digital

Greetings!

Although I have been at Digital for only a short time, I am impressed with the magnitude of the transformation under way across the company. As this transformation takes place, you have a special opportunity to enhance the role of Sales dramatically. From the customer's perspective, you are the vanguard of Digital, and this places you in a unique position to create success.

This Sales Operations Manual is intended to provide consistent guidance worldwide, but more important, to establish a focal point for change in standards for sales management and sales practices. Your role is to use this manual, criticize it, and demand that the next edition contain what you need it to contain. I am eager to learn what you think.

Already, work is being done to make the next edition more concise, consistent, and practical for you to use. Several issues need to be addressed and clarified. Among them are recruiting practices, territory market penetration strategies, product announcement standards, creative management of channels, a customer support model, position categories and titles, and market information requirements. Standardization in many areas can not only harmonize our culture and management, but also enable us to present a consistent appearance to the customer. I need your ideas on these aspects of your work.

The publication of this manual begins a formal period of communication, listening, reviewing, and acting on your ideas — a process that will continue throughout 1994. The opportunities are enormous, and the time is right. Please accept this manual as an invitation to participate in strengthening our world-class sales capability for Digital.

Thank you,

Tony Craig
Vice President
Worldwide Sales Operations

Introduction

Recruit

Deploy

Measure

Contents

Reward

Recognize

Develop

Support

Customer Engagements

Selling Tools

Sales Office Support

Appendix

Contents

Introduction

About This Manual

Customers expect integrated, seamless computer systems and networks from Digital. They do not expect the nature of Digital's products and services to vary widely around the globe. This manual is intended to support first level and second level sales managers in their efforts to meet that customer mandate for uniformity and reliability. The following considerations went into its design:

- The topic is sales management, not selling skills. While the role of sales management interacting with customers is critically important, it is not addressed here.
- Some material applies to management in any area, not just within Sales.
- Current plans are to maintain this manual in English only.
- There will be periodic updates based on your input and in response to policy changes.
- The manual complements other references and processes; it does not replace or duplicate them.

Chapters

The chapter titles are the basic, vital tasks of sales management. A sales manager must *recruit, deploy, measure, reward, recognize, develop,* and *support* salespeople. There is also a final chapter that includes information on ethics, business practices, and audit.

Sections

Within each chapter are sections that cover various aspects of the basic, vital action areas for which the chapters are named.

Each section is constructed of five elements: management standard, assessment of results, decisions and actions, methods and tools, and contacts and resources. Where there is a difference between the current results and the standard, action is taken.

Management Standard
What is expected of you — the right thing to do

Assessment of Results
What information is currently available

Decisions and Actions
What to do about the difference between what is expected and what currently is happening

Methods and Tools
When the best way is taking action yourself

Contacts and Resources
When the best way includes getting help from others

Maintenance, Ownership, and Accountability

The key to this manual is maintenance. Every information source mentioned has been backed up by a commitment from a specific person to keep that information current or to let the editorial board know when it goes out of date.

Sales managers are also invited to take part in the maintenance process *because the manual belongs to the sales manager*. It is intended to free the sales manager to act for customer satisfaction and business success. It is intended to state, in clear, no-nonsense terms, the requirements and the choices that are part of the job.

Accountability works in all directions. Every management standard here is designed to be measurable, and these will be audited, as any other company standard would be. At the same time, first level and second level sales managers can hold *their* management accountable for using this manual as the basis for conduct, management practices, the administration of performance evaluations, and support.

Feedback

If these purposes are not being achieved, the editorial board wants to know. The board can be contacted *via* ALL-IN-1 at the address **Sales Manual @MLO**, or *via* VAXmail at the address **asabet::sales_manual**.

Digital strives for excellence in the sales management profession. With 10,000 Digital people directly involved in the selling process worldwide, a clear, consistent, current set of standards is the best way to deliver value to the customer and to achieve continued success.

Digital Core Values

Integrity

We choose to be honest in all our business interactions and transactions and remain steadfast when challenged.

We are, first and foremost, honest in all our dealings: with one another, with customers, business partners, investors, suppliers, and the communities in which we operate.

We not only are honest in the technical sense of the word, but also seek to ensure that the impressions we leave are accurate.

We hold ourselves to the highest level of ethical conduct and conscientiously avoid activity that creates even the appearance of any conflict of interest.

Respect for the Individual

We show respect for everyone by what we say and do and value our diverse global workforce.

We treat one another with mutual respect. Our actions, behavior, and attitudes consistently demonstrate our respect for the dignity and worth of each individual.

We maintain a work environment that seeks out and values the insight, experience, contribution, and full participation of all employees.

We are committed to understanding, valuing, and maintaining a diverse workforce that reflects and responds to the diversity of our customers and of our markets.

Excellence

We excel at everything we do. We strive aggressively for the highest standard of quality to achieve superior value for our customers.

We never compromise in our quest for excellence, customer satisfaction, and company success.

We link excellence with consistently and profitably delivering value to our customers.

We aim to be the best and excel in every area in which we choose to focus our attention ... we will settle for nothing less.

Accountability

We own up to our words and actions. When we commit to do something, we do it decisively, responsibly and with urgency so that others can rely on us consistently.

We exercise care in formulating and meeting our commitments to customers and to each other.

We understand that others rely on our commitments and expect us to meet them. When we make commitments to customers, to fellow employees, and to others, we take personal responsibility for fulfilling those commitments. We immediately inform others when we are unable to meet a commitment.

We accept the consequences of our own performance, behavior, and words at all times.

Teamwork

We work together, energized by our collective talent. We listen to, trust, share with, and empower team members. We use data to move beyond individual opinions to rapid decisions and effective implementation.

We maintain open, honest dialog at all levels of the company.

We understand vigorous, constructive dialog is an essential element in building effective work teams and the best way to ensure our ability to create and deliver high-quality business solutions for our customers.

When a decision is made and a company goal is established, we work collaboratively with others to meet that goal.

We recognize that these company goals are primary and above group or individual goals.

Innovation

We encourage and value creative solutions to customer needs.

We are fearless in expressing unique ideas and taking actions that will generate successful customer solutions.

We value and encourage innovation and creativity.

We make elegant and successful use of existing and new techniques to create new business solutions, products, and services for our customers' requirements.

We open up and develop profitable markets where we have leadership.

We are empowered to take intelligent risks after carefully weighing potential hazards and benefits to the company.

We reward success and expect everyone to learn from those attempts that are not successful despite our best efforts.

Customer Success

We help our customers and business partners achieve their business goals through information systems knowledge, industry expertise, networking skills and consulting. We strive always to outdistance the competition in customer satisfaction.

We are committed to having the most satisfied customers and business partners worldwide.

We support and assist our customers to be successful in their own competitive environment through innovative business solutions, information systems knowledge, industry expertise, networking skills, and consulting.

All our efforts and decisions are relentlessly focused on maximizing our ability to understand and respond to customer needs and expectations.

Ethics and Business Practices

For a more complete review of Digital's ethics and business practices, see the Appendix.

The Systems Business Unit

Area and Business Unit Alignment

Digital manages its global business by dividing the world into three Areas: the Americas, Asia Pacific, and Europe. The Americas area includes North, Central, and South America. Asia Pacific includes Australia and Asia. Europe includes Western, Central, and Eastern Europe as well as the Middle East and Africa.

To support its customer focus, Digital's internal structure is simple and balanced. There are six Business Units:

- Systems
- Multivendor Customer Services
- Digital Consulting
- Personal Computers
- Storage
- Components and Peripherals

The Systems Business Unit provides the sharp focus on systems products that Digital needs to ensure ongoing success. The systems business represents the single largest portion of Digital's revenues, and the largest deployment of the sales function.

The Systems Business Unit also functions as distributor for Digital's three product Business Units — Personal Computers, Storage, and Components and Peripherals. It distributes to end users, value-added resellers, distributors, and original equipment manufacturers. The product Business Units also distribute some products directly to certain original equipment manufacturers and to personal computer dealers. The Territory acts as the host manager for all Business Units.

Systems Business Unit
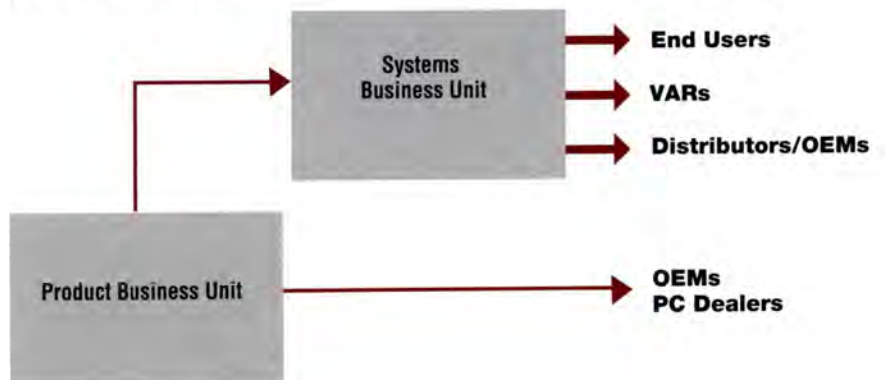
The Systems Business Unit Product Segments

The Systems Business Unit develops, manufactures, and distributes systems business offerings in five key Product Segments:

- UNIX/Windows NT Systems Group
- Software Products Group
- OpenVMS Systems Group
- Network Products Group
- Memory and Peripherals Upgrade Group

First level and second level sales managers are supported in their customer satisfaction efforts and overall revenue success by each of the Product Segments. The following table shows the business focus and the products supported by each Product Segment.

Product Segment	Business Focus	Products

UNIX/Windows NT Systems Group	Achieving Digital's Alpha AXP workstation and client/server revenue targets through price and performance leadership in the UNIX and Windows NT systems market	• Alpha AXP PCs
		• Alpha AXP and MIPS workstations, servers, and upgrades, except Alpha AXP OpenVMS workstations and servers
		• System add-ons
		• Migrations and upgrades including conversions from:
		  − ULTRIX to OSF
		  − MIPS to Alpha AXP
		  − Competitive migrations
		• UNIX operating system and compilers
		• Windows NT operating system and compilers
		• TCP/IP networking software

Product Segment	Business Focus	Products
Software Products Group	Establishing Digital leadership in the client/server software markets, with a special focus on Alpha AXP (UNIX and Windows NT) systems, and multivendor integration	• Data integration software, such as DB Integrator, ACCESSWORKS, DBA • Application integration software, for example ObjectBroker, Workflow • Network integration software, such as PATHWORKS, Mail, Mobile SW • Client/server groupware, such as LinkWorks, Document Management • Client/server development software, such as Forte, DECADMIRE • Client/server management software, such as NetView/POLYCENTER, ManageWORKS • Client/server TP products, including Tuxedo, Encina, RTR • Other software add-ons
	Implementing aggressive programs for third-party ISVs to ensure a leadership position for Digital in applications for Alpha AXP, as well as integration with Digital's client/server software	• Software business practices Vendor recruiting • ISV support • Porting centers • Marketing, and the positioning of horizontal third-party applications and enablers

Product Segment	Business Focus	Products

OpenVMS Systems Group	Maximizing revenue from Digital's OpenVMS installed base, including the promotion of migration initiatives of these units from VAX to Alpha AXP, in addition to securing OpenVMS business through leadership in production systems technologies	• OpenVMS VAX workstations and servers
		• OpenVMS Alpha AXP workstations and servers
		• System add-ons (exclusive of peripheral add-ons)
		• Upgrades and migrations, including:
		  – VAX to Alpha AXP
		  – OpenVMS to UNIX
		• OpenVMS operating systems and compilers
		• Integrated OpenVMS production environments, including:
		  – Rdb
		  – ACMS
		  – DECforms
		  – CDD/Repository
		• Base networking software, such as DECnet, IBM SNA Gateways
		• ALL-IN-1 and TeamLinks

Network Products Group	Achieving Digital leadership and revenue growth in the network component hardware business	• Hubs • Switches • Routers • ChannelWorks • Terminal servers • Set tops
Memory and Peripherals Upgrade Group	Maximizing Digital revenues from our installed base by creating and implementing aggressive marketing initiatives, as well as capitalizing on other add-on opportunities	• Terminals • PCs • Storage devices • Memory • Printers Note that the Memory and Peripherals segment excludes add-on software and other system add-ons.

Systems Business Unit Industry Segments

The Systems Business Unit also incorporates Digital's four Industry Segments, which are based on natural customer groupings:

- Consumer, Process, and Transportation Industries
- Communications, Education, and Media Industries
- Discrete Manufacturing and Defense Industries
- Financial, Professional, and Public Services Industries

Below is a table that shows the responsibilities and focus of each Industry Segment.

Industry Segments	Focus
Consumer, Process and Transportation Industries	• Chemical/Pharmaceutical • Consumer Packaged Goods • Utilities
Communications, Education and Media Industries	• Education • Telecommunications
Discrete Manufacturing and Defense Industries	• Automotive • Electronics
Financial, Professional, and Public Services Industries	• Financial • Public Administration • Healthcare

With respect to supporting the Territories, each of our four Industry Segments will:

- Develop and implement a revenue plan with the Territories for each Industry Segment.
- Develop with the Territories a marketing plan that ensures a sufficient number of Industry Segment Marketing people to meet Territory needs.
- With the Territories, develop and implement aggressive sales strategies to capitalize on industry partners.

The Systems Business Unit: A United Front for Sales

Our sales strategy for the Systems Business Unit is driven by the need to make it easy for the customer to interact with Digital. Specifically:

- End-user customers have a single point of focus for all their requirements: their account manager.
- Distributors also have a single point of focus for all their requirements: their channel manager.
- Both of these functions are supported by product and service specialists as needed.

The sales function within Digital's Systems Business Unit is organized to support this simple customer focus. The Territory is the local management host for the corporate Business Units, managing all sales and technical support. There is one sales function that is responsible for the profiles, skills, and sales training of all salespeople. The Sales Unit is the basic building block, with a Sales District being one or more Sales Units. For more information, see the Deploy chapter.
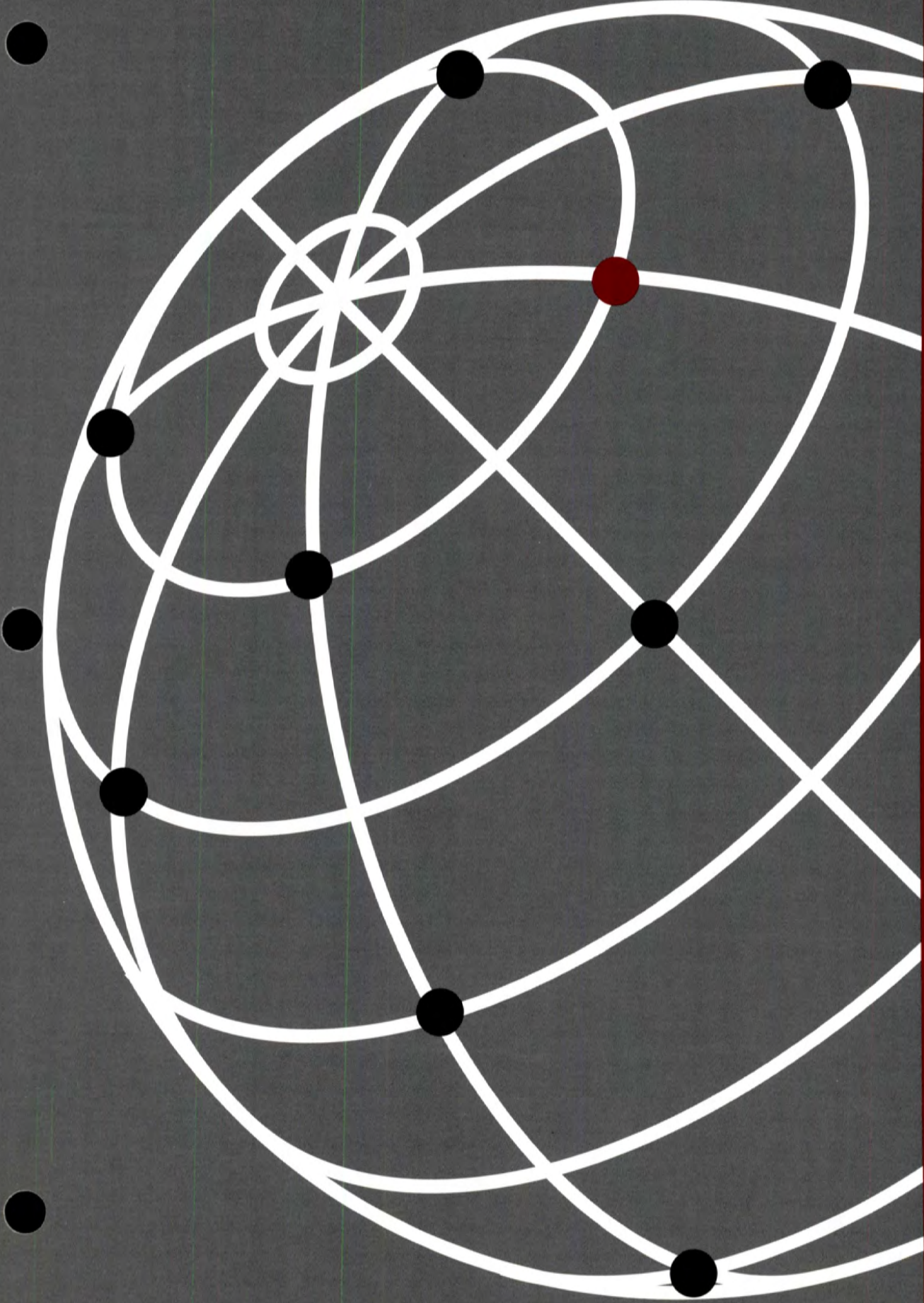
Contents

Recruit

Workforce Planning

Management Standard

First level sales managers develop a workforce plan that focuses on the competencies of the people needed to meet account and Territory sales goals and on timing and other hiring issues. The workforce plan must be based on approved Territory plans and goals and on the sales manager's business plan. It is reviewed with second level management for this purpose.

Assessment of Results

The workforce plan is reviewed every six months by first and second level management to ensure that it accurately reflects workforce requirements.

Decisions and Actions

- Create workforce plan
  - Define business goals (account and Territory plans)
  - Identify future needs and priorities
  - Plan the required human resource actions

- Review plan with manager

- Implement plan

- Update plan every six months

Methods and Tools
This is the process for workforce planning:

There are several key sources for assessing business trends and future skill requirements. They include the Territory business plan and the sales manager's knowledge of his or her customer base. The workforce plan should address these questions:

- Which skills are critical to the organization?
- What will ensure retention of the people with those skills?
- What is the difference between current skills and future skills requirements?
- Does the current skills base require change? If so, how much?
- What kinds of change? Fundamental, refocused, enhancement, or maintenance?
- What will it cost to obtain the required skills?
- When and for how long are the new skills required?
- What is the best way to fill the needs? (New hire, training, contract/temporary)

The following worksheet can be used as an aid:

Business Trends

Trends	Business opportunities	Time frame

Key Future Skill Needs

Skill type	Quantity needed	When needed

Workforce Summary

Headcount

Total Payroll

Employee	Job level	Job classification	Salary	Hire date	Last review

Key Skills Matrix

Employee	Current skill	Future skill	Time frame

Workforce Strategy and Action Plans

Employee name	Agreed action (Develop, redeploy)	Time frame

Resources to recruit/ acquire	Source (Internal/external)	Time frame

Contacts and Resources

More information about workforce planning can be obtained from Human Resources management.

Job Titles

Management Standard

It is a sales management responsibility to ensure that each salesperson's job title, used on business cards and internally, clearly indicates both the level of accountability and the focus of expertise of the person who has that title. This helps the customer better understand Digital's chain of command and makes it easier for the customer to do business with Digital. It also helps to define the value that Digital's people add to the customer's enterprise, which in turn helps to create long-term business relationships.

Clear job titles are the foundation for clear roles and responsibilities within the Sales organization, and for the competency profiles that guide both individual and organizational development. With this solid foundation, Digital's salespeople approach their jobs with confidence, authority, and clarity, enabling them to take a proactive position in adding value to their accounts.

The first level sales manager ensures that job titles and business cards conform to worldwide standards, and uses those standardized titles to frame salespeople's assignments in specific terms and to set clear standards of performance.

Assessment of Results

- Sales specialists' and sales support job titles match an approved category and reflect their assignments and development plans.
- Business cards meet the standard for external consistency and clarity.

Methods and Tools

These are the approved job titles for all selling jobs:

Management

- Vice President*
- Regional Vice President*
- District Manager*
- Sales Manager*

Account Sales

- Account Executive*
- Account Manager*
- Account Sales Specialist
- Territory Sales Specialist

Sales Specialists

- Application Sales Specialist
- Product Sales Specialist
- Multivendor Customer Services Sales Specialist
- Telesales Specialist
- Channel Sales Specialist

Approval by corporate or territory management is required for these titles.

Sales Support

- Sales Support Associate
- Sales Support Specialist
- Sales Support Consultant

The business cards for sales specialists and sales support should state:

- Name
- Job title (from list above)
- Area of expertise or focus (in generally understood industry terms, such as "Workstations")

Contacts and Resources

The country Human Resources organization can answer questions about job titles.

For questions about business card guidelines, contact:

Americas — Jane Longpre @MKO, DTN 264-3915, [1]-603-884-3915

Europe — Jack McDermott @GEO, DTN 821-4891, [41]-22-709-4891

Asia Pacific — Rob Mostecki @AKO, DTN 244-6575, [1]-508-264-6575

Deploy

Contents

Deploy

Overview

The sales deployment model focuses on the three areas of action for first level sales management. Most important is the customer, which puts customer engagement at the top of the picture. Second is the planning and management of opportunities, which link Digital's business success to customer success. Third is the sales coverage work that connects the two.

Customer Engagement

Sales Coverage

Planning and Management

This chapter covers most of the action areas depicted in the model. Areas not covered will be developed in future revisions of the manual.

Systems Business Unit Sales Structure

Management Standard

The sales structure of the Systems Business Unit is implemented in the Territory:

```
                        Territory
                         Manager
        ┌───────────────────┼───────────────────┐
    Support             Countries              Hosted
    Functions          and Regions            Business
        │                                     Management
     Sales                                   Marketing
   Operations
        │                                        │
  — Education and Sales                    — UNIX/Windows NT
    Training Programs                        Systems

  — Channels Programs                       — Software Products

  — Account Programs                        — OpenVMS Systems

  — Sales Metrics and                       — Network Products
    Compensation Programs
                                            — Memory & Peripheral Upgrades

                                            — Industry Marketing (as required)

                                            — Territory-wide
                                              Marketing Programs (as required)
```
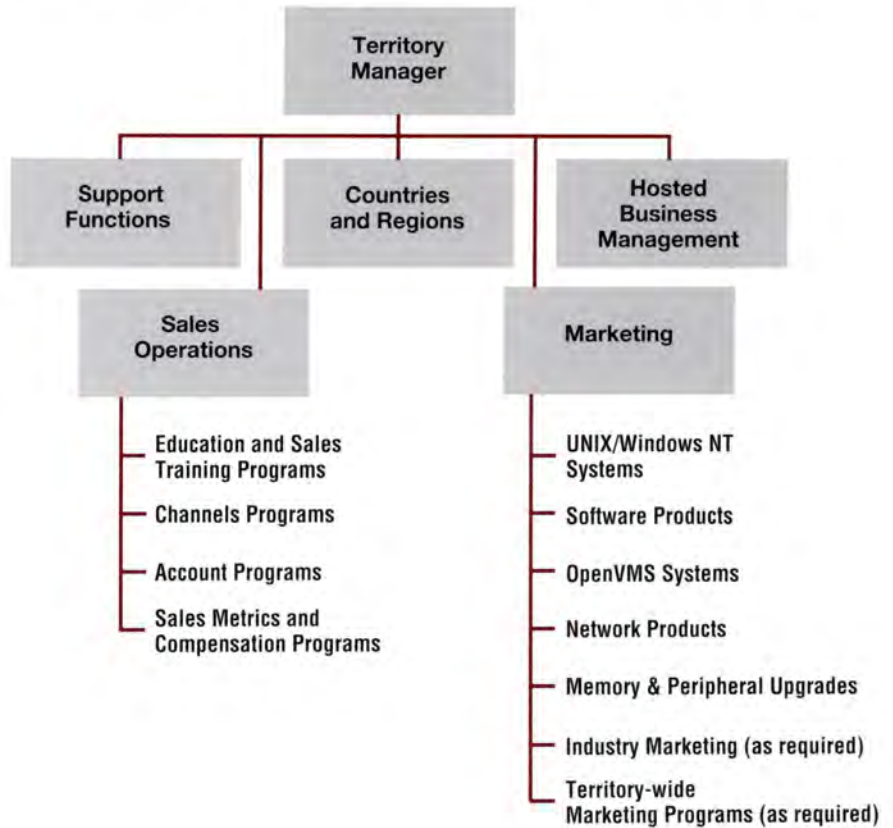
Local conditions will cause some variations of the above.

The Territory is the local management host for corporate Business Units and local manager for support functions, Product Segments, and Industry Segments. The organizing principle is to achieve maximum self-sustainability in the smallest possible organizational unit. The Territories have a close relationship with both Product and Industry Segments. For the Product Segments, the Territories are responsible for:

- Committing to and implementing revenue and gross margin plans for each of the five Product Segments

- Appointing a Product Segment Manager for each Segment

- Hiring or appointing a sufficient number of sales specialists to work with the sales units in achieving their revenue plan

- Implementing a channel strategy for each Product Segment

- Ensuring that within the worldwide corporate structure, all compensation and recognition programs are coordinated with geographic or segment objectives

Each Territory has the responsibility to determine its appropriate mix of selling units, for example:

- Industry Sales Units
- Geography Sales Units
- Global/Select Account Sales Units

Also, possible variants of the sales unit structure for unoccupied accounts and other specialized districts might include:

- A Small/Medium Enterprise (SME) and Value-Added Reseller (VAR) Sales Unit
- A Multivendor Customer Services Sales Unit
- A Product Segment Specialized Sales Unit, such as one focused on Alpha AXP technologies

At the Territory level, assigned managers are responsible for all education and sales training activities, channels programs, account programs, as well as sales metrics and compensation programs.

The Territory Marketing Manager is responsible for all Product Segment, Industry Segment, and Territory-wide marketing initiatives as required.

In some smaller Territories, the Sales Operations and Marketing function may be managed by a single person.

Assessment of Results

The business structure does not change the way first level and second level sales managers do their measurements. Assessing any sales unit's structural integrity revolves around the benefits to the customer:

- End-user customers have a single point of focus for all their requirements: their account manager.
- Distributors also have a single point of focus for all their requirements: their channel manager.
- Both of these functions are supported by product and service specialists as needed.

Decisions and Actions

If a first level manager finds that Digital is not presenting a focused, unified face to the customer, he or she must take action to correct the situation. Communicating concerns or recommendations can take place through direct-line sales management or through Sales Operations.

Account Manager Role

Management Standard

There is one and only one account manager for each account. That individual is responsible for the account plan and for customer satisfaction. Everyone else on the team supports the account manager. The account manager coordinates all activities on behalf of all Digital organizations into that account.

The approved titles for an account manager are: Account Executive for Global Accounts; Account Manager for Select Accounts; and Account Sales Specialist and Territory Sales Specialist for general Territory Accounts. "Account Executive" is a reserved title, requiring Area manager nomination and approval.

It is Digital's intention to assign responsible resources to designated accounts for extended periods of time. This continuity of assignment is expected to exemplify Digital's commitment to customers and their business. The following guidelines for the "continuity of assignment" of the account manager have been established:

- 5 years for Global Accounts
- 3 years for Select Accounts

Global Account Executives are nominated by their Area managers, and that nomination is confirmed by the managers of the other two Areas. This will assure worldwide support for the Global Account and for the Global Account Executive.

Select Account Managers are nominated by their first level manager, and that nomination is confirmed by the Territory Sales Manager.

Global and Select account managers:

- Direct Digital's resources to satisfy the goals of Digital and the account
- Are responsible for delivery of all Digital services and products
- Sell Digital's total capabilities at the top executive level
- Support specific strategic sales driven by all types of selling specialists
- Are responsible for account planning, budgeting, contracting, and management
- Maximize Digital's share in the account
- Coordinate and focus the mix of selling styles/activities
- Meet customer needs through executive relations with the account
- Identify key opportunities and customer business problems
- Ensure Digital Executive Partner involvement with the customer executives and the account team
- May or may not directly manage selling specialists who are members of the account team
- Ensure that Digital is on the account's approved vendor list
- Identify and qualify personal computer opportunities; bring in the Personal Computer Business Unit to close the personal computer deal(s)
- Approve Digital Consulting Service Principal assignments

When a Global or Select Account is also a business partner, the account manager may manage both relationships.

Assessment of Results

Account managers are measured on:

- Customer satisfaction
- Revenue (net invoiced amount)
- Account share
- Business mix
- Milestone achievements on investment opportunities

The account manager receives credit for all business in the account including:

- Direct sales
- Partner/reseller sales
- Teleselling/merchandising sales

The Account Executive carries a worldwide budget for all business within the Global Account in all Territories.

Decisions and Actions

Account managers make decisions and take actions across the entire spectrum of sales management activities: recruiting, deploying, measuring, rewarding, recognizing, developing, and supporting.

In addition, Global Account Executives may escalate customer issues to any and all management levels at any time.

Methods and Tools

Refer to the appropriate sections for information on methods and tools, including account planning and budgeting, the account classification process, Global Account reporting, the Customer Satisfaction and Relationship Program, and Support (e.g., Customer Visits, Customer Relations).

Contacts and Resources

Area Account Management Offices:
Americas — Linda Hoffman @MRO, DTN 297-5611, [1]-508-467-5611
Europe — Didier Waroquiers @GEO, DTN 821-4415, [41]-22-709-4415
Asia Pacific — Rob Mostecki @AKO, DTN 244-6575, [1]-508-264-6575

Worldwide Account Management Office:
Deb Morin @AKO, DTN 264-6388, [1]-508-264-6388
Doug Wood @AKO, DTN 244-6679, [1]-508-264-6679

Sales Coverage

Management Standard

One of highest priorities of Level 1 and Level 2 sales managers is to plan and maintain sales coverage, redeploying resources as conditions change. They are also accountable for execution of coverage and account actions defined in approved Global and Select Account plans, for specific sites within the Territory.

Assessment of Results

Feedback from customers and the sales force is an important source of information to assess how coverage is working. Customer satisfaction and revenue growth should be improving constantly. Special attention must be paid to cross-territory coverage specified in account plans originating from outside the Territory.

Methods and Tools

The following lists sales coverage categories.

Sales Management

Vice President — Leadership of Level 2 managers within a country; as appropriate, leads Regional Vice Presidents.

Regional Vice President — Leadership of Level 2 sales managers.

District Manager — Leadership of Level 1 sales managers and account managers goals; customer/employee/partner satisfaction goals.

Sales Manager — Directly manage focused sales representatives and specialists; coach, counsel, develop; promote; hire; dismiss; revenue goals/new business; develop customer relationships.

Account Sales

Account Executive — Responsible for the identified 100+ Global Accounts; multi-territory; volumes of $25M with Digital, $50M annual potential total Digital business for account.

Account Manager — Responsible for the identified 300+ single or multi-territory accounts; volumes of $15M potential within 3 years; account designated by Business Unit and/or Territory.

Account Sales Specialist — Account responsibility, selling to a named set of accounts; industry focused; responsive to needs of Global or Select large account managers when part of those teams.

Territory Sales Specialist — Geographic focused sales specialist with primary emphasis on Territory and new accounts.

Sales Specialists

Application Sales Specialist — Sells customized product for range of customers with similar needs, industry focused; develops new business/accounts.

Product Sales Specialist — Utilizes channels partners, many accounts, volume-driven, large orders, effort is spent in direct sales; specialists can be identified for specific areas/products, or range of products.

Multivendor Customer Services Sales Specialist — Selling Digital services on base or new business/markets.

Telesales Specialist — Limited standard set of products to a wide range of customers; commodity.

Channel Sales Specialist — Channel relationships; volume, repeatable sales; demand generation recruit partners, maximize channel leverage, support/collaborate direct sales efforts.

The sales manager also deploys the technical advisory support for direct sales, including the Multivendor Customer Services bid/win support team. Sales support roles will be described in a future edition.

The Consulting Services Principal is also a member of Global and Select Account teams, and is directed by the account manager (see Deploy 9-1 "Selling and Delivering Consulting Services").

Based on the account planning and budgeting process, sales management should ensure that their accounts and new business are planned for by utilizing the following template by Territory:

Sales Coverage Template

Resource	Global Account	Select Account	Territory Account	Other	New, SME
Sales Management					
Level 3 (Vice President)					
Level 2 (District Manager)					
Level 1 (Sales Manager)					
Account Sales					
Account Executive					
Account Manager					
Account Sales Specialist					
Territory Sales Specialist					
Application Sales Specialists					
Product Sales Specialists					
Workstation					
Network					
Personal Computer					
Peripherals					
Software					
Design-in					
Other Sales Specialists					
MCS Sales Specialists					
Base Sales					
New Sales					
Both					
Telesales Specialists					
Channel Sales Specialists					
Value Added Reseller					
Industry					
Cross-Industry					
Distributor					
Master Reseller					
General					
Personal Computer					
Integrator					
Advisory/Sales Support					
Total					

Opportunity Management

Management Standard

Opportunity management is the management of all leads, revenue, resources, expenses, and associated decisions and activities within a manager's territory or account set. Opportunities result from many sources and should be prioritized according to the business strategy set by the manager.

Opportunities received in the field should already have been qualified. It is up to the manager to determine the appropriate routing of any opportunity. This could include a rejection, or an assignment to a sales specialist or appropriate channel/business partner for further sales activity. Rejections must be justified and communicated to the originating source.

When an accepted opportunity is in an existing account, the manager and sales specialist review it and add it to the original plan for that account. This includes prioritization, resource allocations, and revenue impact. The opportunity is recorded in frontlog (see the Measure chapter — Frontlog Measurement section for details) as part of the total revenue possibility for that account. All other opportunities should be referred to the appropriate person or organization for disposition. The frontlog report should reflect the true status of the opportunity portfolio.

Assessment of Results

- Customer response to and feedback on opportunity management work
- Sales coverage plan
- Win/loss/no bid reports
- Frontlog opportunities substantiate the achievement of Account/Territory goals

Decisions and Actions

Prioritize — Level 1 sales managers should take responsibility for all opportunities that pertain to their Territory and ensure that they are routed correctly. Any opportunity not in line with current business goals should be either rejected with reason or rerouted to another channel (e.g., a Distributor, Value Added Reseller, or another Digital organization).

Review and Deploy — Constant review of the opportunity portfolio provides information for the manager to determine the best deployment of resources for the territory or account set. The decision to reject an opportunity or report it as frontlog is up to the manager.

Report — Opportunity status reports are the responsibility of the manager. Frontlog provides the vehicle for senior management to plan better support for the field as well as allow field managers to manage the daily business.

Follow-up — When available, tools and systems established to complete the follow-up process should be understood and used by all members of the team. Opportunity follow-through and information maintenance is a requirement for sales specialists and their managers.

Methods and Tools

Frontlog (see the Measure chapter — Frontlog Measurement section)

Account Planning and Budgeting (see the Deploy chapter — Account Planning and Budgeting section)

Sales Coverage (see the Deploy chapter — Sales Coverage section)

Territory/country marketing programs and plans, available from your management.

Contacts and Resources

Finance can provide profitability data to cost-justify potential investments.

Demand generation sources, such as Industry and Product Business Units, can provide valuable information and schedules of planned demand generation events. Territory marketing managers are the best first contact/step.

Account Classification and Qualification

Digital accounts are classified into three categories:

A C C O U N T S
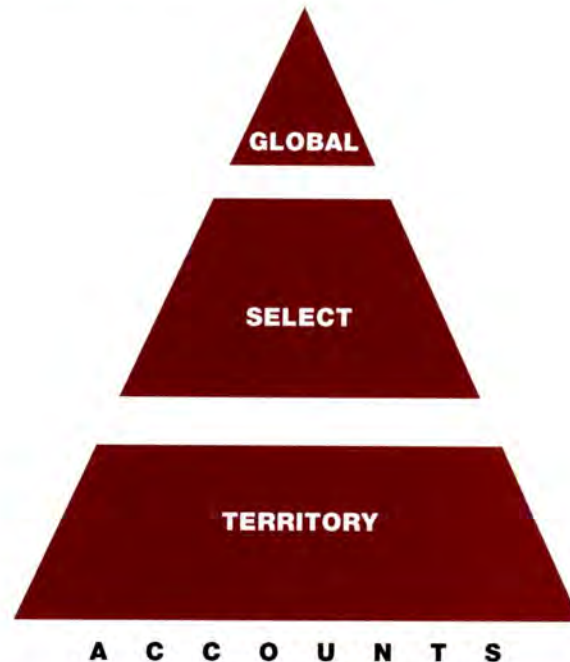
This classification is intended to help prioritize Digital's investments and resource expenditures. Classification also provides global consistency throughout Digital so that Digital's investments can be measured and adjusted for growth and profitable return.

Management Standard

Quarterly, Level 1 and Level 2 sales managers can nominate any appropriate Territory Accounts or business partners for Select or Global status and priority investment by the company. The following table shows the guidelines for nomination.

Guidelines for Account Classification

Characteristics	Global Accounts	Select Accounts	Territory Accounts
Location	Multiple sites worldwide	Multiple sites in one or more territories	Primarily local
Business Expectation	$25M annually 25% outside of hosted territory	$15M annually or within 3 years	No set level
Market Significance	Leader in specific industry	Leader in specific industry	Locally specified
Relationship	Complex: product, solution, channel, market, mix, organization, decision making, etc.	Complex: product, solution, channel, market, mix, organization, decision making, etc.	"Simple"

If a Global Account or Select Account no longer meets the guidelines or the account plan is not approved, the account may be removed from Global or Select status.

Global Accounts receive the highest priority for resource and investment expenditures by the company. Therefore, Global Accounts are subject to the highest level of care in classification and in the selection of account management. Global Accounts will be assigned a Digital Executive Partner (see the Support chapter).

Select Accounts will also receive priority resources and investments, and in many cases will also be assigned a Digital Executive Partner.

If the account is nominated and meets the Global Account guidelines, and the account plan is approved, the account may be elevated to Global Account status.

Territory Accounts are not named Global or Select, although their revenue may be significant. The following table shows the account management standards for Global, Select, and Territory Accounts:

Implications of Account Classification

Characteristics	Global	Select	Territory
Number of Accounts per Account Manager	1 Maximum	2 Maximum	Approx. 5
Account Plan	Global Account Plan Format	Global Account Plan Format	Abbreviated Account Plan
Formal Account Plan Review	Industry Segment Vice President	Host Territory Manager	Local Sales Management
Account Manager Scope	Worldwide	Single or Multiple Territory	Locally as Goaled
Assignment Duration	5 years	3 years	Variable

Assessment of Results
For the official list of Global and Select Accounts and their account managers, contact: Deborah Morin @AKO, DTN 244-6388, [1]-508-264-6388, or Doug Wood @AKO, DTN 244-6679, [1]-508-264-6679.

Decisions and Actions

The table below shows the decisions and actions for Global, Select, and Territory Accounts:

Account Classification and Qualification

Action	Global	Select	Territory
Sponsor	Level 2 Manager	Level 1 Manager	Level 1 Manager
Approve	Area Vice President	Territory Sales Manager	Level 2 Manager

Account Manager and Account Executive Certification

Action	Global Account Executive	Select Account Manager	Account Sales Specialist
Sponsor	Territory Sales Manager	Level 2 Manager	Level 1 Manager
Nomination	Area Vice President	Level 1 Manager	Level 1 Manager
Approval	Other Two Area Vice Presidents	Territory Sales Manager	Level 2 Manager

Methods and Tools

Accounts and business partners become classified for priority investment through the account planning and approval process. Contact Deborah Morin @AKO, DTN 244-6388, [1]-508-264-6388, or Doug Wood @AKO, DTN 244-6679, [1]-508-264-6679, for the Account Management Guide.

Contacts and Resources

For approval support, contact Area Account Management Offices:

Americas — Linda Hoffmann @MRO, DTN 297-5611, [1]-508-467-5611

Europe — Didier Waroquiers @GEO, DTN 821-4415, [41]-22-709-4415

Asia Pacific — Rob Mostecki @AKO, DTN 244-6575, [1]-508-264-6575

Account Planning and Budgeting

Management Standard

The account plan is a document that is updated regularly. It is the fundamental planning document for each of Digital's Global and Select Accounts. It is the primary mechanism for Digital to commit revenue and other resources to these accounts at the Territory level, and for Digital to manage accounts seamlessly across Territory boundaries.

The account plan represents a thorough understanding of the customer's business challenges and identifies how Digital can help meet those challenges while profitably growing total business with the customer.

To develop quality account plans, account managers and their teams engage with:

- Their customer/business partner
- Their Digital Executive Partner
- All Business Units
- Appropriate Territory Sales teams and Sales Support

The Global Account Executive is responsible for staging the account review and getting approval from the Industry Segment Vice President.

The Select Account Manager is responsible for staging the account review and getting approval from the Territory manager. The Select Account Manager is also responsible for negotiating budgets and resources.

Territory roll-ups of all Global and Select Account plans' Net Operating Revenue (NOR), sales resources, and other expenses are sent to Territory and Segment management for review.

Assessment of Results

This checklist can be used to help assess whether an account plan is complete.

Overview of the Account
- Knowledge and understanding of strategic opportunities
- Anticipation of account evolution
- Account manager contacts with key information technology influencers
- Market share between Digital and competition
- VIP events plan
- Customer satisfaction
- Key dependencies for Digital

Account Management
- Execution of previous account plan decisions
- Definition of business goals
- Analysis of business opportunities
- Quality of opportunities presentation
- Action plan
- Other major actions re: Alpha AXP, UNIX, PCs
- Selling channels optimization

Account Communication
- Collaborative account team effort
- Dialogue/relationship with territory/territories management
- Dialogue/relationship with business unit(s) management
- Quality of account team contracts with territories
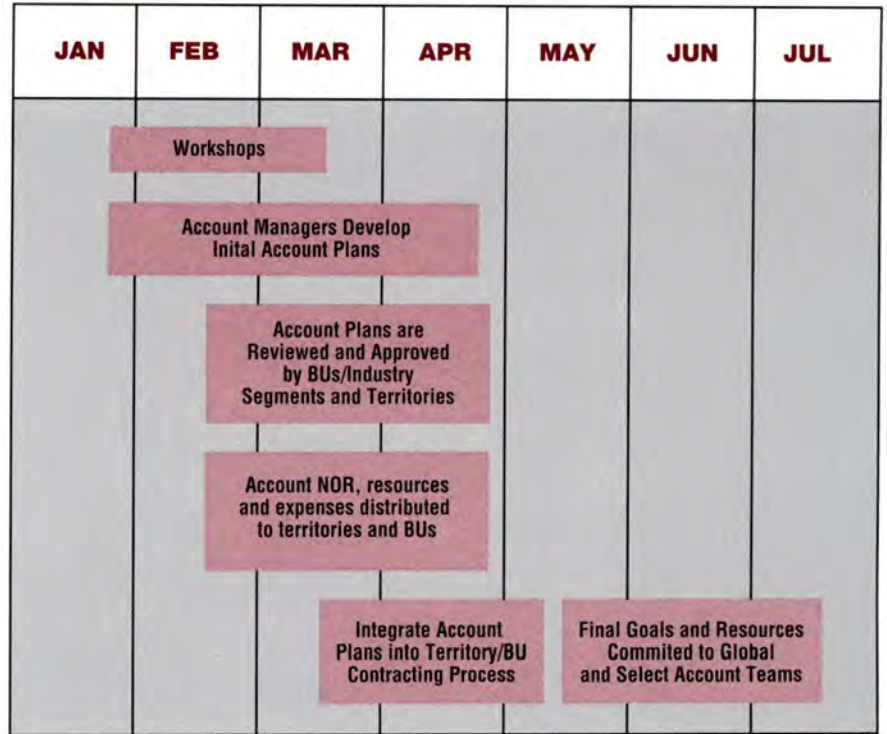- Evolution of selling yield

Other
- Overall quality of account plan
- Adherence to worldwide account plan format

Decisions and Actions

The chart on the next page and the description that follows it cover the planning and budgeting cycle.

Account Planning and Budgeting Calendar

JAN	FEB	MAR	APR	MAY	JUN	JUL

Workshops

Account Managers Develop
Inital Account Plans

Account Plans are
Reviewed and Approved
by BUs/Industry
Segments and Territories

Account NOR, resources
and expenses distributed
to territories and BUs

Integrate Account
Plans into Territory/BU
Contracting Process

Final Goals and Resources
Commited to Global
and Select Account Teams

Planning

The Global and Select Account managers are responsible for developing a plan to focus Digital's worldwide resources on customer opportunities. The account manager and account team must come to agreement on the following:

- Strategy to address customer opportunities
- Set of business goals
- Justification for long-term investments
- Sizing and description of resource requirements
- Action plan

Account plans should be completed and ready for formal review by late March.

Review

Account plans should be reviewed formally during March and April:

- The Industry Segment Vice President has the responsibility of reviewing and approving Global Account plans on behalf of the corporation.
- The Territory manager of the Territory with the headquarters location of the account will have the responsibility of reviewing and approving all Select Account plans on behalf of the corporation.
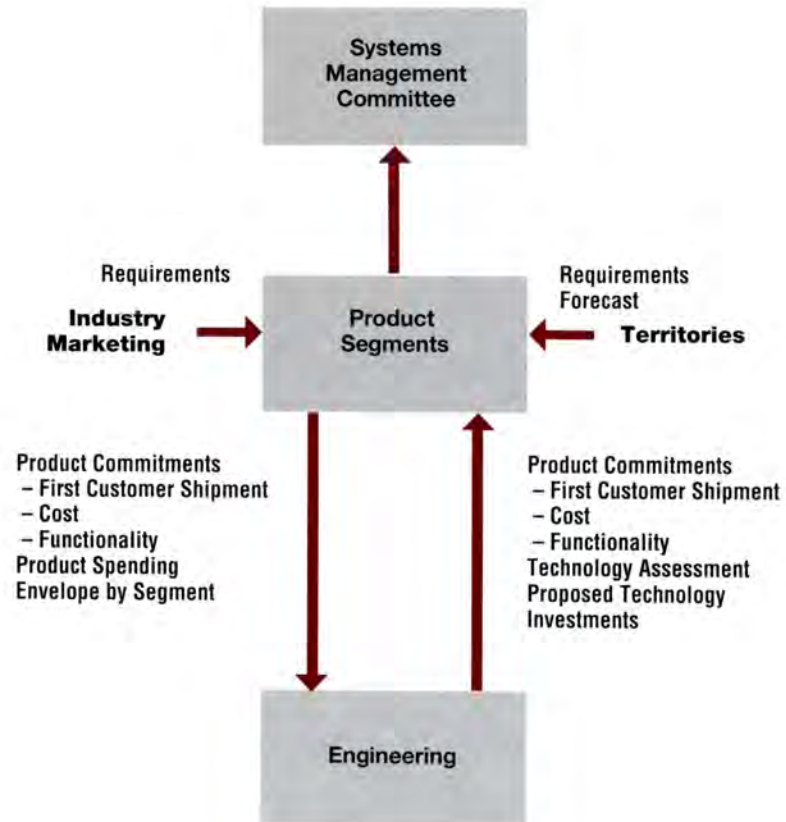
Approval

By May, all account plans should be approved. The Territory will have a listing of the NOR, resources, and other expenses for each approved account. This will allow appropriate time for Territory business to be added to the Global and Select Account plans before the end of the fiscal year. Any significant adjustments to approved plans during the year are subject to the same review and approval procedure as for the May approval.

Methods and Tools

A specific set of tools and a formal workshop on conducting account planning and budgeting will be launched in Q3. This training will be conducted worldwide. It will combine the high-level identification of opportunities and support in developing detailed account plans from these opportunities, which lead to revenue and resource deployment decisions. Territory sales training managers can be contacted about this training.

Account, District, country, and Territory planning activities engage managers with the Systems Business Unit planning process. Such engagement gives managers a variety of methods and tools with which to address concerns across the whole scope of the sales function.

```
                    ┌──────────────┐
                    │   Systems    │
                    │  Management  │
                    │  Committee   │
                    └──────────────┘
                           ▲
                           │
   Requirements            │            Requirements
                           │            Forecast
   Industry      ┌──────────────┐
   Marketing  ──▶│   Product    │◀──   Territories
                 │   Segments   │
                 └──────────────┘
                    │        ▲
                    │        │
   Product Commitments      Product Commitments
   – First Customer Shipment  – First Customer Shipment
   – Cost                     – Cost
   – Functionality            – Functionality
   Product Spending           Technology Assessment
   Envelope by Segment        Proposed Technology
                              Investments
                    │        │
                    ▼        │
                 ┌──────────────┐
                 │  Engineering │
                 └──────────────┘
```

Each of the five Product Segment teams has a different business model, which is reflected in both its plan and measurements. Each Product Segment Manager's plan is reviewed and approved by the Systems Management Committee (SMC). Each Segment Manager is responsible for developing the life-cycle business case needed to drive the Engineering Phase Management Process, and obtains commitments to a detailed annual business plan, including targets for:

- Engineering spending
- Overall revenues
- Profit margin
- Channel strategy
- Segment-specific marketing alliances
- Product announcements and introductions
- Pricing
- Marketing programs
- Sales promotion and advertising
- Training

In short, the Segment Managers are responsible for ensuring that their implementation plans for the Territories, Engineering, Manufacturing, and Logistics support their business growth targets and are approved by the Systems Management Committee.

Contacts and Resources

For account plan formats and instructions and an Account Management Guide, contact Doug Wood @AKO, DTN 244-6679, [1]-508-264-6679, or Deborah Morin @AKO, DTN 244-6388, [1]-508-264-6388.

For approval support, contact area Account Management Offices:

Americas — Linda Hoffmann @MRO, DTN 297-5611, [1]-508-467-5611

Europe — Didier Waroquiers @GEO, DTN 821-4415, [41]-22-709-4415

Asia Pacific — Rob Mostecki @AKO, DTN 244-6575, [1]-508-264-6575

Business Partner Relationships

Management Standard

To ensure effective Territory market penetration, Sales uses all channels, including business partners. Digital has defined eleven business partner relationships, six for business partners and five for multivendor services partners. All are legal business contracts. These relationship definitions, requirements, and agreements will be consistently implemented worldwide as appropriate to business needs. This policy involves all end-user and business partner relationships and applies to all hardware, software, and services product sales. Each partner relationship requires local country legal review.

Discounts to end users and business partners will be consistently implemented worldwide according to the corporate discount architecture:

- Base discounts consistent worldwide
- Earned Commission Program consistent worldwide
- Transactional discounts consistent per guidelines
- Incremental discount programs for business partners such as market development funds, local market incentives consistent per guidelines

Assessment of Results

Indirect and leveraged sales volume forms the basis of assessment. High and increasing market share is the goal.

Decisions and Actions

Adding new relationships, or changing the agreements of existing relationships, will require a formal proposal to the Business Partner Board of Directors and approval by the Worldwide Sales Operations Vice President. Territory managers will be consulted before any proposed changes are implemented.

All base discounts, granted by the host country manager in accordance with the architecture, will be honored worldwide in all other countries where purchases are made. A local country agreement may be required.

Each Territory/country will have formal proposal, legal review, approval, reporting and communication processes in place to support these policies, and will provide ready access to information.

Countries and Territories will be audited for compliance with this policy on a regular basis.

Methods and Tools

Digital's business partner relationships are defined below. When Digital products are resold by a partner, warranty is usually passed through to the end user. This does not apply to Original Equipment Manufacturers (OEMs) or to Independent Software Vendors. Also, exclusive rights to a defined territory are rarely granted by Digital to partners and require Business Partner Board of Directors approval.

An **Independent Software Vendor** (ISV or developer) creates, maintains, and distributes software and may resell Digital software products. The ISV does not typically take title to Digital hardware. ISV products work with many vendors'

platforms. The ISV's primary revenue source is their product. The ISV's sales process depends on the size of the account. Software product sales typically generate greater than 80% of their revenue.

A **Distributor** acts as a stocking distributor for a specific Territory for agreed-upon products that provide convenience to end users. They have strong sales and marketing capabilities to sell into Digital's account base and to develop new customers without Digital involvement. Distributors depend on Digital's brand awareness. Digital's products retain identity and visibility to the end user. Less than 20% of revenue typically generated by a Distributor typically comes from their own added-value components and services.

A **Value-Added Reseller** (VAR) sells a total solution to Digital's account base and to new customers. VARs are authorized to participate in defined geographical targeted markets. Their added value is sales and marketing expertise for their solutions. VARs depend on awareness of the Digital brand since Digital products retain identity and visibility to the end users. Thirty percent to 50% of VAR revenue usually is from their own added-value services and applications.

A **Systems Integrator** (SI) provides comprehensive information processing solutions through services and expertise. They include project OEMs. SIs work as a prime contractor for large custom products and assume risks and responsibilities. They handle larger contracts than VARs and multivendor application solutions. SIs often team-sell with Digital. They may resell hardware and software and may also subcontract from Digital. Digital products retain identity and visibility to the end user. Digital and the SI manager are mutually dependent, equally responsible for success. As a rule, greater than 50% of SI revenue is generated by the SI's own value-added solutions.

An **Original Equipment Manufacturer** (OEM) embeds original product in a solution before selling it. Digital products and technology may be sold at all levels of integration. Digital products and technology may be customized for this channel, and not be in the price book. The OEM takes primary responsibility for selling to and supporting customers with limited Digital involvement. Digital products and technology generally represent less than 50% of the final solution.

A **Master Reseller** owns, franchises, or contracts a network of business partner VARs and dealers. Their added value is channels management. They do not sell directly to end users, but to other VARs. Usually less than 30% of their revenue is from added-value marketing services. Master Resellers sell primarily on their own, with strong sales and marketing capabilities. Digital products retain identity and visibility to the end user.

There are incentives to help develop and manage business with business partners, including the following:
Market Development Funds — Market Development Funds (MDFs) are investment moneys (in the form of a worldwide discount) used to develop a market segment as defined by a Business Unit. MDFs do not represent changes to the base discount or the corporate discount architecture. MDFs provide an additional discount to a channel, based on the specific criteria of the funding Business Unit.

A worldwide Business Unit proposes to the corporate pricing director (process to be defined) for approval. Territory input includes local country legal review. Decisions are made after all input is considered.

MDFs are funded by the Business Units. Business partners will be notified of the criteria (written by the Business Unit against guidelines to be defined) and availability of MDFs. Geographies and Territories will be responsible for the implementation and reporting.

Local Market Incentive — A Local Market Incentive (LMI) is a geography-based discount that is needed to develop a market within a specific Territory, rather than worldwide. An LMI does not represent changes to the base discount or the corporate discount architecture, but is granted in addition to the base discount.

A business partner may receive an LMI by meeting stated criteria within a specific Territory, which applies only in the stated Territory, not outside the Territory.

The sponsor within the Territory will propose to Territory management for approval. The Territory must have a process to review — including legal review, execute, and report. The corporate pricing director will review for consistency.

The Territory will fund the discount, and the discount is valid only in the stated Territory. Business partners will be notified of the criteria and availability of an LMI.

Mandatory Discount Programs — There are mandatory discount programs for earned commission for distributors managing a project or small account on behalf of Digital, and for cooperative funding. Territory channels managers have further information.

Digital's services partner relationships are:

Service Referral — The Multivendor Customer Services (MCS) Business Unit will, through commission, compensate partners for business closed by Digital as a result of qualified services leads submitted by the partner.

Service Seller — MCS will, through discounts or commissions, compensate partners who sell service contracts and warranty upgrades and extensions.

Service Manager — MCS will, through discounts, compensate partners who manage the administration of maintaining their end-user service contracts. This pertains to performing warranty conversion, contract renewals, changes, additions, and deletions. Additional compensation can be obtained for performing invoicing and call screening activities.

Service Provider — MCS will, through special pricing for spares, repair services, documentation, and diagnostics, support partners who are qualified to deliver the MCS services portfolio in particular markets and industries. These are the markets and industries targeted by MCS for new business penetration where, otherwise, MCS would have no alternative means to create a presence.

Service Integrator — MCS will perform in either a prime contracting or a sub-contracting role in delivering any or all parts of a solution together with a partner who specializes in systems or network solutions. Under this arrangement, the partner can exercise any aspect of the first four relationships as necessary to win the business. The partner will be compensated appropriately, according to the relationship.

Note: A partner is not restricted to any one of the above relationships and may, in fact, invoke different relationships for different business transactions.

Contacts and Resources

Corporate — Mike Mancuso @MRO, DTN 297-3062, [1]-508-467-3062
Ed Kamins @MRO, DTN 297-9373, [1]-508-467-9373

Americas — Mark Holleran @TRO, DTN 631-7182, [1]-416-730-7182
Dennis Rose @LAC, DTN 655-6497, [1]-305-360-6497

Europe — Ian A. Smith @REO, DTN 830-4947, [44]-73-486-8711
Patrick Gouin @VLJ, DTN 858-4501, [33]-16-987-5111
Francesco Lamperti @MLN, DTN 793-8228, [39]-266-181
Gerhard Burtscher @UFH, DTN 865-0911, [49]-89-95910
Paul Santner @ZUO, DTN 760-2405, [41]-1-801-2111

Asia Pacific — Randy Tan @HGO, [852]-805-3516
Tetsuya Shiga @TKO, [81]-3-5349-7228
Peter Grob @SNO, [61]-2-561-5266

For information on the corporate discount architecture, contact Karen Davis @MKO, DTN 264-7485, [1]-603-884-7485.

For services quotes, contact Janet Miegel @MRO, DTN 297-5602, [1]-508-467-5602.

Selling and Delivering Consulting Services

Management Standard

The account manager is responsible for the selling and delivery of all Digital services and products to the account. Digital's largest accounts will be assigned a Digital Consulting Services Principal, who supports the account team in achieving and exceeding account plans.

Assessment of Results

Success will be measured by improved customer satisfaction and increased business. The Consulting Services Principal will be held accountable for the same metrics as the account team and for incremental Digital Consulting business growth in the account.

Decisions and Actions

Account managers engage with the Consulting Services Principal, who will in turn take a leadership role in:

- Preparing the Digital consulting portion of the account plan
- Finding leads
- Building relationships with key executives
- Forming Digital consulting teams
- Proposing and winning engagements
- Managing customer expectations
- Leading delivery
- Building customer satisfaction
- Building volume and profit in the account
- Coaching the account team on Digital consulting issues

A Consulting Services Principal may be assigned to one or more accounts. A Consulting Services Principal may be nominated by Territory management with the input of the account manager. The nomination is reviewed in detail by the Area selection committee and approved by the Digital Consulting Worldwide Selection Committee, chaired by Dick Scarborough @MKO, DTN 264-1000, [1]-603-884-1000. The Account Manager has final approval for assignments.

Contacts and Resources

For further information, contact the Professional Services Center manager or the Territory Digital Consulting manager.

Network Integration Services

Management Standard

Coordination of network integration services is vital to customer satisfaction. Digital has key competence in network architecture and network integration. The two Business Units that support Sales in this area are Multivendor Customer Services and Digital Consulting Services, which are jointly responsible for developing and implementing a single, integrated, comprehensive network integration systems portfolio. The plan for this has these objectives:

- Maximize the profitable growth of all aspects of Digital's network business.
- Simplify the engagement of customers for network integration opportunities.
- Preserve the primary growth initiatives across Digital's service business.
- Improve customer satisfaction with our network integration services.
- Active synergy among Digital's services organizations in order to satisfy customers.
- Provide the broadest possible market coverage.

Digital Consulting is responsible for all network integration services in the approximately 400 Global and Select Accounts and for supporting account management in customer engagement. Multivendor Customer Services is responsible for all remaining network integration services and for supporting account management in customer engagement.

Sales gets full credit for all network services regardless of which organization delivers them.

For Global and Select Accounts, Digital Consulting Services specifies, selects, and procures network hardware and software as part of its systems integration work; it subcontracts to Multivendor Customer Services all intra-LAN support. Multivendor Customer Services manages and does any further subcontracting required for further intra-LAN networks. Where it is more cost-effective for Multivendor Customer Services to deliver standalone intra-LAN support and/or inter-networking services, Digital Consulting Services will work with Multivendor Customer Services for the delivery of these services. Multivendor Customer Services is responsible for managing all wiring subcontracting for both intra- and inter-LAN business, in all accounts. In effect, Multivendor Customer Services is responsible for all network integration services outside the Global and Select Accounts.

In all cases when business is referred or subcontracted from one organization to another, revenue follows expense so that P&L integrity is maintained.

Assessment of Results

The identity and list maintenance of the Global and Select Accounts is the responsibility of Corporate Sales Operations (see Deploy chapter – Account Classification and Qualification section). This list is used to determine responsibility for network integration services.

Decisions and Actions

Sales personnel should contact Digital Consulting regarding network opportunities in Global and Select Accounts, and Multivendor Customer services for such opportunities elsewhere. Sales is credited fully in either case. If local conditions require a change to the implementation responsibilities defined here, this should be agreed on by Sales, Digital Consulting, and Multivendor Customer Services.
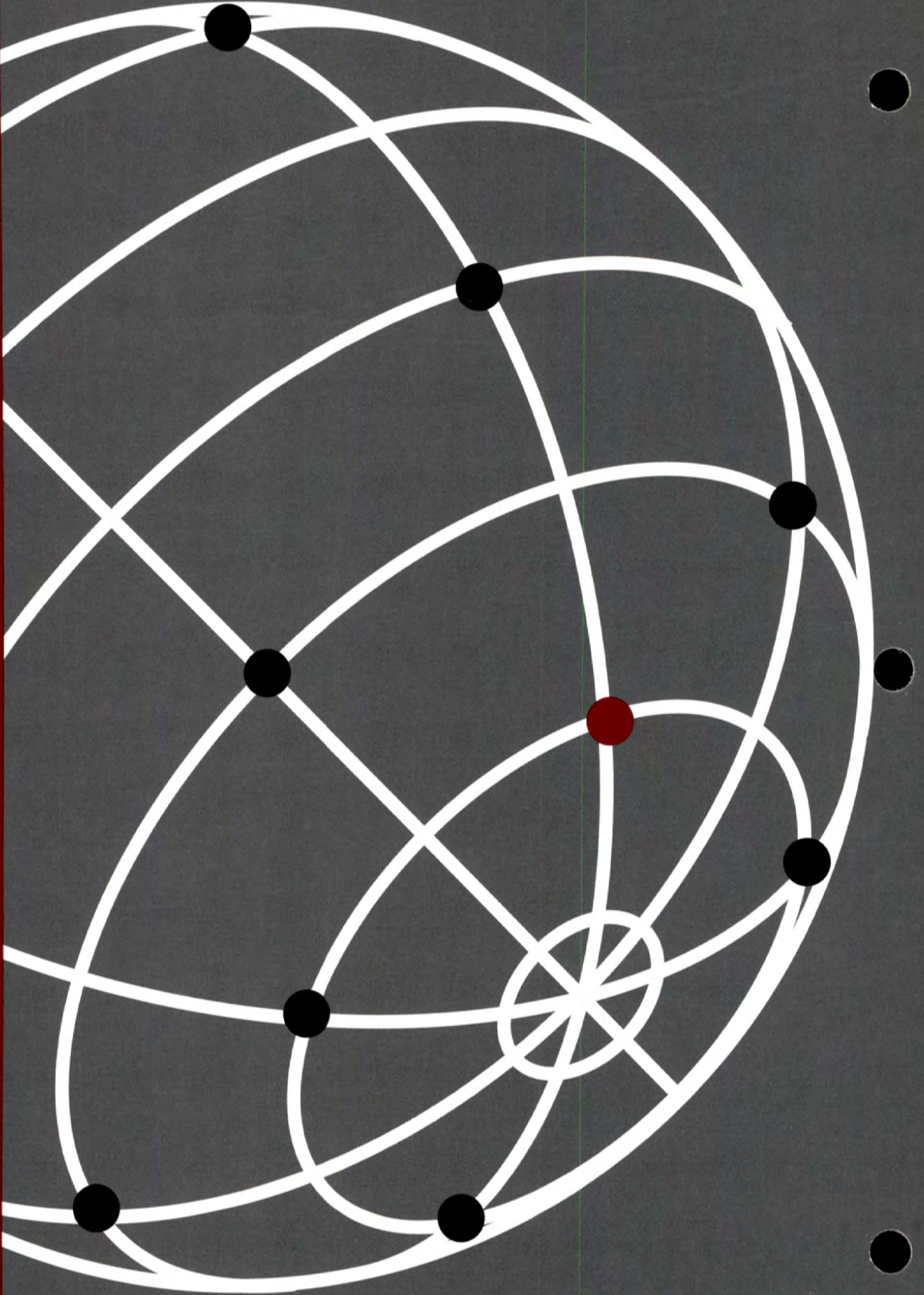
Digital Consulting and Multivendor Customer Services prepare joint operations plans during Q3 and Q4. Q3 is a good time for Sales input.

Contacts and Resources

Specific questions can be addressed to the district or country managers for Sales Operations, Digital Consulting, Multivendor Customer Services, or to the Consulting Services Principal.
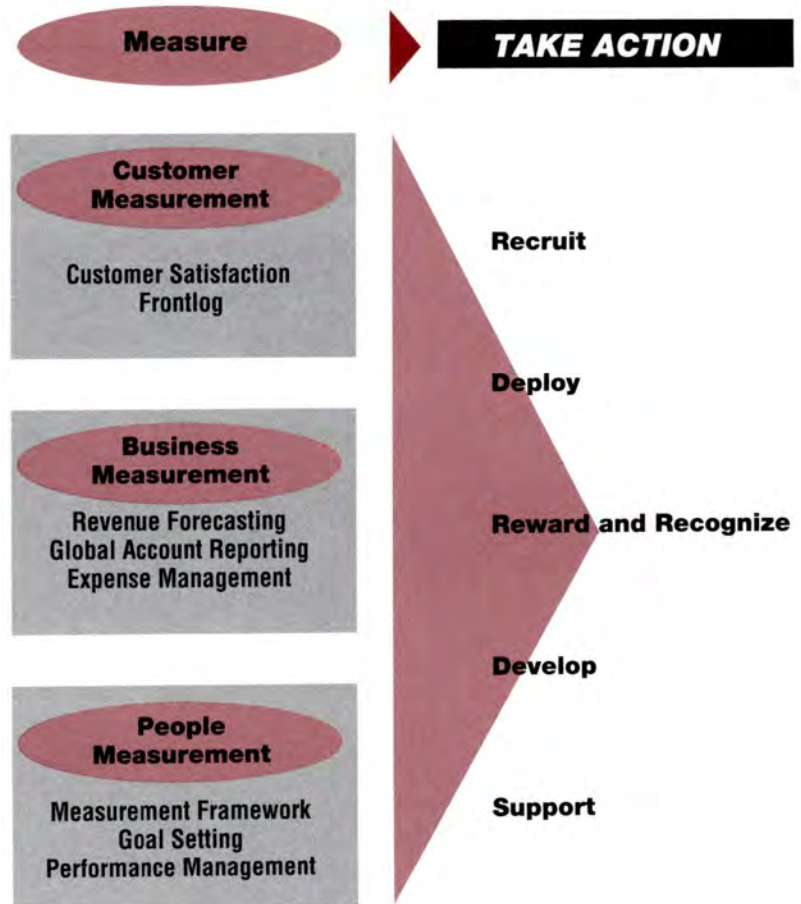
Contents

Measure

Overview

Measurement is not an end in itself. It is done to compare performance to key goals and standards. The graphic below shows how measurement of customer needs and activity, measurement of the business, and measurement of people lead to appropriate action.

Measure → **TAKE ACTION**

Customer Measurement

Customer Satisfaction
Frontlog

Business Measurement

Revenue Forecasting
Global Account Reporting
Expense Management

People Measurement

Measurement Framework
Goal Setting
Performance Management

Recruit

Deploy

Reward and Recognize

Develop

Support

Worldwide Customer Satisfaction and Relationship Program

Management Standard

The account manager, channel manager, and sales unit manager are responsible for customer satisfaction. The purpose of the Worldwide Customer Satisfaction Survey is to amplify the voice of the customer. The Survey is conducted by an external vendor and measures levels of customer satisfaction in Global Accounts, Select Accounts, and large Territory Accounts. The methods used to gather information are sophisticated, and the results include a specific prioritized analysis of customer satisfaction issues. It is a sales management responsibility to take action based on the Survey results. Actions may include:

- Problem solving
- Definition of customer needs
- Fulfillment of specific customer requirements

Assessment of Results

The results of the Survey are reported in three ways: First, a Quarterly Management Summary is generated, based on results from accounts that have reached a statistically valid response as of a designated quarterly date. These general survey findings are delivered to Digital's senior management, including Senior Leadership Team, Strategy Committee, Sales Marketing Committee, and Territory management.

Second, account managers receive reports when their accounts reach a statistically valid response. These hard-copy packages consist of a confidential report to the account manager that includes suggestions for how to respond to the customer and a report to be delivered personally to the customer by the account manager. In addition, an electronic summary is sent to the account manager and the designated sales manager.

Third, glaring or critical issues are immediately directed to Corporate Customer Relations, Jim Dooley, DTN 244-6444, [1]-508-264-6444, for action planning with the account manager.

Decisions and Actions

This customer feedback enhances business relationships, and can be used to leverage revenue opportunities by:

- Creating opportunities for customer feedback
- Promoting and fostering better relationships with customers
- Identifying areas for improvement and change
- Increasing the focus on customer repurchase

Methods and Tools

The critical driving force for success is account manager response. The options for action are numerous, including sharing data with the worldwide sales team, engaging the Executive Partner, arranging for customer action-planning focus groups, and identifying key issues to be worked on at senior management levels. Regardless of the action taken, the customer *must* receive an acknowledgement of their input and know of Digital's interest in *their* concerns.

Contacts and Resources

Survey Program Office:
Peter Swaim, Program Manager @AKO, DTN 244-6639, [1]-508-264-6639
Paul Rondina, Operations Manager @AKO, DTN 244-6274, [1]-508-264-6274

Area Survey Coordinators:
Americas — Linda Hoffmann, DTN 297-5611, [1]-508-467-5611
Europe — Elizabeth Thomas, DTN 821-4753, [41]-22-709-4415
Asia Pacific — Rob Mostecki, DTN 244-6575, [1]-508-264-6575
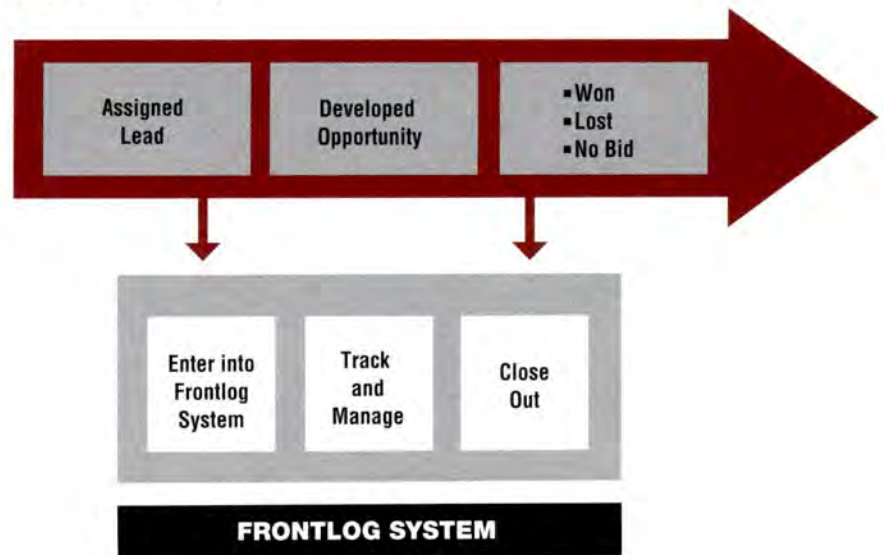
Frontlog Measurement

Management Standard

Frontlog information is a powerful management tool that informs resource allocation decisions, refines selling strategy, and supports revenue forecasts.

Salespeople must identify opportunities and report them in the Territory frontlog system as soon as they are identified. The frontlog data must be current at all times. The information that should be captured and reported includes not only the identity and monetary size of the opportunity, but also all available marketing information (per the system standards).

This frontlog information summarizes the opportunities on which salespeople are spending time, across the life cycle of each opportunity.

Opportunity Life Cycle

Assigned Lead	Developed Opportunity	• Won • Lost • No Bid

Enter into Frontlog System	Track and Manage	Close Out

FRONTLOG SYSTEM

All qualified leads arising from demand-generation campaigns must be tracked, and a report of their final resolution must be made to the source of the lead.

Note that once opportunities are entered into the frontlog system, they cannot be deleted without identifying the final resolution. All opportunities must be declared *won, lost,* or *no bid.* If the opportunity is lost, the competitor who won the bid should be listed.

Assessment of Results

First level sales managers should monitor their frontlog reports and conduct regular person-to-person reviews with their salespeople.

Decisions and Actions

- Monitor the frontlog system and take action on urgent items.
- Conduct person-to-person reviews of the frontlog data with salespeople.
- Decide on no-bid situations if the opportunity appears to be unwinnable for Digital. In other words, do not permit reps to spend time on unwinnable situations.
- Manage the selling and support resources across the whole portfolio of opportunities (see the Deploy chapter).
- Base sales unit revenue forecasts (see the Revenue Forecasting section in this chapter) on this information.

Methods and Tools

The Opportunity Pipeline System or the frontlog system in each Territory is the sales manager's primary tool for managing salespeoples time. The Sales Operations manager should be consulted with system questions or to change system privileges. As more and better tools are developed for frontlog management, they will be described in future editions of this manual.

Goal Setting

Management Standard

The first level sales manager must assign a goal for each salesperson in his or her sales unit within the first 30 days of the fiscal year.

The sum of all salespersons' goal sheets must equal or be greater than the goal accepted by the first level sales manager, at all times during the fiscal year. If the sum of the goal sheets is greater than the goal of the first level sales manager, the size of the overlay must not exceed the overlay percentage set by the second level sales manager.

Goals should be consistent with the potential of the assigned accounts and the capability of the salesperson. It is not acceptable practice to apportion a sales manager's goal equally across salespersons unless opportunities and capabilities are truly equal.

At any time during the fiscal year, any salesperson must have the ability to find out his or her actual revenue standing and the percentage of the year's goal that has been attained.

Assessment of Results

The first level sales manager obtains his or her revenue goal and overlay percentage from the second level sales manager. The number and types of jobs in the first level sales manager's span of control are also provided by the second level sales manager.
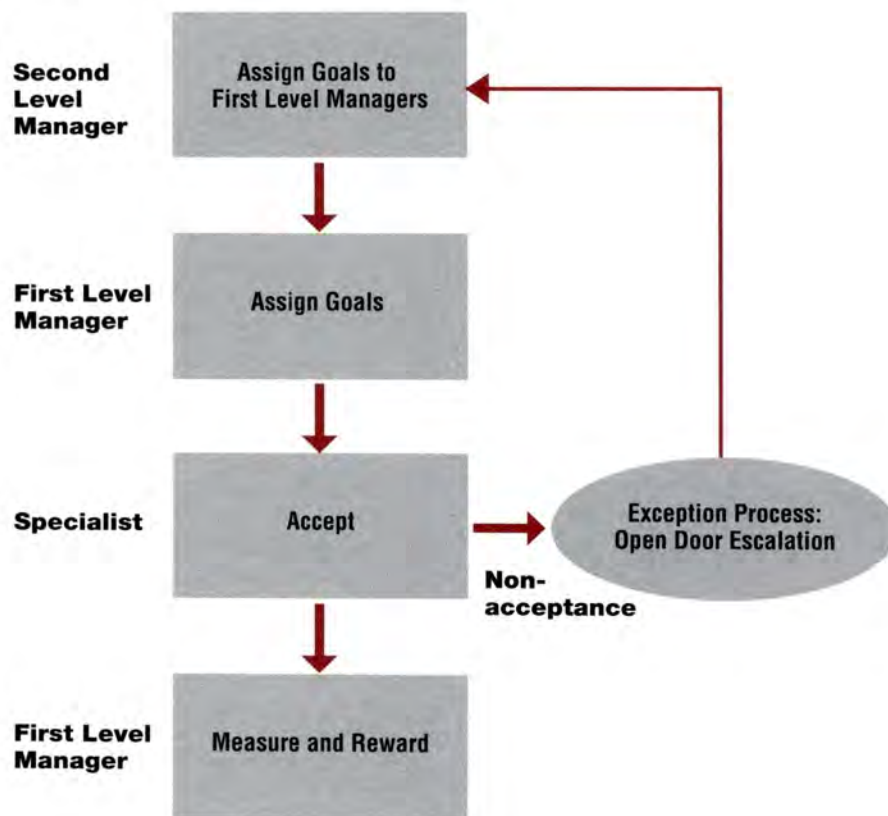
Goal sheets are maintained in the Country standard goal sheet system, and must be capable of passing an independent audit. Goal sheets and instructions for completing them are in the local Country Sales Measurement Guidebook. Goal sheets can be specific to a sales job type, and the differences between the job types are also in the Sales Measurement Guidebook.

Decisions and Actions

- Second level sales manager assigns goal to first level sales manager.
- First level sales manager assigns goals to salespeople in sales unit, the goals being documented on the goal sheets, accepted by each salesperson, and signed by the first level sales manager.
- Goal sheet summaries are to be provided by the first level sales manager to the second level sales manager with the job types and goals assigned.
- The salesperson has the option, through an open-door process, of reviewing with the second level sales manager goals that he or she considers unfair.
- Goals may also be changed during the course of the year. Any changes must be approved by both the first level and second level sales managers, and some changes may be accommodated by the overlay set at the beginning of the fiscal year. Any change to a goal sheet that occurs within the last quarter of the fiscal year must be approved by additional levels of sales management.

Goal Setting Process

Second Level Manager → Assign Goals to First Level Managers

First Level Manager → Assign Goals

Specialist → Accept → Exception Process: Open Door Escalation

Non-acceptance

First Level Manager → Measure and Reward

Methods and Tools

- Country Sales Measurement Guidebook (contains goal sheets) — prepared and maintained by Country Sales Operations.

- Country Goal Sheet System (goal sheets are entered into this system).

- A standard calendar of events will be published semiannually by Worldwide Sales Operations to provide a standard set of expectations for when goal data entry is to be received by the sales manager and when the goal sheets must be entered into the system.

Measurement Framework/Rules

Management Standard

The first level sales manager must advise each salesperson in his or her sales unit of the rules that determine how that salesperson is to receive credit for business. It is a management responsibility to ensure that each salesperson receives appropriate sales credit, that manual claims are handled quickly and efficiently, and that judgments are made quickly and fairly.

The general rule is that a salesperson can receive credit only for business that matches their assignment (e.g., workstation specialist receives credit only for workstation sales). Managers will have to exercise business judgment in providing guidance in unclear situations. Managers must not collect more than one credit for a single sale (although that sale may result in credits to more than one person in the sales unit).

The Cooperative Sales Credit (CSC) form, or its equivalent, is used to allocate credit toward the Cooperative Sales Goal. This goal may consist of sales via:

- Direct Marketing Organization (DMO)
- Business partners
- International sales
- Digital assisted sales

The salesperson is responsible for completing the CSC form (access the form at VTX WORLDWIDE_SALES); the first and second level sales managers approve it. Country/Territory approval may be required in some territories. Sales Operations management is responsible to post the credit to the salesperson.

Double measurement credits are handled by the CSC mechanism just discussed. In addition, the International Revenue Recognition policy (at VTX IBG) supports equity in Territory (versus measurement) revenue recognition. The policy allows for, on an exception basis, the transfer of Territory revenue from one third level sales manager to another.

Changes in crediting rules may occur during a fiscal year, and managers must communicate these changes and their implications to all the salespeople in the sales unit.

Assessment of Results

- The crediting rules are contained in the local country Sales Measurement Guidebook.
- Changes to the rules are communicated as required, and the rules are updated.
- Actual revenue information is supplied to every salesperson one month in arrears by country Finance IM&T and Sales Operations.

Decisions and Actions

- First level sales managers describe the crediting rules to all the salespeople in their sales units.
- Approve manual sales credit decisions (See country Sales Measurement Guidebook).
- First level sales managers must resolve crediting-rule discrepancies with the help of the second level sales manager and with country Sales Operations management.
- First level sales managers are responsible for making sure that changes to crediting rules are communicated to all salespeople in their sales units.

Methods and Tools

- Country Sales Measurement Guidebook, which is supported by local Sales Operations management

Contacts and Resources

- Contact country Sales Operations management for final rulings on issues related to crediting rules.

Performance Management System

Management Standard

The performance management system applies throughout the company. It ensures that every individual has a plan for his or her work, that everyone's plan fits into a plan for the whole organization, that every individual's performance is appraised, and that there is a development plan in place to help every person become more productive. The performance management system requires open communication between every person and his or her manager regarding work, performance, and development.

Performance Management System

All businesses have a documented business plan, and managers communicate that plan to individuals, making it clear to them how it relates to their work. Managers work with individuals to develop a performance plan for each individual that includes goals, behaviors, and development activities all tied directly to the business plan and reflective of the individual's current work.

Individuals have (at a minimum) an annual review of development goals that are documented and mutually agreed upon, goals that reflect the needs of the business and that themselves be reviewed annually. To take part in development and learning activities, an individual must have a documented development plan. Because development plans are so important, a section in this manual is dedicated to them. See the Development Plans section in the Develop chapter.

Individuals are ultimately responsible for taking the initiative to ensure their own continuous development in conjunction with business needs.

Managers and individuals conduct update and feedback sessions on a regular basis. When the nature of an individual's work changes, that individual's plan has to change. Feedback includes input from managers, direct reports, peers, and customers.

The performance plan results are used as the basis for appraisals. All individuals have a documented appraisal at least annually, with an opportunity to give input to their managers on the content. Managers are measured, appraised, and rewarded based on how well they implement the system. Performance appraisal discussions are kept separate from salary discussions.

Rewards are linked directly to performance and development results and are never automatic. Financial rewards are differentiated based upon individual performance and may be designed to enhance group, team, and company performance. Managers are responsible for making clear to individuals the relationship of business goals and objectives to rewards.

During performance planning, managers and individuals agree upon value-based behaviors that are key to their success. They establish observable outcomes that reflect these behaviors. Effective demonstrations of these behaviors are documented periodically with the individual within the performance plan's time frame, and again during the formal appraisal.

Assessment of Results
- Performance plans on file
- Documentation of annual appraisals
- Evaluation of sales manager's performance management

Decisions and Actions
- Managers work with the individuals who report to them to (1) communicate the relevant business plan and its implications for the individuals' work; (2) complete a performance plan for each individual; and (3) establish a regular update and feedback process that touches on all aspects of the performance plan and that also occasions any needed changes in the plan.
- Managers appraise direct reports at least every 12 months, with performance results measured against the plan as the basis for appraisal.

Methods and Tools
The Toolkit is a VTX infobase that provides in-depth information about the performance management system. It includes the architecture, the standards, and an effective process that a business or organization needs to follow to implement the system. Access the Toolkit at VTX PERF_MGT.

Contacts and Resources
Local Human Resources organizations can be contacted for further information regarding the performance management system.

Revenue Forecasting

Management Standard

First and second level sales managers develop annual selling plans and budgets for customer accounts, partners, and product/service lines of business. These plans are then communicated to the sales force through goal sheets. Collectively, the plans serve as the roadmap by which first and second level sales managers monitor progress against revenue and margin goals. First and second level sales managers maintain a pipeline (frontlog) adequate to support their forecasts.

First level sales managers should continually monitor sales specialist performance and frontlog, assessing the outlook for unit performance.

First and second level sales managers are required to submit revenue forecasts to the corporation twice per quarter (note that frontlog reports may be required more frequently in a given Territory). These forecasts feed the demand/supply process and help Digital support incoming orders. The forecasts must meet a standard of accuracy which is defined by territories in view of prevailing conditions in each geographic area. Conditions may change unexpectedly and must be monitored and accounted for in the revenue forecasts.

In order to manage the pipeline, first and second level sales managers should conduct weekly frontlog reviews with people who report directly to them. The second level sales manager is responsible for establishing the framework of these reviews; the first level sales manager is responsible for understanding the inventory of opportunities being developed by his or her salespeople, the probability of closure on these opportunities, and the impact of these opportunities on the selling plan. The first level sales manager is also responsible for developing actions that ensure the budget is met.

Assessment of Results

The accuracy of revenue forecasts can be tracked against budget and actuals, which can be obtained from financial resources.

The most important source of revenue forecasting information is the sales force. They are the people with the best information on which opportunities are likely to be won and turned into revenue. This information is entered by them into the frontlog system. The frontlog application in each Territory can produce a list of current sales opportunities. This should include the size of the opportunity, the probability the salespeople have assigned to winning that order, the ship date requested by the customer, and other information helpful in assessing whether the opportunity should be included in the forecast.

Decisions and Actions

First level sales managers review and evaluate opportunities and decide which should be included in the forecast. Managers combine those opportunities scheduled to be shipped during the period in question with orders previously won (certified) and scheduled for this period to determine the forecast. Managers may be asked to support forecasts with the backup data used in developing them.

First and second level sales managers conduct personal interviews with sales people on a regular basis and monitor the frontlog or opportunity management applications to make sure frontlog information is accurate and current.

First and second level sales managers develop annual budgets that specify the shadow credit eligibility of each person reporting to them. These are used to control shadow crediting throughout the fiscal year. The first level sales manager approves posting of the shadow credits and ensures that they conform with the eligibility standards.

Methods and Tools

Revenue performance depends on the delivery performance of Logistics, which can be obtained from the Territory Logistics organization. Revenue is recognized only at the time the product is shipped. Therefore, the likelihood that an order will be shipped in time to meet the ship date requested by the customer should be taken into account in a revenue forecast. If an order is not likely to be shipped within the time period covered by the forecast, it should not be included in the forecast.

Each Territory has a process and application for creating and elevating revenue forecasts through the organization. First level and second level sales managers should be familiar with these. In addition, managers should be able to collect the frontlog of their sales force any time this information is needed, e.g., for forecasting or other management purposes.

The Territory Sales Operations manager can provide names, training, or access to local tools.

Contacts and Resources

Also consult:
- Country Sales Operations
- Country Logistics
- Country Finance
- Second level sales management

Global Account Reporting

Management Standard

To provide special support to Global Account managers, world headquarters distributes to them account-specific reports that identify the worldwide revenues generated by the account. These reports are the foundation for measuring the account's and salespeople's performance on a worldwide basis.

Decisions and Actions

The sites identified in Global Account reports should be periodically reviewed to ensure that all business is included. The Account Management Office or Worldwide Sales Finance answers questions or concerns about the reports and makes sure problems are identified and resolved.

Methods and Tools

The account-specific reports highlight country list price, discounts, allowances, and net operating revenue. They are available monthly, approximately two weeks after the monthly close. A more detailed report is also available monthly, which identifies all sites that generated revenue within each country.

Local Account Management Offices can be contacted for additional information about available reports or to request reports for a specific account.

Americas — Linda Hoffman @MRO, DTN 297-5611, [1]-508-467-5611
Europe — Jean-Claude Morand @GEO, DTN 821-4782, [41]-22-709-4782
Asia Pacific — Rob Mostecki @AKO, DTN 244-6575, [1]-508-264-6575

Contacts and Resources

Worldwide Account Management Office — Doug Wood @AKO, DTN 244-6679, [1]-508-264-6679

Worldwide Sales Finance — Mike Horrigan @AKO, DTN 244-6298, [1]-508-264-6298

Worldwide Sales Finance — Debarah Gamba @AKO, DTN 244-6772, [1]-508-264-6772

Expense Management

Management Standard

One of Digital's objectives is to manage expenditures to ensure that work is performed in a cost-efficient manner.

Expenditures made by salespeople should generate revenue. First and second level sales managers are required to review those expenses regularly to ensure that they are reasonable and effective, and that they contribute to Digital's revenue plan.

Discretionary spending, while tracked on the cost center report, is also monitored through an approval process and provides the cost center manager with the ability to manage expenses. Requests for travel, expense reimbursements, training, capital, and purchases must all be reviewed and approved by the cost center manager. Each first level and second level sales manager can approve expenses to levels designated by the corporate signature authorization system.

Demonstration and loan equipment must also go through a review and approval process, and is tracked within each country/Territory. This equipment must be returned to the corporation within a specific time or extensions must be formally reapproved.

First and second level sales managers should personally review and understand the cost center reports for accuracy and expenditure trends. They are required to report status of expenditures against budget during the forecasting process, and to explain all variances.

Assessment of Results

The budget is the primary information source for managing expenses. The budget defines the work to be accomplished in a given fiscal year and reflects a commitment to the corporation. Actual expenditures are reported against budget during the forecast process twice each quarter.

Monthly cost center reports, which reflect cost center spending to date, may be utilized to track activity against budget. The cost center report identifies types of spending, such as salaries, travel, depreciation, etc. Headcount reports and capital expenditure reports are also available.

Decisions and Actions

All expenses must be approved prior to actual expenditure.

Methods and Tools

Finance managers are available as resources to provide information and clarification regarding first and second level sales managers' responsibilities with respect to expenses. They can describe the levels of spending first and second level sales managers are authorized to approve, the controls in place to prevent unauthorized spending, and procedures to follow if spending guidelines are being abused.

Reports on particular types of spending (e.g., telephone charges, travel charges, demo/loan equipment) are available on a regular basis. These are important tools for the management of expenses.

Contacts and Resources

- Sales Finance
- Sales Operations
- Local sales manuals or operating manuals

Information Sources for Measurement

Worldwide Applications

Functionality	System Name	How to Access
Customer Satisfaction	Customer Satisfaction Survey Process	Account managers will be notified when the survey of their account is complete.
Expense Management	Financial Systems	Cost center reports, mailed monthly/on-line
Sales Measurement	Sales Measurements	Videotext
Global Account Management	DRC	Get account on system

Geography-Specific Applications

Functionality	Americas	Europe	Asia Pacific
Sales Measurement Reporting	SMRS GMS – Canada	SCORE – reps ABMRS/Pacific – First level and second level sales managers	Gain Share – South Pacific EGOS – Japan SIP – Asia
Frontlog	OPS SSM – Canada	ASSIST	AFMA – Asia SCORE* – Japan SFS – South Pacific

ABMRS – Account Based Management Reporting System

AFMA – Asia Forecast Management Application

DRC – Digital Revenue and Certs System

EGOS – Electronic Goal Sheet

GMS – Goaling Measurement System
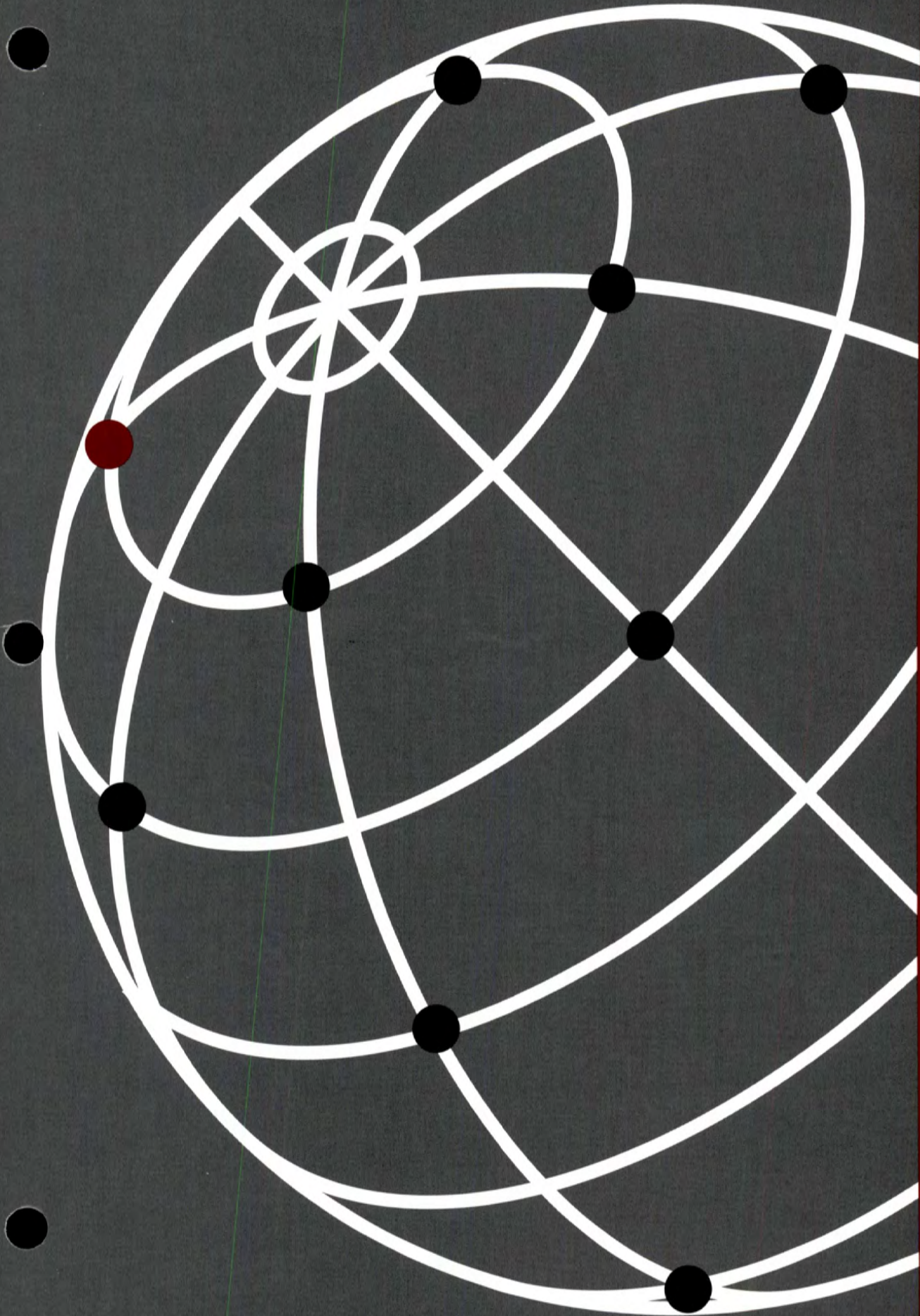
OPS – Opportunity Pipeline System

SCORE* – Kanji frontlog system, not associated with the European sales measurement system of the same name

SFS – Sales Forecasting System

SIP – Sales Incentive Program

SMRS – Sales Measurement Reporting System

SSM – System for Sales and Marketing

Contents

Reward

Overview of Reward and Recognize Chapters

The policy of the Sales organization is to:

- Pay competitively to the industry
- Reward for results
- Recognize for leadership

The most important job of sales managers is to assign goals and to reward and recognize performance. As detailed in this chapter and the next, reward and recognition include:

- Salary base — the fixed portion of a salesperson's earnings
- Incentive compensation — earnings available for achieving a quota
- Program incentives — earnings available for achieving goals set by specific programs
- Formal recognition — recognition through formal programs
- Informal recognition — recognition that is meaningful, but that has no cash value

Sales Incentive Compensation

Management Standard

In compensation, the sales manager exercises important leadership. The first level sales manager is responsible for ensuring that every salesperson's compensation is structured according to the compensation plan for his or her particular sales assignment in his or her country.

The manager is responsible for ensuring that every salesperson knows, at the start of the sales assignment, the basis upon which his or her earnings will be determined.

Sales compensation is structured so that each salesperson's earnings include a salary base, an incentive base, and opportunities for overachievement incentives (see diagram). The salary base represents the fixed portion of the salesperson's earnings. The incentive base represents the incentive earnings available to the individual and constitutes the difference between salary base and target earnings. The incentive base is paid against performance, according to the local sales compensation plan. Overachievement incentives represent the incentives paid according to the local compensation plan for performance above quota. Furthermore, any additional individual and/or team goals that will constitute the measurement basis upon which incentives will be paid must be known by the salesperson at the start of the assignment.

Incentive Compensation

Assessment of Results

Results are assessed through the local payout system for incentive pay.

Decisions and Actions

The first level sales manager must communicate face-to-face with each of his or her salespeople to set salary base, target earnings, opportunities for overachievement, and the corresponding levels of performance required for each compensation level.

Methods and Tools

- The country compensation plan for each sales assignment is available from the country compensation manager.
- The salary plan is available from the Level 2 sales manager.
- Individual and/or team goals are maintained in the country standard goal sheet system. See the Goal Setting section in the Measure chapter.
- Information on actual incentive pay is available from the local country compensation system.
- Relevant information is also available from the local sales crediting system.
- Salary information and the salary communication process must follow the directives of the country compensation manager.
- Local country Sales Operations will provide, if available, country compensation worksheets or a personal computer module. These may be used to illustrate what earnings would be assuming different performance levels for different sales assignments.

Contacts and Resources

Support is available from the local compensation manager and the local Sales Metrics and Compensation Implementation Team.

Questions regarding incorrect incentive pay can be addressed to the local sales measurements administrators, the local compensation manager, or the Sales Operations manager. Issues that need to be addressed on a worldwide basis should be directed to corecourse @AKO on ALL-IN-1.

Program Incentives

Management Standard

Everyone involved with program incentives has the responsibility to ensure that these programs are applied equitably to all eligible participants.

The first level sales manager is responsible for ensuring that performance tracking is in place relevant to any program that affects his or her salespeople.

Assessment of Results

Information regarding programs that are in place for the whole fiscal year will come from local Sales, Sales Operations, or Sales Metrics and Compensation management.

Information regarding short-term programs will come from the same local sources or from Territory or corporate sales management.

Relevant performance tracking will be available from local or corporate reporting systems.

Decisions and Actions

If the first level sales manager has any difficulty in obtaining timely performance tracking information relevant to a specific program incentive, he or she should refer the problem to the second level sales manager. Lack of information may prompt delay in implementation or special tracking methods locally.

Contacts and Resources

Local, Territory, or corporate management of the group offering the program incentive will support relevant inquiries.
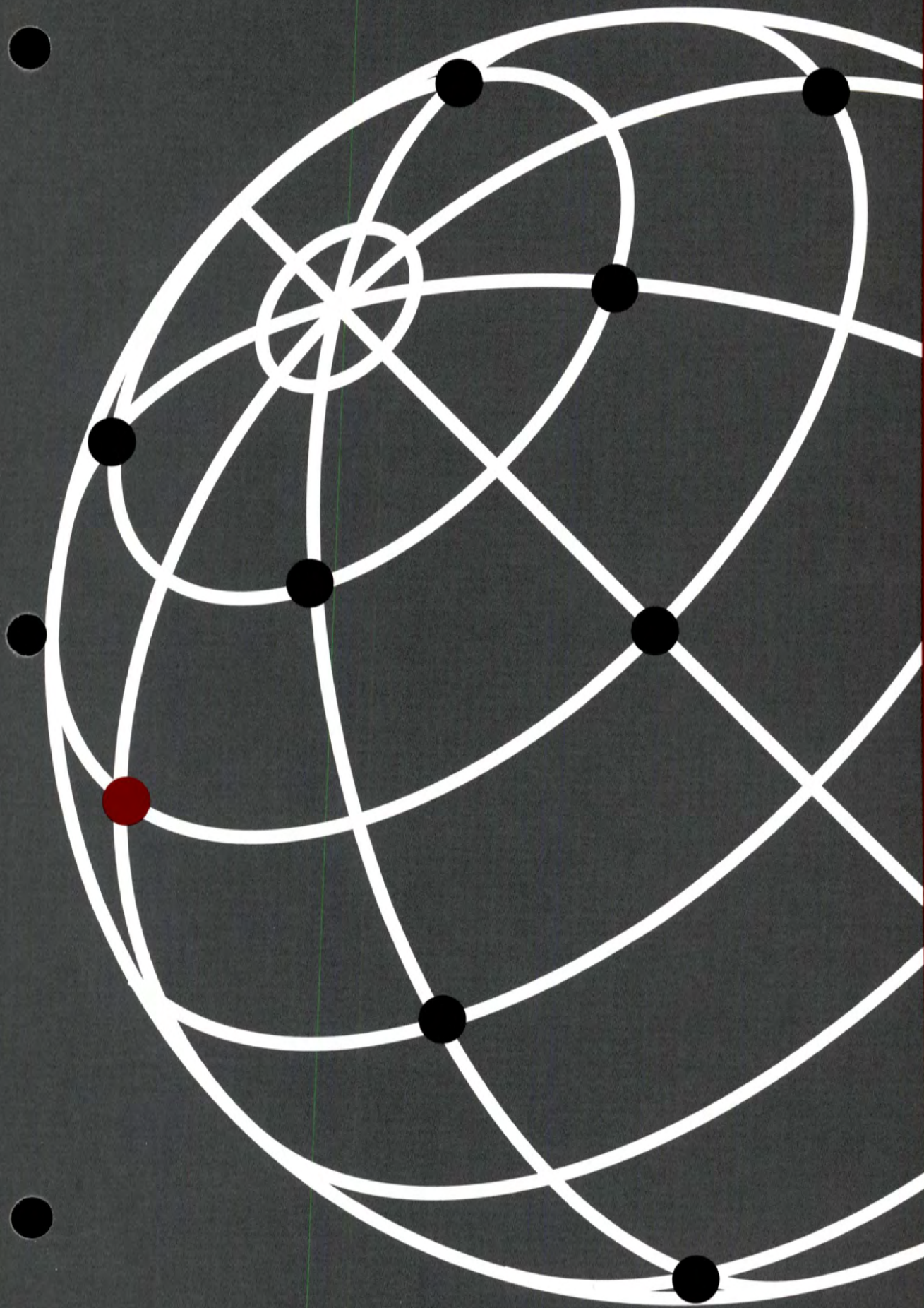
Recognize

Contents

Recognize

Formal Recognition Programs

Management Standard

The first level sales manager is responsible for ensuring that the rules of corporate sales recognition programs are applied fairly and equitably. These programs are: Spot Recognition, General Recognition, Digital 100, Decathlon, and Leadership Recognition.

The first level sales manager is responsible for ensuring that the goal sheets of each salesperson reporting to him or her are completed on time and that each salesperson understands his or her eligibility for formal recognition programs, and how he or she can meet the criteria.

Assessment of Results

Performance reporting systems will provide data to determine winners of the quantitative recognition programs.

Decisions and Actions

The first level sales manager must identify a competition category for each salesperson.

Any exceptions to documented program rules must be referred to and approved by the second and third level sales managers.

Methods and Tools

There are five Sales Recognition programs:

1. Spot Recognition
2. General Recognition
3. Digital 100
4. Decathlon
5. Leadership Recognition

Additional information on these programs can be obtained through local Sales Operations Management.

1. Spot Recognition

Spot Recognition Awards provide local recognition for special contributions and significant achievements in sales situations. An award can be approved locally, requiring approval by local management one level above that of the recipient. All salespeople are eligible for this award. The maximum value of the award will be less than 0.1% of the average salary of all employees in the country. The award may take the form of letters, plaques, mugs, etc. No cash.

2. General Recognition

General Recognition Awards are for extraordinary contributions that significantly affect a business entity or a part of one. These awards highlight role models through public recognition of excellence. The award can be approved locally, requiring approval by management at least two levels above that of the recipient. The funding for this program is to be provided locally, and can be up to 0.05% of the country's *total* base salary. All salespeople are eligible for this award. The maximum value any one employee may receive in any one year from this program is 1% of the average salary of all employees in the country. The intent is to deliver full value (after taxes) of the award to the employee. The award may take the form of cash, travel, events, merchandise, or other cash equivalents.

3. Digital 100

Digital 100 is the foundation Sales Recognition event and is held annually to recognize a salesperson's achievement of 100% of his or her quantitative goals. The program rewards, recognizes, and motivates salespeople who have met their fiscal year goals. All Sales coded people who have an approved goal sheet are eligible. The criteria are: to achieve 100% of the sales goal sheet's quantitative goal, which has been in place for no less than 6 months of the fiscal year. Digital 100 is a Territory-wide, 3-day, midweek event for salespeople. Territories may hold more than one event, for geographic reasons, if this is approved by the Area Vice President. The event is a winners-only event — no spouses or personal guests are invited. It is a business meeting, hosted by the Territory Sales Manager. There is an awards banquet, which is the forum in which awards are presented. A guidance document describing the content and agenda for Digital 100 is distributed to Territory Sales Operations Management.

4. Decathlon

Decathlon is the single, worldwide event to recognize the best of the best in Sales. The event is to recognize, reward, and motivate the top 10% of Digital 100 winners, who may invite personal guests to the event. The eligibility criteria are:

- Must be Sales coded. (Telesales assignments are not eligible, though they are eligible for Digital 100.)
- Must have achieved Digital 100.
- Approved goal sheet must have been effective for 9 months of the fiscal year.
- Digital employee status must be maintained through the recognition event.
- No deferrals are permitted. Exceptions will be granted only by Territory Managers.

Other Decathlon rules include:

- Candidates compete within their Territory to be in the top 10% of Digital 100 winners.
- Candidates compete within their own category; a competition category must be specified for each candidate.
- If a candidate changes categories during the fiscal year, the competition category will be that in which the candidate served longest.

- Competition categories are Territory-wide, by job type, which must be consistent with the Worldwide Sales Metrics and Compensation framework.
- Within the categories, Territories may sub-categorize as appropriate, with the approval of the Sales Metrics and Compensation Program Office in Worldwide Sales Operations.

The Event

There is one worldwide Decathlon event for the top 10% of Digital 100 winners and their personal guests. It is a 6-day event held in an exceptional location at a first-class, luxury resort. Digital senior management interacts with the attendees through planned activities, which may include business sessions, awards dinners, gala evenings, and receptions.

5. Leadership Recognition

This program recognizes outstanding business leadership, people management, and risk taking that leads to profitable growth. The program fosters two-way communication between Digital's sales leaders and senior management. The top 10% of Sales Managers in a Territory, who have demonstrated excellence in sales leadership, are eligible. Each candidate must have achieved Digital 100 in the previous fiscal year. Candidates are nominated by Territory managers, based on excellence in leadership, supported by Area Management Teams, and approved by the Corporate Marketing Forum. The exclusive, 4-day, single worldwide event is held once a year for those being recognized and their personal guests. The event focuses on business, with opportunities for the attendees to meet and work with their peers worldwide and with senior management. The event is hosted by the Vice President, Worldwide Sales and Marketing.

Contacts and Resources

Questions about corporate sales recognition programs may be addressed to corporate Sales Metrics and Compensation.

Questions about applying program rules should be addressed to Territory sales management to ensure consistency within the Territory.

Informal Recognition

Management Standard

First level sales managers are responsible for the effective management of all sales-people in their sales units. This responsibility includes recognizing superior performance. The management standards, information resources, etc., concerning formal recognition programs are described in the previous section of this manual. Informal recognition, however, is also a valid way in which a manager can communicate to an individual salesperson that his or her performance is of value and has been noticed.

Informal recognition can be private, but it can also be public. Public informal recognition may be as simple as inviting the individual salesperson to describe his or her experience, in which superior sales performance was exhibited, at a monthly sales meeting. The first level sales manager may write a letter to the second level sales manager, commending the performance of a particular salesperson, and then send that person a copy of the letter. Private informal recognition may be a letter to the salesperson's personal file or simply a statement of thanks.

Informal recognition does not include monetary reward or a gift.

Assessment of Results

The country Human Resources Manual can provide guidance on the types of informal recognition that are appropriate.

Decisions and Actions

The first level sales manager has the responsibility and the authority to provide informal recognition; no additional approvals are necessary.

Methods and Tools

Country Human Resources Manual

Recognition Mechanisms

Management Standard

The first level sales manager is responsible for implementing and applying recognition mechanisms fairly and equitably, within the local country rewards system framework and in compliance with local laws, regulations, and business practices.

The country purchasing department must be used in the acquisition of plaques, mementos, etc.
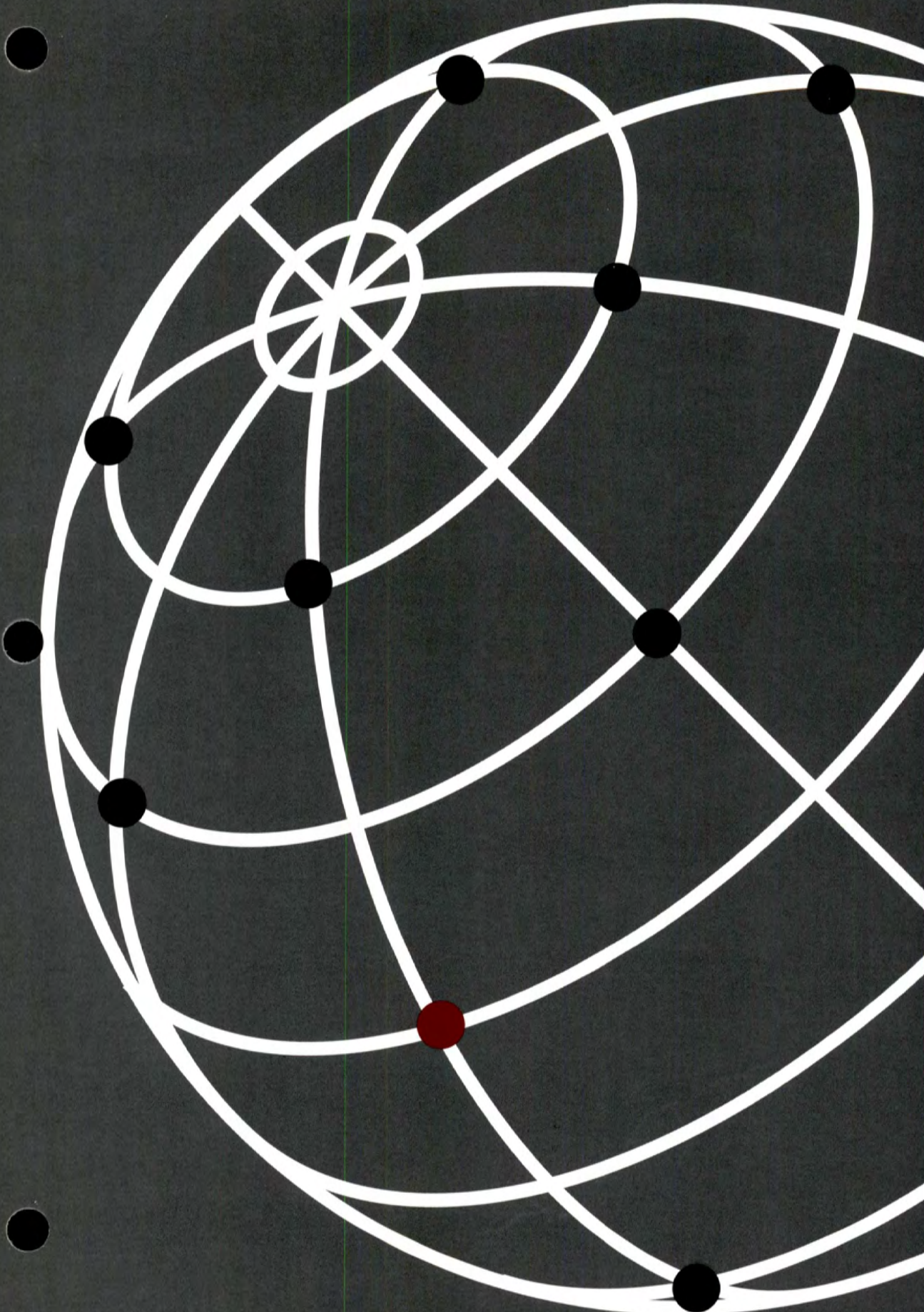
Decisions and Actions

The first level sales manager must implement an appropriate recognition mechanism for locally determined recognition programs, unless these are addressed at a different management level.

Contacts and Resources

Support is to be provided by the second level sales manager.

The country compensation and benefits manager is a resource to help determine appropriate recognition mechanisms, such as plaques, letters, gifts, gift certificates, travel vouchers, cash, etc., within the local country rewards system framework.

Develop

Contents

Develop

Development Plans

Management Standard

First level sales managers are responsible for developing the intellectual capital of the organization. Managers ensure that all team members have a current development plan that takes into account the company's investment in them and the expected return. The development plan also addresses long-term competency and expertise growth. These plans are based on the manager's business plan and associated workforce plan requirements. These are described in the Workforce Planning section in the Recruit chapter.

The plan includes the means by which the growth will be achieved and the support the manager and others will provide. These means may include job rotation, development-in-place assignments, ongoing planned feedback, coaching, courses, reading, self-development (off the job), or planned learning from other people.

The manager and sales specialist agree to the plan, document it, and update the plan at least annually for the upcoming fiscal year (by the end of Q1).

The development plan addresses performance gaps according to competency or expertise profiles. The manager monitors his or her salespeople's development (e.g., by observing sales calls) and assesses product and industry knowledge twice each year.

Assessment of Results

- Workforce development plans for all team members are current, with clear development goals.
- Results of sales specialist's assessments against competency profiles match the plan.

Decisions and Actions

The second level manager reviews the group's development plans for final approval.

Time and money must be made available to implement the agreed-upon plan, and regular meetings must be scheduled with each direct report to review and document development plan progress.

Training or development activities are followed by post-training observation for assessment, coaching, and feedback. Employees do not participate in a training or development activity unless it is in a documented development plan tied to overall business objectives.

As with the job plan or other performance goals, a manager may intervene if the development plan goal is not being attained. Intervention is justified if the desired behavior is not evident, or if it is demonstrated but the performance goals are still not being attained. Further action could include following normal corrective action procedures.

Methods and Tools

The development plans should be based, in part, on information such as:

- The needs expressed by the individual
- Corporate strategic directions (business meetings, DVN broadcasts)
- Territory/Country sales/marketing plans and the manager's business plan
- Competency and expertise profiles (contact the local D&L consultant or Personnel)
- Human Resources, diversity, and workforce plans
- Country/Territory training plans, if available
- Assessment of career potential and individual interests
- Possible next work/positions

The Performance Management System on VTX contains tools and forms for development planning. It can be accessed at VTX PERF_MGT.

Extensive information regarding development, courses, and available courses can be accessed at VTX LEARNING.

Contacts and Resources

- Schedule of development and learning programs — Level 2 sales manager or local training consultant
- Worldwide Sales curriculum maps — Access courses via The Learning Planning System at VTX LEARNING
- Development guides — Level 2 sales manager or local training consultant

Additional Contacts

Americas — Ernie Kahane @PKO, DTN 223-5308, [1]-508-493-5308
for sales competency profiles and assessment tools, or contact local training consultant

Europe — Mervyn Searle @WLC, DTN 830-1059
for sales competency profiles and assessment tools, and for training solutions

Asia Pacific — Jim Porter @AKO, DTN 244-6494, [1]-508-264-6494
for training solutions

For general methods, techniques, and tools for development planning, contact the local Human Resources manager or:

Americas — Rick Riesenberg @MSO, DTN 223-9548, [1]-508-493-9548
(or VTX Career_US)

Europe — George Mann @GEO, DTN 821-4627, [41]-22-709-4627

Asia Pacific — Donna Conlin @AKO, DTN 244-7174, [1]-508-264-7174

Career Plans

Management Standard

First level sales managers should ensure that all sales specialists have a documented career plan that identifies the work the specialist will do and the competencies and expertise the specialist wishes to develop, in line with business needs. The career plan should be updated annually. Within six months of joining a unit, new specialists should have a plan. The sales manager should also:

- Provide access to information about the range of competencies, expertise, and work that the corporation requires.

- Secure access to the tools and materials that enable sales specialists to translate their career aspirations into competencies, expertise, and work. These include competency profiles, assessment tools, development programs, and a career planning portfolio.

- Ensure that sales specialists' career plans reflect the competencies, expertise, and work required by the company.

- Identify, for interested sales specialists, the steps they can take to prepare themselves for sales management.

- Hold a career discussion with each direct report at least once a year, regarding the individual's potential future job opportunities in the company (this can be in conjunction with performance and development discussions).

- Provide career continuity if an employee is on an extended job rotation or international assignment, to ensure smooth reintegration. This includes providing or working with other organizations to make sure the employee returns to a position at an appropriate level.

- Identify and develop potential successors to their own job.

Assessment of Results

- Career plans for all team members exist and are current.

- All team members understand the sales manager's commitment to their career plans.

- Employees have re-entered smoothly from extended job rotations or international assignments.

Decisions and Actions

The first level sales manager is responsible for approving the career plan, which is the documented outcome of the career discussion, and seeing that it is also approved by the sales specialist.

The manager's role is that of coach, appraiser, adviser, and referral agent in career development. The responsibility for implementing the actions in the career plan is primarily that of the specialist. The manager makes the decision regarding what supporting resources to make available to implement the plan.

Methods and Tools

The sales manager helps people get good information on which to base their career plans, such as:

- Corporate strategic directions (from business meetings, DVN broadcasts)
- Territory/Country sales/marketing plans
- Competency and expertise profiles of Digital required roles (from the D&L consultant or Personnel)
- Assessment of results against those profiles (done by the manager with the employee)

Contacts and Resources

Available development and learning programs can be located through the local D&L office or Personnel. It is also appropriate to check for opportunities in other organizations.

The local Personnel office supports career planning and directs people to resources and programs.

For general methods, techniques, and tools for career planning, it is helpful to contact the local Human Resources manager or:

Americas — Rick Riesenberg @MSO, DTN 223-9548 , [1]-508-493-9548 (or VTX Career_US)

Europe — George Mann @GEO, DTN 821-4627, [41]-22-709-4627

Asia Pacific — Donna Conlin @AKO, DTN 244-7174, [1]-508-264-7174

Sales Training

Management Standard

Sales managers are responsible to ensure that sales specialists have the basic selling skills required for them to do their jobs successfully. This begins with assessing each person's individual selling skill level compared to their job description and account assignment, and then recommending further training for those in need.

Sales specialists must also have adequate product knowledge. The manager must assess whether or not those people requiring general product knowledge and those needing specific information, about workstations, for example, are at an acceptable level to be competitive.

Industry knowledge is also a critical sales skill. A sales team must convey to customers how the applications of Digital partners fit into particular industries. Account managers must have training in account management tasks, such as how to develop an account plan.

Level 1 managers make their own training needs known to their Level 2 managers.

Assessment of Results

- The development plan for each salesperson reflects the plans he or she has for sales training.
- Semiannual development discussion with employees reveals progress toward meeting training plans and identifying any unmet needs.
- Overall, the sales specialists have the sales skills and knowledge as called for in the workforce plan.

Decisions and Actions

During the annual budgeting process, a specific number of training hours should be budgeted for each sales specialist. Then, the manager should:

- Assess the team and determine what kind of training is required for all members
- Work with his or her manager to create an organized plan to achieve his or her own training goals
- Jointly establish an understanding of the year-long training plan
- Set up a training schedule for each individual, with their input
- Track course attendance
- Participate in feedback sessions with sales specialists and determine the value of specific training activities

Methods and Tools

Sales Training course offerings, information available from the area Sales Training manager or personnel.

Contacts and Resources

Contact the area Sales Training manager:

Americas — John Maxwell @PKO, DTN 223-1581, [1]-508-493-1581

Europe — (open)

Asia Pacific — Jim Porter @AKO, DTN 244-6494, [1]-508-264-6494

For more information about how to meet training needs, contact the Worldwide Sales Training manager, Les Dole @AKO, DTN 244-6566, [1]-508-264-6566.

Higher Education/University Graduate Hiring and Development

Management Standard

Digital hires, in approved programs, entry-level salespeople from universities and other institutions of higher education. Digital wants to attract the best people to grow with the company. The first level sales manager hires, develops, and promotes the success of these people. For the first six months, the manager should facilitate regular monthly discussions between a new hire and the assigned Territory sales training and development manager. There are other specific guidelines set by the assigned sales training and development manager.

When conducting initial interviews, the first level sales manager represents not just Sales but the entire subsidiary, and communicates all opportunities available at Digital.

Assessment of Results

- Acquisition of staff per workforce plan
- Feedback from new people to assess their own development and training during the critical first six months

Decisions and Actions

- Conduct interviews
- Make the most of existing relationships with educational institutions
- Schedule interviews at Digital for pre-screened applicants
- Make hiring recommendations to the district manager
- Assign an experienced sales specialist as a mentor
- Monitor trainee's progress
- Ensure direct experience to supplement classroom training

Contacts and Resources

The following can provide guidelines and schedules for hiring and developing candidates from universities and other institutions of higher education:

United States — Ken Kimball @MRO, DTN 297-5794, [1]-508-467-5794

Canada — David Bell @TRO, DTN 637-3502, [1]-416-597-3100

Latin America Caribbean — Nell Lagerquist @LAC, DTN 655-6433, [1]-305-360-6433

Asia — Rita Khoo @HGO, [852]-686-2828

Australia/New Zealand — Deborah Burt @SNO, DTN 730-5715, [61]-(2)-561-5715

Europe — Contact country Human Resources Operations first, and then the Territory Human Resources Operations manager, if necessary:
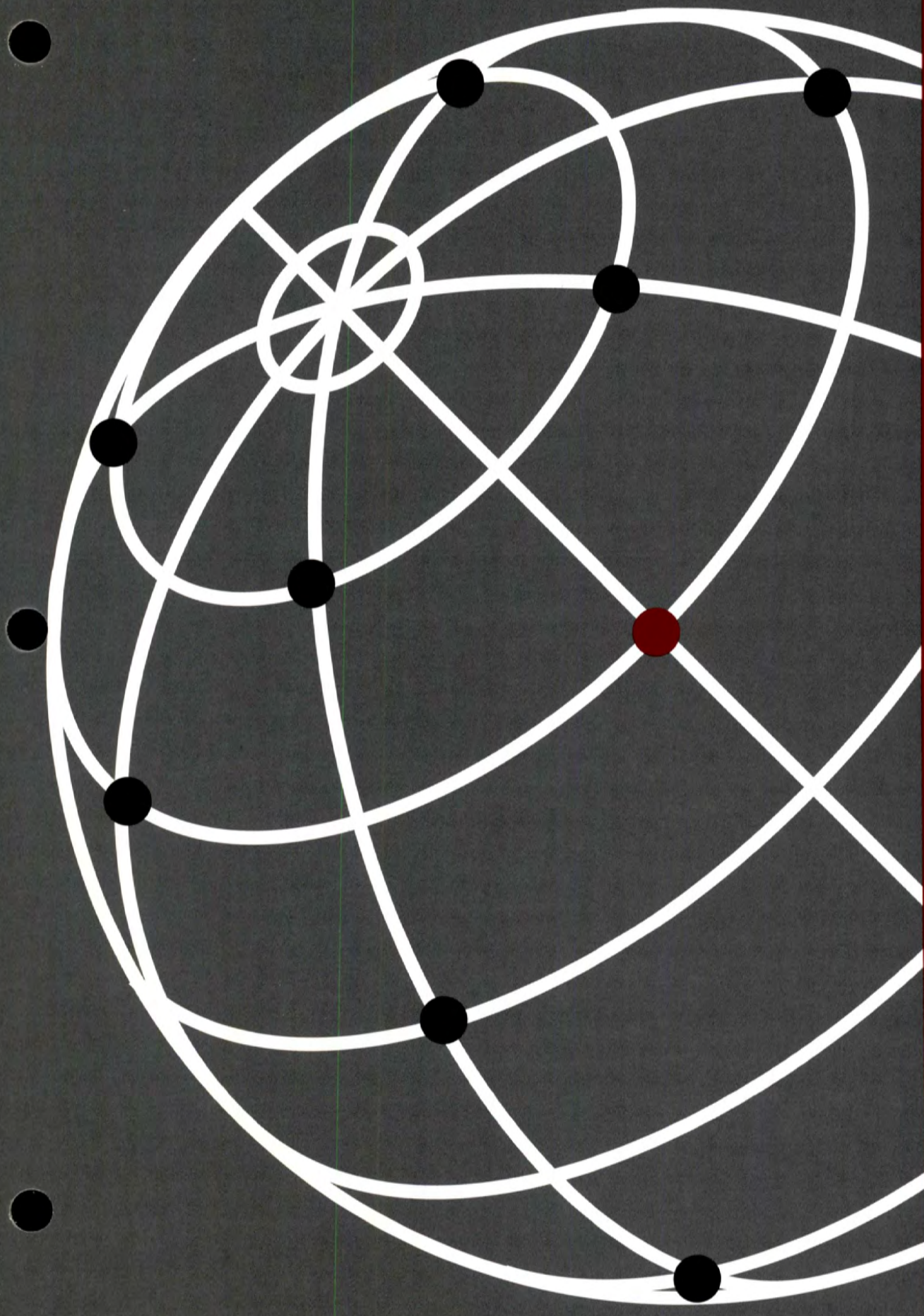
Territory A — Betsy Fitter @REO, DTN 830-3012, [44]-73-486-8711

Territory B — Michael Cantelli @EVO, DTN 858-5644, [33]-16-987-5111

Territory C — Klaus-Josef Lutz @RTO, DTN 865-4414, [49]-899-5910

Territory D — Open

Territory E — Mario Cappelli @MRA, DTN 793-2218, [39]-266181

Contents

Customer Engagements

Selling Tools

Sales Office Support

Support

Customer Engagements

Customer Visit Process

Management Standard

The Worldwide Customer Visits Group provides planning and delivery support for all customer visits occurring at Digital's world headquarters. A customer visit provides support and endorsement to the sales plan and selling efforts for the account, but it does not replace them.

The management responsibility in using this company investment is to ensure that there is a plan for the visit, which fits into the plan for the account, and that the levels of the attendees are appropriate. Customer visits can occur at any time during the sales cycle to build or enhance partnerships with the account or in support of closing a significant business opportunity.

Assessment of Results

The Customer Visits Group formally assesses the quality of the visit. It is a management responsibility to monitor the longer-term impact and to assess whether the goals for the visit are reached.

Decisions and Actions

Once the decision has been made to arrange a customer visit, there are four steps to be taken:

- The account manager contacts the appropriate Industry Segment visit manager listed below to discuss the goals of the visit, the proposed agenda, Digital executive-level involvement, and timing. The account manager should allow at least four to six weeks' notice. The account manager prepares briefing material in the visit request form and sends it to the customer visits organization to initiate the planning process.

- The account plan and the current sales situation must be reviewed in order to determine the most critical messages that need to be delivered to the customer.

- The visit manager works with the account manager and other appropriate personnel to customize the agenda for maximum impact. The agenda should be reviewed with the customer.

- Follow-up steps must be identified to close the order after the successful completion of the customer visit.

Contacts and Resources

Industry Segment	Industry Segment Visit Manager	DTN	ALL-IN-1
Communication, Education and Media	Ted Prindle	244-6315	@AKO
Consumer, Process and Transportation	Karyn Brown	244-6131	@AKO
Discrete Manufacturing and Defense	Mark Lajeunesse	244-6672	@AKO
Financial, Professional and Public Services	JoAnn Latortue	244-6537	@AKO
Products and Services Components and Peripherals Multivendor Customer Services Personal Computers Storage Digital Consulting Channels Distribution OEM	Carroll Wright	244-6312	@AKO

The Industry Segment visit managers represent the group's planning component and act as single points of contact for account managers.

The business technology (presenters) side of the group consists of technology consultants who ensure that consistent and up-to-date corporate product and strategy messages are delivered to the customer. With account manager approval and legal review, proprietary information can be disclosed to customers to help them plan for future acquisitions.

These consultants also provide selective consultation support in critical customer situations, such as when local resources aren't available. They are available as long as the customer visit schedule will not be impacted and travel expenses are covered. The appropriate Industry Segment visit manager can be contacted to discuss engaging a business technology consultant outside of customer visits.

For general information on how the Worldwide Customer Visits Program can help win business, contact Barbara Mattson @AKO, DTN 244-6581, [1]-508-264-6581.

The Customer Message Guide, a listing of 45 customer presentations, is a tool for identifying the best possible presentation to use during a headquarters customer visit or in the field. Use the guide whenever you're trying to educate or inform customers. For a copy, contact the Business Technology Consultant group in Acton, Massachusetts, DTN 244-6306, [1]-508-264-6306.

Executive Partnership Program

Management Standard

The Executive Partnership Program (EPP) involves senior executives in direct relationships with the executives of key accounts to develop long-term business opportunities.

The Executive Partner shares with the Account Executive the responsibility for long-term account growth and performance.

Account Executive responsibilities:

- Define plans for growing the account's business (revenue, share, margins)
- Define plans for using the EP to help grow the business
- Ensure appropriate EP involvement by the account team
- Facilitate an active EP process with the account
- Use Executive Partners proactively to build high-level relationships and develop new business.

Assessment of Results

- Direct customer feedback on the value of the EP
- The section of the account plan that relates to growing the account's business and using the EP in specific ways to help grow the business
- Feedback from the EP and account team regarding adequate and appropriate involvement of the EP

Decisions and Actions

The EP helps develop the account plan, especially in matters of strategy and goals.

There should be a written account "contract" that is an executive relations strategy. This "contract" should describe how the EP and other Digital executives will be involved at senior levels in the account during the year, identify the business strategies they will support, and define specific roles and commitments. The Account Executive should also:

- Conduct formal account plan and strategy reviews with the Digital EP twice a year. Be sure to include the EP in account planning and major account reviews.
- Update the Digital EP once a month on account status and keep the EP informed on important account issues.
- Arrange annual business reviews and planning sessions between the account and EP. Arrange and coordinate all EP visits and exchanges.
- Complete an account profile and brief the EP well before any visit; prepare a short summary report after each EP meeting.

Methods and Tools

The following are several ways for a sales Territory or Business Unit manager to support a group of EPs.

- Annually co-sponsor an Executive Partnership Program briefing or other form of communication for EPs and Account Executives in the unit.

- Communicate with and involve EPs by always including EPs in Account Executive
performance reviews, interviews for new Account Executives, account planning and major account reviews, and business gatherings.

- Regularly brief EPs on sales and marketing strategies; create an executive relations strategy for them. Tell EPs specifically what is needed and expected from them to more effectively support the business.

- Co-develop and monitor an executive relations strategy for the group of EPs in the portfolio. Plan and budget for other needed executive programs that help implement executive selling.

- Evaluate EP and account manager activity during the year.

Contacts and Resources

More information is available from Executive Partnership Program manager Doug Fulrath @MRO or MRO3-3/J19, DTN 297-6858, [1]-508-467-6858; or for Asia Pacific, Rob Mostecki @AKO, DTN 244-6575, [1]-508-264-6575.

Customer Relations

Management Standard

The standard is simply for Digital to be unmatched in customer relationships. This standard is reflected in Corporate Policy 4-7, "Executive Same-Day Response," as approved by the Senior Leadership Team (SLT) and endorsed by the Office of the President. This policy calls for acknowledgement of customer concerns and inquiries within 24 hours, and development of action plans within 48 hours. It also governs escalation to the Office of the President and SLT members. First and second level sales managers are responsible for including customer satisfaction metrics in their account plans, and for meeting the metrics designated by corporate policy.

When a customer corresponds directly to the Office of the President or to SLT members, the Corporate Customer Relations (CCR) organization may designate a sales manager as the response manager. The response manager's responsibilities are to:

- Respond to the customer within 24 hours
- Formulate an action plan within 48 hours
- Provide status updates to CCR every 24 hours until closure

The affected Sales account team will always be notified when a customer communicates a concern to the Office of the President.

Sales specialists should be made aware that customer relations are critical to Digital's success. A recent survey points out that when customer retention is boosted by 2%, the net effect on the bottom line is the same as cutting costs by 10%.

Assessment of Results

The Customer Satisfaction Survey provides clear feedback on satisfaction within an account. Corporate Policy 4-7, "Executive Same-Day Response," can be consulted concerning metrics governing customer response situations.

Decisions and Actions

Sales specialists should notify their manager within 24 hours of contact with a customer who may be dissatisfied, for example, with delivery time, service issues, or issues that may require the legal department's involvement. The manager should immediately begin a follow-up process that includes designating a response manager, completing an action plan, and monitoring the situation. The manager should stay involved by establishing specific times, for example, for updating the customer. All available internal resources should be used to focus on resolving the issue.

If local resources are exhausted before there is resolution, escalation to the Territory level is the next step. Examples of where to turn for assistance are: Multivendor Customer Services district or Country manager for service issues; Digital Consulting managers for SI and consulting issues; and Logistics Services Support Center managers for logistics issues.

If all field resources have been exhausted and the issue is not resolved within 48 hours, the designated Territory escalation process should be followed:

Americas — Americas Sales Customer Relations, DTN 264-0915, [1]-603-884-0915

Europe and Asia Pacific — Country/Territory or Area management

If appropriate, a follow-up audit with the customer should occur 10 days after resolution of the issue. The purpose of the audit is to assess the customer's satisfaction and to help maintain the relationship.

Calls to the Office of the President — Customers are entitled to communicate with any level of Digital management. If the customer wants to call the Office of the President, sales managers should facilitate that contact through the CCR organization. The CCR organization is responsible for handling all escalation to the Office of the President. The contact is via electronic mail: Executive Response @AKO or AKOCOA::EXECRESPONSE. The CCR organization reviews the situation and provides recommendations for resolving it. Alerting CCR enables them to prepare to respond when the customer calls.

Methods and Tools

Corporate Policy 4-7, "Executive Same-Day Response," can be accessed at VTX CORP_POL.

Contacts and Resources

Questions regarding customer relations policy can be addressed to the Corporate Customer Relations Group in Acton, Massachusetts, via electronic mail: Executive Response @AKO or AKOCOA::EXECRESPONSE, or DTN 224-6443, [1]-508-264-6443.

Selling Tools

Catalog of Tools

Management Standard

The first level sales manager must have and display a working knowledge of the tools utilized by his or her team. The manager ensures that the tools are available, secures training for the specialists, and coaches the specialists to use the tools effectively. First level sales managers should provide hands-on leadership in the use of sales tools.

Standard sales tools are listed below in this section. Additional local tools may exist for Country-specific tasks.

Assessment of Results

The development plans for team members should include goals for training in the use of sales tools. It is important to identify how those tools help win business.

Decisions and Actions

The first level sales manager periodically assesses the level of expertise of sales specialists to decide if follow-on training is advisable. To make the decision, the availability of training, the potential of a positive return on the training time investment, and the value of the training material should be considered.

Methods and Tools

An introduction to sales tools and their usage is an important part of the initial sales training offered to new hires. Follow-on training, either classroom-based or Computer-Based Instruction (CBI), can boost the productivity of experienced users.

The Sales Operations managers for each Territory/Country know the portfolio of sales tools available in their geography. They work with their Area or corporate counterparts to improve tool functionality, or add to the portfolio of user material for the particular application.

Contacts and Resources

Information Management and Technology
Sales Support
Corporate Sales Operations
Logistics
Marketing Communications

Worldwide Applications

Functionality	System Database	How to Access
Proposal Development	Digital Proposal Develop System (DPDS)	Via ALL-IN-1 Menu
Reference Accounts	Customer Endorsements	VTX IR
Testimonials	Customer Endorsements	VTX IR
Competitive Information	Market Intelligence System	VTX MIS
Promotional Literature	Customer Consumables	VTX IR
Locate Experts	Expertise Locator System	VTX EXPERTISE

Geographic-Specific Applications

| Functionality | Geographies | | |
	Americas	Europe	Asia Pacific
Quotation	AQS VTX PRICE	AQS	AQS AQS
Configuration	XCON SWIFT (Services) Sys Op Catalog Softw Lic Config NAC Buyer Guide	XCON Prima/OLIS E-Sys Op Catalog Golden Eggs NAC Buyer Guide	XCON SWIFT (Services) Sys Op Catalog Softw Lic Config NAC Buyer Guide
Product Information	VTX ACCESS Sales Update ATLAS (Services) SOFTBASE OPAL	VTX ACCESS Sales Update ATLAS (Services) SOFTBASE OPAL	VTX ACCESS Sales Update ATLAS (Services) SOFTBASE OPAL
Opportunity Pipeline	Opportunity Pipeline System SSM — Canada	ASSIST	AFMA — Asia SCORE — Japan SFS — South Pacific

AFMA – Asia Forecast Management Application
AQS – Automated Quotation System
SSM – System for Sales and Marketing
SFS – Sales Forecasting System
NAC – Networks and Communications

Monthly Sales Meetings

Management Standard

The first level sales manager conducts a monthly meeting with his or her team. The purposes of the meeting are to:

- Support clear and consistent communication of corporate, Area/Territory, and local messages
- Recognize and reward selling team members for strong performance
- Take a disciplined approach to planning and reviewing the team's activities in support of business opportunities
- Share current selling experiences (pluses and minuses)

These meetings should be scheduled three months out so that sales team members will be available.

Salespeople should participate in person (balancing time and cost considerations). Salespeople who cannot travel to the meeting site should plan to participate via speaker phone.

Sales support and service counterparts should regularly participate in the monthly sales meeting. Level 2 and Level 3 sales managers should know the quarterly schedule so they can participate occasionally in the local monthly meetings.

Assessment of Results

A program template is available on-line or in hard copy. Send your request to SALES FORUM @MRO. There may also be Area/Territory guidelines or templates.

Team members should be consulted to see if the monthly meetings are having a positive impact.

Decisions and Actions

Direct feedback or questions are addressed to SALES FORUM @MRO. Monthly Sales Forum programs will address those questions of broad interest to all sales team members.

Methods and Tools

Two hours is the recommended length for the monthly sales meeting agenda. To build each month's meeting agenda, the first level manager previews the Monthly Sales Forum videotape, mailed during week 1 along with Area/Territory materials.

After becoming familiar with the content in the Monthly Sales Forum video, and reviewing the month's Area/Territory materials, such as other videotapes, slide presentations, and electronic mail messages, the sales manager decides what local information and materials to include in the overall agenda. A recognition and awards segment, as appropriate, can be added, consistent with the guidelines described in the Recognize chapter.

Selling skills is another important agenda item for the monthly meetings. In the future, a short selling skills development topic may be included on the Monthly Sales Forum videotape; alternatively, Sales Training may make available other materials (e.g., white papers) to support an "active" training segment that can be covered effectively in 20 to 30 minutes.

Monthly Sales Forum

Typical Monthly Program	
Introduction/Agenda Review	5 minutes
Corporate Messages and Announcements	25–30 minutes
Territory Messages and Announcements	15 minutes
Local Messages and Announcements	20–30 minutes
Selling Skills/Development Topic of the Month	20 minutes
Local Recognition Awards	15 minutes
Close/Preview of Next Month's Program	5 minutes

Each Area and Territory may require its sales managers to use particular guidelines or templates to conduct the local business review part of the program. This will make the business reporting and the sales team's information, such as forecast and rotation/consignment plan, consistent with the information other sales teams provide. This creates a comprehensive picture for Area/Territory review.

Contacts and Resources

Corporate Sales Communications will publish a rolling three-month calendar that will outline the planned content of the Monthly Sales Forum video segment each month.

For more information, contact Scott Cramer @MRO, DTN 297-5256, [1]-508-467-5256 or Margot Walthall @MRO, DTN 297-3838, [1]-508-467-3838.

Questions regarding Area or Territory content for these meetings are addressed to the Field Communications team.

Customer Endorsements

Management Standard

The Customer Endorsements data contained in the Integrated Repository provides selling teams with more than 1,700 account references that span all territories, products, services, and industries. These references contain profiles and write-ups of customers who have implemented a wide range of Digital solutions and are positioned, with approval from the account manager, to share their experiences and successes with prospects, Digital Sales, and partners. It is a sales manager's responsibility to provide reference accounts and to make use of this valuable resource.

Customer Endorsements also contains information that is "For Internal Use Only." Information about a Digital win in a very competitive situation may be valuable to other Digital account managers even though the account is not available for site visits or inclusion in sales proposals. The names of these accounts are not displayed in the profile.

Level 1 sales managers are responsible for ensuring that the sales team:

- Enters appropriate references (see Assessment of Results below) in the database within one week of customer agreement
- Uses references in competitive situations
- Responds quickly when contacted for permission to use their account

Customer Endorsements produces monthly reports listing all new or re-approved accounts.

Assessment of Results

Digital's business increases by promoting existing successes. Accounts entered into the Customer Endorsements database should meet these criteria:

- The account exhibits success through its relationship with Digital
- Other account managers can benefit from the information

The sales manager agrees with the customer on how to position the reference for:

- Proposals
- Presentations
- Customer-to-customer contact
- Direct contact by the press
- Testimonial/success story for external use

Determine from opportunity reviews with your team members whether they are using Customer Endorsements appropriately.

Decisions and Actions

Each submission is approved by the account manager prior to entry in the Customer Endorsements database. References can be submitted directly from Sales or via Marketing working with Sales. No customer contact names or phone numbers are displayed in the reference profile; therefore, all activity is controlled by the account manager.

Customer Endorsements can be used:

- Early in the sales cycle to determine
  - If the solution has been implemented before
  - The difficulties that were overcome
  - What partners were used
- To close a sale by identifying successful customers to
  - List in a proposal
  - Arrange a site visit

Methods and Tools

All access to Customer Endorsements is through the Integrated Repository in VTX (accessed at VTX IR). To submit a Customer Endorsement, obtain a Customer Endorsement template from the Integrated Repository, complete it, obtain approval by the Level 1 sales manager, and mail to the Integrated Repository (IR @MRO or Sales::IR).

Contacts and Resources

Managers and selling teams should call their local Customer Endorsements program office with questions, comments, and suggestions for the program.

Americas, Asia Pacific — Carol Ritz @MRO, DTN 297-7193, [1]-508-467-7193

Europe — Graham Hawkes @REO, DTN 830-2731, [44]-734-868711

International Business Support

Management Standard

The Level 1 sales manager is responsible for sales specialists knowing about the cross-functional international sales support provided by Digital's International Business Support (IBS) organization. This resource helps account teams with worldwide quoting, business consultancy support, order coordination, and problem resolution. This is a mandatory resource for selling systems or quoting in any country where Digital has an indirect presence.

Assessment of Results

The manager directly assesses his or her team's understanding of this tool.

The IBS organization has offices or country contacts in every country where Digital does business, either directly or indirectly. The group tracks every international request to closure. If IBS cannot answer a question, it goes to the country and the country responds directly back to the sales manager.

IBS hub offices are in Acton, Massachusetts, and Reading, England.

Acton — WWIBS@AKO
Bob Vadeboncoeur @AKO, DTN 244-6961, [1]-508-264-6961

Reading — WW IBS@REO (note space between WW and IBS)
Roger Sturgess @REO, DTN 830-3948, [44]-734-203948

Decisions and Actions

Here are some guidelines for deciding when to use IBS:

- System and product quotations (Acton only) and service pricing (Acton and Reading) in any country where Digital does business.
- Information on cultural, legal, and business practices in a particular country, and advice on how to adapt to a country's specific needs.
- Order coordination (Acton only). This service enables the account team to deal with one Digital group from quoting to order entry.
- Support with any international request.
- Assist in developing international service agreements.
- Guidance in providing international service projects.

Methods and Tools

When requesting an international quote, consult VTX, under international ordering, for a form that needs to be completed and returned to WWIBS@AKO.

Contacts and Resources

IBS provides support around the world. Any account person worldwide can call either IBS office or send mail to either IBS account. Send all quote requests to Acton. All other requests for information can go to Acton or Reading. People outside Europe and the U.S. can also obtain information from their local IBS contact. Find out who this person is by contacting the local Sales or Services office.

Market Intelligence

Management Standard

Competitive prospecting requires information about businesses that currently have Digital products installed and those that have installations of our competitors' products. A valuable source of information is the Computer Intelligence database.

The database covers 150,000 businesses, primarily in the United States. The Computer Intelligence database includes information about computers and software installed and contact name information. It is used in sales prospecting and in deployment activities.

This database is accessible through the External Market Data System (EMDS). Access this database at VTX EMDS.

Decisions and Actions

One or more sales or support specialists in each team should be assigned the task of learning the External Market Data System tool. The learning curve typically entails some over-the-phone training and a little experimentation to become relatively proficient with External Market Data System.

Methods and Tools

Call the EMDS Helpline at DTN 223-6892, [1]-508-493-6892, or the contact listed below for information on how to use the system tool. A user guide is available electronically from the main menu. It can help:

- Obtain prospect lists for highly targeted campaigns that focus on the businesses that have specific Digital or competitive products installed

- Learn more about which vendors have a presence within a given Territory or account

- Support deployment activities

Contacts and Resources

Direct questions about External Market Data System, the Computer Intelligence database, Computer Intelligence Corporation, or training to Chris Hallgren @MSO, DTN 223-6101, [1]-508-493-6101. The Europe contact is Elizabeth Thomas @GEO, DTN 821-4753, [41]-22-709-4753.

Custom Systems

Management Standard

Level 1 sales managers are responsible for sales specialists knowing about the custom solution pre-sales and delivery capability provided by the Custom Systems organization (formerly Computer Special Systems or "CSS"). This organization is part of Digital Consulting.

When the customer's needs cannot be fulfilled by Digital's standard offerings, Custom Systems can provide a solution tailored to meet those needs. These solutions include customer, Digital, and third-party hardware and software integration.

Engineering expertise exists to develop unique solutions at the chip, board, module, and system levels. A broad range of CPU, storage, network, and special platforms have been developed by Custom Systems to provide rapid, cost-effective solutions in unique packaging. Solutions include rackmount, high-performance storage, realtime, telecom, and voice processing applications.

Complete solution staging and implementation can be provided for complex solutions. All solutions can be delivered and supported anywhere worldwide.

Decisions and Actions

Contact Custom Systems when the customer requires:

- Space-saving in their work environment or computer room and vertical hardware integration
- Hardware and/or software integration (Digital, their own, and/or third party)
- Hardware provided in industry-standard rackmount configurations
- High-speed data access
- Protection of data from loss due to disaster
- Movement of lesser-used data to less expensive storage
- Interactive voice response solutions
- Solutions in telecom and operations management and intelligent networks
- A complete solution implementation to the customer's mission-critical time requirements (material acquisition, staging, burn-in, system configuration, delivery, and installation at the customer's site)

Methods and Tools

Personnel in the Custom Systems organization in Merrimack, New Hampshire (MKO) provide quotations on customized solutions. They are backed by engineering staff who support pre-sales activity. Hundreds of additional engineering resources focus on solution development and delivery. Custom Systems sales support specialists (CS4s), trained in Custom Systems capabilities, are deployed as sales support throughout the U.S. The first line of contact with Custom Systems is through their sales support team at DTN 264-8990, [1]-603-884-8990, or [1]-800-832-6277.

Call Custom Systems for answers to questions and for contact with a local CS4 or a custom quote manager to review the opportunity and to initiate a quote request. Managers and sales specialists should be familiar with either the local CS4 or the contact procedure through the sales support team.

It is critical that sales specialists be aware of the above Digital capabilities before the sale to ensure maximum revenue opportunity for Digital.

Selling or Servicing High-Risk Applications — Managing Business Risk

Management Standard

First level and second level sales managers must be alert to the high risks of selling into particular application areas. Examples include nuclear power generation, air traffic control, and money transfer applications, where the potential financial exposure to Digital in the event of a catastrophe is large. Sales managers have the initial responsibility of identifying that a sales opportunity might be high-risk. They must then follow approval procedures that are defined by each Territory to take into account local laws and regulations. Managers should read Corporate Policy 4-3, which describes the application areas that are considered high-risk and defines the responsibilities of all levels of Digital personnel with regard to these high-risk situations.

Digital's goal is to balance the potential rewards of a particular sale with its potential risks. This is consistent with the principle of fairness: a fixed price for fixed performance. To make this balance acceptable, a negotiation may be affected in its pricing, in the addition of protective contractual stipulations based on local laws and conditions, or in Digital choosing not to pursue the opportunity.

When the potential liabilities are extremely large, it is not enough to consider only the statistically remote probability of a catastrophic event; it is necessary to consider whether there is any possibility at all of such an event occurring.

Assessment of Results

No applications will have been sold into these high-risk areas or others of similar risk without the approval procedures defined by the Territories having been followed.

Decisions and Actions

Sales managers must first determine whether a potential sale involves the kind of high-risk application described in Corporate Policy 4-3. They then secure review and approval through the process defined by the Territory. Finally, they negotiate contracts with customers, following any stipulations arising from the review process.

Methods and Tools

Local Sales Operations can provide the name of the Territory contact responsible for providing application forms and describing the appropriate processes.

Corporate Policy 4-3 can be accessed at VTX CORP_POL.

Contacts and Resources

Joe Arayas, Chairman, Corporate Special Applications Committee @AKO, DTN 244-6386, [1]-508-264-6386.

Sales Office Support

Customer-to-Digital Communication

Management Standard

Customers must easily reach the people they need to contact and receive prompt and satisfactory responses. This requires implementation and monitoring office procedures, especially telephone contact. These procedures must ensure that customer communications are handled and tracked and that employees have the right information to find the right resource to satisfy the customer.

Every customer call should be handled through to a disposition that satisfies the customer.

Communication is even more vital when a building closes and groups move to different locations. Planning should include notifying customers and other key contacts.

Assessment of Results

Customers, sales specialists, and support staff are consulted to assess the current situation. The country Customer Relations office or Sales Operations manager can offer local information to supplement the sources discussed below.

Decisions and Actions

- Inspect current office practice for handling customer-to-Digital communications. Identify issues and potential solutions. Listen for customer comments.
- Revise any processes necessary to provide the customers with timely, satisfactory responses (see Methods and Tools section below).
- Maintain communication processes by promptly adjusting for changes in employee status, such as moves (see Methods and Tools section below).

Methods and Tools

A. Directory Tools

1. Corporate Telephone Directory
This contains all the telephone numbers, departmental listings, and site listings for Digital. Managers are responsible for the accuracy of the infobase information for their employees. Submit updates immediately after change/departure of an employee. Corrections should be sent to ICS::DIRECTORY or DIRECTORY @PKO.

2. Employee Locator Facility (ELF)

This is updated when employees move or leave the company. ELF contains two levels of data: basic and optional. The basic data comes from the Employee Master File (EMF), from Personnel, and from the telephone directory master file. Employees cannot modify basic data directly in ELF. Optional data can be added/modified by the employee.

3. VTX

Two VTX applications can help facilitate the customer-to-Digital interface:

- CALOOK (U.S. only) — provides visibility to a customer's sales account structure and Business Unit affiliation (access at VTX CALOOK)

- VTX Sites — list of sites and buildings currently in use by Digital (access at VTX SITES)

Each application provides information to improve the ability to meet customer needs. All are updated monthly to ensure accuracy and timeliness.

B. Processes

The following four processes ensure successful customer-to-Digital communication:

1. Sales Specialist Locator Process

Customers should be able to reach their sales specialists with only one call. Any personnel realignments should be proactively communicated to the customer before they call with a question or a problem.

In the event that the customer needs to find out who their sales specialist is, the person receiving the call should:

- Write down the customer name, address, and phone number.
- Utilize any of the following resources (or more) to locate the sales rep:
  - Access VTX CALOOK (U.S. only); identify and call the Level 1 sales manager to ascertain the sales specialist
  - Contact the appropriate Regional Management Center or Territory customer relations representative
  - Contact the local office
- Notify the sales specialist that the customer is trying to locate him or her and ask that the customer be contacted within 24 hours.
- Give the customer the name and phone number of the sales specialist and indicate that they will be getting a call back from the specialist within 24 hours.
- Follow up with the customer within 48 hours.

For accounts that have no assigned sales specialist:

- Contact the appropriate Regional Management Center customer relations rep and request that he or she assign a sales specialist to the account.

This process ensures that calls to locate the sales specialist are shielded from the customer and that the customer will be contacted within a reasonable time frame. The process makes the customer call recipient accountable for seeing the inquiry through to resolution. This eliminates redundant efforts and maximizes customer satisfaction.

2. Key Contacts List for Named Accounts

Named accounts, customers who have assigned account representatives, want to easily contact their Digital support network. They should have the names and phone numbers of their key contacts and should receive periodic updates as the contacts change.

3. Employee Move/Departure/Transfer

To ensure smooth, efficient handling and routing of customer calls when an employee moves, transfers, or leaves the company, these steps must be taken:

- Update ELF

- Transfer or update voicemail and disconnect the phone

- Update the employee data within the Human Resources organization to reflect the correct status, location, and other changed information

- Update the corporate telephone directory (send mail to DIRECTORY @PKO or VAXmail to ICS::Directory)

When an employee leaves the company, VAXmail and ALL-IN-1 accounts must be closed.

4. Handling Calls to Former Employees

Incoming calls to employees who have left the company should be automatically forwarded to Human Resources or a designated responder. This individual must have current information on the organization's personnel and their individual responsibilities.

Handle business and personal calls as below:

- Business — refer or transfer the caller to the person now handling the account (or area of responsibility) or to the former employee's manager.

- Personal — suggest that the caller phone the former employee's home. At local management discretion, a message may be taken and forwarded to the individual. Under no circumstances will his or her phone number be given to any caller.

C. Voicemail

When used with management oversight and review, voicemail is a powerful tool. Implementations should meet the following standards:

- A "live" person — not another automatic answer — must always be available to callers.

- All voicemail recordings should give the caller information about the Digital employee's availability.

- Unless the recording gives other specific information, the employee will receive the message on the same business day and respond no later than the following business day.

There are pitfalls regarding voicemail that need to be considered in managing customer communication:

- Voicemail often doesn't work for out of country calls or for callers with rotary-dial (pulse) phones (they cannot press "0" to get a "live" person, for example).

- Some callers do not like voicemail. That is their prerogative, and Digital personnel must politely accommodate their needs where possible.

- Because voicemail makes everyone the first point of contact for a customer, local standards and local management are needed to ensure consistency and professionalism.

Contacts and Resources

Contact the country Sales Operations manager for additional assistance.
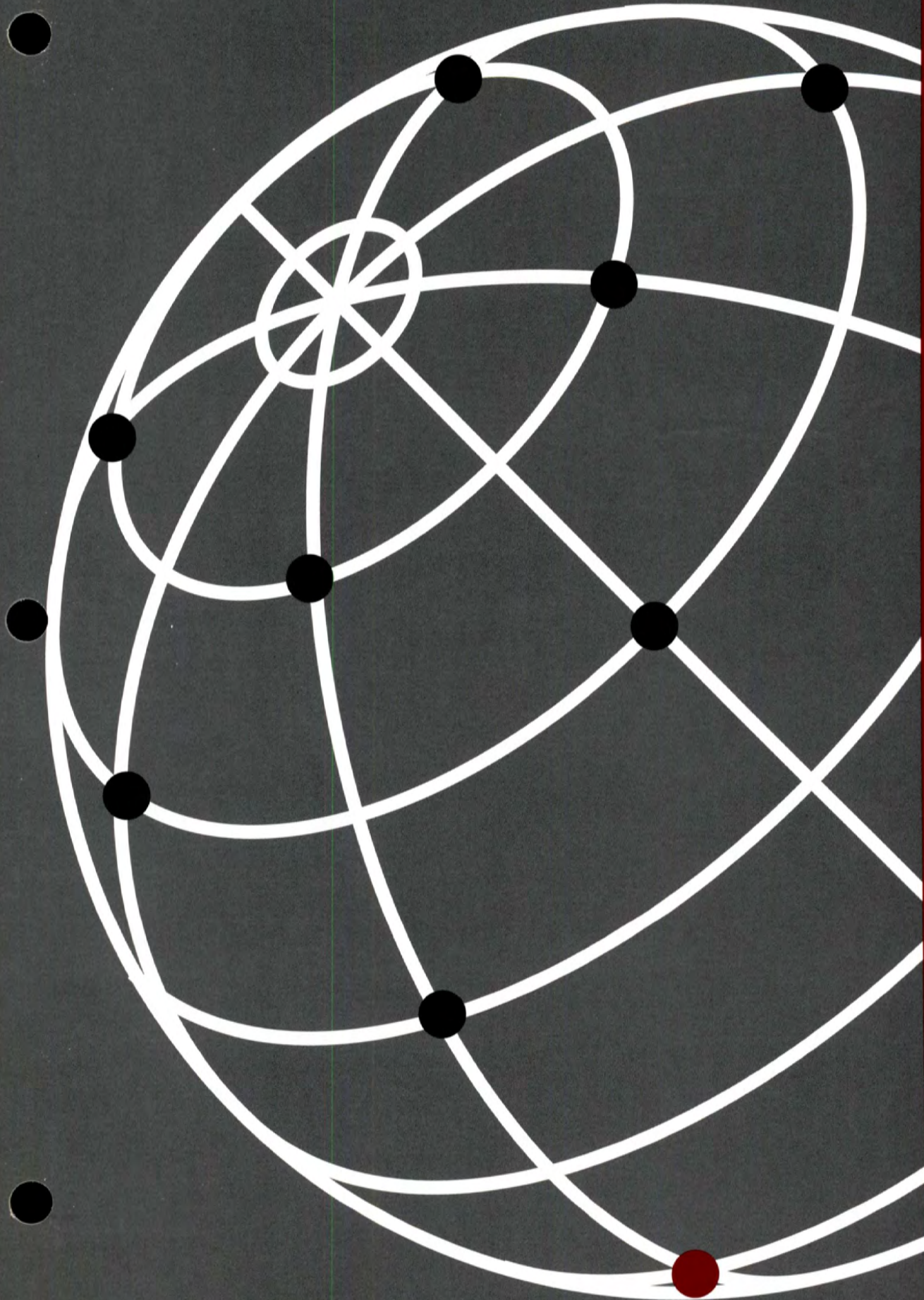
Contents

Appendix

Ethics and Business Practices

This section is organized as follows: first, a statement of Digital's Business Ethics Principles; second, several specific areas of business conduct of particular interest to those involved in the selling process; third, a description of documentary resources and guidelines for contacting the Ethics Office in support of Digital's principles. For the most part, these are excerpted directly from the publication, *Making the Right Choice: Digital's Code of Business Conduct,* available from the Ethics Office. All employees should understand and abide by our Code of Business Conduct. Where appropriate, you may provide copies to partners and customers.

Business Ethics Principles

In conducting business, each of us must always remember and adhere to Digital's first core value: to be honest, lawful, and fair in all that we say and do. This is the cornerstone for all our other values and is the foundation on which we build our relationships with customers, business partners, employees, investors, suppliers, and the communities in which we operate. The following additional values help to define expected behavior for anyone conducting business on behalf of Digital:

We are, first and foremost, honest in all of our dealings with one another, with customers, business partners, investors, suppliers, and the communities in which we operate. We not only are honest in the technical sense of the word but also seek to ensure that the impressions we leave are accurate.

We never give or accept gifts of more than nominal value (as defined in company or country policy) and exercise care to ensure that we never give or accept gifts which are intended or perceived to be for purposes of improperly influencing business decisions. We never give or accept bribes of any kind.

We always comply with applicable law wherever we do business.

We take special care to comply with the precise regulations governing business conduct in our relationships with governments and their officials, agents, employees, and contractors to ensure that the information we provide to them is accurate and that we do nothing to create even an appearance of undue influence.

We protect and respect the confidentiality of any information provided to us by others, and neither seek nor accept such confidential information from improper or unauthorized sources.

We avoid business or personal arrangements that create or appear to create any conflicts of interest or divided loyalty.

We never use company assets for private or personal gain. We protect the company's assets and ensure that they are used responsibly and in support of the company's business.

We encourage, expect, and support open, honest dialogue among all employees as a critical part of the decision-making process. Each of us works to ensure that the information we provide during these dialogues is as timely and as complete as possible. In all activities, we record and report all information accurately and honestly.

We treat each other with respect and dignity. We work together in teams to make Digital successful, and recognize that the success of the company takes precedence over individual success or the success of any single organization. We never seek or secure individual success at the expense of our colleagues or the company.

We reward performance. Promotions and other advancement decisions are based on competence and demonstrated contribution.

We respect and support our business partners because of the work they do, the investments they make, and the risks they take to be successful in the marketplace. We take special care in negotiating and meeting our commitments to our business partners because we understand that they and our customers rely on us once those commitments are made.

Business Relationships

Honest, open, and respectful interaction with others is a key value that drives our business practices. We must strive to reach the highest ethical standards in all our interactions — with each other, and with our customers, partners, suppliers, and competitors. We must go beyond the minimum standards set by legal requirements. While taking into account the complexity of local customs, business demands, multiple relationships, and technology changes, we must make sure our actions don't result in perceptions of unfair dealings, in inappropriate disclosure of confidential information, or in any type of liability for ourselves or the company.

Digital also takes pride in our relationships with local communities and the media. We believe that sharing accurate information and supporting worthy community efforts are critical investments in our future. However, the public views every employee, regardless of position, as a spokesperson for Digital. We must be careful, therefore, in what we say and in any commitments we make.

Customers

The pressure to succeed can sometimes create situations that raise ethical questions about what decision is best for the customer and for Digital. For example, trying to meet revenue goals can inadvertently lead us to make unrealistic commitments on product performance, new product readiness, or potential delivery dates. If we cannot keep our promises, the customer becomes frustrated. Their resulting distrust could even lead to loss of the account. We must do our best to gather all the facts, and represent the information as accurately as possible. We must also have agreements in place internally and with third parties before making commitments to the customer. We must be able to deliver what we promise. When we discover that we cannot meet a commitment, we will let the customer know as soon as possible. Then we will do everything we reasonably can to minimize the negative impact.

Our goal is to offer quality products and services at competitive prices, terms, and conditions, without compromising our ethical standards. This commitment to ethical relationships means being honest not only in the literal sense of the word, but in the impressions we create and in the implications of what we say. Maintaining ethical relationships requires each of us to feel a personal obligation to meet those standards.

Employees

Digital continually strives to create a workplace where individuals are valued, listened to, and treated with respect. We believe individual learning, growth, and productivity are enhanced by this kind of atmosphere. Although we are challenged by uncertain economic, political, and business conditions, we are committed to the company's core values. We will work hard to sustain them in all our interactions, regardless of location, position, or business demands.

We must strive to encourage open, clear, honest, and timely communication of ideas, concerns, and issues. This communication will help us create more effective working relationships and better understand business conditions and company strategies. As an example, even when tight deadlines are imposed, we will still seek the input of all team members whenever feasible.

To sustain a good workplace environment, we must be able to express our ideas and opinions without fear of reprisal. Accurate, candid, and regular performance feedback must be given no matter how difficult. Communicating facts, not rumors, and respecting the privacy of others and the confidentiality of personal information are vital. We must also take time for small courtesies and thank people for a job well done even if it's part of their regular responsibilities.

Because the market is so competitive, we must all try even harder to resolve problems and work effectively as team contributors. This joint effort requires us to be honest and direct with each other, without being abrasive. We must allow time for open debate on critical business issues and solutions and then support the final decision. We must also understand the company's business needs and work to ensure our skills fit both current and future workforce requirements.

Partners

Digital's success depends on third-party business relationships. We demonstrate our ethical commitment to third parties in a number of ways. We must always respect our partners' proprietary information and trade secrets. We cannot divulge this information to others outside the relationship, even if they are Digital employees. This obligation may continue after the partnership ends, or even after we leave the project. We must fully understand the terms of these agreements before we accept proprietary information from any partner.

Likewise, when we share Digital proprietary information, we must ensure appropriate nondisclosure agreements are in place. Only information necessary for the project should be shared. When a partner has multiple relationships with Digital, keep to a minimum the information shared. That information may be useful to the same partner in their other role as competitor. Clarify with partners how to work together, what topics can be talked about, and the scope of the partnering activity.

Conflict is another issue. We should handle any disagreements directly and in private. Never argue in front of the customer, regardless of who is to blame for mistakes or problems. Digital does not build customer relationships by trying to look good at the expense of our partner relationships.

Selling to resellers is very important to us. There are more applications for our products and services than we could ever develop. We may also compete with resellers in very large markets, where the reseller covers only a small segment of the market, or where Digital believes we could sell more of our offerings. We decide whether to enter a market independently, on the basis of the facts. Thereafter, we

look to see if we have a reseller who focuses on that market, so we can openly communicate our future plans to that reseller. If we do compete with a reseller, we do it openly and fairly. Conversely, we will respect the right of our resellers to compete with us. When resellers are in trouble with customers, we tell them so they can improve.

Governments

When working with government agencies and officials in any country, we must know the regulations and policies governing our conduct. What is acceptable practice in the commercial market may violate strict rules and regulations in government interactions. In all our dealings with governments, our actions, and the perception that they might create, must be fully compliant. Avoid offering or providing gifts, gratuities, or political contributions or discussing employment opportunities with a government official.

When you sell to a government, you are obliged to know their procurement policies. Our selling strategies and practices must satisfy both the letter and the intent of these policies.

When a problem occurs, governments, unlike commercial enterprises, can fine us, audit our books, or even prosecute the corporation or individual employees. To prevent legal problems for ourselves or the corporation, and because laws differ from country to country, you should work with the Law Department when negotiating government contracts.

As a worldwide company headquartered in the U.S., our practices — even outside the Americas — may be governed by Americas law. To employees outside the U.S., this requirement may seem odd. However it is one of those complexities of modern, global business. Digital simply must comply with Americas laws when they apply to operations outside of the Americas

Communities

Although we encourage employees to participate in community activities, Digital, like many companies and individuals, has finite resources. Therefore, it is not practical, useful, or desirable for Digital to be involved in all community issues or to fund every program.

Because there are so many worthy causes competing for funds, each territory has developed a charitable contributions plan and a process for evaluating and prioritizing requests. This evaluation is based on the needs of the community and on their match with Digital's business strategy and values. All contribution requests must be submitted to this evaluation process. It is particularly important to follow this process when a customer or business partner makes a request. We must have a consistent method for responding to these requests so we can clearly manage our Community Relations program and distinguish it from Business Gifts and Entertainment.

Employees should never make commitments without the appropriate authorization. Such commitments could lead to misunderstandings and disappointment in the community, a potential loss of goodwill for the company, and a loss of trust in the employee. Before making any commitments of Digital resources, check with the people responsible for community relations in your territory or call Corporate Community Relations.

Media

We must handle requests from the media with care. While we always strive for openness and honesty, we also must protect the privacy of our employees and the confidentiality of our business relationships and strategies. Keep in mind that when we speak to the media as Digital employees, journalists may assume we speak for the corporation. Any inappropriate comments could undermine our market advantage. With today's sophisticated wire services and electronic communications, a local story could quickly become national or international. All information for the media should come only from Digital public relations professionals or other authorized representatives of the company. Remember that with the media there is no such thing as speaking "off the record."

Gifts and Entertainment

Throughout the world, giving or receiving gifts has become an acceptable and even expected courtesy. Small gifts are often used to show appreciation for a job well done. Vendors often give them to advertise their products. In some cultures, offering gifts demonstrates personal regard.

Problems arise when those gifts could be perceived as inappropriately influencing business decisions. Because Digital believes that business decisions must be based on objective criteria and established business need, we do not accept or offer gifts, special treatment, or entertainment if those actions can be seen as:

- Trying improperly to influence a sale or contract
- A condition for receiving a contract from Digital
- Creating an obligation to provide Digital with products or services
- A bribe

Our policies state that gift giving is acceptable only as a courtesy and only if the gift has nominal value. We can pay for and accept meals in conjunction with business activities, if the cost is reasonable. We may receive unsolicited gifts or services from suppliers or customers. But if the value of a gift exceeds local standards, it should be returned with a note explaining Digital's policy. Digital employees should not accept sales incentives from marketing partners or third-party suppliers.

Furthermore, business gifts must be in support of Digital's business, not just for the employees' personal well-being. Do not accept personal items, discounts on merchandise or services, or the loan or use of personal items.

Gifts or favors — no matter how small the value — must never be solicited either directly or indirectly.

Entertaining customers and suppliers can help you to build personal relationships and discuss business issues in a more casual atmosphere. Entertainment should not be lavish or of such value that it could be seen as trying to influence procurement decision, create an obligation to reciprocate, or place anyone in a possible compromising situation. The purpose of business entertainment is to build relationships and understanding between partners. Entertainment primarily designed for personal pleasure should be avoided.

In addition to meals, business entertainment at times includes attendance at local sporting or cultural events. This type of entertainment is appropriate only if it has a clear business goal. The participants must be carefully selected for their business contribution.

When a customer asks us to participate in a charity event, we need to clearly distinguish between business entertainment and charitable contributions. If the event is really customer entertainment, follow the guidelines in this section. However, if the customer is requesting a charitable contribution, it must be evaluated and approved according to the criteria of the local territory charitable contribution plan.

Travel expenses for all Digital employees should be approved and paid by Digital. We never permit suppliers or customers to pay our travel expenses. We also ask customers and suppliers to pay for all their own travel expenses. It is important that none of our actions be seen as improper in the eyes of other suppliers, customers, partners, and competitors.

Because of these complexities, the senior functional and country managers have established standards for giving and accepting gifts for their organizations. Always talk with your managers before offering or accepting any gift or entertainment. It is as vital to our individual reputations as well as to the company's reputation that our actions are never perceived as improper.

To help ensure that your decisions are the right ones, ask yourself the following questions when you give or receive any form of business gift or entertainment.

- Is it clearly related to the conduct of Digital's business?
- Is it moderate, reasonable, and in good taste?
- Would you feel comfortable giving or receiving the gift in the presence of others in a work area?
- Would you feel comfortable openly displaying the gift you are offering or receiving?
- Is the entertainment of a nature, or at a location, that is clearly designed for the conduct of business rather than for pleasure?
- If the gift were seen by other customers or suppliers, would they feel they were being treated fairly?
- Can you accept the gift or entertainment without it influencing your business judgment?
- Can you comfortably accept the gift without feeling you must reciprocate?

Trading Partners
We frequently have the opportunity of doing business with organizations that are significant trading partners with Digital. Trading partners are companies that are both significant customers and suppliers. This can complicate a relationship. In these situations, our work will primarily be the separate activities of selling and purchasing. However, there are occasionally opportunities to leverage the selling and purchasing activities to improve the overall level of business conducted with the trading partner.

When selling to one of our major trading partners, you need to be aware of the types of activity that may enhance the selling opportunity. There are many ways to use a strong business relationship to enhance both sales and purchasing decisions. In doing this, you assume an obligation to clearly understand the type of behaviors that are not appropriate, since certain actions are counter to Digital's business practices, possibly unethical, and in some cases illegal.

The following list should provide guidance on how to manage these situations.

Do:
1. Joint review of Account Sale Plan and Supplier Acquisition Plan between the Sales Account Manager and the Acquisition Manager.
2. Understand importance of major sales and acquisition initiatives with the trading partners.
3. Consider the desirability of joint meetings with the trading partner to discuss corporate relationship and opportunities to improve the process of doing business together.
4. Share nonproprietary knowledge about the operation and business plan of the trading partner to make Digital a better trading partner.
5. Identify opportunities to introduce other Digital people to your contacts at the trading partner. Determine the desirability of introducing Digital executives to senior managers of the trading partner.
6. Discuss the benefit of a strong trading partner relationship to both companies
   a. Multilevel management linkages
   b. Opportunities for mutual benefits
   c. Strong pressure to make business deals succeed
   d. Shared risk
   e. Improved trust throughout both organizations

Don't:
1. Directly link the award of a partner's sales order to a Digital purchase commitment.
2. Never threaten or imply that a purchase decision will be affected by a sale.
3. Involve a salesperson in a purchasing contract negotiation or a purchasing person in a sales negotiation.
4. Discuss information that is proprietary to the trading partner. Discuss partners' proprietary information that was gained in a purchasing transaction with Digital's selling team or use partners' proprietary information learned in a selling transaction in a purchasing negotiation.

Competition

Digital sells in a highly competitive market. We compete aggressively but always fairly, and are careful that our actions do not turn into unethical or illegal behavior.

Digital sells based on the strength of our offerings and our ability to solve the customer's problem. We may factually compare our offerings with those of our competitors and aggressively sell our advantages. We do not criticize or make disparaging remarks about our competitors.

Avoid any practice that could result in inappropriately obtaining competitive information or that might be perceived as such. Never access information that is considered proprietary by the competitor. When we hire people from competitors, we do not ask them for confidential competitive information, and do not use confidential literature they may have taken with them. We do not use competitors' proprietary information if it comes into our hands accidentally. We dispose of or return the material, unexamined. These restrictions apply only to information that is proprietary to the competitor. We should obtain all generally available information on our competitors and their offerings.

Antitrust Law

Digital will aggressively pursue business opportunities but not to the extent that we violate antitrust laws. We must be aware of the laws regulating competition and avoid any agreements with competitors, resellers, suppliers, and others that might potentially conflict with these laws. We don't want people to avoid advantageous business relationships because of unwarranted fears of violating antitrust laws. However, we don't want people to take inappropriate risks that leave them or the company open to prosecution.

The aim of antitrust laws is to ensure open and competitive markets. Many countries have such laws, also known as monopoly, competition, or cartel laws. Under these laws, companies may not enter into agreements, however informal, that unreasonably restrict competition or interfere with the action of free enterprise markets. We could violate antitrust laws if we agree with a competitor to charge the same price for a product, or arrange with a supplier not to sell to their competition, or insist that customers buy products they don't want in order to get products they do want.

We should be cautious when we share information, such as pricing data, profit projections, salary structures, or plans to enter or exit a market with customers, resellers, or competitors. We could release Digital proprietary information as well as be perceived as restraining trade, regardless of the intention. When working on industry joint research initiatives, confine your activities and communication to the approved scope of the research agreement. Be careful not to make any commitments about Digital's intended use of the research. If we deviate from established Digital pricing and discount lists, it could be seen as giving customers a potential competitive advantage in their marketplace.

In many countries you cannot price below cost or engage in other activities that tend to eliminate competition or create barriers to other companies entering the market. Anything we write in correspondence, memos, electronic mail, proposals, plans, and reports can be used in court to prove our "intent" to restrict competition. Therefore avoid using terms that could suggest wanting to "control" or "dominate" a market or drive out competition.

We often meet and work with employees from competitors through numerous standards and consortia activities. To prevent antitrust violations, we need to watch what we say. Check with the Law Department before you enter into an agreement that obligates or requires Digital to use consortia technology or adopt particular standards.

Antitrust laws differ from place to place, and the consequences of violating these laws can be severe. Therefore we ask employees to learn about the laws in their location and to discuss any questions with their manager. For assistance on how to structure a business transaction to avoid antitrust violations, consult the Law Department at any stage of the transaction.

Investor Relations

Investors are like customers to us. But they buy Digital itself, not our products and services. We strive to make their investment in us successful, just as we strive to make our customers successful. At the same time, we must be careful to treat the whole investment community fairly. We must abide by the laws and regulations which ensure every potential investor has the same information to make investment decisions.

To help the investment community reach investment decisions about Digital, we must make sure they have a constant flow of accurate business and financial information. However, since many countries regulate the disclosure of information, it's important that we follow both the letter and spirit of those laws.

Most laws require us to release information to the whole investment community at the same time, so that no one person or group receives an unfair advantage. This requirement applies to communications with securities analysts, stockholders, money managers, stockbrokers, financial press, employees, consultants, rating agencies, and the general public.

We also must avoid even the perception of using or sharing company information for our own individual financial gain. Never trade Digital stock or securities of our customers, partners, or suppliers when you have knowledge about these companies that is not generally available to the public and that could be viewed as significant to an investor. Never engage in any other action to take advantage of, or pass on to others, such information.

Digital wants to disclose only accurate and appropriate information. Therefore, if investors request information about a new product, the company's strategic direction, financial results, a new alliance with another company, first refer the request to Investor Relations. Even if the information has been officially released by Digital, still refer the request to Investor Relations. Even information that appears in the news media may not yet have been officially announced.

Export and Import Compliance

Doing business internationally is fundamental to Digital's continued success. To remain competitive as a global company, we need to move products quickly and easily throughout the world, while complying with the numerous laws that govern international business.

When we sell or transfer Digital goods, we must, in particular, comply with export and import rules and regulations.

Whenever we transfer our products to customers around the world or move goods and technical data between Digital sites, we must have the correct authorization. Export licenses, issued by many countries, are often subject to strict terms and conditions that carefully define their use.

Americas law prohibits Digital from directly or indirectly participating in economic boycotts against nations friendly to the Americas. The primary boycott addressed by Americas antiboycott regulations is the Arab League's boycott of Israel. When we do business with these countries, we must screen all transactions for either written or verbal indications of boycott related restrictions. If there are any indications of a boycott intent, contact Corporate Export.

We must make sure that Digital's products will not be used for prohibited activities. They must not be sold to customers who have been denied export privileges, or incorrectly valued for customs purposes. When faced with these types of situations or if we lack the appropriate export or import documentation, we can't proceed with the transaction. If we don't adhere to the export or import requirements, even unintentionally, Digital could be fined, lose market share, or face legal sanctions. Since compliance often requires you to understand many different and complex laws, contact your manager or an export or import compliance specialist for the information you need.

Documentary Resources

Digital policies are on-line worldwide through VTX. Local access procedures vary. Hard copies of policies are also available. These policies provide the most specific information on business standards. The Code of Business Conduct should be used as a guide to further information. It does not cover every conceivable situation.

Contacting the Ethics Office

Any employee, anywhere in the world, may contact the Ethics Office with a question or concern about standards of business ethics or potential unethical business behavior.

Address concerns first to your manager, or local support functions if possible. This is most likely to result in prompt and appropriate action. Use the Open Door process for human resource and management practices issues. The Ethics Office and the Corporate Open Door manager will work closely to ensure that issues are handled by the appropriate organization. However, do not hesitate to contact the Ethics Office, if that seems the best way to address an ethics concern.

Worldwide number: [1] 508-493-INFO ([1] 508-493-4636)

DTN: 223-INFO (223-4636)

E-mail account: Ethics Office @MLO
                    MEMIT::ETHICSOFFICE

Mailing address: Ethics Office
                    Digital Equipment Corporation
                    146 Main Street, MLO22-2
                    Maynard, MA 01754-2572

If your call requires an investigation, the Ethics Office will create a file and follow strict procedures to ensure a rapid response and fair treatment of all parties. You can expect an initial progress report within 3 days. The timeline for resolution of the situation will vary, based on the nature of the concern.

Follow-up will be more efficient if you identify yourself when you contact the office. Confidentiality will be maintained. Reprisals against employees who raise an issue will not be tolerated. However, you may choose to remain anonymous. In that case, do not use E-mail, since you will be identified on your memo. Call instead, and do not give your name. You will be assigned a contact number.

If you chose to remain anonymous, you will need to initiate further contacts with the office to find out what progress has been made. When you call, identify yourself by your contact number.

Audit

Management Standard

The Corporate Internal Audit Department reports to the Chief Financial Officer and the Audit Committee of the Board of Directors. The group conducts regular audits of the entire Corporation and performs special reviews upon senior management request.

It is the responsibility of the first and second level sales managers to ensure that goals and objectives are achieved, resources are used economically and efficiently, data/information is accurate and reliable, assets are safeguarded, and that the Corporation is in compliance with policies, plans, procedures, and local country laws and regulations.

It is Internal Audit's charter to review all organizations against these standards and to report compliance.

It is a management responsibility to support Internal Audit in arriving at objective conclusions, and to use these conclusions as a tool for improvement.

Assessment of Results

Sales and Marketing policies and procedures and Corporate Internal Audit programs, both found on VTX in the policies and procedures section, should be used to understand what Audit will be reviewing. In addition, managers must know and comply with local procedures, laws, and regulations.

Information that may be requested by Audit includes, but is not limited to, organization charts, charter and mission statements, business plans, budgets and goal sheets, reconciliations, actual to budget reporting, self-audits (Business Controls Reviews/Audits), corrective action plans from prior reviews and audits, program meeting minutes, status updates, sales measurement and recognition handbooks, award winner documentation, list of salespeople, account structure, approval authorization matrices, and local policies, procedures, laws, and regulations. These should be either on hand or available at a moment's notice.

The Internal Audit report gives the manager a prioritized list of topics to address.

Decisions and Actions

The second level sales manager is responsible for interfacing with the Audit Team. It is a management responsibility to review for factual accuracy concerns raised by Audit, to work with Audit to agree upon feasible, effective corrective actions, and to take those corrective actions.

Methods and Tools

Most of the information cited under Assessment of Results can be used to under-
stand and prepare for an audit. Of these, the most helpful may be the Sales and
Marketing policies and procedures, Corporate Internal Audit programs, ongoing
business controls programs, and corrective action plans.

Contacts and Resources

- Local Business Controls/Finance organizations
- Area/Territory Sales Operations/Business Controls/Finance
- Worldwide Sales Operations/Finance organizations
- Local/Area Legal, Human Resources, Tax, Pricing organizations