's name may or may not be appropriate, but Tony's the person chartered to resolve the company's channels strategies as I understand things.

Russ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068966
Date: 23-Feb-1994 12:50pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (PAUL KOZLOWSKI @MLO)
CC: Remote Addressee (DAVE PADILLA @LAC)
CC: Remote Addressee (LUIS ZUNIGA @LAC)
Subject: TELMEX

If current plans continue, the Mexican government will put a second long haul telephone company on line in August of 1996.

I think we should prepare NOW
~~I'd like us to line up our ducks~~ now for how we would approach bidding on that business. Do you agree?

Do you have an opinion or some direction on how you believe we ought to proceed? Based on data that I have from Dave Padilla, (our Telecom person for LACT), MCI is already in a partnership with a bank (for funding purposes). Should we approach them to become the third member of a team that would go after winning this business? Should we be working with Bell South because of our success with Optus?

I don't claim that we need all these answers right now, but I would certainly feel better if we had a ~~cohesive~~ set of plans being put in place so that we could act quickly when the timing is right. If ~~we~~ *MCI* has, in fact, begun to put their plans together we're going to need to get in early, I would think.

I'd appreciate any thoughts you have on this Paul.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068880
Date: 22-Feb-1994 08:43am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee
TO: Remote Addressee

(VINCENZO DAMIANI @GEO)
(BOBBY CHOONAVALA @AKO)

CC: Remote Addressee

(TONY CRAIG @MLO)

Subject: FOLLOW UP

During our conference call, I agreed that I would check with Tony Craig about global accounts and how we're developing a proposal to deal with them.

Tony reminded me that Joe Arayas has the leadership responsibility for Tony with global accounts. In fact, current workshops are being conducted in different parts of the world with our global account managers to help develop the models by which we'll manage global accounts.

It is Tony's goal to have Joe present his proposed model at the March 1st woods meeting, (however, Tony believes that it really may not be ready in time for March 1st).

On another note, we're still trying to schedule the dinner with Ed Lucente and the four of us for the Monday evening before Ed's woods meeting. I'll let you know as soon as we get a response from Ed's office.

DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068879
Date: 22-Feb-1994 08:37am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(SCOTT ROETH @MKO)

Subject: SALES ATTRITION

Did I speak with you about Ed Lucente's note to me on sales attrition?
Have you and he discussed it yourselves?

If I haven't spoken to you, then we need to talk about Ed's expectations regarding substandard sales performers. If I have discussed it with you, then you know that you will need to track the amount of involuntary separation of our sales force due to poor performance.

Ron Larkin and Luis Zuniga have been made aware of this as well, and I am asking Karen Howard to track progress.

●
DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068881
Date: 22-Feb-1994 08:51am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(ALBERTO COSTALES @AKO)

CC: Remote Addressee

(LUIS ZUNIGA @LAC)

Subject: MEXICO PLAN

What are the dates for your deliverables around the Mexico strategic plan?

I'd like to get updated on where you are with this project with particular emphasis on your proposed time table for speeding up our growth plan in Mexico.

Give me a call to discuss please.

UNRECORDED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068953
Date: 23-Feb-1994 09:01am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(TONY WALLACE @MLO)

Subject: GOLF

I received your message that you are leaving on Monday at 3:00 on a company Westwind.

You should be aware that our ~~tee~~time on that Monday is at 10:40 am. Even if we got off on time, you'd never make a 3:00 flight because we have to drive from the golf course back to the airport, (unless you're not planning to play golf on Monday).

The next step is for Al Matteras to see if he and I can hold our ~~tee~~time on Tuesday, given that we'll only be a twosome. I'll try and get him some time during the week, but if I don't, I'm sure I can get him over the weekend. If we do have to lose our Tuesday ~~tee~~time, we all ~~must~~ have to come home on the Westwind, because there are no commercial seats available on Monday afternoon.

I'll let you know what happens, but in the meantime, you may want to move the Westwind departure time out a couple of hours.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068951
Date: 23-Feb-1994 08:48am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(SCOTT ROETH @MKO)

CC: Remote Addressee

(PAT FITZGERALD @MKO)

CC: Remote Addressee

(DAVE SPRATT @MRO)

Subject: EXPENSE REDUCTIONS

It's quite important that you and I talk about your \$20M expense reduction target.

I want to see if what Ed Lucente and I have been saying, is the same thing as what you and Ed Lucente are saying to each other.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068950
Date: 23-Feb-1994 08:44am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (SCOTT ROETH @MKO)

CC: Remote Addressee (TONY MORRIS @DCO)

Subject: GOVERNMENT PROGRAMS

Just to be sure you and I are connected, I have been dealing with some government programs, e.g., TAC4 for some time now, and am continuing to do so. However, I do want to phase the responsibility for future program efforts over to you as quickly as we possibly can.

Tony Morris has the obligation to brief you on the existing programs, as well as the responsibility to give the leadership to you on future programs.

The programs I am currently involved with are TAC4, Nike (a code name), and the FBI bid.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068965
Date: 23-Feb-1994 12:40pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee
TO: Remote Addressee

(BOBBY CHOONAVALA @AKO)
(TONY CRAIG @MLO)

Subject: ALBERTO COSTALES

In a recent conversation with Alberto Costales, he mentioned the fact that all Acton based people would have some sort of functional reporting relationship, pending decisions on where the organizations might reside. Alberto thought that his small group would report to Tony Craig until something else is decided.

I want Alberto Costales and two of his people to report to me in the Americas. I have a lot of work for them to do.

Bobby, this would not be in conflict with anything you and I had discussed before, would it?

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068966
Date: 23-Feb-1994 12:50pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (PAUL KOZLOWSKI @MLO)
CC: Remote Addressee (DAVE PADILLA @LAC)
CC: Remote Addressee (LUIS ZUNIGA @LAC)
Subject: TELMEX

If current plans continue, the Mexican government will put a second long haul telephone company on line in August of 1996.

I think we should prepare now for how we would approach bidding on that business. Do you agree?

Do you have an opinion or some direction on how you believe we ought to proceed? Based on data that I have from Dave Padilla, (our Telecom person for LACT), MCI is already in a partnership with a bank (for funding purposes). Should we approach them to become the third member of a team that would go after winning this business? Should we be working with Bell South because of our success with Optus?

I don't claim that we need all these answers right now, but I would certainly feel better if we had a set of plans being put in place so that we could act quickly when the timing is right. If MCI has, in fact, begun to put their plans together we're going to need to get in early, I would think.

I'd appreciate any thoughts you have on this Paul.

Russ

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068711
Date: 17-Feb-1994 02:02pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (DAVE SPRATT @MRO)
CC: Remote Addressee (BOB SCHMITT @MKO)
CC: Remote Addressee (MAX MAYER @MRO)

Subject: CAPITAL EQUIPMENT

Just a reminder Dave, that I've asked you to take a look at the best way to account for capital equipment in sales offices throughout the Americas. Should this be part of a location manager budget with depreciation rolled up to the territory level and then "taxed" to the business units, or should we consider rolling it up at the Americas level to take all of the stress out of the territories on this?

The reason I'm copying Bob Schmitt and Max Mayer on this is because they are in the process of developing ~~the~~ a proposal for the United States, which may be usable across all of the Americas Territories.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068704
Date: 17-Feb-1994 01:22pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(SHANE PATTERSON @MKO)

Subject: MASPAR

Did I ever assign a task to you to help John Harte, the CEO of Maspar to get a briefing on a low cost SMP machine? I should have asked you to talk with Elizabeth Strong and Sarah Long about this. Sarah Long is the sales person and Elizabeth Strong did a lot of work with Maspar in a large sales to Raytheon.

If I did assign this, what status do you have? If I didn't assign it, let's discuss this please.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068707
Date: 17-Feb-1994 01:40pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: See Below

Subject: ROLES AND RESPONSIBILITIES

I just want you to know that, in my preliminary discussions with Ed Lucente, he and I seem to be in agreement that the measurements of a Territory Manager would be as follows:

1. Achievement of a total revenue plan for all the businesses within that Territory.
2. Achievement of the profit plan for the Systems Business Unit.
3. Customer satisfaction across the Territory.
4. Employee satisfaction across the Territory.

Do all of you concur with this? Do you expect that we will have any difficulty with any of your functions or business unit leadership at the top of the company?

Dictated NOT READ

Distribution:

TO: Remote Addressee (HARRY COPPERMAN @OGO)
TO: Remote Addressee (JOEL GOLDSTEIN @MSO)
TO: Remote Addressee (KAREN HOWARD @MRO)
TO: Remote Addressee (RON LARKIN @TRC)
TO: Remote Addressee (MAX MAYER @MRO)

Use the RDL option to see remainder of distribution lists.

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068708
Date: 17-Feb-1994 01:45pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(GENE HODGES @LJO)

Subject: FEEDBACK

I got some great feedback on your CIO breakfast presentations. Ed Lucente, in particular, was quite effusive in his praise for your presentation.

None of this surprises me. You're good at what you do. I'm sorry we did not get to work together in Dallas.

DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068709
Date: 17-Feb-1994 01:50pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(CHARLIE HOLLERAN @MLO)

CC: Remote Addressee

(BOB RUSSELL @SCO)

Subject: COMMUNICATIONS

Just a follow-up on our brief discussion the other day, you're going to give me a call once you've had some time to work with Brian Coll regarding the structure of the communication function at the Americas level. I like your notion of a virtual team and look forward to having this discussion with you.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068677
Date: 17-Feb-1994 08:53am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (BOB RUSSELL @SCO)

CC: Remote Addressee (KAREN HOWARD @MRO)

Subject: AMERICAS

I spent a lot of time last night thinking about the brief discussion we had in Marlboro regarding the progress on the Americas. I'm concerned.

At this point, I'm not convinced that you will have what I need to have by March 8th. There are several reasons for this, not the least of which is a recent conversation I had with Bruce Ryan that, frankly, convinces me that we're almost nowhere around our industry model. I'll try to take care of that with Bruce and I'll be sure to copy you on any communications I have about that topic.

or before March 8th I need the following;

For each position that you recommend reports to me, I need to know what the Corporate role of the equivalent position is, if any (don't worry about MCS, DC and Mfg/Logistics); what the specific roles and responsibilities are of the Americas person or persons doing that job, and what the equivalent territory role would be, if any. With this data would be the total number of employees to be assigned these tasks and where they would come from, i.e., do they exist already or do we have a staffing task ahead of us? Then I would want you to be able to say to me what the beginning cost structure was for each of those organizations reporting into me and what the ending cost structure is, i.e., did we meet our goal of saving money.

Regarding the industry structure, what is the role of the Corporate industry segment, how many are there, and who manages them. What is the role of the Americas industry structure, how does it differ from the Corporate structure, what segments will we support, what segments will we not support, how many people are involved, what are their responsibilities, and who do you recommend be the leaders of these segments? How would they be measured?

Once again, for the industry structure you would need to tell us whether or not we saved money.

I would also need a funding process proposal for the Americas Area. I can give you some direction here. I believe I know what I want to do. I should also articulate any areas of concern that you have regarding the interrelationships between business/functions at the

Americas level.

Part of your proposal to me would be milestones, clearly defined deliverables and dates with action assignees. If any of these dates or action items go beyond March 8th, it would be a problem for me but I suppose in some categories like staffing or TFSO, that would be acceptable.

I'm dictating this note in a hurry, so I may have left some things out Bob, but I think you'll probably be able to see the "logical flow" I am looking for.

Let's discuss this further. I've copied Karen Howard on this note so that she, too, could get involved to help us make sure we're all together.

Russ

68734

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

Date: 17-Feb-1994 02:32pm EST
From: DAVE SPRATT @MRO
SPRATT.DAVE AT A1 AT USCTR1 AT
Dept: US FINANCE & OPERATIONS
Tel No: 508-467-5750

TO: Scott Roeth @MKO

CC: Russ Gullotti @MKO
CC: Pat Fitzgerald @MKO
CC: DAVE SPRATT @MRO
CC: Joan Gray @ACI

(SPRATT.DAVE AT A1 AT USCTR1 AT MRO)

Subject: (Postscript Doc. Attached) FY94

***** THIS MEMO IS FROM RUSS GULLOTTI *****

SUBJECT: FIRST HALF ACTUAL FY94
CONFIRMATION OF Q3/Q4 REVISED FORECAST
TERRITORY TARGETS

As we discussed, the following is confirmation of your 2nd half revenue and expense commitments. It is critical that we meet, as a minimum, these objectives. Based upon our current quarter order rate, it is clear these are achievable targets. I have also included the comparison to the Week 5 forecast and targets which we are driving the organization to attain. Success for the 2nd half is still the attainment of January 13 targets, not in the delivery of the revised forecast.

Also attached is your SG&A revised target.

Scott, per our discussions, the following is confirmation of your second half revenue target. I'm also showing you your revised forecast and your week five forecast. Success is the attainment of your targets, nothing less. You are also committed to ~~the~~ reduce your SG&A spending by \$20M.

**US TERRITORY
SUMMARY OF REVENUE PLANS**

	Q1 ACTUAL	Q2 ACTUAL	1ST HALF	Q3 REV FCST	Q4 REV FCST	FY94 REV FCST	Q3 WK 5 FCST	Q4 WK 5 FCST	FY94 WK5 FCST	Q3 1/13 TARGET	Q4 1/13 TARGET	FY94 1/13 TARGET
US												
ALPHA	46	37	83	64	89	236	64	89	236	64	89	236
VMS	173	155	328	154	166	648	181	215	724	181	223	732
CS S/W	14	13	27	14	19	60	14	19	60	14	19	60
NETWORKS	21	16	37	20	34	91	20	21	78	20	34	91
M&P	81	67	148	78	160	386	81	95	324	78	160	386
OTHER	100	85	185	47	95	327	13	52	250	23	144	352
TOTAL SYSTEMS	435	373	808	377	563	1748	373	491	1672	380	669	1857
PCS	88	108	196	122	153	471	122	153	471	123	145	464
C&P	100	120	220	120	125	465	120	125	465	120	99	439
STORAGE	56	67	123	111	148	382	111	148	382	139	175	437
TOTAL PRODUCTS	679	668	1347	730	989	3066	726	917	2990	762	1088	3197
MCS	379	372	751	376	400	1527	376	400	1527	406	477	1634
DC	135	133	268	140	177	585	140	177	585	145	199	612
TERRITORY TOTAL	1193	1173	2366	1246	1566	5178	1242	1494	5102	1313	1764	5443

68735

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

Date: 17-Feb-1994 02:26pm EST
From: DAVE SPRATT @MRO
SPRATT.DAVE AT A1 AT USCTR1 AT
Dept: US FINANCE & OPERATIONS
Tel No: 508-467-5750

TO: See Below

Subject: (Postscript Document Attached) FY94

***** THIS MEMO IS FROM RUSS GULLOTTI *****

SUBJECT: FIRST HALF ACTUAL FY94
CONFIRMATION OF Q3/Q4 REVISED FORECAST
TERRITORY TARGETS

As we discussed the following is confirmation of your 2nd half revenue and expense commitments. It is critical that we meet, as a minimum, these objectives. Based upon our current quarter order rate, it is clear these are achievable targets. I have also included the comparison to the Week 5 forecast and targets which we are driving the organization to attain. Success for the 2nd half is still the attainment of January 13 targets, not in the delivery of the revised forecast.

So attached is your SG&A revised target.

Distribution:

- TO: Ron Larkin @TRO
- CC: Russ Gullotti @MKO
- CC: Alan Hoverd @TRC
- CC: Alan Hoverd @TRO
- CC: DAVE SPRATT @MRO (SPRATT.DAVE AT A1 AT USCTR1 AT MRO)
- CC: Joan Gray @ACI

Use the RDL option to see remainder of distribution lists.

Ron, as we discussed, the following is confirmation of your second half revenue targets. I am also showing you your revised forecasts and the week 5 forecast you submitted. Success will be attainment of the targets, nothing less. ~~your revised forecast~~ Now we need to make it happen.

**CANADA
SUMMARY OF REVENUE PLANS**

	Q1 ACTUAL	Q2 ACTUAL	1ST HALF	Q3 REV FCST	Q4 REV FCST	FY94 REV FCST	Q3 WK 5 FCST	Q4 WK 5 FCST	FY94 WK5 FCST	Q3 1/13 TARGET	Q4 1/13 TARGET	FY94 1/13 TARGET
CANADA												
ALPHA	1	2	3	2	6	11	2	6	11	3	7	13
VMS	7	8	15	10	18	43	10	18	43	12	22	49
CS S/W	6	6	12	5	5	22	5	5	22	6	7	25
NETWORKS	2	2	4	4	4	12	4	4	12	3	5	12
M&P	3	4	7	7	7	21	7	7	21	9	9	25
OTHER	4	9	13	12	16	41	10	8	31	10	8	31
TOTAL SYSTEMS	23	31	54	40 *	56 *	150	38	48	140	43	58	155
PCS	6	9	15	16	12	43	16	12	43	17	12	44
C&P	5	5	10	5	6	21	5	6	21	6	5	21
STORAGE	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRODUCTS	34	45	79	61	74	214	59	66	204	66	75	220
MCS	35	36	71	37	37	145	37	37	145	37	37	145
DC	16	18	34	19	22	75	19	22	75	19	22	75
TERRITORY TOTAL	85	99	184	117	133	434	115	125	424	122	134	440
* Product Segment detail may change												

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068978
Date: 23-Feb-1994 03:16pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (SHANE PATTERSON @MKO)

CC: Remote Addressee (KAREN HOWARD @MRO)

Subject: AMERICAS STAFF MEETING

I have the following thoughts in my head about our first Americas staff meeting...

I would start with an open hour, during which I would discuss the systems business units and the goals of the territory manager. This will undoubtedly change as we get closer.

I want Bob Russell to have 2 hours to report out on the Americas proposal that I will have made to Ed Lucente by then, just to make sure we're all together around the implementation plans.

I would like Karen to lead a discussion on how we can rationally put together a "sales attrition" plan per the recent Ed Lucente memo.

I would probably want each of the territory managers to have 1/2 hour each on operational status, ie. certs and NOR to plan by business unit in their territory, with risks and actions.

I want Dave Spratt to do a one hour discussion on an expense reduction proposal. (it may be too late to wait until mid March to do this, but let's put it in our planning)

I need 15 minutes to do the Bob Palmer values roll out.

I would want Bob Nealon to do a customer satisfaction survey follow up plan per the discussions we've recently had with Win Hindle and others. That would probably take an hour.

I've probably given you other things to put on my agenda as well. Pool all these together and give it back to me. If the priorities are as high as I think they are, I may have to convene my meeting earlier.

Russ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068734
Date: 17-Feb-1994 03:22pm EST
From: DAVE SPRATT @MRO
 SPRATT.DAVE AT A1 AT USCTR1 AT
Dept: US FINANCE & OPERATIONS
Tel No: 508-467-5750

TO: Russ Gullotti @MKO

Subject: DRAFT (PST DOC ATTACHED)

Russ,

The US has the SG&A numbers but we are still waiting for verification of the numbers for Canada and LACT. We will send them to you tomorrow. I will give you a call on Friday to review these.

/lr

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

Date: 17-Feb-1994 02:34pm EST
From: DAVE SPRATT @MRO
SPRATT.DAVE AT A1 AT USCTR1 AT
Dept: US FINANCE & OPERATIONS
Tel No: 508-467-5750

TO: Luis Zuniga @LAC

CC: Russ Gullotti @MKO

CC: Ignacio Prado @LAC

CC: DAVE SPRATT @MRO

CC: Joan Gray @ACI

(SPRATT.DAVE AT A1 AT USCTR1 AT MRO)

Subject: (Postscript Doc. Attached) FY94

***** THIS MEMO IS FROM RUSS GULLOTTI *****

SUBJECT: FIRST HALF ACTUAL FY94
CONFIRMATION OF Q3/Q4 REVISED FORECAST
TERRITORY TARGETS

As we discussed the following is confirmation of your 2nd half revenue and expense commitments. It is critical that we meet, as a minimum, these objectives. Based upon our current quarter order rate, it is clear these are achievable targets. I have also included the comparison to the Week 5 forecast and targets which we are driving the organization to attain. Success for the 2nd half is still the attainment of January 13 targets, not in the delivery of the revised forecast.

Also attached is your SG&A revised target.

Luis, as we discussed, the following is confirmation of your second half revenue target. I am also showing your revised forecast and your week five forecast. Success is in meeting the target, nothing less. ~~The revised forecast is your current outlook and, though improved over week 5, still does not meet the targets.~~ In your case because you are projecting to meet your targets, the numbers are all the same. Now we just need to make it happen.

**LAC TERRITORY
SUMMARY OF REVENUE PLANS**

	Q1 ACTUAL	Q2 ACTUAL	1ST HALF	Q3 REV FCST	Q4 REV FCST	FY94 REV FCST	Q3 WK 5 FCST	Q4 WK 5 FCST	FY94 WK5 FCST	Q3 1/13 TARGET	Q4 1/13 TARGET	FY94 1/13 TARGET
LACT												
ALPHA	4	3	7	7	8	22	7	8	22	7	8	22
VMS	9	6	15	6	7	28	6	7	28	6	7	28
CS S/W	0	0	0	1	1	2	1	1	2	1	1	2
NETWORKS	2	2	4	2	3	9	2	3	9	2	3	9
M&P	5	5	10	6	7	23	6	7	23	6	7	23
OTHER	4	5	9	5	5	19	5	5	19	6	5	20
TOTAL SYSTEMS	24	21	45	27	31	103	27	31	103	28	31	104
PCS	1	3	4	5	7	16	5	7	16	5	7	16
C&P	0	0	0	0	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRODUCTS	25	24	49	32	38	119	32	38	119	33	38	120
MCS	16	15	31	14	15	60	14	15	60	14	15	60
DC	2	5	7	7	8	22	7	8	22	6	8	21
TERRITORY TOTAL	43	44	87	53	61	201	53	61	201	53	61	201

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069299
Date: 04-Mar-1994 10:54am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(BOB SCHMITT @MKO)

Subject: CIO EVENTS

I told you about my bet with Ed Lucente. He says there are no CIO events scheduled in the United States during the 4th quarter. I say there are, and when I say that, I'm thinking about CLFs.

Please confirm to me whether or not we have any events scheduled in the 4th quarter that have CIOs involved. If I win the bottle of wine, I'll give you a slug.

If I lose the bet, I'll just plain old slug you.

DATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069301
Date: 04-Mar-1994 11:01am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: See Below

Subject: APRIL ANNOUNCEMENT

The Territories of the Americas have agreed that we will implement an April announcement with CIO selling events to be held at least in the large cities, when we're sure we can pull it off professionally. The work is just beginning, so I can't be definitive as to how many events will take place where.

Your folks should begin working with the Americas Territories ASAP.

Thanks.

Dictated Not Read

Distribution:

TO: Remote Addressee (HENRY ANCONA @MLO)
CC: Remote Addressee (SCOTT ROETH @MKO)
CC: Remote Addressee (LUIS ZUNIGA @LAC)
CC: Remote Addressee (RON LARKIN @TRC)
CC: Remote Addressee (BOB SCHMITT @MKO)
CC: Remote Addressee (BOB RUSSELL @SCO)

Use the RDL option to see remainder of distribution lists.

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069423
Date: 08-Mar-1994 09:30am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(JOE NADLER @MRO)

Subject: Q3 NOR

Is there anything we can do to convert Q3 frontlog for high end servers into Q3 revenue by giving additional allowances, etc.?

When you come up with the good ideas that you usually have, do you communicate with Canada and Latin America to share your ideas with them?

Please give me a brief note explaining all the steps you're taking to convert frontlog to revenue for Q3 shipments.

Thanks in advance.

LECTATED NOT READ

TO: US TEAM
FROM: RUSS GULLOTTI
SUBJ.: SALES JOB REVIEW

You and your managers will soon be reviewing the job codes and, therefore, the classifications of all the Sales employees. This is very important, and we must do it right. We need to complete this before we begin salary planning in late December; so we can plan correctly.

I'm expecting about 4-5% of the Sales Force to change levels. While you'll review everyone, here are some of the categories where you'll need to focus:

- o Those who significantly changed positions due to the recent re-organization. For example, some former Sales Manager 2s are now managing Branches or Accounts. Some former Sales Manager 1s are now selling as Sales Specialists or Sales Executives. Some senior Sales Exec. 2s and 3s have had their account assignments changed and are over-classified, based on the work they are doing today.
- o Anyone currently in a Rotational Sales job code for over two years must be moved into an exempt job classification consistent with the work they are doing today. Sales Rotational job codes are available for temporary classification of career sales people doing a non-sales role, typically for less than two years. More than two years is not considered a temporary assignment.
- o A few Sales Exec. 2s and 3s have experienced decreasing responsibility over time. To quote our new UST Sales/Marketing Manager, "Jobs have levels, people have jobs". We expect you to reclassify each person to the appropriate job code consistent with their current job responsibility.

As a result of this project, only people who sell, or directly manage those who do, will remain in sales job codes (48Cx and 48Dx). If an employee does not, as their primary job responsibility:

- ~ Call on customers to sell
- ~ Manage those who do call on Customers to sell
- ~ Have a Sales Assignment Code and a Sales budget
- ~ Have eligibility for any Sales Incentive plans

they should be moved to an appropriate non-sales exempt job code. This would include CBU Market Segment Managers, CBU Channels Marketing Managers and many other employees who have new assignments this year.

We'll use the job descriptions, which the UST Design Team and the Compensation Team have updated consistent with the current UST Selling model. The language of the descriptions has been updated to properly reflect specialization.

Some salary adjustment may be necessary. If an individual's salary exceeds 120% of range position, the salary will be reduced to that rate, as part of the CY94 Salary Planning process.

The Job Review and Classification process, that has been designed, is a credible process for classifying all UST Sales employees based on the work they do today. The process has been designed to minimize the time managers spend reclassifying their employees. However, it is very important that managers take this work seriously and do a quality job as they will expect their managers to do for them. Please remember, every manager, at every level of the UST will review this work. I will approve the final recommendation.

Regards,
Russ Gullotti

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069256
Date: 03-Mar-1994 11:23am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(LUIS ZUNIGA @LAC)

Subject: EXPENSE SAVINGS

***** CONFIDENTIAL *****

Luis, please send me a brief memo describing the steps you are taking to cut an additional \$1M from your expense budget. I urge you to focus on additional sales support expense reductions, if that is do-able in your territory.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069255
Date: 03-Mar-1994 11:21am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(RON LARKIN @TRC)

Subject: EXPENSE SAVINGS

Ron, please send me a brief note telling what actions you're taking to cut \$1M from your expense budgets. I urge you to focus on a reduction in sales support resources as part of this effort.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069297
Date: 04-Mar-1994 09:24am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (BOB RUSSELL @SCO)
CC: Remote Addressee (DAVE SPRATT @MRO)
CC: Remote Addressee (JOE ARAYAS @AKO)
CC: Remote Addressee (TONY CRAIG @MLO)

Subject: AMERICAS

Once we get through the final design model for the Americas, I want you to please go see Joe Arayas and develop a specific budgeting model for global accounts so that we'll be ready for FY95. I suspect that all we will have to do is put program money at the Americas level. The individual expenses for the sales teams will, of course, reside in the geographies.

What is most important to me, is that all three areas do it the same way, and that roles and responsibilities are clear.

Check in with me as you proceed.

Thanks.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069298
Date: 04-Mar-1994 09:56am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (BOB NEALON @BXC)
CC: Remote Addressee (BOB GRIFFIN @MRO)
Subject: LOU COMBE

I spoke with Bob Griffin today about Lou Combe's potential movement from your organization to the Digital Consulting organization.

Apparently, Lou is a little bit concerned that if he goes and doesn't like it, that he won't have a job back in Logistics when he's done. I explained to Bob Griffin that I didn't see how it was possible for you to make a solid commitment to that effect, i.e., if Lou chooses to go to Digital Consulting, than that's a decision that he will have made and should live with. However, I fully agree that if a person with the skills of a Lou Combe should find out that he does not like working in the Digital Consulting environment, a year or so from now, can we should at least be willing to say to him, "we'll do all that we can to get you back into Manufacturing and Logistics".

If Bob Griffin asks you to make a statement such as this, would you be prepared to so without making any firm commitments?

Bob Griffin will call you to discuss this.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069300
Date: 04-Mar-1994 10:58am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(TONY WALLACE @MLO)

Subject: NIS SALES

Tony, are you aware that our networking products, when sold by Digital Consulting, are revenue to Digital Consulting and not to the Systems Business Unit?

As you go through the rationalization of the business unit models, you may want to keep in this mind, if you were not already aware of it.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069207
Date: 02-Mar-1994 09:34am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee
TO: Remote Addressee
TO: Remote Addressee

(LUIS ZUNIGA @LAC)
(SCOTT ROETH @MKO)
(RON LARKIN @TRC)

CC: Remote Addressee

(KAREN HOWARD @MRO)

Subject: STAFFING

I've had a couple of questions about staffing approvals.

Each of you is authorized to sign all Sales and Marketing requisitions unless SLT approval is necessary. The only item that I know of, which requires my signature as an SLT member, is international relocations. Otherwise, until someone changes it, you have the authority to do all other hiring signatures.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069251
Date: 03-Mar-1994 10:41am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(DAVE SPRATT @MRO)

CC: Remote Addressee

(BOB RUSSELL @SCO)

Subject: SPENDING

Everybody's working to their expense reduction numbers, but I hope you are building in some expense money for the existence of the Americas. Tony Wallace is making all of his calculations for the Systems Business Unit and I am counting on you to have some spending in there for the Americas. Otherwise, we will be totally penniless before we even start.

How have you been handling this?

UNRECORDED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069250
Date: 03-Mar-1994 10:25am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(DAVE SPRATT @MRO)

Subject: MY READINESS

***** CONFIDENTIAL *****

Some of what I'm about to say is my fault, some of it is yours...

Ed Lucente held a staff meeting for the past two days. Without any agenda topic calling for it, he asked the three areas to give a status report on where they were against their performance, headcount, goals, etc. Bobby Choonavala and Vincenzo Damiani stood up with a full set of slides. I stumbled through some reports that I had had the foresight to bring with me, but I clearly was not ready.

That's the first time that's ever happened to me. I have historically been handed a package before every such meeting. That doesn't happen anymore. Dave, this is the stuff where you and I need to get on each other's wave length. As I said, some of this is my fault for not asking for it, some of it's your fault for not assuming I would need it.

Let's talk about all this stuff, I'm sure we can fix it.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069249
Date: 03-Mar-1994 10:17am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(ABBOTT WEISS @MKO)

Subject: P.O.S.

You need to know about a conversation that took place today at Ed Lucente's staff...

We were looking at all of the Engineering investments being made today by the CBUs, and were trying to figure out which we should keep and which we should not keep. When someone mentioned POS, I told them about our conversation last week whereby you were having difficulty moving several million dollars worth of inventory.

You will probably get a request to present the status of your investments and their projected returns at Ed Lucente's staff meeting.

●
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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069248
Date: 03-Mar-1994 09:53am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(RITA YAVINSKY @COP)

CC: Remote Addressee

(BOBBY CHOONAVALA @AKO)

CC: Remote Addressee

(BOB TASSONE @SEO)

Subject: VIETNAM

I have no idea why you would be involved in this, but Armond Nucci, currently of the Boeing company, talked with me yesterday about the all Vietnam consulting company and an apparent agreement that Digital had with the one of the government associations in Vietnam to do some backbone network develop work.

He was expressing frustration on behalf of the people in Vietnam because we don't seem to be able to live up to our commitments.

What do you have to do with this, and can you give me your impression what's going on?

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

Doc. No: 069247
Date: 03-Mar-1994 09:46am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(SCOTT ROETH @MKO)

Subject: LEAK

I talked briefly with Bill Steul today (our CFO). He was on his way to a meeting to discuss "leakage" of our current U.S. order performance to analysts. Part of the reason for our recent stock price jump is that there is data reaching some of the brokerage houses about our "very strong U.S. order rate".

I wonder how much of this might have to do with your openness on your last DVN? Even though the stock jump is good news, it is bad news when analysts react to data that doesn't come from our investor relations organization.

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

Doc. No: 069424
Date: 08-Mar-1994 09:33am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (SCOTT ROETH @MKO)
TO: Remote Addressee (RON LARKIN @TRC)
TO: Remote Addressee (LUIS ZUNIGA @LAC)
CC: Remote Addressee (JOE NADLER @MRO)
CC: Remote Addressee (DAVE SPRATT @MRO)

Subject: FORECASTS

In looking out at your last forecasts, the Q1 numbers dropped dramatically from 4th quarter numbers. We're looking at something in the order of 27% forecast decrease from Q4 to Q1.

We can't let this happen. It is significantly greater than the "normal" decrease and would wreak havoc on our Manufacturing organization, let alone our cash flow.

On your next forecast submission, I will expect you to play close attention to your anticipated needs for the 1st quarter of FY95.

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✓

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DIGITAL CONFIDENTIAL Document

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

Doc. No: 069114
Date: 28-Feb-1994 10:47am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(KAREN HOWARD @MRO)

Subject: DOWNSIZING

***** CONFIDENTIAL *****

Based on the work that is going on in the Americas and U.S. Design Teams, I suspect we will have significant downsizing of resources.

You have been close to the work of both teams and therefore, I'd like your opinion as to when we can begin these downsizing actions.

I expect a significant number of employees to be impacted from the following organizations;

1. Corporate Industry Marketing
2. Industry Sales Support
3. Acton Industry Marketing

I'd like to get these downsizing actions started as quickly as we possibly can. Any advice that you have would be appreciated.

Dictated Not Read

DIGITAL CONFIDENTIAL Document

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069113
Date: 28-Feb-1994 10:34am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (JOE NADLER @MRO)
CC: Remote Addressee (SCOTT ROETH @MKO)
CC: Remote Addressee (ROGER ROSE @ACI)
CC: Remote Addressee (RON LARKIN @TRC)
CC: Remote Addressee (ABBOTT WEISS @MKO)

Subject: RETAIL POS

I talked with Abbott Weiss on Friday about the sale of his POS retail solutions.

They're not meeting their volume plan, and have several million dollars worth of inventory that they need to move out between now and September, (i.e., prior to the Christmas season beginning).

Currently, we'll have difficulty moving this inventory because the PET models show a loss whenever we get aggressive on our pricing. Abbott's request was that we tell our Ops people, in the field, not to lose point of sales device opportunities based on price until we can move some of this inventory out.

Of course, the bigger picture is whether or not we can create a business model that is truly profitable in retail POS solutions. Abbott is working hard on this problem.

I'd like you to work with our Canadian operations people on this as well, because the problem goes beyond the U.S. borders, according to Abbott. If you have any questions about what it is specifically that we need to have done, give Abbott a call but, in essence, it's a case of moving inventory by not losing on price.

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

Doc. No: 069112
Date: 28-Feb-1994 10:05am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee
TO: Remote Addressee

(JOHN PAGET @MRO)
(MAX MAYER @MRO)

Subject: ALIGNMENT

I think this is what we agreed to on our conference call on Friday regarding the alignment of Sales and Marketing with MCS and Digital Consulting. I will close the loop with Harry Copperman regarding the PCBU.

1. We will all use the word "Region" (though Max may say cluster up at the Digital Consulting Corporate level).
2. All of the Sales and Marketing Regional Managers will have an assigned person to work with them on their Regional teams from both Digital Consulting and MCS.
3. At the Sales and Marketing District level, we will align using the same model as for the Regions, i.e., there will be designated individuals for each Sales and Marketing District from MCS Sales, MCS Service Delivery, and a Professional Services Center.
4. Max Mayer's people will continue to work with Roger Rose to see if alignment changes can be done in support of getting the District geographical organizations closer together. I believe John Paget, you said you would look at that as well from and MCS Sales perspective, but not from and MCS Service delivery perspective.
5. MCS is in agreement with its alignment in Latin America and Canada. Max will check to see if there are any problems (via Sri), with Digital Consulting in Latin America and Canada.

Let me know if I have anything wrong, or whether or not I have omitted anything. If we're all in agreement, I will present this data to our three Territory Managers for conclusion.

Thanks for your time.

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

Doc. No: 069206
Date: 02-Mar-1994 09:31am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(LUIS ZUNIGA @LAC)

Subject: ARGENTINA

All of the plans we have about developing Argentina as a separate subsidiary include heavy involvement for the Personal Computer Group.

Involve Harry Copperman, or one of his people, in your plans very early and be sure that Harry is aware of all that we're doing.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 069209
Date: 02-Mar-1994 10:16am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (MIKE OATES @DCO)
CC: Remote Addressee (TONY MORRIS @DCO)
CC: Remote Addressee (SCOTT ROETH @MKO)

Subject: TAC-4

Thank you again for the work you did with the Strategy Committee.

Though folks were tired and, as predicted, a bit less attentive than they might have been, I think you accomplished your objectives.

Tony Wallace and I will be working with you to insure that the financial decisions get made in a fashion that supports your needs. You also need to continue to work with Scott Roeth regarding bid and proposal costs, and with each of the SLT members from whom you need specific support.

I checked with John Rando after the meeting, and was concerned when he told me that his MCS people knew nothing about variable costing until shortly before the presentation day. You will have to keep your Program Management Team well informed Mike. I want you to keep me posted on progress and any difficulties you might encounter... I want Digital to win this program.

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

Doc. No: 068477
Date: 11-Feb-1994 11:45am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(BOB MULKEY @MLO)

Subject: KAREN HOWARD

***** CONFIDENTIAL *****

Are you going to send a note out that announces Karen Howard as the Americas Human Resource Manager or, do you and I need to speak first about having her share both the Americas and United States responsibilities?

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068226
Date: 07-Feb-1994 10:26am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (RON LARKIN @TRC)
TO: Remote Addressee (LUIS ZUNIGA @LAC)
TO: Remote Addressee (SCOTT ROETH @MKO)
CC: Remote Addressee (DAVE SPRATT @MRO)
CC: Remote Addressee (BOB RUSSELL @SCO)

Subject: PRODUCT SEGMENTS

On February 3rd, you received a note from Henry Ancona which showed you what each of the five product segments within the Systems Business Unit would be responsible for.

Now I need you to do something very quickly...

By Thursday of this week, I need to hear from the three of you as to how you plan to tie yourselves directly into the five product segments. For instance, I know that Scott Roeth plans to have a direct linkage person by segment into each of the corporate segment managers. I also know that Luis Zuniga will have just three people representing the five segments. Ron, I'm not sure that your plans are.

What the three of you need to do, is to draw a brief organization model showing how you will link to corporate and then, where you have these people already identified, to put the names of the Territory Segment Managers in those boxes. Where you do not have the names yet staffed, please identify an acting person and show within that particular segment when you plan to have the staffing complete. All of this should be done on a single page with a few block diagrams.

Again, I must have this by Thursday for submission to Ed on Friday. Thanks in advance.

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

Doc. No: 067740
Date: 26-Jan-1994 01:59pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(SCOTT ROETH @MKO)

Subject: ELIZABETH STRONG

You have apparently decided on Elizabeth Strong to do Sales Training for the United States, (keep in mind this job may expand to include training for all of the Americas).

Before you pull her from Raytheon, I suggest a strategy that includes you, or perhaps myself, calling the senior people at Raytheon and explaining to them what we're going to do, and letting them be a complete part of selecting the next Account Manager. They won't be happy with a quick change of Elizabeth like this because she's only been on the account for slightly more than a year.

Let me know if you need my help with weaning Raytheon from Elizabeth Strong.

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067742
Date: 26-Jan-1994 02:06pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (RON LARKIN @TRC)
CC: Remote Addressee (DAVE SPRATT @MRO)
Subject: Q3 PROGRESS

During our brief phone call today, I thought you gave me the following data...

Your CERTS forecast for Q3 was \$55M and your NOR forecast was \$58.5M, though you were working to get to a NOR target of \$60M.

In looking at the Asia Pacific Certs report for week three of Q3, it says that your CERTS forecast is \$58.5M against a budget of \$69.5M.

Is your CERTS forecast \$55M or \$58.5?

Did you give me the correct numbers when you gave me a NOR forecast of \$58.5 and a target of \$60?

I've got to sort out a set of numbers that I can count on so that we can communicate clearly with each other, hence all this discussion.

As I committed to you, Dave Spratt is gathering the data necessary to confirm your second half "re-budget". We'll have that data to you next week.

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

Doc. No: 067743
Date: 26-Jan-1994 02:13pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (LUIS ZUNIGA @LAC)

CC: Remote Addressee (DAVE SPRATT @MRO)

Subject: SECOND HALF GOALS

Just to confirm with you our phone conversation today, Dave Spratt will do the work necessary to make sure that we are all clear on what your Q3 and Q4 objectives are for CERTS, NOR, and Profit by Business Unit. We'll try and get that data clarified between you and I by the end of next week.

I'll look forward to seeing you next week as well.

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

Doc. No: 067822
Date: 28-Jan-1994 09:08am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(SCOTT ROETH @MKO)

Subject: FRANK BOWDEN

***** CONFIDENTIAL *****

When you tell Frank Bowden what job you want him to do, try to keep him assigned to the task that I gave him recently to put a plan in place to penetrate the Spanish speaking market in Florida, Texas, and Southern California.

By doing this, you might accomplish two things; 1) Letting Frank know that you still plan to use him on projects that are much broader than that of a District Manager and, 2) I suspect that he'll come up with a good plan for more ~~rapped~~ *Rapid* growth in our Spanish speaking marketing place.

Let me know if you concur so that I can be supportive after he's been notified of his new job.

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

Doc. No: 067257
Date: 14-Jan-1994 01:47pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(BILL STEUL @MLO)

Subject: STRATEGY COMMITTEE ACTION ITEM FOLLOW-UP

Bill, you asked for a status report on the action item recorded under my name by Strategy Committee. Specifically, the Strategy Committee assigned me a task on the first of November to propose an implementation plan for the Network Integration Services decision.

I completed this work shortly after the assignment, was scheduled on Strategy Committee, but never got to do my presentation due to the late hour. At a subsequent date, the Strategy Committee made the decision without hearing my proposal.

I believe I can consider the action item closed, based on Strategy Committee's latest decision. Do you agree?

Let me recommend to you that when you send out the action items of the Strategy Committee, that you make the distribution restricted rather than company confidential.

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067256
Date: 14-Jan-1994 01:45pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(CINDY SAULN @WRO)

Subject: PERFORMANCE REPORT

It looks funny to have your name at the bottom of the District Performance Report with 27% performance to budget year to date at the end of November.

How does the future look?

Is there something I can do to help?

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

Doc. No: 067255
Date: 14-Jan-1994 01:42pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(ROGER ORR @WRO)

Subject: PERFORMANCE REPORT

The November District Performance Report shows you succeeded at the top of the pile! 130% of budget year to date to the end of November...

Great work, keep it up.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067254
Date: 14-Jan-1994 01:36pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(DAVE SALMI @CPO)

Subject: US BRANCH PERFORMANCE REPORT

The end of November Branch Performance Report shows someone named Regier as the Branch Manager with the lowest performance year to date. The report says Mr. or Ms. Regier works at your RMC, and is performing at 1.6% of a \$98M plan.

Is any of this fact? The numbers seem totally off the planet.

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

Doc. No: 067075
Date: 11-Jan-1994 09:11am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(KAREN HOWARD @MRO)

CC: Remote Addressee

(DICK FARRAHAR @MLO)

CC: Remote Addressee

(BOB MULKEY @MLO)

Subject: FEEDBACK

I met with the President of Monsanto today. In the course of our discussion, he asked about our experience in downsizing our employees relative to the kinds of work they ended up doing after they left our company. We chatted about this for a while based on my personal experience, but I promised him that I would ask you to get any information that we might have about the percentage of our employees that do get placed, within what period of time, and what kind of jobs they take.

Do have some of this information? Getting it to the President of Monsanto would serve two purposes...

1. It would be good information sharing, which might prove to help us at a later date.
2. We're trying to establish high level relationships with this account, and by me being able to deliver something of value to him, would help tremendously.

Let me know what data you can have, and when you can have it for me because I owe him an answer soon.

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068482
Date: 11-Feb-1994 12:02pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee
TO: Remote Addressee

(CINDY THIELMAN @OFO)
(BRUCE ROSE @OFO)

CC: Remote Addressee

(JOHN PAGET @MRO)

Subject: THANK YOU

On February 8th we had a major product announcement at the Westford Regency regarding Digital's new client server framework products. One of the customer in the crowd was Andre Richard ~~(?)~~ from the Polaroid.

Following my announcements speech, Andre came up to me to specifically praise the two of you for the excellent support that you give him and the Polaroid Corporation as field engineers for our Multivendor Customer Services organization.

I can't tell you how proud it makes me feel when our customer go out of their way to specifically praise our employees. It was clear that Andre buys from Digital Equipment Corporation because he has faith in its employees. He has faith in our employees because he has people such as yourselves providing him excellent service.

On behalf of the Senior Leadership Team of the company, thank you very much for your excellence.

Russ Gullotti

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

Doc. No: 068480
Date: 11-Feb-1994 11:53am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(SCOTT ROETH @MKO)

Subject: DVN

Another bit of advice for you when you do your DVN (aren't I being helpful?)... make some statement about your intention not to move account reps during these organizational changes. Some explicit statement by you would put to rest much of the concern that our account reps have. They have no confidence that management will not reassign them one more time.

Dictated Not Read

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

Doc. No: 068479
Date: 11-Feb-1994 11:51am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(HARRY COPPERMAN @OGO)

CC: Remote Addressee

(ENRICO PESATORI @MLO)

Subject: FEEDBACK

I sure am getting lots of feedback about the excellent talk you gave at the SME Rally in Houston.

Maybe if you and I put our heads together, we can teach Enrico how to give good talks like you give... (Enrico just a joke).

DICTIONATED NOT READ

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

Doc. No: 068478
Date: 11-Feb-1994 11:48am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(SCOTT ROETH @MKO)

Subject: BOB RUSSELL

***** CONFIDENTIAL *****

Scott, incase I don't get to you in time, I think the best way for you and I to handle the Bob Russell "announcement" on the DVN, is to let me do it in my introductory comments. That way, we can separate Cecil Dye and Frank Bowden from Bob Russell and I can go ahead and build him up appropriately.

Are you ok with this? Let's talk about it to make sure we're together.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067002
Date: 10-Jan-1994 10:13am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: See Below

Subject: ANNOUNCEMENT

I have a couple of questions for the two of you, and I'm not sure which question goes to which of you, so I'll address the memo to both.

The February 8th announcement training states that the training is mandatory for ALL sales people. The MCS, Storage, Components and peripherals people are all asking for the training to be optional.

If we did this, we would create room to train our partners at the session. If we make the training mandatory for literally every sales person, then we will not have the resources to do the training.

In the spirit of the way we're supposed^{to} run things these days, if it were my call, I would make it optional for MCS, Peripherals and Components, and Storage and invite as many partners as I can fit. I'm just not sure if that's the way we operate. Do you have any input for me on this?

Also, the United States is pulling people away from selling so that they can learn to train people. Some of these excellent sales people that we're asking to stop selling are seriously worried that this will cause them to miss their budgets and lose commission dollars. Are you running into this problem in GIA and Europe? Tony, you recently mentioned a program to provide some incentives for these folks to compensate them for time out of the field. When will we know the specifics of that program are? ^{what}

I'd appreciate hearing from the two of you soon so that we can notify the appropriate people.

Dictated NOT READ

Distribution:

TO: Remote Addressee (TONY CRAIG @MLO)
TO: Remote Addressee (BUD ENRIGHT @MLO)
CC: Remote Addressee (MARK OCONNELL @MLO)
CC: Remote Addressee (JANE LONGPRE @MKO)
CC: Remote Addressee (BOB SCHMITT @MKO)

CC: Remote Addressee
Remote Addressee

(JEFF BORKOWSKI @CYO)
(SCOTT ROETH @MKO)

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067001
Date: 10-Jan-1994 10:10am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(HOWARD WOOLF @MKO)

Subject: BOB SANFACON

Bob Sanfacon tells me that he will probably be laid off within a week or two. He expressed a strong interest in working in your organization. Do you have an opening for him?

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066997
Date: 10-Jan-1994 10:02am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(BOB MULKEY @MLO)

Subject: ORGANIZATION

I keep hearing about "Pittsburgh Project". Apparently, you or Ed Lucente or someone is doing something called the Pittsburgh Project that has to do with the US organization.

Can you fill me in on what this is?

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066988
Date: 10-Jan-1994 09:26am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(JOEL GOLDSTEIN @MSO)

Subject: PRODUCT MARKETING

Bud Enright has proposed that Bruce MacFadden represent Product Marketing on the design team for the Americas representing Marketing. I don't know Bruce very well but Bud assures me that Bruce is 100% on board with everything that's going on in Product Marketing and would be very useful to our team.

Would you support Bruce's presence on the team?

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067010
Date: 10-Jan-1994 10:55am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(ED LUCENTE @MLO)

Subject: CHANGE ORDERS

At our dinner the other night, I mentioned the fact that one of the reasons I thought our Certs were low in Q2 was because of the cleaning up our backlog, i.e., people were reviewing their backlog and either canceling or reducing the size of the orders for their accounts. My comment to you was that the old Certs measurement system might have created this problem.

I had people look into this and our change order rate and our cancellation is not significantly different year over year so my comments to you were not correct.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066987
Date: 10-Jan-1994 09:12am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: See Below

Subject: FRONTLOG SYSTEM

I'm sure you'll remember that a short while back Bob Schmitt made a proposal to the USMT that required our sales people to use our frontlog system. Each of you agreed that you would get your sales people to use the system immediately, (that was probably two months ago). The current participation rate for this system is running at about 60%. Two or three times in the past two weeks I needed the data that the frontlog system would provide me in order to help me make decisions. I've been unable to use the data because the participation rate is so low.

I want your sales people to use this system as you agreed. As you will soon learn, we plan to do weekly reviews of frontlog. It won't be as useful if you have to say to me "the data isn't accurate because my sales people aren't submitting the data".

Please implement what you agreed to do.

Distribution:

TO: Remote Addressee (TOM COLATOSTI @OFO)
TO: Remote Addressee (AL HALL @COP)
TO: Remote Addressee (MIKE HOWARD @MRO)
TO: Remote Addressee (ROGER ROSE @ACI)
TO: Remote Addressee (BOB RUSSELL @SCO)

CC: Remote Addressee (ROY WICKLUND @OFO)
CC: Remote Addressee (SCOTT ROETH @MKO)
CC: Remote Addressee (BOB SCHMITT @MKO)

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066939
Date: 07-Jan-1994 11:17am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(SCOTT ROETH @MKO)

Subject: "FACE TIME"

I had a chat with Ed Lucente about "face time". He doesn't care about time on the telephone. I told him I do care and considered time on the telephone with customers to be valid selling time.

When I asked him what a good percentage of face time would be in his mind, the best he ever had at IBM was 25%. I commented that we have 21% in the U.S. and wondered why he was making it sound so poor at meetings, etc. He commented that Europe only has 16% face time and the U.S. should be striving for a goal of 50%, though he's aware that we will never make it. He's of the opinion that we simply have to increase our face time. In his mind, one of the keys to accomplishing this are 1) getting Manufacturing to ship on time so the sales force won't have to do revenue administration and 2) that we fix our administrative systems which he considers to be one of the biggest problems in ^{the} company.

I'm giving you this for your information only.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066930
Date: 07-Jan-1994 10:21am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (KEVIN HAKE @DVO)
CC: Remote Addressee (JOHN PAGET @MRO)
CC: Remote Addressee (GERALD DELUE @DVO)

Subject: THANK YOU

I had a phone call today with Jim Cleek, the CIO of the Colorado Department of Transportation.

Several times during our conversation, he mentioned to me that you provided him with superb service and were an outstanding representative of Digital Equipment Corporation. As far as he's concerned, you go well beyond the call of duty to be sure that he's a happy customer.

I didn't want his comments to go unrecognized Kevin so I'm forwarding them to you, along with my own personal thanks for the excellent work you're doing with the Department of Transportation.

Happy New Year.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066938
Date: 07-Jan-1994 11:13am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (BOB SCHMITT @MKO)

CC: Remote Addressee (SCOTT ROETH @MKO)

Subject: STORAGE

^{one word}
When ever things start to go bad, it seems that people criticize the performance of the U.S. in relation to its storage sales.

Why don't we set up one of those mega conference calls with all of our storage specialists in the United States. Let's ask them what's working well and what's not working well. Let's get their opinion about programs we should have and let's find out from them why storage leads from MCS, (according to John Rando), don't seem to go anywhere.

Do you think this is a good idea?

Dictated NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066937
Date: 07-Jan-1994 11:09am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209



TO: Remote Addressee

(JOHN RANDO @OGO)

CC: Remote Addressee

(JOHN PAGET @MRO)

CC: Remote Addressee

(SCOTT ROETH @MKO)

CC: Remote Addressee

(BOB SCHMITT @MKO)

Subject: STORAGE

Ed Lucente tells me that at a recent Strategy Committee Meeting, you mentioned the fact that you thought the U.S. Sales Force was non-responsive to leads for storage products when introduced by MCS employees.

Can you amplify upon this for us? I want ^{to} be sure that we're being aggressive around taking good leads and closing them.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066954
Date: 07-Jan-1994 04:27pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: See Below

Subject: KUBOTA (KPC)

I had an action to help clarify what our relationship with Kubota should be. You also wanted me to research some allowances that were given by Digital as part of the Visions of Reality (VOR) bid by KPC. Here is what I propose;

1. Kubota should deal with us on OEM terms and conditions. If and when they want to work as a VAR or master reseller in specific instances, we would deal with that on an exception basis as we do with other partners. Treating them as an OEM is based on the fact that they private label our workstations. They are a manufacturer and they normally add significant engineering value with their sales.

2. In the case of the VOR sale, the allowance given was justified and supported by all appropriate levels of management. This was a competitive situation against SGI and KPC gave significant allowances themselves. They also passed all of our allowance on to VOR. Most of the allowance was given as a result of a price increase during the sales cycle against SGI. The DEC3000/300 Alpha AXP was \$7495 and went to \$8995 with DPP pricing. Our allowance terms to KPC require a 1000 unit volume. If not, we will do an agreed to billback.

Terry Fink told us that you were told during your visit to VOR that this business was "won" by KPC/Digital and that you deduced that an allowance was therefore unnecessary. Apparently, in the zeal by Digital/KPC and VOR to emphasize the positive aspects of this win over SGI, the VOR president may have implied that we would have won without the allowance. Not so say all people who were involved with this sales effort.

If you agree with this proposal, Ed Kamins and Dennis Albano will work the details of straightening out the relationship with KPC. They will treat the engineering relationship with Bill Demmer as a separate agreement to be dealt with by Bill and his organization.

OK?

Russ

Distribution:

Remote Addressee

(ED LUCENTE @MLO)

CC: Remote Addressee

(ED KAMINS @MRO)

CC: Remote Addressee

(DENNIS ALBANO @MRO)

CC: Remote Addressee

(terry fink @mlo)

CC: Remote Addressee

(BUD ENRIGHT @MLO)

CC: Remote Addressee

(BILL DEMMER @BXB)

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067011
Date: 10-Jan-1994 11:00am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(TOM SIEKMAN @MLO)

Subject: AMERICAS

Confidential

I met with Dick Smith on Friday to talk about the Americas organization.

Based on what he said to me, you and he are in agreement that he would be the Legal representative for the Americas. If, in fact, that is the case, I would be using Dick, or one of Dick's people, to help us with the design of the Americas group, which we will begin when we formally announce that I have been asked to create the Americas group. That should come some time next week.

Let me know if there is any specific data you think I need^{to} have about the Legal organization in the Americas, but Dick did a good job of briefing me so I think we're OK

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067008
Date: 10-Jan-1994 10:51am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (MAX MAYER @MRO)
CC: Remote Addressee (SCOTT ROETH @MKO)
Subject: SALES SUPPORT

Confidential

Are you downsizing Sales Support?

If you are, why would you do this just prior to potentially transferring over to SALES? Do you have the support of Sales management for the people that you'll be asking to leave?

Please respond quickly, if you don't have Sales agreement, we should stop this movement.

DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067004
Date: 10-Jan-1994 10:39am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: See Below

Subject: HOLIDAY VACATIONS

You had several visitors from Corporate during the holidays, one of whom was Tony Craig. He mentioned to me that he was surprised at how many of our sales people and sales managers were on vacation during the holidays. You also may recall that I sent a note specifically asking that sales people, order administration people, etc., be discouraged from taking vacation, given the need to bring in as many orders as we could. (Did you ever see that memo?)

To the others ^{folks} copied on this memo, did you take action requesting that we keep our sales force at work during the holidays?

DATED NOT READ

Distribution:

TO: Remote Addressee (CECIL DYE @WRO)
CC: Remote Addressee (SCOTT ROETH @MKO)
CC: Remote Addressee (TOM COLATOSTI @OFO)
CC: Remote Addressee (AL HALL @COP)
CC: Remote Addressee (MIKE HOWARD @MRO)
CC: Remote Addressee (ROGER ROSE @ACI)

Use the RDL option to see remainder of distribution lists.

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067694
Date: 26-Jan-1994 09:11am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee
TO: Remote Addressee

(RON LARKIN @TRC)
(LUIS ZUNIGA @LAC)

Subject: COMMUNICATIONS

Please be sure to copy me on important communications into your territories. It's a good way for me to understand where your priorities are.

Thanks in advance.

DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067693
Date: 26-Jan-1994 09:08am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(BOB RUSSELL @SCO)

Subject: EXPENSE REPORTS

Bob, your expense report for your recent cellular bill kicked out as being over \$150 in a month. When we looked it over, I noticed that there was no deduction for any personal calls.

In the future, please be sure that you note whether or not ~~that~~ there are any personal calls on the bill and, of course, if there are, deduct them. If there are none, say so on the bill.

Sorry ~~for~~^{to} have to micro-manage but I'm just playing by the rules.

dictated NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067692
Date: 26-Jan-1994 09:00am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(JOHN RANDO @OGO)

Subject: STEVE MOORE

***** CONFIDENTIAL *****

Steve Moore is a person that I worked with for several years while I ran CSS. I'm told that he's on the TFSO list but is a candidate for a job in your organization potentially working for Nick Pappas.

If Nick is interested in Steve, I think he'll have to bring the request to you, given that Steve is on a TFSO list, (you might recall that SLT members have to approve TFSO'd employees when taking new hires).

My recollections of Steve are quite good. From the description he gave me of the job he's a candidate for, I'm confident that he'd be able to do a good job there. Thought I have not worked with Steve personally for quite a few years, I think he would be a low risk candidate for the job, as I understand it.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067303
Date: 17-Jan-1994 09:14am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(SUSAN M FOLEY @MRO)

Subject: THANK YOU

Sue, we're all so busy that I wanted to be sure to take this opportunity to express my personal thanks to you as you head off to your new job.

I can sincerely tell you that I am extremely grateful for the incredibly long hours that you have always been willing to work as a key member of senior U.S. Management. I could always count on you for good advice and for pulling out miracles with all the fire fights that we're constantly getting ourselves into these days.

I make you one last offer Sue... if you ever change your mind about becoming a "corporate pull toy" let me know. There is always room for a senior professional in my organization wherever I might be.

Again, thank you and good luck in your new assignment.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067305
Date: 17-Jan-1994 10:03am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(KAREN HOWARD @MRO)

Subject: SALARY PLANNING

I think I need to plan Luis Zuniga and Ron Larkin's salary. In addition to all the data you've already given me, why don't you find out what I need to know about planning their pay for FY94.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO ✓

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

Doc. No: 067304
Date: 17-Jan-1994 09:20am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (TONY MORRIS @DCO)
CC: Remote Addressee (TOM COLATOSTI @OFO)
Subject: TAC-4

Tony, it's 5:30 on Friday afternoon January 14th, and I still don't have any output from the meeting we had on TAC-4 over a week ago. The commitment that you and your team made to me was that I would get an immediate summary of our meeting so that ^{we} could use it to help me schedule us to the Strategy Committee.

I have asked Andrea to schedule us to the Strategy Committee sometime for mid-February. At that meeting, I will ask Tom Colatosti to coordinate the preparation of a presentation that gives a brief description of the program, the opportunity it represents to our company, where we think we are in the running, and finally, asks each of the appropriate SLT members to play their role in helping us ensure that we win this.

I will, of course, want to see the presentation long before the meeting itself.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066928
Date: 07-Jan-1994 09:53am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: See Below

Subject: HISPANIC MARKET PLACE

I talked with Jorge Cebollero, Belinda Hernandez and Fred Zerger today about Digital's efforts to market to the large and growing Hispanic business community in the United States.

These three employees are part of the larger Hispanic leadership team in our company. They have done a good deal of work around the size of the Hispanic market and have several ideas on how we can get to it.

I want us to be aggressive about taking leadership in the Hispanic market place as we roll out our SME strategy in the United States. I don't believe that it needs to slow anything down to do this, rather, I believe if we just think it through, and make a few minor adjustments, we can help ourselves tremendously.

I would like to have Frank Bowden work with Belinda Hernandez, and, as needed, Jorge Cebollero and Fred Zerger, to ensure that our SME plans in Southern California, Texas and Florida include at least the following;

1. Spanish speaking SME sales people.
2. A specific plan to work with our resellers to recruit ISVs and VARs who can give us the best access to the Hispanic market place.
3. Some specific goals around our progress in gaining access to the Spanish speaking business community.

You will have no difficulty whatsoever in getting support from Jorge, Belinda and Fred. They are zealous. They believe in the market place and they are eager to see Digital do well in taking market leadership.

The reason I'm asking Frank Bowden to lead this effort is because of his physical presence in Texas, and the fact that he also has responsibility for Florida. He would, of course, fit any actions that he takes into Howard Woolf's SME plan.

Frank, do I have your support for this assignment?

Jorge, Belinda and Fred will communicate electronically with me on their assessment on how we're doing, and I plan to meet with them one

quarter from now to get an update on progress.

This could be fun and profitable. Frank, I look forward to your acknowledgment of this assignment.

Dictated Not Read

Distribution:

TO: Remote Addressee	(FRANK BOWDEN @SCA)
TO: Remote Addressee	(HOWARD WOOLF @MKO)
TO: Remote Addressee	(ED KAMINS @MRO)
CC: Remote Addressee	(SCOTT ROETH @MKO)
CC: Remote Addressee	(KAREN HOWARD @MRO)
CC: Remote Addressee	(JORGE CEBOLLERO @ALF)
CC: Remote Addressee	(BELINDA HERNANDEZ @SCA)
CC: Remote Addressee	(FRED ZERGER @MRO)

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067632
Date: 25-Jan-1994 09:28am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (JOHN PAGET @MRO)
CC: Remote Addressee (JOHN RANDO @OGO)
CC: Remote Addressee (JOEL GOLDSTEIN @MSO)
CC: Remote Addressee (KAREN HOWARD @MRO)

Subject: AMERICAS

I talked with John Rando today about the appointment ^{of} an MCS representative to the Americas's design team.

John wants you to be his responsible person for leading the MCS design effort for the Americas, but I will need you to appoint your representative on the Americas design team on behalf of MCS.

The person you appoint needs to be senior enough to represent the interests of MCS on this design team effort, such that poor decisions are not made regarding your business.

I'm convinced that this will consume a person practically full time over the next six weeks, both in representing you at the Americas design team meetings, and in helping you to prepare the design model that you would like to use.

I'd like to have the name of candidate by Thursday of this week please.

Thanks in advance.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067629
Date: 25-Jan-1994 09:14am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(BOB NEALON @BXC)

CC: Remote Addressee

(KAREN HOWARD @MRO)

CC: Remote Addressee

(JOEL GOLDSTEIN @MSO)

Subject: DESIGN TEAM

This is just to confirm that you will ^{be} the Manufacturing and Logistics design team member until such time as you believe it's necessary to name an alternative.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067628
Date: 25-Jan-1994 09:11am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(RAY WOOD @AKO)

CC: Remote Addressee

(BOBBY CHOONAVALA @AKO)

CC: Remote Addressee

(JOEL GOLDSTEIN @MSO)

CC: Remote Addressee

(KAREN HOWARD @MRO)

Subject: DESIGN TEAM

This note is just to confirm that you will be the Acton HQ Americas design team representative Ray.

You should count on giving us approximately 70-80% of your time over the next six weeks.

Karen Howard, myself, and the Americas design team leader (yet to be named) will be in touch with you to begin scheduling you as soon as we get the rest of the names.

Thanks in advance for your help on this.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067627
Date: 25-Jan-1994 09:02am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee
TO: Remote Addressee

(RON LARKIN @TRC)
(LUIS ZUNIGA @LAC)

CC: Remote Addressee
CC: Remote Addressee

(KAREN HOWARD @MRO)
(JOEL GOLDSTEIN @MSO)

Subject: DESIGN TEAM MEMBERS

I need you to appoint your Americas design team member within the next two days. Whom ever you give me, should be someone who can speak for you personally, and who is prepared to give no less than 75% of their time to this task over the next six weeks.

It's important that you assign a senior person to this role despite the fact that it may mean that you ~~to~~ pull them off something equally important. Without a strong representative at this meeting, decisions may be made that will not serve your best interest.

I'll look forward to hearing from you by Thursday.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067626
Date: 25-Jan-1994 08:55am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (SCOTT ROETH @MKO)
CC: Remote Addressee (KAREN HOWARD @MRO)
CC: Remote Addressee (JOEL GOLDSTEIN @MSO)

Subject: TEAM LEADER

Please let me know who your design team leader will be for the U.S.A., and therefore, for the Americas, within the next day or two.

The last time we spoke, it was going to be Roger Rose. If this is confirmed, let me know. Also, if it is confirmed, we're going to need to be careful about coordinating Roger's time between the US design effort and the Americas design effort.

Ken Howard will be managing the bulk of the OD work for me, while Joel Goldstein will be doing the bulk of the work for you.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067637
Date: 25-Jan-1994 09:56am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(KAREN HOWARD @MRO)

Subject: PCBU

You'll probably receive a call from Harry Copperman. He called me today to discuss the appointment of some VPs for this Business Unit in the United States. One of the people being considered is Dan Ross.

I told him I had no problem with anything that he's doing because it's his Business Unit to run, but I did say to him that he should speak with you because you'd be able to help him if any sensitivities around Dan cropped up.

Specifically, Harry was wondering whether or not he should put Dan in the job and then promote him later, or put him in now with the title, and if he doesn't perform, take the appropriate action later. I told him I preferred the former. But, again, I would support anything that he did and that he need not check back with me.

Are you OK with all of this? Please help him when ^{he} calls. Thanks.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067638
Date: 25-Jan-1994 10:02am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(ROGER ROSE @ACI)

Subject: PAULA KEEGAN

What's the status with Paula Keegan?

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067636
Date: 25-Jan-1994 09:53am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (DAVE SPRATT @MRO)
CC: Remote Addressee (TONY WALLACE @MLO)
CC: Remote Addressee (KAREN HOWARD @MRO)
CC: Remote Addressee (JOEL GOLDSTEIN @MSO)

Subject: AMERICAS DESIGN TEAM

Dave, I'll need to know who you want to put on the Americas design team effort. The person to whom you assign this task needs to be senior enough to represent your design goals for the Americas.

I suspect that this will consume a lot of time over the next six weeks, unless we can go with the goal of going must faster, of course.

I me know who you are going to put on this team by Thursday of this week please.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067635
Date: 25-Jan-1994 09:46am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(TONY CRAIG @MLO)

CC: Remote Addressee

(KAREN HOWARD @MRO)

CC: Remote Addressee

(JOEL GOLDSTEIN @MSO)

Subject: AMERICAS CHANNELS

I'm putting the Americas design team together Tony, and think it would be appropriate to have a person representing the interests of Channels on the team. It seems to me, that Channels is a local effort, but you may choose to want to have some Channels representation at Americas.

If you're convince^d that we will not need anyone at Americas, (that's where I am right now) then we can skip having representation on the Americas design team. However, if you think you're not sure, then we need to put a senior Channels person on the team to help us make that call.

If you have already contact^{ed} Ed Kamins about being your Channels person, perhaps he could sit on the design team as well. Try to let me know by Thursday of this week if it's at all possible please.

Thanks in advance.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067634
Date: 25-Jan-1994 09:40am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (CHARLIE CHRIST @MLO)
CC: Remote Addressee (KAREN HOWARD @MRO)
CC: Remote Addressee (JOEL GOLDSTEIN @MSO)

Subject: AMERICAS

Charlie, you may be aware that I'm being asked to design an Americas Area for the company. I am building a design team that will have representatives from all of the different parts of the company who will work within the Americas Area.

We don't have a storage person in the U.S. today, and perhaps you don't want to have one at the Americas level. I do think, though, that you and I should talk about this because I am launching this team next week, and if you do want to consider having a storage person handle the affairs of your Business Unit across all the Americas, then we need to have that person participate in the design effort.

The design team members will have to commit a significant amount of their time over the next six weeks making this happen.

After you get this note, and have had a few minutes to think about it, please give me a call. As I said before, I'd like to have the team convene starting next week.

DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067633
Date: 25-Jan-1994 09:35am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (CHARLIE HOLLERAN @MLO)
CC: Remote Addressee (KAREN HOWARD @MRO)
CC: Remote Addressee (JOEL GOLDSTEIN @MSO)

Subject: AMERICAS

Confidential

Per our discussion the other day, I would appreciate it if you would appoint a person to work with us on the Americas design team. This person will need to give up a significant amount of their time over the next six week period Charlie, in order to best represent your interests, and that of the Americas.

My advice would be that you not send Sandy Carpentier to do this task but, perhaps someone else on your team, who can think through the task creating a model similar to what you described to me for Europe.

Can I have the person's name by Thursday of this week? We've got to go fast and we need to get started.

Thanks in advance.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067630
Date: 25-Jan-1994 09:16am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (BOBBY CHOONAVALA @AKO)

CC: Remote Addressee (KAREN HOWARD @MRO)

Subject: SALARY PLANNING

I'll try to find a way to get in touch with you to talk with you about salary planning for Ron Larkin, but I'm confused as to why you would want me to plan for Alberto Costales. If your assumption is that he will most certainly work for me in the Americas, I could understand why you would want me to do it, but that's not a given Bobby. I recommend that you do the plan for Alberto, given your knowledge of his work and his performance.

I'll also need your thoughts on Luis Zuniga's salary plan. I need to know when he last received an increase and what your thoughts are on calendar year 94's salary plan.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067536
Date: 24-Jan-1994 10:14am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(GENE NELSON @MKO)

Subject: CSS

Every time I open my mail these days, it seems that you're laying off another of our long time CSS associates.

How deeply are you cutting and who are you cutting? When will these people be asked to leave?

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067535
Date: 24-Jan-1994 10:11am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee
TO: Remote Addressee

(LUIS ZUNIGA @LAC)
(RON LARKIN @TRC)

CC: Remote Addressee
CC: Remote Addressee

(SCOTT ROETH @MKO)
(DAVE SPRATT @MRO)

Subject: RE-BUDGET

In the United States we are "re-budgeting" the field force based on the new targets given out by Ed Lucente.

What impact has this had on the two of you, i.e., have you received a new budget number for the second half of FY94?

DELETED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067534
Date: 24-Jan-1994 09:52am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: See Below

Subject: NETWORK TEAMS

I know that the two of you have recently divided up the responsibilities for PC Integration and Network design. In the United States, we would like to use the concept of Network Teams at the District level which would include network skills from all of the different parts of our company, including your two organizations.

As Scott Roeth rolls out the design of the new United States model, I want him to focus on ensuring that these Network Teams roll out quickly and with minimum confusion.

The concept of the Network Team is to make it very easy for an Account Manager to get access to whatever networking skill he/she might need. There will be "virtual teams" available to the Account Managers at the Geographic District level. Access to resources from your organizations, the Networks Products Group, and whatever third party might need to be involved will all be easily accessible through these network teams. We would like the metrics of these teams to insure that the focus is on Networking revenue for Digital. Management can then break it out to the appropriate Business Units after we have won the business.

I suggest that the two of you get a briefing from your respective U.S. Managers, but in the meantime, unless I hear otherwise, we're going to go full steam ahead with these teams. OK?

Distribution:

TO: Remote Addressee (GRESHAM BREBACH @MLO)
TO: Remote Addressee (JOHN RANDO @OGO)
CC: Remote Addressee (JOHN PAGET @MRO)
CC: Remote Addressee (MAX MAYER @MRO)
CC: Remote Addressee (SHANE PATTERSON @MKO)
CC: Remote Addressee (SCOTT ROETH @MKO)
CC: Remote Addressee (BOB SCHMITT @MKO)

Use the RDL option to see remainder of distribution lists.

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068298
Date: 08-Feb-1994 09:04am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(BOB MULKEY @MLO)

CC: Remote Addressee

(TOM TOSCHIK @MRO)

Subject: KAREN HOWARD

***** CONFIDENTIAL *****

I don't know what you've done about salary planning for Karen Howard, but I think we're just about out of time, so let me propose an 8% increase to be given in December of 94. This is a 12 month increase. As I told you, I believe her performance continues to ~~rate~~ ^{be} a 1. Please let me know if you concur.

Tom Toschik, if you are at a deadline and don't hear from Bob Mulkey, then I believe you can go ahead ^{with} ~~load~~ in my proposal because we always change it at implementation time.

DICTIONARY NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067581
Date: 24-Jan-1994 01:41pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (TONY CRAIG @MLO)
CC: Remote Addressee (SCOTT ROETH @MKO)
CC: Remote Addressee (ED LUCENTE @MLO)
Subject: ED KAMINS

***** CONFIDENTIAL *****

I just want to confirm with you that it is your plan to ask Ed Kamins to be responsible for Channels at the Corporate level working for you.

While we were in Brussels, we spoke about this and I believe that ~~is~~ ^{it} was agreed that you would do this. Unless I have the story wrong, (in which case I wish you'd give me a call) I think it would be helpful if you'd get in touch with Ed, inasmuch as all of the activity going on with the creation of the Americas, and re-alignment of ^{the} U.S. Territory, will require ~~to~~ Ed Kamins to know what's going to happen to him very soon.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067639
Date: 25-Jan-1994 10:03am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(MAX MAYER @MRO)

Subject: GROWTH

I had a brief conversation with Gresh Brebach today.

During the course of the conversation, he started talking about growth, and the need for the United States to start working on growth now that profits are improved. I'd be happy to sit with you and put our heads together about ideas that we may have to get things growing again. It makes no sense that we're losing market share with our consulting organization.

DECLASSIFIED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067540
Date: 24-Jan-1994 10:30am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(ED KAMINS @MRO)

CC: Remote Addressee

(DENNIS ALBANO @MRO)

CC: Remote Addressee

(SCOTT ROETH @MKO)

CC: Remote Addressee

(ROY WICKLUND @MRO)

Subject: KUBOTA

What have you done, if anything, based on our decision to treat Kubota as an OEM?

Are you or Dennis working with the Account Manager to bring this to some conclusion?

I don't want all the work that we've done to go for ~~not~~^{naught}, someone has to put a plan together to get to our partner.

You and Dennis should both let me know your thoughts.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067542
Date: 24-Jan-1994 10:40am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(LARRY WATERKOTTE @DLO)

Subject: PERFORMANCE

I was just looking at the Global Account Performance figures through the end of November, and couldn't help but notice that you were leading the pack at 216% of projected end of November performance. If I'm reading the number correctly, you've already got 90% of the total year's budget shipped.

Please send me a note telling me what's happening at Block Buster and let me know some of the reasons, besides your outstanding skill and cunning, of course, that we're doing so very, very well.

It's fun to read reports like this Larry. Great! Congratulations to you and your team for what is obviously headed for another excellent year with Block Buster.

Dictated Not Read



Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067541
Date: 24-Jan-1994 10:33am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(NICK GANIO @MLO)

oneword
Subject: BLOCK ~~BUSTER~~

While we were in Brussels you asked me for the correct pronunciation of Larry Waterkotte's name.

Some 2 fees
Why didn't he get an award? (If he did, I missed it).

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067539
Date: 24-Jan-1994 10:26am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (DAVE BERRY @AKO)

CC: Remote Addressee (SCOTT ROETH @MKO)

Subject: TRAINING

Tony Craig mentioned to me that we had a very disgruntled employee at our Detroit training. If the story is correct, he apparently walked out of the meeting and wrote a nasty memo.

Who was this and who did he write the memo to? I'd like to read it.

DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067538
Date: 24-Jan-1994 10:22am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(SHANE PATTERSON @MKO)

Subject: GOOD NEWS

You're trying to gather up all the "good news" comments for me to forward to Bob Palmer to incorporate into some of his talks.

As you do this, be sure to include the following;

1. The excellent SME plans of the U.S. and the number of Sales people associated with it. Be sure to include the growth in our SME market year on year.
2. List some first time Hewlett Packard wins, i.e., when Digital comes in and knocks HP out of an installed account.
3. Find a Sales person who's making a lot of money due to the Sales Compensation plan and make sure that Bob Palmer knows about it.

When are you going to have this for me?

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067537
Date: 24-Jan-1994 10:17am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(MAX MAYER @MRO)

Subject: FRITZ AUMANN

***** CONFIDENTIAL *****

I keep hearing different things about what's happening with Fritz Aumann.

Is he OK? Will he continue to work for you? Someone said they thought he worked for Rich Linting, is that true?

When you get a minute send me a note or give me a call about Fritz.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068103
Date: 03-Feb-1994 02:37pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (ROY WICKLUND @MRO)

CC: Remote Addressee (ROBB EDWARDS @DVO)

Subject: WORKSTATION SPECIALISTS

Robb Edwards is one of workstation specialists in Denver. He asked me a question that I couldn't answer... will he receive variable compensation beginning in February?

He's been told it will start in February but he's seen nothing to indicate that will really happen, including a report showing his progress to date.

Please communicate directly with Rob^b as to whether or not he can expect variable compensation in February and I'd like you to copy me on your response.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068105
Date: 03-Feb-1994 02:47pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(ROY WICKLUND @MRO)

Confidential

Subject: AMERICAN STANDARD

I was told recently that American Standard is treated as a "SME Account" by Digital.

If I'm correct, this is an enormous company with several major divisions, e.g., ~~Trane~~, etc. Do we have an account manager on American ~~and~~ Standard?

If we don't, I'd be willing to bet that Tony Mercado in Denver would be happy to take on that role.

DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067899
Date: 31-Jan-1994 09:23am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(HARRY COPPERMAN @OGO)

Subject: PC

Are you and Tony Morris all squared away on the PC land business?
I haven't heard from you or him since I spoke to him the other day.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067900
Date: 31-Jan-1994 09:25am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (RAY WOOD @AKO)
CC: Remote Addressee (BOB RUSSELL @SCO)
Subject: AMERICAS

Bob Russell will be the team leader for the Americas design effort.

I'd like the two of you to get together very quickly so that Bob learns all of the elements of the GIA Headquarters group in Acton.

Both Bob Russell and myself need to become familiar^{ar} with what resources exist at the Headquarters and what work they do.

It would be helpful if you make a brief listing of the number of people^{an} in their related tasks for Bob and I in advance of the first team meeting.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 067769
Date: 27-Jan-1994 10:38am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (AL HALL @COP)
CC: Remote Addressee (SCOTT ROETH @MKO)

Subject: Q2 GOALS AND ACCOMPLISHMENTS

Thanks for sending your Q2 Quarterly report. All future copies should be sent to Scott Roeth.

Here are the comments I have on your report;

1. These reports are intended to have you include your financial metrics for the quarter. You simply stated that your goals were "not met". You need to put the CERTS, NOR and Profit goals along with DSO and your actual performance too.
2. You make a comment that you completed your identification of key resources to meet the business needs. I'd like to know what you meant by that.
3. On goal #5, implementing customer engagement programs, you say that you are on plan to achieve SG&A of 23.7% by the end of FY94. I don't understand how that can be true, given you revenue shortfall. Please explain your comment that you are on plan.

DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068138
Date: 04-Feb-1994 09:50am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (FRANK BOWDEN @SCA)
CC: Remote Addressee (HOWARD WOOLF @MRO)
CC: Remote Addressee (SCOTT ROETH @MKO)

Subject: HISPANIC LEADERSHIP

As we roll out the SME effort throughout the United States, please remember your assignment to help us grow our presence in the Hispanic marketplace.

When we start putting SME branches into Southern Florida, Texas and Southern California, we should be very aggressive about trying to hire Hispanic cultured leaders.

dictated NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068136
Date: 04-Feb-1994 09:38am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (BOB GREGORIO @MRO)
CC: remote Addressee (HOWARD WOOLF @MRO)
CC: Remote Addressee (ED KAMINS @MRO)

Subject: THANK YOU

I'm impressed! The support that your folks gave to making the SME Sales Rally in Houston the raging success that it was, was simply incredible. I'm beginning to believe there is nothing your folks can't do. This time we gave you no notice whatsoever and you pulled it off again.

Please thank the professionals in your group for doing another superb job.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068135
Date: 04-Feb-1994 09:23am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (SHANE PATTERSON @MKO)

CC: Remote Addressee (SCOTT ROETH @MKO)

Subject: BRANDING TAPE

At the Brussels meeting, Charlie Holleran introduced the folks from our branding effort. There was an approximately one hour presentation on the steps that Digital is taking to convert its image in the field.

Scott Roeth had mentioned, at one point in time, that ^{the} tape ought to be distributed throughout the United States. In my travels throughout the U.S., I will second Scott's comment. We need to get that distributed to the local offices for employees to see.

So, I don't know what vehicle you want to use to get it out there, but I think we should clearly do it. Shane, if you'd like to do a test run on this, get a copy of that tape into Ed Daihl. He's the Location Manager in the Denver office and said that he'd be glad to pilot the running of that tape for all of the employees there. They're anxious to see it.

Let me know what you decide to do regarding the Denver office, and Scott, let me know what you decide to do for distribution of that tape throughout the United States.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068106
Date: 03-Feb-1994 02:50pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(CHARLIE CHRIST @MLO)

Subject: PHILIPS LMS

Charlie, I met with the CEO of Philips LMS today. His name is Charlie Johnstone.

He's a customer of ours, and uses our products to run his factory floor.

In the course of the discussion, he was describing to me how he used to do business with us but for whatever the reasons we switched our business to Sony.

I promised Charlie Johnstone that I would mention this to you and further, would ask you, on your next visit to Colorado Springs, to stop by and visit with him. His office is just around the corner from your plant in Colorado Springs.

Do you have any desire to meet with him? His idea was that all of you who are in this business should get to know each other, if for no other reason than to share war stories and assess what's going on in the industry.

Let me know ~~please~~ if you plan to do anything with this so I can let the account manager know. Thank in advance.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068104
Date: 03-Feb-1994 02:42pm EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(JOHN PAGET @MRO)

Subject: MCS

At an employee meeting in Denver today, one of your field engineers asked me a question I could not answer.

He asked whether or not you had additional plans to downsize field engineers. I answered that I didn't know but I was certain that you would continue to be looking at the overhead structures in MCS.

He further asked me why it was possible for a person like himself to go ~~to~~ an entire year with no training. Frankly, I was surprised by this because your organization is clearly in a leadership role in training its employees. This particular person was assigned to a service support center in Denver and I'm sorry, but I don't have his name. Rather, if you get a minute, answer these questions in general so if I'm with employees again in the future I can sound a little bit intelligent ~~o~~ these topics.

Thanks in advance.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068219
Date: 07-Feb-1994 10:02am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (JOHN PAGET @MRO)

CC: Remote Addressee (PETER SMITH @GEO)

Subject: ADD-ON PROPOSAL

John, please give Pete Smith a call to discuss your idea to have the service engineers do immediate upgrades whenever they have a maintenance situation that calls for it.

I mentioned this idea briefly at Ed Lucente's staff meeting the other day and Pete Smith would like to know more about it.

I believe Pete can be reached in Europe during this coming week.

LECTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068149
Date: 04-Feb-1994 11:02am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(MAX MAYER @MRO)

Subject: "CSS"

Are we slowly dismantling CSS? It seems to me that at the rate we're going, there will be nothing left of this profitable arm of Digital Equipment Corporation.

When this topic comes up in ^{the} field, there is general dismay over the loss of the resources necessary to grow this business.

Are ^{you} or Gresh working to eliminate CSS?

DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068148
Date: 04-Feb-1994 10:54am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (CINDY SWECH @MRO)
CC: Remote Addressee (KAREN HOWARD @MRO)
Subject: EMPLOYEE SURVEY

Over the past couple of weeks I've been doing a lot of traveling to local field offices and have had some feedback about why participation in the employee survey will not be as high as it might have been.

- 1) Most of the memos sent to the field about the survey were "from Russ Gullotti & Scott Roeth". When the employees in the field read this, they assumed that the survey was primarily a sales survey because they associate Scott Roeth with being the manager of sales. ~~And~~ at least one office, all the service employees commented that they were surprised they got the survey at all, given that it was a sales survey, so they ignored it.
- 2) Service employees that I spoke with said they did not fill out the survey because just a few months ago they filled out another survey which resulted in a lot of data being gathered which they believe directly resulted in many of them being layed off. No way were they going to do that again.
- 3) Despite our best efforts, employees did not believe that the survey was confidential. By asking the question we did, we made it quite probable that an employee could easily be identified through there responses.

We should take these inputs into account for future surveys.

Karen, if we roll out this survey in Canada and Latin America, let's be sure we don't make the same mistakes.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068147
Date: 04-Feb-1994 10:47am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(LUIS ZUNIGA @LAC)

CC: Remote Addressee

(RON HATFIELD @LAC)

CC: Remote Addressee

(BOB NEALON @BXC)

Subject: DSO

I enjoyed my visit to LATC Headquarters on Wednesday Luis. I have several items to follow-up with you, but what I would like to do, by way of this memo, is to ~~push you~~ push you Agnacio Prado and Ron Hatfield to get the DSO for LACT reduced significantly.

Digital simply is not in a position to be giving people loans these days. My own personal experiences with DSO is that it is a matter of focus and effort. It need not take away from our selling cycles either.

I'd like to see your game plan for DSO reduction from 100 days to something far more palatable. What level of receivables will we have at what dates?

DICTATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068145
Date: 04-Feb-1994 10:30am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (BOB WELZEL @KYO)
CC: Remote Addressee (BOB SCHMITT @MKO)
Subject: ALPHA CYBER

Bob, thanks for the note on the ALPHA CYBER and CDC migrations.

This looks like a good opportunity to me. I'm not sure what you were requesting of me when you sent me your note, so I'll assume you don't need anything. If this is a good piece of business let's go after it!

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068139
Date: 04-Feb-1994 09:54am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(DICK FARRAHAR @MLO)

Subject: EARLY RETIREMENT

Every place I stop to meet with employees, I get asked about the plans we have for another early retirement program. I assure them that I know nothing about such a program, and that they ~~ought not to~~ spend much time thinking about it. *should not*

~~The extent to which this rumor exists I want to ask you...~~ *T* Is there in fact an early retirement program being planned? I have employees even offering to show me the formula!

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

Doc. No: 068224
Date: 07-Feb-1994 10:15am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(DENNIS ALBANO @MRO)

Subject: NETWORK WARRIORS

Larry Walker is proposing a sales support organization that would be equal to the size of our network warrior organization around the world.

Why would we need sales support people behind such experts? I would think that if we had 200 network warriors we might need 10 to 20 sales support people at the very most.

Do you have an opinion on this?

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

Doc. No: 068223
Date: 07-Feb-1994 10:13am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (BOB RUSSELL @SCO)
CC: Remote Addressee (KAREN HOWARD @MRO)
Subject: PORTING CENTERS

As you consider the structure of the Americas, I want you to consider whether or not our porting centers serve the entire Americas. I believe they should, and, in fact, I believe they pretty much do already. Let's formalize it.

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

Doc. No: 068222
Date: 07-Feb-1994 10:11am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (ROY WICKLUND @MRO)
CC: Remote Addressee (SCOTT ROETH @MKO)
CC: Remote Addressee (JOHN PAGET @MRO)

Subject: SALES CREDIT

Does a Digital Industry Sales Specialist get credit for SPS software upgrades? Does the MCS Rep get credit for SPS upgrades? Who else gets credits?

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

Doc. No: 068221
Date: 07-Feb-1994 10:09am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee (BOB SCHMITT @MKO)

CC: Remote Addressee (GARY W HOPPE @MRO)

CC: Remote Addressee (SCOTT ROETH @MKO)

Subject: STORAGE SPECIALISTS

I was told the other day that we still have only 35 or 36 storage specialists in the United States. If my memory serves me correctly, we had planned on exceeding 50.

Does my memory serve me correctly? If it does, what's slowing up the staffing?

DICTIONATED NOT READ

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 068220
Date: 07-Feb-1994 10:05am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(ED KAMINS @MRO)

TO: Remote Addressee

(DENNIS ALBANO @MRO)

CC: Remote Addressee

(SCOTT ROETH @MKO)

Subject: AVNET/PIONEER

Ed Lucente mentioned that both Avnet and Pioneer have made proposals to do all the add-on and upgrade work for us for two additional points of discount, (which they would use to set up this capability). Ed Lucente would like to know what the status is on this. He thinks it's a good idea and he believes we should do it.

Have either of you seen these proposals and, if you have, do you support them? If you don't why not, and if you do, when will they be in place?

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

Doc. No: 068230
Date: 07-Feb-1994 10:51am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(DAVE SPRATT @MRO)

Subject: BUDGETS

We should have a conversation. Sending notes back and forth probably isn't a good idea with all that's going on, but it's the only option I seem to have these days.

You have got to take control of the budgets Dave. Latin America and Canada really are "floating" regarding what their goals are for the second half of the year and what it means to "re-budget".

Don't leave this problem with me. It's something you should be able to handle. Give me a call if you have any questions.

Dictated Not Read

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

Doc. No: 068229
Date: 07-Feb-1994 10:43am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(JOHN PAGET @MRO)

Subject: TRAVEL

When I was visiting LACR I heard about a meeting that Don Herbener's having in Australia for all of the MCS Managers. Though I didn't talk to Glenn Boston about this, (he wasn't there the days I was there), can we save a lot of money by having you be responsible for the LACR and Canadian Managers now instead of later? It seems silly to ask Don Herbener to try and manage these two territories out of Singapore. What do you think? When will Rando name you the Americas Manager?

DATED NOT READ

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

Doc. No: 068228
Date: 07-Feb-1994 10:40am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(HARRY COPPERMAN @OGO)

Subject: PRICING

On a recent sales visit to Denver, I had a complaint from a sales person that said the software sold through our 800 Software channel is cheaper than our DECDIRECT channel. The specific example they gave me was software called Excursion, but they said that it's a fairly common phenomena.

Are you aware of this? Is it something that you are doing by design?

DATED NOT READ

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

Doc. No: 068227
Date: 07-Feb-1994 10:36am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(KAREN HOWARD @MRO)

Subject: TOM COLATOSTI

***** CONFIDENTIAL *****

Tom Colatosti will do the Northeast Regional job. As you know, I was *an* active supporter of him in this job. In my many conversations with him, I have recommended that he seek out people who will give him feedback on his strengths and weaknesses. Tom will contact you on my advice looking for some feedback on his weaknesses Karen. Please be open and honest with him, as you usually are. He wants the help.

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

Doc. No: 068225
Date: 07-Feb-1994 10:20am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: PRESIDENT AMERICAS AREA
Tel No: 264-6209

TO: Remote Addressee

(KAREN HOWARD @MRO)

Subject: SALES INCENTIVES

You should be aware that Tony Craig is setting up a virtual incentive team for launching new sales incentive programs. I believe Roy Wicklund is ^{the} U.S. Rep on this team but I don't know who takes care of Canada and LACT.

The purpose of this team is to ensure that the incentives being proposed are rationalized and make sense. The only draw back I see with Tony Craig's model is that it focuses on Lucente's Systems Business Unit only and not the other business ^{of} the company.

You may want to call and get a briefing for yourself to see if you can propose a better way to do things.

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066705
Date: 03-Jan-1994 11:49am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (KAREN HOWARD @MRO)

CC: Remote Addressee (SCOTT ROETH @MKO)

Subject: VACATION USE

Scott Roeth had in interesting idea that might help us with a problem we're having these days.

One of the difficulties we face is that our employees are working hard to use up their vacation before the 1995 date when they will no longer be able to accrue two years worth of vacation. What this causes is lots of sales people being away from the field for significant amounts of time. This is obviously also the case with service people and administrative people, etc.

I may not say this correctly, but the essence of Scott's proposal is that we do something similar to what IBM did, i.e., "people will build up a bank" of the one year of vacation that they would lose and will be required to burn off that bank so many days a year until it's gone. If they don't use the minimum amount, then they lose it. At least this way we would be able to control the use, i.e., add an extra week or so to their vacation instead of expecting them to take as much as four extra weeks in a year.

What do you think? Are we too far down the road at this point to change?

Dictated Not Read

T = 1/12 ✓

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066703
Date: 03-Jan-1994 11:33am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (BOB SCHMITT @MKO)

CC: Remote Addressee (SCOTT ROETH @MKO)

Subject: FEBRUARY ANNOUNCEMENT

What is the revenue target that we're establishing for the February Client Server announcement? You may recall that Ed Lucente did not accept the original numbers from each of the three areas. I believe he's looking for "5 billion dollars in leads". That would put us at about 2 billion dollars. Do you have such a target? Do you have plans to get us to that number of leads? Obviously, in order to pull this off, we're going to need leads of significantly higher value than the approximately \$175K that the October announcement generated.

Please let me hear from you on this as soon as you can.

Dictated Not Read

T 1/12 ✓

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066704
Date: 03-Jan-1994 11:40am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (DAVE SPRATT @MRO)
CC: Remote Addressee (ROY WICKLUND @OFO)
CC: Remote Addressee (SCOTT ROETH @MKO)

Subject: SECOND HALF BUDGETS

Do we have a budget assignment for the second half based on Ed Lucente's presentation to the Board of Directors in December?

I have asked Roy Wicklund/Scott Roeth to come up with a model for reassigning budgets to the sales team, but I can't do that until I know what our numbers are. I'll also need a restatement of budgets for our existing Business Units.

When can I have all of this Dave? The need is becoming urgent.

Dictated Not Read

Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066515
Date: 23-Dec-1993 10:24am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(BUD ENRIGHT @MLO)

Subject: EXECUTIVE PARTNER CONFERENCE FEEDBACK

Bud, I'm a little worried that some feedback from our November Executive Partner Conference didn't get to you. It may be my fault, so let me just be sure...

At a meeting with Ray Layne of Oracle, Ed Lucente, and myself, it was decided that the following should take place;

1. You would work with your counter parts at Oracle to target the AS400 migration to Oracle on Alpha. One of the topics of discussion here was whether or not we had the binary conversion tools to do this.
2. Additionally, you would develop a plan with Oracle to jointly go after VMS conversions to Oracle on Alpha (Linkworks should be part of this).
3. Finally, you would work with Gresh Brebach and the folks from Oracle to prepackage a solution using Oracle, and perhaps the Oracle horizontal applications with Digital, selling the entire thing including the Oracle software. This could be profitable business for Digital, and Oracle is in a frame of mind to want to do this with us.

I'm curious, had you received this feedback from anywhere else? You may want to give me a call to discuss it further, but in any case, I volunteer to help you with any of this if you need the help.

Dictated Not Read

T-1/10 ✓

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

Doc. No: 066760
Date: 04-Jan-1994 10:17am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: See Below

Subject: Q2 PERFORMANCE

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I'm dictating this note before I have much Q2 data in my hands so as things change, perhaps my outlook on Q2 will change.

From an orders perspective I believe the data is real. We had what certainly must have been the worst week 13 orders rate in U.S. history. We under-performed our forecast by some \$75M for products alone. We also missed on Services.

I'm also aware that we have had some significant shortfalls on revenue but the data is much too preliminary for me to respond. Much of this is due to our failure to book and ship produ

[cts in the last two weeks
of the quarter, while another significant piece of it is Mfg slips.

From an orders perspective, I want each of you to work with your sales people to create an attitude that weeks 1 and 2 of January are really weeks 12 and 13 of Q2. Let's get any orders that we failed to bring in because of the holiday season, e.g., the customer wasn't in during the holiday, or our salesperson decided to take time off, or someone was missing from the customer side who needed to sign the purchase order, or our sales person decided that there was no need to rush the order through because it wasn't scheduled to ship in Q3 anyway. We need to show a much better order flow if we're going to convince anyone that we have any prayer of performing anywhere close to our plans for the third quarter.

As each of you gets more data on your Q2 order rate or your Q2 shipment rate over the next day or two, I want you to call me personally and tell me what you're learning. Do we have a downward orders trend because we're losing orders or because they're being delayed? Do we have enough frontlog to grow Q3 over Q2 (something we almost never do). I need to know whatever data you can give me so that I can pass it on to my management.

At our Ops review next week we'll spend time going over what happened in Q2 and we'll assess our plans for growing Q3 significantly over our performance in Q2. We all need to share ideas with each other in order to make this happen. Let's be very clear with each other on what we did well and what did not do well in the second quarter. I

plan to change the way we do things. We're not getting results the way we are currently operating.

Russ

Distribution:

TO: Remote Addressee	(ROGER ROSE @ACI)
TO: Remote Addressee	(DENNIS ALBANO @MRO)
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TO: Remote Addressee	(MIKE HOWARD @MRO)
CC: Remote Addressee	(dennis albano @mro)
CC: Remote Addressee	(TOM COLATOSTI @OFO)
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Use the RDL option to see remainder of distribution lists.

DIGITAL RESTRICTED DISTRIBUTION Document

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

Doc. No: 066793
Date: 05-Jan-1994 09:15am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(HARRY COPPERMAN @OGO)

Subject: ADS

An employee knocked on the door of my office today with USA Today in his hand. He just wanted to tell me how great he thought our new PC ad was.

He said using USA Today is a great idea and wants to see us continue with this campaign.

It was nice to get good news from employee so I thought I'd pass it on to you.

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Printed by RUSS GULLOTTI @MKO

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

Doc. No: 066794
Date: 05-Jan-1994 09:18am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(TOM COLATOSTI @OFO)

Subject: LOSSES

I was reading a report today on some of the reasons we lost some of our orders. I noticed for DMD that we lost several big opportunities because of pricing. What philosophy do you use on pricing when it comes to big orders?

At this point in our struggle, break-even gross margin would be acceptable simply because of the fixed cost recovery involved.

I'd like to hear from you on this.

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

Doc. No: 066853
Date: 06-Jan-1994 09:38am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee (ROY WICKLUND @OFO)
CC: Remote Addressee (SCOTT ROETH @MKO)
CC: Remote Addressee (RICH MICKLE @MKO)
CC: Remote Addressee (JOHN PAGET @MRO)

Subject: CERTS CREDIT

OK, I talked to John Paget. His Sales Rep DO NOT get credit for orders for third party products. They are brought in as part of the Cert, through the MCS sales specialists, but they are de-certed to the MCS sales specialists and moved over to PLO65.

Thus, the concern that I had that MCS sales specialists might be selling competing products to Digital is not a concern.

However, for FY95, I do want us to continue with the notion that we will not give sales credit for competing third party products whenever Digital has directly competitive product. If our customer insists on a third party product, then we will go ahead and do it, but I don't want to see us get Certs credit for it. We should order the equipment using a customer's purchase order but not take title to it and do not want to pass it through our books.

I don't have a stake in the ground on all of those mechanics but I think the direction that I want should be clear to all of you.

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

Doc. No: 066849
Date: 06-Jan-1994 08:52am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(JIM MAGALDI @MRO)

Subject: LITTLETON

Do we still have the Taylor Street buildings? TAY1 and TAY2? Do we own them? Who is in them? Do we have any plans for those two buildings?

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

Doc. No: 066850
Date: 06-Jan-1994 08:56am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: See Below

Subject: ORDERS

A few of you have mentioned to me that during Q2 a great deal of "de-certs" took place because your Account Managers were cleaning up their backlog. Specifically, when we were running the company on an orders based incentive system, a few of our orders that got put into our backlog really shouldn't have ^{been} there and now your sales people are cleaning them out.

Do you agree with this assessment? Do you think that occurred? I'd like your opinion as to how significant this was, and what impact it might have had on your business, specifically in the second quarter.

Thanks in advance.

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Distribution:

TO: Remote Addressee	(DENNIS ALBANO @DSG)
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Doc. No: 066851
Date: 06-Jan-1994 09:15am EST
From: RUSS GULLOTTI @MKO
GULLOTTI
Dept: U.S. AREA
Tel No: 264-6209

TO: Remote Addressee

(BOB NEALON @BXC)

Subject: PROPOSAL

You're on the agenda next week for an hour and a half to talk about how we might improve customer satisfaction.

First, try to make the presentation less than an hour and a half if you can. Also, let's make this proposal tie into our customer satisfaction survey as much as you possibly can. You might want to start by reminding everybody that we have a goal to get to 35% customer satisfaction level from our current 20% by the end of this year. Any proposal that you might make next week I'd like to read and would appreciate if you would fax me the copies of your slides before this weekend.

I also need you to give me a call to discuss how you think Manufacturing performed during the second quarter. I still don't have my revenue numbers yet, but even if I did have them, I'd want to know the extent to which the Manufacturing problem will persist in Q3.

Dave Spratt will probably ask you to discuss Manufacturing shipment problems as part of the Operations Review at the staff meeting next week.

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