

**digital**

COMPANY CONFIDENTIAL

INTEROFFICE MEMORANDUM

DEC 28 1972

TO: Operations Committee

DATE: December 28, 1972

FROM: Andy Knowles

DEPT: Small Computer Products

EXT : 3043

SUBJ: PDP-11/35 & 16K MEMORY STRATEGY

PDP-11/35

Our strategy is not to announce this machine publicly until around WESCON (Aug 73).

We will introduce it to customers in January-March '73 and deliver it to whomever will switchover from PDP-11/15's at PDP-11/15 prices during Q4 since Pete will be building PDP-11/35's.

It is an OEM machine only (for now)

Reasoning:

- (1) Cost is lower than 11/15 because of CPU, memory . . . profits at 11/15 prices will be higher
- (2) It is the 11/40 CPU and memory . . . we get a competitive advantage technically i.e., 1.85x the speed, the 11/40 bells and whistles, etc.
- (3) We have customers somewhat waiting (Time Data, Kodak, etc.)
- (4) They are (machines) forecasted and allocated Q4 so we should start (privately) selling Q3.

New 16K Memory

Our strategy here is not to introduce this memory to customers during Q3, Q4 and maybe Q1, but to use it in shipments when available at existing 8K memory prices.

Reasoning

- (1) We need to move memory prices now. Let's maximize profits.
- (2) We haven't forecasted it although the design will be ready for LR late March. Estimated Cost is \$1,000 per copy.
- (3) It takes a new backplane (packing density is higher) and power supply module. These aren't ready for 11/40, 11/45's yet, so we must be careful.

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