



K. Olsen

INTEROFFICE MEMORANDUM

TO: Ken Olsen
Phil Laut
John Fisher

DATE: August 9, 1973

FROM: Gordon Bell *g/b*

DEPT: Engineering

EXT : 2236

SUBJ:

I'm absolutely adamant about our need to immediately completely isolate the small and large PDP-11/s clearly because

1. Historically this has been a good decision (eg. PDP-6).
2. Historically our mid-range machine has not been as profitable as small machine (minimals) - summary data for PDP-1,7,9,15 available indicates only 22% net contribution over the last 10 years.
3. Our support now is weighted in favor of 11/45, being subsidized by 11/05. (Virtually all software.)
4. The 11/45 will be hit in 6 months by several 32-bit machines, which may cause us to take resources from small. Certainly there will have to be regrouping and another machine started. (The lifetime of this machine may be about 3 years - whereas a small 11 is probably only good for 2-2½ years.
5. The sales/support effort will also be higher due to increased complexity with software and size.
6. This last year should have been the most profitable for 11/45. It was not clear that it was up to corporate average. Although next year may be more profitable, demands will occur to increase spending.

8/13
→ *Gordon*
sent to [unclear]