Box 5 Memos from Olsen
Folder 9

2 of 5

102737392

digital INTEROFFICE MEMORANDUM

DATE: October 6, 1969

SUBJECT:

TO: Stan Olsen
Nick Mazzarese

FROM: Ken Olsen

I've heard that the company that has rights to our wire-wrap machine was not able to get public financing, and is now out looking for money. They say they are not committed to DEC. I heard rumors that they are not an impressive looking group, but have convinced people that their market is good for three to five million dollars a year.

Do we have a commitment not to compete with them? If not, maybe we should encourage someone from DEC to go into that business.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: October 7, 1969

SUBJECT: ARD'S BOARD OF DIRECTORS TO TOUR DEC

TO: Stan Olsen
Nick Mazzarese
Win Hindle
Brewster Kopp
Pete Kaufmann
Ted Johnson

FROM: Elsa Carlson

ARD's Board of Directors will be here on Wednesday, October 8th. They will start with lunch at 1:30 p.m. in our Conference Room, and Ken would like each of you to join them, if possible.

They will then tour our facilities, and this is the itinerary Ken plans to follow:

Go out Main Street entrance to the Plated-Through-Hole Facility,
Through the tunnel to Building 1,
Use elevator to 3rd Floor,
Walk past Clean Room, up to 4th Floor,
Through Pete Kaufmann's office area,
Cross bridge to Building 5,
Through Module area,
Up to 5th Floor to PDP-10 area,
Use elevator to Machine Shop,
Walk through Tool and Die area,
Through Sheet Metal and Computer Control Punch areas,
Leave through exit near Machine Shop to lower parking lot, where their cars will be waiting.

Members of ARD's Board who will be here are:

George P. Baker, Dean, Harvard University Graduate School of Business Administration
Alistair M. Campbell, President, Sun Life Assurance Company of Canada
General Georges F. Doriot, President, ARD
Maurice C. Kaplan, Chairman of Executive Committee, AMK Corporation
David L. Luke, Director, West Virginia Pulp and Paper Company
Dwight P. Robinson, Jr., Member of Advisory Board, Massachusetts Investors Trust
Robert E. Slater, President, John Hancock Mutual Life Insurance Company

Other members of ARD's staff who will be here:

William H. Congleton, Senior Vice-President
Daniel J. Holland, Assistant Vice-President
James F. Morgan, Vice-President
Dorothy E. Rowe, Vice-President and Treasurer
John A. Shane, Vice-President

Elsa

digital INTEROFFICE MEMORANDUM

DATE: October 8, 1969

SUBJECT:

TO: Nick Mazzarese

FROM: Ken Olsen

When you try to influence our building program to favorably affect the balance of nature in the area, Mr. Morgan of the Audubon Society says that Sasaki Dawson DeMay Associates, 23 Main Street, Watertown, are landscape architects who have shown particular interest in these things.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: October 10, 1969

SUBJECT: VENDOR RELATIONS

TO: Henry Crouse

FROM: Ken Olsen

cc: Pete Kaufmann

I always worry that we may get into a situation like many of our large customers, where we treat our vendors unfairly. Will you suggest a way that we can evaluate the reaction of our vendors to our policies and the attitudes we use with respect to them.

You might get someone from the software area, some engineers who buy peripherals (like the PDP-10 group), someone who buys printing, someone who contracts writing to the outside, and someone to represent the other activities we carry on outside. From this group, I'd like to have a plan made for evaluating what our vendors think of us.

In general, this is very difficult to find out because vendors don't want to criticize the people who give out the contracts.

I'm particularly afraid that we might get into the situation we see so many other companies get into, where they insist on the letter of the specification whether the device does the job or not. They feel they are safe by proving the vendor was wrong, and then they're never in a position to be right or wrong. We are also always in the danger of changing specifications and thereby hurting the vendors, and we also have to be concerned about specifying jobs with enough care to be sure we both understand the job.

When you have an idea of how we can do this evaluation, let me know because I'd like to have you present it to the Operations Committee.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: October 10, 1969

SUBJECT:

TO: Stan Olsen
Pete Kaufmann
Win Hindle
Al Hanson

FROM: Ken Olsen

Geartronics Products plant on route 62, almost across the street from Prescott Paint but somewhat more toward Concord, is empty and they say on the sign it is for sale with 14,500 square feet of space. Perhaps we should consider expanding into that area temporarily while we're waiting for the Leominster plant to be built, so we don't have to get more parking for this place.

There is a sign alongside of H. H. Scott plant which says there is 80 acres of industrial land there. I guess it is all hill and I am sure you have looked at it.

hl

digital INTEROFFICE MEMORANDUM

DATE: October 10, 1969

SUBJECT: CONRAC'S ALPHANUMERIC CONSOLES

TO: Bob Savell

FROM: Ken Olsen

cc: Win Hindle

Donald Putnam, President of Conrac, called today to ask me why we had cancelled the alphanumeric consoles. He is part of the ARD family, and I see him every year at the ARD annual meeting.

I promised to send him a note in two weeks explaining what they had done wrong. He wants to know if they marketed them wrong or if they did something wrong technically. I told him I felt we owed him an explanation, and that I would get back to him within this two-week period.

Please tell me what I should say.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: October 10, 1969

SUBJECT: NEED FOR SLOW MEMORY FOR THE PDP-15

TO: John Jones
Jerry Butler

FROM: Ken Olsen

At the Schedule Review meeting last Friday, the people working on the slow memory for the PDP-15 gave a good presentation and showed confidence in what they're doing; however, afterward, there was some question that came up among the Operations Committee as to whether the Marketing Department feels this is a worthwhile project.

We, of course, can't pass judgment on this, but I do want to pass on the question that was raised at the meeting.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: October 15, 1969

SUBJECT: AMERICAN ELECTRIC POWER COMPANY

TO: Self

FROM: Ken Olsen

Maury Kaplan called this morning to suggest that I call Donald Cook, President of the American Electric Power Company. They may have need of our computers, and Mr. Cook is expecting to hear from me.

They are the most updated power company in the country, generate more power than anyone else, and plan to double their capacity in six years.

Their address is: Two Broadway, New York City, and the telephone number is: 422-4800.

ecc

digital INTEROFFICE MEMORANDUM

DATE: October 21, 1969

SUBJECT: APPEARANCE OF THOMPSON STREET ENTRANCE AND CAFETERIA

TO: Al Hanson

FROM: Ken Olsen

As I walked through the plant on Saturday, most of it looked good, but two areas we have to work on immediately are the Thompson Street entrance and the cafeteria.

I told John Culkins that the water cooler and rubbish containers are covered with dust and apparently aren't cleaned very often. If we looked, the janitor in that area probably isn't cleaning other things either.

The fire alarm cage should be removed; it looks dirty and ugly inside.

The reception desk at Thompson Street has all kinds of litter, junk, notebooks, and rubbish laying around, and makes a very bad impression. These all should be put elsewhere (even the key rack), and anything that isn't absolutely important to be out in the open should be hidden.

The cafeteria still leaves a very poor impression. We somehow have to get space for them to store their carts, cartons, and rubbish containers. We have to get them enough rubbish containers so things aren't always overflowing, and so they can be changed several times during the lunch hour. Maybe we should only have the big carts, and none of the little containers, but change them often.

John Tobin said he is willing to keep them painted white and clean if our janitors don't walk off with them. If he had another storage room, he might be able to lock them up so he won't lose them to our janitors.

Ken

mm

digital INTEROFFICE MEMORANDUM

DATE: October 27, 1969

SUBJECT: REPLACEMENT FOR TELETYPE

TO: Joe St. Amour

FROM: Ken Olsen

cc: Pete Kaufmann

It is my guess that one of your top priority items should be a replacement for the Teletype, either one that would be an emergency replacement, or a long-term one.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: October 27, 1969

SUBJECT: SUGGESTED IMPROVEMENT FOR OUR PARKING PROBLEM

TO: Stan Olsen
Al Hanson

FROM: Ken Olsen

cc: Win Hindle

Here's an idea to help in the parking situation.

Let's reserve some of the choice areas of the parking lot for those shifts of people who always come and leave at the same time. The cars would be arranged in long rows, bumper to bumper, like Catholic churches do nowadays. No one can leave until Mass is over, and then everyone leaves at once. If the spaces are near the building, people might be encouraged to park in those areas, even though they may have to wait a few minutes to get out.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: October 28, 1969

SUBJECT: ITEM FOR NEXT "WOODS" MEETING

TO: Operations Committee

FROM: Ken Olsen

cc: Gene Cronin

Things have piled up too much to have a Woods meeting on November 5th, so we'll postpone it until a later date.

One subject I would like to discuss at the next meeting is how we decide on commitments for engineering projects -- within the product lines, or within the services?

I have a feeling that some of the services start expensive projects because engineering has asked for it, with no justification first being made of the cost. Even the engineer who made the request was never told what it would cost, so he didn't have the chance to pass an offhand judgment on the importance of the project. I sometimes don't think people realize their ideas were taken that seriously. It seems the product lines feel they have to start projects because someone happened to work on them, even though they didn't fit into the overall plan, nor are they periodically compared with other possible engineering projects.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: October 29, 1969

SUBJECT: EXPERT IN COMPENSATION AND INCENTIVE PLANS

TO: Win Hindle
Brewster Kopp

FROM: Ken Olsen

During the ARD Board meeting, Gene Beare, President of Sylvania, gave the highest recommendation to Bob Sanders, of Arthur D. Little, as an expert in compensation and incentive plans. He used to be with MacKenzie.

If we ever feel we need someone from the outside to consult with us, we can always ask Gene what his experience has been with Mr. Sanders.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: October 30, 1969

SUBJECT: APPLIED DEVICES

TO: Win Hindle
Bob Savell
Dave Cotton

FROM: Ken Olsen

On Wednesday, October 29, I met with David B. Learner, Ph.D., President of Applied Devices Corporation, College Point, New York, telephone: 212-445-4200.

Applied Devices is about fifteen years old, with a frightful history of failure, and one suite against them for defrauding a Government contract. They have largely been doing military electronics. An underwriting firm who floated stock for them many years ago, and later a debenture issue, had to swallow a large amount of the stock on the latter issue. They donated this stock to the University of Texas, where George Kozmetsky heads the Business School.

Kozmetsky used to be at Harvard Business School, which he felt was too stuffy and slow-moving, particularly in the area of computers. He moved to Carnegie, where he found fertile ground for his ideas, but became frustrated because business would not accept his modern management ideas.

He then went to Hughes Aircraft, where he met a couple other men, and, with them, started Litton Industries. He left them to help start Teladyne.

After his ideas of modern business management were approved in these two organizations, he went to the University of Texas, where he is again full of ideas.

Applied Devices, with Kozmetsky's encouragement (or with his ideas), has started groups, called University Science Corporations, which do scientific research off-campus at a number of colleges. They are isolated from student pressure, and, therefore, can do anything they want. They have one of these operating in Pittsburgh, one somewhere else, and propose starting one next to the University of Texas.

The key to the one at the University of Texas is going to be a PDP-10, which they, in all their wisdom, have decided is the best computer. They would like to get the computer, but have billings delayed for a few months so they can get started before they pay the bill. That's the question they wanted to ask me, but I, of course, passed on our policy of it being up to the product line to make this decision. Afterward, I wondered if they were thinking of renting or purchasing, but didn't think to ask the question at the time.

The process is complicated a little more by the fact that the purchase order for this computer came by way of Robert Shaw. He is a consultant in Manhattan who Applied Devices plans to buy out and place in Texas to run the PDP-10. Dr. Learner is confident we think highly of this man because we have apparently bought some software from him. I did not bother to

explain that the purchase of software from someone does not mean we have confidence in his management abilities.

I then told him how concerned we are about credit risks now, and of the unhappy experiences we've had during the last few months, and how, up until now, we've had a history of practically no credit losses. I told him this would be the most serious problem, but that this, too, is the responsibility of the product lines, and I would pass the whole story on to them.

Ken Olsen

ecc

bcc: General Doriot

digital INTEROFFICE MEMORANDUM

DATE: October 30, 1969

SUBJECT: AMERICAN ELECTRIC POWER COMPANY

TO: Dave Denniston
Nick Mazzarese
Ron Noonan

FROM: Ken Olsen

In August, I was asked to call Donald Cook, President of the American Electric Power Company, to schedule a visit to his office to discuss our products. His company is the largest electric generating power company in the country, and they are the most advanced in construction and technology. They do all their engineering in New York City, but most of their generating plants and customers are in the mid-west.

Mr. Cook suggested that he and I, along with some technical people from both sides, get together sometime. We had to postpone the visit for awhile, though, because he was planning to be in Europe until the middle of September. Then it seemed we would never get a group like this together, so I finally told him I was planning a trip to New York anyway, and asked if I could visit him.

He is obviously very busy. Their profit is equal to our volume, and so they are a very large corporation. I had a nice visit with him, and he asked me to send literature that he could pass on to their technical people.

I told him we have done very little with power plants directly, but have done some through Foxboro, although many of the chemical companies, and I would suppose, many power companies, are now developing the expertise where they want to develop many of the systems themselves.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: October 30, 1969

SUBJECT: DIRECTORS' LIABILITY

TO: Ed Schwartz

FROM: Ken Olsen

I would appreciate it if you would prepare a paragraph or two stating what the liability is for our Directors.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: October 31, 1969

SUBJECT: STUDY OF COLLEGE RECRUITING PROGRAM

TO: Bob Lassen
Win Hindle

FROM: Ken Olsen

It has often been questioned whether it is worthwhile to hire people directly from college without looking at the data. It seems to me that we have done poorly as far as keeping people long enough to have them be useful. Will you prepare a study as to the results of our recruiting program. Maybe we should stop hiring from colleges and hire those who have been out of college for a few years. This might be particularly true of MBS's.

Ken

ecc

Kenneth H. Olsen
Memos Sent, October, 1969

TO:	FROM:	RE:	DATE:
Bob Lassen	Ken	study of college recruiting program	10/31/69
Ed Schwartz	Ken	directors' liability	10/30/69
Dave Denniston	Ken	American Electric Power Co.	10/30/69
Win Hindle	Ken	Applied Devices	10/30/69
Win Hindle	Ken	expert in compensation and incentive plans	10/29/69
Operations Committee	Ken	item for next "woods" mtg.	10/28/69
Stan Olsen	Ken	suggested improvement for our parking problem	10/27/69
Joe St. Amour	Ken	replacement for teletype	10/27/69
Al Hanson	Ken	appearance of Thompson St. entrance and cafeteria	10/21/69
Self	Ken	American Electric Power Co.	10/15/69
John Jones	Ken	need for slow memory for the PDP-15	10/10/69
Stan Olsen	Ken	space	10/10/69
Bob Savell	Ken	Conrac's alphanumeric consoles	10/10/69

TO:	FROM:	RE:	DATE:
Henry Crouse	Ken	Vendor relations	10/10/69
Nick Mazzarese	Ken	building program	10/8/69
Stan Olsen	Ken	ARD's brd of dir. tour of DEC	10/7/69
Stan Olsen	Ken	commitment-wire-wrap	10/6/69

digital INTEROFFICE MEMORANDUM

DATE: November 5, 1969

SUBJECT: READ RELAY WITH LOW THERMAL EMF's

TO: Tom Stockebrand

FROM: Ken Olsen

Here's an idea for relays that would generate very low EMF's.

Suppose we take a thin piece of ceramic, and, on each side, put down a strip of copper and a strip of the same metal the read leads are made of. These two strips will connect over a side strip; one strip will be exactly opposite the strip on the other side, so the definite difference on the two sides would be very small. The read relay leads would be spot-welded to the appropriate strips on each side, and to the outside world, the copper strips would be welded to the copper surfaces. The whole thing would be embedded in plastic to protect the leads, and to perhaps encourage a good thermal flow, and the coil wrapped around it.

It would be easiest to silk screen this on berillia substrate; however, you may not be able to get inks that are identical with copper and the lead material, so you might want to vacuum deposit or spray on with a plasma gun, these exact metals.

Ken

mm

digital INTEROFFICE MEMORANDUM

DATE: November 11, 1969

SUBJECT: SUGGESTED WAY OF PUTTING LAMINATES ON WOOD-GRAIN TABLES

TO: Loren Prentice
Jim Jordan
George Silva

FROM: Ken Olsen

When I attended the BEMA Show in New York recently, I studied tables made by Tiffany. Some wood-grain tables had laminates put on in a more efficient way than is normally done. They didn't trim the top laminate so it overlapped the sides, but, instead, trimmed it flush with the edge and brought the side laminate up to the top. Then they beveled it heavily so none of the side pieces were exposed to the top. Because it was wood-grain material, this heavy bevel did not look unattractive.

It would seem to me that this way of making tables might be quite inexpensive. You could cover a whole sheet of plywood with a sheet of laminate, cut them to size, plane the edges, and glue on the side pieces (using none of the fancy trimming we now do).

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: November 11, 1969

SUBJECT: SUGGESTED WAYS TO SAVE WEIGHT ON THE DC-3

TO: Stan Olsen

FROM: Ken Olsen

Here's a list of things you can do to save weight on the DC-3:

1. Get a forklift truck and metal ramp in Puerto Rico so you don't have to carry them each way.

2. Keep a few drums of oil at the plant, and have the Company truck take several five-gallon cans of oil to the airport each time the plane lands.

3. Get the airline company to buy us some modern radios. I think you'd save a hundred pounds for every radio you buy. These probably cost $1200 each.

The Company has very firm rules on airplanes which our employees can fly in. When we fly over water, these rules say there shall be a good life jacket for each crewman, and a lifeboat (containing food, water, and flares) big enough for the crew, and these are checked before each flight.

We should also consider the possibility of having an emergency beacon. I've seen these advertised somewhere, and they sound like a good idea.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: November 11, 1969

SUBJECT: REVIEW OF SERVICE GROUPS WITHIN THE COMPANY

TO: Stan Olsen

FROM: Ken Olsen

You are responsible for many of the services in the Company. I suggest that you separate your managers into survey groups (or maybe one big survey group) that would, each week or two, review each of the services. One week they could walk through the lobbies, another week they could look at the parking lots, and another week they could review the telephone techniques (they could listen to our telephone operators, but also listen to our secretaries to see if they are answering the phone properly).

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: November 11, 1969

SUBJECT: FIVE-YEAR PRODUCT PLANS

TO: Bill Long
Dick Clayton
Bob Savell
Bill Segal
Roger Pyle
Al Devault
Fred Gould
Bob Lane
Russ Doane
CC: Operations Committee
Long-Range Planning Committee

FROM: Ken Olsen

At the December 8th Operations Committee we would like to review your product planning for the next five years. We are especially interested in tentatively approving your projected net income from sales of equipment so the support groups themselves can prepare a meaningful plan. In order to have a Corporate picture, it is necessary that your completed product plan book be submitted to Ed Savage by December 1, 1969.

I realize that you probably want to spend more time developing your product goals and strategies. You will have the full month of December to finalize your product five-year plan, but it is necessary to have the other areas of the Company participate as soon as possible. Our objective is to review a first-pass five-year operating and financial plan by mid-January.

Ken

mm

digital INTEROFFICE MEMORANDUM

DATE: November 19, 1969

SUBJECT: IMPLICATIONS OF INCREASING NUMBER OF SALES PEOPLE

TO: Operations Committee FROM: Ken Olsen

If there is a possibility that orders are going to be harder to get because of the economic situation six months from now, we probably should increase the size of our sales force. Also, if the PDP-11 is going to subtract sales hours from the 8, we probably need more sales people. During the Operations Committee meeting on Monday, November 24th, I would like to talk about the implications of this.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: November 20, 1969

SUBJECT: ECONOMIC FUTURE OF EACH OF OUR MARKET SEGMENTS

TO: Brewster Kopp

FROM: ~~K~~Ken Olsen

How can we develop a prediction as to the economic future of each of our market segments? I'm particularly worried about Government cutbacks in aerospace. Even though we do little business in these areas directly, many of these companies may compete in our own markets. We should make a prediction of our future before we commit ourselves to large expansion plans. (I don't find general economic studies put out by banks and insurance companies to be too helpful because they cover too general a market.)

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: November 20, 1969

SUBJECT: PDP-11 ANNOUNCEMENT

TO: Nick Mazzarese

FROM: Ken Olsen

At Monday's Operations Committee, I would like you to present your latest thoughts on announcing the PDP-11. I would like to have you outline what the steps of announcement will be, and, in particular, what the sales pitch will be. We probably should have a cover article in "Electronics." What is the list of unique characteristics we will claim?

Will you also prepare a chart comparing the 11 with the NOVA and two or three other machines, then compare their most obvious characteristics, and list the peripherals and software for each.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: November 21, 1969

SUBJECT: STATEMENT FORBIDDING ALCOHOL, DOPE, GAMBLING, AND SOLICITATION ON DIGITAL EQUIPMENT CORPORATION PREMISES

TO: Bob Lassen

FROM: Ken Olsen

cc: Win Hindle

I would like to very clearly emphasize certain specific rules we have in the Corporation. I'd like to make the statement that no alcohol, dope, gambling, or solicitation will be allowed on the premises of Digital Equipment Corporation.

I'd like to see this statement very clearly put forth in the new issue of our employees handbook. It might be a good idea to put this just inside the front cover. In addition, I'd like to see a sign (not an offensive one, but one that clearly states this), put around the plant - maybe a tiny one at each time clock. Also, I think it might be a good idea to print it clearly on each job application form.

I sometimes think we are reluctant to state things of this nature because it seems we are too puritanical or we think they are things people should know anyway. The result, then, is that we suffer from these things, and then feel helpless that there is nothing we can do about them.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: November 21, 1969

SUBJECT: CONTROL FOR THE MONODISK

TO: Stan Olsen

FROM: Ken Olsen

Ted Johnson said that Tom Taussig claims that he can make a control for the monodisk at about a third the cost of ours. He is going ahead and doing this, and, I believe, will offer it to us for free.

Will you make sure that, at the engineering review of this project, the reviewers carefully consider the possibility of doing it cheaper.

The engineer on this job is undoubtedly a good engineer, but this is the first time he has done a systems job, and it's probably unfair to expect him to do it in the most economical way. It might be that we are doing things which are worth the extra cost; if so, we ought to identify these and be happy we are doing it this way, but we should be very careful to check on engineers who are working on their first systems job.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: November 21, 1969

SUBJECT: FORMAL SYSTEM FOR REPORTING SAFETY ACTIVITIES

TO: Al Hanson

FROM: Ken Olsen

cc: Lawrie Best
Stan Olsen

Now that we are getting quite big and many of our operations are getting to be distant from many of us, I think we should set up a formal system for reporting our safety activities. I would like to have you send a short report to the Operations Committee every other month, listing the following items:

1. What dangerous-to-health chemicals do we use, in what areas are they used, and what safety precautions are used with them?
2. What inflammables and explosives are used, and where?
3. What safety projects are scheduled for the next few months?

Occasionally, we may want someone to discuss the report at the Operations Committee, but most of the time, sending in a written report will be sufficient.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: November 24, 1969

SUBJECT: INVITATIONS TO SPEAK AT SECURITY ANALYSTS' MEETINGS

TO: Mark Nigberg

FROM: Ken Olsen

Please collect all the invitations for me to speak to security analysts, and summarize them on a sheet, then make a proposal as to what you think we should do.

Ken

ecc

Letter sent 10-20.

C. S. McKEE & CO.
INCORPORATED

Member New York Stock Exchange

October 17, 1969

RECEIVED
OCT 21 1969
KENNETH H. OLSEN

Mr. Kenneth H. Olsen
President
Digital Equipment Corporation
146 Main Street
Maynard, Massachusetts 01754

Dear Mr. Olsen:

The Pittsburgh Society of Financial Analysts is most anxious to hear you speak. It is my understanding that your schedule is difficult to plan at this time. May I, however, offer you two possible dates in May of 1970 for your consideration (May 20 or 27, 1970).

You may be assured that your appearance will generate a large and appreciative audience.

Very sincerely,

C. S. McKEE & COMPANY, INC.

Newton C. Coleman
Assistant Vice President - Research

NCC/pm

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The Investment Analysts Society of Chicago (Incorporated)

18 South Michigan Avenue Chicago, Illinois 60603 312/726-4460

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FOOD & RETAIL CONSUMER
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Chicago 60670
732-4183

November 13, 1969

Mr. K. H. Olsen
Chairman & President
Digital Equipment Corp.
146 Main Street
Maynard, Mass. 01754

Dear Mr. Olsen:

You are cordially invited to address the Chicago Science Analysts, Wednesday evening, April 1, 1970. These investment analysts represent virtually every institutional organization in Chicago and have special interest in new technology companies. Attendance at meetings is typically 35 to 40.

The members have expressed a lively interest in meeting and hearing the Digital Equipment management. They are intrigued by your fine firm's successful development of small high-speed computers and the favorable sales and earnings growth. The spring date appears appropriate as it will be considerably after your recent annual meeting and at a time when you may have further announcements on your new product developments and information you may wish to tell about the competitive situation as it has developed.

I shall call you on Tuesday, November 25, to discuss the possibility of your appearance and answer questions you may have.

Sincerely,

Ed Watkins

Edwin H. Watkins, CFA
Program Committee

EHW/hh

General Orint
Spoke spoken
here in the past.

K. H. OLSEN

11/24/69

Copy to: Stan Olsen
Nick Mazzarese
Win Hindle

You might be interested in sending someone to this.

Ken

DIGITAL EQUIPMENT CORPORATION

THE ANNUAL MARKETING PLAN

LOS ANGELES—NOVEMBER 10-12
Sheraton-Universal Hotel

NEW YORK—DECEMBER 10-12
Warwick Hotel

CHICAGO—JANUARY 21-23
Ambassador Hotel

NEW YORK—FEBRUARY 11-13
Warwick Hotel

Planning is the key to company success and profit—and the most important of plans is marketing planning. Without it any other type of planning within the organization would be meaningless.

However, marketing planning can only be as successful as its contents. An ill-conceived plan could cost your company substantial profits . . . modify or introduce products with little or no consumer acceptance . . . set unrealistic production schedules . . . throw the over-all corporate financial plan completely out of balance . . . and could make commitments with adverse long range repercussions to the company.

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seminar outline

I. Introduction

A. What is the Annual Marketing Plan?
B. How the Annual Marketing Plan Relates to Corporate Marketing Planning
C. Conditions Under Which the Annual Marketing Plan Works as an Effective Management Tool

II. Benefits of a Comprehensive Annual Marketing Plan

A. Organizes and Disciplines Thinking
B. Assures Attention to All Key Areas
C. Coordinates and Unifies Efforts
D. Facilitates Control and Evaluation
E. Provides a Source for Future Reference
F. A Self-Fulfilling Prophecy

III. Understanding Complexities in the Planning Task

A. Competition
B. Market Heterogeneity
C. Measurement and Synergy
D. Timing
E. Stage of Product Life Cycle
F. Flexibility versus Rigidity
G. Obstacles—Personnel, Policies, Priorities, Data, Capacities

IV. Structuring the Contents of the Plan

A. Review of Corporate Objectives
B. Relationship of the Plan to Long-Range Planning
C. Relationship to the Total Management Team
D. Opportunity Identification
E. Need for Establishing Objectives
F. Strategy Selection
G. Controls

V. Reviewing the Past and Looking to the Future

A. Information Sources
B. Evolution of the Market and Buying Practices
C. Product Characteristics and Development
D. Past Marketing Practices
E. Performance History

A partial list of clients and some of those firms whose key executives ha

AT&T
Allis-Chalmers
Anaconda Aluminum
Anheuser-Busch
Atlantic Richfield
Avon Products
N. W. Ayer
Bank of America
Bethlehem Steel
Boeing
Bristol-Myers
Campbell Soup
Canadian Ind., Ltd.
Caterpillar Tractor
Chase Manhattan Bank
Chesebrough-Pond's
Chrysler Corporation
Ciba Pharmaceuticals
Colgate-Palmolive
Conn. General Life Ins.
Container Corp. of America
Corning Glass
D'Arcy Advertising
Dow Chemical
Doyle, Dane, Bernbach
Du Pont
Eastman Kodak
Equitable Life Assurance
Fairchild
Firestone Tire
First National City Bank
Foote, Cone & Belding
Ford Motor Co.
General Electric
General Foods
General Motors
Genesco
Gillette
Green Giant
Honeywell
IBM
INA
International H
Johns-Manville
Kaiser Aluminu
Kimberly-Clark
Kraft Foods
Kroger Compan
Lever Brothers
Eli Lilly
Ling-Temco-Vo
Thomas J. Lipto
MacManus, Joh
McDonnell Dou
McGraw-Hill
Mennen Compa
Merck Sharp &
Metropolitan Li
Mobil Oil
Monsanto

F. Future Environment Assessment
G. Company Capabilities
H. Idea Generation
I. Key Opportunities

VI. Identification of Opportunities

A. General Consideration
B. The Importance of the Possible
C. Relationship to Objectives and Strategy

VII. How to Set Objectives and Determine Strategy

A. General Considerations
B. Primary and Subsidiary Objectives/Strategies
C. What Business Are We In?
D. Strategy Statement
   1. Positioning
   2. Spotlighting

VIII. What Are the Financial Implications?

A. Marginal vs Full Cost Accounting
B. Relationship of Volume and Spending
C. Company Policies and Resources
D. Profit and/or Payout

IX. Covering the Development Program

A. Product Research
B. Market Research
C. Cost Reduction
D. Packaging Improvement
E. Other

X. Execution of the Annual Marketing Plan

A. Geographical Allocation
B. Time Planning
C. Execution Control

XI. Acceptance and Concurrence

A. Personnel
   1. Source of Initiating
   2. Location of Responsibility
B. Sequence of Projects
C. Review and Revision
D. Selling the Plan

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Quaker Oats
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Richardson-Merrell
Schick
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Smith Kline & French
Sperry & Hutchinson
Sperry Rand
E. R. Squibb & Sons
Standard Oil
TRW
J. Walter Thompson
Time Inc.
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TV Guide
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Westinghouse
Xerox
Young & Rubicam

Course Director



Mr. Jerome Kronfeld is the Director of Marketing Services for the Permacel Division of Johnson & Johnson. At Permacel he has served as Product Manager, Product Planning Manager and Group Director. Mr. Kronfeld has also been employed by National Starch & Chemical Corporation in a sales and service capacity. He is a frequent lecturer on many marketing topics.

Principal Speakers

William J. Burke is President of W. J. Burke and Associates, a consulting firm in Edina, Minnesota. He was a salesman for the Sunbeam Corporation before becoming Product Manager of Heating Appliances, and then General Sales Manager of the Appliance Division. He was Vice President and Director of Marketing for Brown & Bigelow, and Executive Vice President of the Shetland-Lewyt Company. Mr. Burke speaks nationally on a broad variety of marketing and management subjects and is a member of the faculty of the Graduate Management Center, St. Thomas College, Minnesota.

Edward B. Reynolds is a Vice President at James O. Rice Associates, Inc. He served the United States Rubber Company in various marketing functions and has served as advisor and consultant to a number of companies in the areas of general management, organization planning and the development of marketing programs. Mr. Reynolds is the author of numerous magazine articles on marketing and is co-author of two books, *Management Controls* and *Marketing Planning*.

A. John Ward is President of Management Research and Planning, Inc. He has been Assistant Sales Manager of S & C Electronic Company, Product Manager for Reliance Electronic Company, and Manager of Marketing Services for Sundstrand Corporation. With this background, Mr. Ward joined a leading international management consulting firm in 1960 and organized Management Research and Planning, Inc. in 1964. His fields of concentration include corporate planning, company organization, managerial controls and marketing.

Leslie M. Anderson is a specialist in the areas of long-range corporate planning, marketing policy and strategy, and new product introduction. He is currently Executive Vice President of the Association of Management Consultants, and was a founding member of the Management and Engineering Consultants Association of Wisconsin. Mr. Anderson is a contributing editor to *Jobber Executive* magazine, and teaches in the Evening Division of the University of Wisconsin, Milwaukee.

William H. Butler is currently Director of Product Management for the Memorex Corporation, Santa Clara, California. He was formerly Marketing Manager of the Westel Corporation, and National Sales Manager for Precision Instrument Company. Mr. Butler is a graduate of Stanford University, where he received his BSEE and MBA degrees.

William Welp is President of Compumark. Prior to joining Compumark, he was Vice President of the Boyle Midway Division of American Home Products, and was also with the Maxwell House Division of General Foods. Mr. Welp's publications include numerous articles on training development for the Illinois Training Directors Association and the American Management Association.

George W. Ahl, Jr. is Director of Strategic and Long-Range Planning with Bruce Payne & Associates in New York City. He has worked extensively with senior management as a specialist in corporate and marketing strategy planning. Mr. Ahl has given several presentations on strategy planning before industrial, military and government groups, and is the author of numerous articles on the subject.

amr international, inc.
ADVANCED MANAGEMENT RESEARCH

f-a

digital INTEROFFICE MEMORANDUM

DATE: November 24, 1969

SUBJECT: QUALITY PROBLEMS IN THE FIELD

TO: Jim Cudmore

FROM: Ken Olsen

cc: Pete Kaufmann
Jack Shields
Jack Smith

COMPANY CONFIDENTIAL

Attached is a copy of a page from the October Sales Report, written by Dave Denniston, in which he says the quality of products is one of the most serious problems.

Will you write a paragraph to the Operations Committee explaining what the situation is and how we can improve it.

Another complaint he has is about cables, and it would be good if you would cover this problem, also.

Ken

ecc

GENERAL SUMMARY

Problem Areas

1. I believe the quality of our products as they arrive in the field is the most serious and universally frustrating problem. This is compounded by the fact that in October our service people had a 75 per cent increase in the number of calls, compared to six months ago. Yet, the service manpower budget had (prior to the increase of three weeks ago) been static for this period. Our reputation is bound to become just a bit tarnished before we can correct the situations. Any and all steps to insure that only well-produced, well-tested, un-pirated, and well-packed products arrive in the field will be of immeasurable help.

2. Mike Marshall has commented that cable deliveries have caused anguish for a number of customers of various products. This is an old, old problem.

digital INTEROFFICE MEMORANDUM

DATE: November 24, 1969

SUBJECT: SUGGESTION FOR MONTHLY SALES REPORT

TO: Ted Johnson

FROM: Ken Olsen

In my opinion, the Sales Report would be easier to read if the summaries were consistent in format. I would like to see the current month reported first, as this is what the report is about, and then, second, report year-to-date. There is a normal tendency, I would suspect, to report whichever set of figures is most positive.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: November 24, 1969

SUBJECT: MONTHLY SALES REPORT

TO: Gene Cronin

FROM: Ken Olsen

As secretary of the Operations Committee, will you look through the Sales Report each month, pick out particular complaints, summarize them, and then mail them to the Operations Committee so we can check each month to see if complaints are taken care of.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: November 24, 1969

SUBJECT: PDP-8 DI/AN LABEL PRINTER

TO: Nick Mazzarese
Bill Long

FROM: Ken Olsen

I visited the DI/AN CONTROLS booth at the FJCC, and talked with them about their printers. They now have a large variety of small printers that should be quite inexpensive and fairly reliable. I believe that, if we had someone who would look into applications for these, we might end up with a number of new uses for PDP-8's. One of the first applications we talked about in the early life of the PDP-1 was magazine-addressing. We now have some large-scale addressing machines in the house, and we have a large-scale mailing problem. Maybe we could have someone from our Direct Mail Department install a PDP-8 DI/AN label printer, and, from that, if the price is low enough, we might have a product that will sell quite widely. Even organizations, such as churches, which have relatively small problems, have trouble keeping their records. It would be interesting to know how many records could be kept on one of our disks.

The number of periodicals, particularly in specialized areas, now produced in this country, is fantastically large. The number of organizations with fairly large memberships, and of corporations which maintain mailing lists, also are very large. I believe General Radio has one of the largest mailing lists. Most of these organizations want to make specialized mailings depending on the specific nature of the problem at the time. If we can show that it really saves time and opens up new opportunities, a computer would appeal to these people.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: November 24, 1969

SUBJECT: INFORMATION INTERNATIONAL'S CATHODE RAY TUBE 35 MM FILM PLOTTER

TO: Roger Melanson

FROM: Ken Olsen

cc: John Jones
Joe St. Amour
Tom Stockebrand

I'd like to hear your reaction to the use of an Information International cathode ray tube 35 mm film plotter. I have the feeling that if we cooperate with II and their product, we may sell a large number of computers to industries that are now using mechanical plotters or ones that are not doing any plotting at all. Ed Fredkin says he believes this machine can also do etched board layout and integrated circuit layout.

They now use a PDP-9 and two expensive tapes. With the TU-10's and the PDP-15, we may encourage them to have a lower priced unit, which we might help market. With the right approach, we might make this the world's standard for generating drawings.

Ken

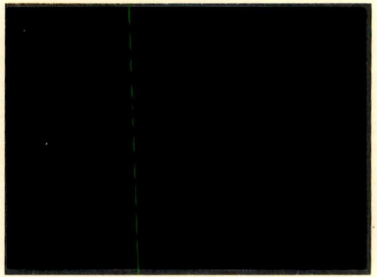
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digital INTEROFFICE MEMORANDUM

DATE: November 25, 1969

SUBJECT: CITIZENS' BAND LICENSE FOR DEC

TO: Stan Olsen

FROM: Ken Olsen

In checking section 95.7 of the Federal Communications Committee's rules and regulations, it says, ". . . . any corporation, directly or indirectly controlled by any other corporation in which more than one-fourth of the capital stock is owned or voted by aliens of the representatives, or if one-fourth of the directors are aliens, and if the commission finds that public interest will be served by refusal of license . . . ."

It seems to me that from this statement, DEC should readily be able to obtain a license.

Various flight schools and flight services have a frequency assigned to them in the 120 mega-cycle region. We might be able to get one of these assigned to us in Puerto Rico, in which case our communications problem will be very easy.

We might also find out if it is legal to have citizens' band in an airplane. I find no mention of this in section 95. If it is legal, the DC-3 could talk on citizens' band to the San German plant.

Section 95.117 D says, ". . . . a mobile station authorized in a service may be used or operated on any vessel, aircraft, or vehicle in the United States, provided that when such aircraft is outside the territorial limits of the U. S., its operation and operator shall be subject to the governing provisions, etc. . . ."

I would gather from this that if Puerto Rico has the same rules for citizens' band, we could readily use this band in our airplane.

Ken

ecc

Kenneth H. Olsen
Memos Sent, November, 1969

TO:	FROM:	RE:	DATE:
Stan Olsen	Ken	citizens' band license for DEC	11/25/69
Roger Melanson	Ken	info. international's cathode ray tube 35MM film plotter	11/24/69
Nick Mazzarese	Ken	PDP-8 DI/AN lable printer	11/24/69
Gene Cronin	Ken	monthly sales report	11/24/69
Ted Johnson	Ken	suggestion for monthly sales report	11/24/69
Mark Nigberg	Ken	invitations to speak at security analysts' meeting	11/24/69
Stan Olsen	Ken	annual marketing seminar	11/24/69
Jim Cudmore	Ken	quality problems in the field	11/24/69
Bob Lassen	Ken	statement forbidding alcohol, dope, etc., etc.	11/21/69
Stan Olsen	Ken	control for the monodisk	11/21/69
Al Hanson	Ken	formal system for reporting safety activities	11/21/69
Nick Mazzarese	Ken	PDP-11 announcement	11/20/69
Brewster Kopp	Ken	economic future of each of our market segments	11/20/69

TO:	FROM:	RE:	DATE:
Operations Committee	Ken	implications of increasing number of sales people	11/19/69
Bill Long	Ken	five-year product plans	11/11/69
Stan Olsen	Ken	review of service groups within the company	11/11/69
Stan Olsen	Ken	suggested ways to save weight on the DC-3	11/11/69
Loren Prentice	Ken	suggested way of putting laminates on wood-grain tables	11/11/69
Tom Stockebrand	Ken	read relay with low thermal EMF's	11/5/69
Bob Lassen	Ken	study of college recruiting program	10/31/69

digital INTEROFFICE MEMORANDUM

DATE: December 1, 1969

SUBJECT: Tuesday Afternoon, December 2, 1969

TO: Stan Olsen

FROM: Ken Olsen

I am taking the afternoon off, December 2nd to take flying lessons. If the weather is good and my instructor is cooperative, we might stop at Westfield while you're there.

I don't want to stay very long because I want to spend my time learning to fly.

Ken

mm

digital INTEROFFICE MEMORANDUM

DATE: December 2, 1969

SUBJECT: CORPORATE GRAPHICS

TO: Nick LoRusso
John Bellantoni
Gabe d'Annunzio
Roy Gould
Elliott Hendrickson
Al Hanson
John Kulik
Bill Farnham
Gail Martin
Jim Jordan

FROM: Ken Olsen

The Operations Committee has decided to use Elliott Hendrickson's typeface for all documents, signs, packages, and exhibits. We will not, however, change the digital logo of lower-case blocks.

We are trying to make our sales literature consistent in format, size, and typeface so it will be easy to recognize and convenient to use by our salesmen and customers.

We are, of course, open to suggestions and proposals for any variations in this.

We would also like to eliminate the need for creativity on the part of our product lines in areas where it is unimportant, and save it for those areas in which it is necessary.

I have asked Jim Jordan to coordinate a guide book designed to aid designers and non-designers in producing graphics of a consistent quality and character.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 2, 1969

SUBJECT: LAYOUT OF NEW ART DEPARTMENT

TO: Al Hanson

FROM: Ken Olsen

Before we commit ourselves to it, I would like to see the layout for the new Art Department. There is a slight tendency on the part of people to smile at the Art Department because they wonder if it is organized and if people are working behind those cubbyholes.

I would like to see the new Art Department opened up so they will have an opportunity to keep everything neat and have a place for all their supplies. The work areas should be arranged so that individuals have the feeling of privacy, but also so it will be obvious to those walking through that these people really do work hard.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 2, 1969

SUBJECT: OBEDIENCE OF COMPANY RULES

TO: Stan Olsen

FROM: Ken Olsen

In the many service operations you supervise, such as parking, storage of vital records, window-closing, etc., etc., I'd like to point out the very obvious bit of Company philosophy that "there is no excuse for failure in these areas."

The fact that employees do not cooperate, or even that managers do not cooperate, is no excuse for failure. If there is no cooperation, it should be brought to the attention of the highest level necessary to be sure we either change our mind about wanting to accomplish it, or, one way or another, force people to do what we think they should.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 3, 1969

SUBJECT: SUGGESTIONS FOR IMPROVING PARKING SITUATION

TO: Stan Olsen
Al Hanson

FROM: Ken Olsen

After our meeting on parking the other day, I went out to look over the Dennison parking area. It seems to me that we could gain quite a bit of parking in that area if we did the following things:

There is a tiny cove that cuts into the parking lot. This might be deep, but if it were filled in, it would make quite a few more useful parking spaces.

Parts of the filled-in area near the Pond have mounds of dirt or fill, and if these were leveled off, there would be more area for parking.

The parking lot is paved up to some logs that were laid three, four, and five feet from the railroad tracks. If these logs were removed and the parking lot leveled up to the outside of the first track, it would enlarge the area for parking without limiting the train use because they always drive on the inside of the track.

On the street side of the railroad track, there are a couple trees, a lot of grass, and an uneven area. If this were all leveled off and brought up to the edge of the outside track, people could drive over the curb and park at right angles to the track. The front- or back-end of their car could overhang the track when there are no trains in use.

The area between the street and the tracks, across from Buscemi's, is somewhat paved and widened for parking. If this were cleaned up, and maybe even marked for parking, we could fit a number of cars there.

Behind the Esso station, on the other side of Sudbury Street, there is a large flat area between the gas station and the railroad tracks. Part of this is taken up by a track with a bumper which comes down from Great Road, and, therefore, I'm sure it's not used. With this track removed and the area leveled, and if we can keep the gas station from parking their U-haul trucks there, it would make a fairly large parking area.

I'd be somewhat reluctant to clean the other side of the tracks for parking because I think it might detract from the looks of the houses. I would, however, be happy to park up 150 feet where they don't mind us covering the track. We could then enter from that street into the parking lot.

These things I've mentioned would, I believe, make the area much more attractive and give us more parking. As we fill in the corner on the other side, together, this may take care of our parking needs for some time.

Ken Olsen

ecc

cc: Ted Johnson
Gene Cronin

digital INTEROFFICE MEMORANDUM

DATE: December 3, 1969

SUBJECT: CARE OF VISITORS

TO: Pat Greene

FROM: Ken Olsen

Will you please get on the Operations Committee agenda sometime to give an informal discussion on our techniques for taking care of visitors. What we would like to know is if we are doing a good job, if we should do more (maybe we're even doing too much), and, in general, what care we give our visitors.

I noticed a sign at the Bedford Airport saying there is an air taxi between Bedford and Logan for about $15.00 per person. If it is practical for them to do this for one person (and I don't know if it really is), we might encourage someone to set up an air taxi between Stow and Logan Airport for our visitors. The helicopter taxi probably doesn't work out very well because of the high expense of equipment, but it doesn't take much of an airplane to make this run.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 9, 1969

SUBJECT: FLIGHTS TO CANADA

TO: Ed Schwartz

FROM: Ken Olsen

cc: Stan Olsen
Pete Kaufmann

I have never had the feeling that our Canadian operation has been truly integrated into the rest of the Company. They have the feeling of being more Canadian than they actually feel a part of Digital. Part of this might be the reluctance we have to visit them. I think we all feel it's a real chore to go there by way of Montreal.

If we could fly there directly from Bedford Airport, it would be so convenient that we would feel free to make one-day trips. I'll ask Stan to find out what airplane rental services are available with fast, four- or six-place airplanes.

Will you find out if there is any way we can fly directly to Carleton Place without having to stop for customs on the way. The trip is easy if we can get there in one and a half or two hours, but if it takes four or five, we'll just keep postponing making trips until we have to.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 9, 1969

SUBJECT: AIR TAXI TO BOSTON

TO: Ed Schwartz

FROM: Ken Olsen

cc: Stan Olsen
Pete Kaufmann

I'm still against the Company owning airplanes, but I will try to be objective. Here's an idea that might be practical someday, and if there is any possibility of it being so, we ought to incorporate it into our planning.

Helicopters are apparently very expensive, and have high maintenance and operating costs. STOL might be practical enough that it would prove worthwhile for us to set up our own taxi service between Maynard and Logan Airport.

If we build a plant in Maynard, we might build a runway as short as 500 feet long. With an airplane from the Helio Aircraft Corporation at Hanscom Field, we might be able to pick up customers at Logan, drop off our own people, and also make visits to Westminster and Westfield.

The fact that there is an airport (of sorts) on the C & C land now, we might, by making a deal with that airport owner, obtain permission to keep one there.

Now, the question I would like to have you work on is how practical is it now, and how practical will it be in the future, to land STOL aircraft at Logan Airport. On a diagram of Logan Airport, it shows a special STOL landing strip at right angles to the main landing strips. When I talked to some of the general aviation people at Bedford Airport, they knew nothing about this. They feel very persecuted, and expressed fear that they will be completely ruled out of Logan Airport in the future. There is now a landing fee of $5.00 at Logan, and I think it's gone up to $25.00 at LaGuardia.

Five dollars, of course, is not impractical for us if we're running our own taxi service, but at LaGuardia, they eliminated the landing fee (so I've heard) for people who land on the STOL landing strip. There is a fellow in Concord who has a 500-foot strip in his back yard, and he flies to LaGuardia on business trips. Hanscom Field controls him as a favor.

The Helio airplane is supposedly the safest plane one can buy. It will fly at 30 miles an hour, and cruise at 165. It's an ugly airplane with a tail wheel, but should carry four to six people.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 9, 1969

SUBJECT: CAMERA FOR CATHODE RAY PHOTOGRAPHY

TO: Stan Olsen

FROM: Ken Olsen

A year ago, when I studied time-lapse cameras, I decided the Nizo S-800 super-eight power-zoom camera was the best. It retails for $499.50, but Bennett Bros. sells it for $399. It has an adjustable shutter which goes all the way from slow-motion movies to one-frame-per-minute. I would guess, but I don't remember for sure, that it can also be individually actuated.

When I was in Boston, I stopped at Claus Gelotte's and talked to Robert Mason. He suggested the Vivitar, 84-P, which lists for $139.85. This is a more conventional movie camera, but has a feature that allows it to be triggered one frame at a time by a cable release. This could be actuated by a solenoid that could be actuated by the computer (or any other electrical device), for single-frame action. It did seem a little noisy, however.

A normal camera runs at 18 frames per second and at 36 frames per second for slow motion.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 10, 1969

SUBJECT: MONTHLY SALES REPORTS

TO: Ted Johnson
Ron Smart

FROM: Ken Olsen

The Sales Reports are very useful, and I think the fellas are doing a good job, but there are a few things I'd like to have included in them.

I would like to see a standard format used for the initial page, which would present, in as straightforward a way as possible, how they have done, and how they predict they will do. There is a tendency to present the most positive facts first, and then politely hide the discouraging facts with words.

I sometimes have to really study to find out what the words "we will be on budget" mean. Does this mean that the next period will be on budget for that period, does it mean that, averaged with the over-budget, it will come out on budget year-to-date, or does it mean that that period will be down, but will be compensated for later in the year and will be on budget?

We are looking for trends, and hiding bad news in polite words makes it hard to find them.

In addition, I would also like to ask each report to tell how much of the year-to-date business they have gotten from new customers, and how much has been from the same old customers. We might also ask how their time has been spent between new customers and old.

It would also be good to hear what trends they see in the competition. If the competition is taking part of the field which we are losing, it's very important for us to know right away, and if the competition is having trouble in cutting back production, that is equally important.

Periodically, in the same report, it might be good to ask each one of our Regional Managers what he is doing to develop new managers under him.

Ken

ecc

KO - Data General
conflict.

digital INTEROFFICE MEMORANDUM

DATE: December 11, 1969

SUBJECT: DATA GENERAL

TO: Ed Schwartz

FROM: Ken Olsen

Will you find out when Data General first applied for their name at the State House.

It would be interesting to see when this was because it seems quite clear from documents we have that Ed deCastro and his crew, while holding the responsibility for DEC's 16-bit computer design, were designing a 16-bit computer for Data General at the same time. This explains why they refused to design a simple, small 16-bit computer like management insisted on them doing. This was the reason why we finally put a stop to the machine they were working on for us; it was too big, and we wanted a simple one.

It appears they not only designed the machine on our time, but also blocked us from obtaining a machine, which, to me, seems particularly serious.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 12, 1969

SUBJECT: AIRPLANE TRIPS TO CANADA

TO: Stan Olsen

FROM: Ken Olsen

Will you ask the airplane rental services what they recommend for a fast airplane. If we can get to Canada without stopping for customs, it would be good to try it out there. If we can fly there easily, I would like to go to Canada every few months.

The Piper Astec lists for $74,000, and cruises at 210 mph.

The Aero Commander, Aero Star 600, lists at $86,000, cruises at 250, and seats six.

The Beech Barron lists for $78,000, and cruises at 230.

The Cessna 310 lists for $66,000, and cruises at 220.

I would think we might like an airplane that seats four to six because that's probably as big a team as we'd ever like to send to any one place.

A Helio Currier might not be impossible for a trip as far as Canada. It cruises at 162 miles per hour, which would make it a two-hour trip.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 12, 1969

SUBJECT: SEMINARS ON LONG-RANGE CORPORATE PLANNING

TO: Stan Olsen

FROM: Ken Olsen

On April 6 - 8, 1970, AMA is holding a seminar in New York on Advanced Long-Range Planning, and it might be a good idea for you to attend. With it, you might make a real contribution to the Company.

On May 11 - 13, at the Ambassador Hotel in Los Angeles, they will have a workshop seminar on the same subject for those executives with substantial planning experience.

On January 14 - 16, at the Hilton Inn in Atlanta, there will be a session on the fundamentals of corporate planning.

There may be sessions that you might want to send Al Hanson and Nick LoRusso to.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 12, 1969

SUBJECT: JANITOR PROGRAM

TO: Al Hanson

FROM: Ken Olsen

Will you write a note for the Operations Committee to be distributed on Thursday, December 18 to the Committee, that will give a picture of the Janitor Program at DEC.

There are two things that should be discussed. When and how do you propose staffing the program and secondly an outline of standards.

At the beginning of the year we cut down on your proposal for services, but I'm afraid that they've been cut down way below what we had in mind and I'd like to have an understanding between us as to what these will be.

I'd like to know how often areas will be swept, rest rooms cleaned and checked on, how often the entrances and stairways will be cleaned and the other activities.

Ken

mm

digital INTEROFFICE MEMORANDUM

DATE: December 12, 1969

SUBJECT: ENGINEERING PROJECTS

TO: Operations Committee
cc: Gene Cronin

FROM: Ken Olsen

During our Friday Schedule Review Meetings, I sometimes get discouraged with the excuses for some of the projects, which come about because people don't really believe in the things they've inherited. Will you, for the December 22 Operations Committee Meeting, make a list of the Engineering Projects and products which you are responsible for, that you don't believe are worthwhile for the Company, or that you believe will not make profit, or a decent return on investment.

Perhaps you should also make a second list which would include those items which you think are worthwhile, but are not managed by someone who shares your enthusiasm.

Ken

mm

digital INTEROFFICE MEMORANDUM

DATE: December 12, 1969

SUBJECT: ENGINEERING PROJECTS

TO: Al Devault
cc: Stan Olsen
Gene Cronin

FROM: Ken Olsen

Will you present to the Operations Committee on December 22 a list of all the products and projects which you have under your control. We'd like to know your level of enthusiasm for each of these and what you expect in return on sales and return on investment for each of them. Do you feel the Company has put constraints on you in some of these areas, which will limit your success.

You should have numberical data readily available for returns. We'd like to have that presented, if not, we'd like to have your off-hand guess as to what this will be.

Ken

mm

digital INTEROFFICE MEMORANDUM

DATE: December 29, 1969

SUBJECT: DEC TRADEMARK ON PACKAGES

TO: Stan Olsen

FROM: Ken Olsen

CC: Ed Schwartz

The new package with DEC on it looks very good; however, my understanding of our decision was to have both Digital and the DEC trademark on packages. I told Frank Kalwell to figure out a clever way of doing this next go-around. If you think the decision was otherwise, please let me know.

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 29, 1969

SUBJECT:

TO: Brewster Kopp

FROM: Ken Olsen

Park Street Church is setting about to build a new building at Number One Park Street. They feel great pressure to do this quickly because they hear the cost of building is going up 1% per year. It seems to me that if they would invest their money carefully, they may get a return somewhere close to the actual increase of building costs. If they look for part of it in mortgage, they will probably have to pay a rate equal to that. Does this make sense to you?

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 29, 1969

SUBJECT: PAYMENT TO OUR VENDORS

TO: Brewster Kopp

FROM: Ken Olsen

I noticed from the latest Sales Report that some vendors to our sales offices are asking for cash because of late payments. Is this by policy, red tape, or by accident?

Ken

ecc

digital INTEROFFICE MEMORANDUM

DATE: December 29, 1969

SUBJECT: ANALOG MODULES

TO: Ron Noonan

FROM: Ken Olsen

CC: Nick Mazzarese
Stan Olsen

Will you write a note to the Operations Committee, to be used for discussion at the January 5th Operations Committee meeting, telling us what we should do to fulfill our needs for analog modules from the Module Product Line.

As a second part of your report, I would like to hear what things we are not now doing that you think we should be.

Ken

ecc

INTEROFFICE MEMORANDUM

DATE: December 29, 1969

SUBJECT: REPORT FOR JANUARY 12TH OPERATIONS COMMITTEE MEETING

TO: Stan Olsen
Pete Kaufmann

FROM: Ken Olsen

CC: Gene Cronin

For about a year now, we have been behind in modules, and I still don't have a good story as to why.

Will you two write a joint report to the Operations Committee (for discussion at the January 12th meeting) telling us just what the story is and when we will get out of this situation.

I would like Stan to say what he thinks we should do in A-D modules.

Ken

ecc

INTEROFFICE MEMORANDUM

DATE: December 29, 1969

SUBJECT: STATUS OF KEN LARSEN'S EMPLOYMENT

TO: Ted Johnson
Bob Lassen

FROM: Ken Olsen

Is Ken Larsen still an employee, or not? John Leng seems to think that because Ken didn't officially resign, he is, therefore, just on leave of absence. This is something we really ought to get straight.

Ken

ecc

Per Pete Tock
Ken was terminated
on 11-21-69

digital INTEROFFICE MEMORANDUM

DATE: December 29, 1969

SUBJECT: UNIVERSITY OF WATERLOO

TO: Denny Doyle

FROM: Ken Olsen

During the Fall Joint Computer Conference in Las Vegas last November, I met Professor M L Constant, Department of Systems Design, Faculty of Engineering, University of Waterloo, Waterloo, Ontario.

I took his calling card, and think I promised to do something for him. I can't find any note as to what it was, however, but most likely he was asking for a contribution for a project they were carrying on.

If you have an idea of what I promised to do, please let me know.

Ken

ecc

Kenneth H. Olsen
Memos Sent, December, 1969

TO:	FROM:	RE:	DATE:
Pat Greene	Ken	care of visitors	12/3/69
Stan Olsen	Ken	obedience of company rules	12/2/69
Al Hanson	Ken	layout of new art department	12/2/69
Nick LoRusso distribution	Ken	corporate graphics	12/2/69
Stan Olsen	Ken	Tuesday, December 2, 1969	12/1/69
Stan Olsen Al Hanson	Ken	Suggestions for Improving Parking Situation	12/3/69
Ed Schwartz	Ken	Flights to Canada	12/9/69
Ed Schwartz	Ken	Air Taxi to Boston	12/9/69
Stan Olsen	Ken	Camera for Cathode Ray Photography	12/9/69
Ted Johnson Ron Smart	Ken	Monthly Sales Reports	12/10/69
Ed Schwartz	Ken	Data General	12/11/69
Stan Olsen	Ken	Airplane Trips to Canada	12/12/69
Stan Olsen	Ken	Seminars on Long-Range Corporate Planning	12/12/69

TO:	FROM:	RE:	DATE:
Al Hanson	Ken	Janitor Program	12/12/69
Operations Committee	Ken	Engineering Projects	12/12/69
Al Devault	Ken	Engineering Projects	12/12/69
Stan Olsen	Ken	DEC Trademark on Packages	12/29/69
Brewster Kopp	Ken	Building at Park St. Ch.	12/29/69
Brewster Kopp	Ken	Payments to our Vendors	12/29/69
Stan Olsen Pete Kaufmann	Ken	Report for January 12th Operations Comm. Mtg.	12/29/69
Ron Noonan	Ken	Analog Modules	12/29/69
Ted Johnson Bob Lassen	Ken	Status of Ken Larsen's Employment	12/29/69
Denny Doyle	Ken	Univ. of Waterloo	12/29/69