

ANNEX BULLETIN



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IT Industry Needs Better Reliability, "Buying" Standards

If PCs Could Fly...

What Would Be YOUR Chances of Making It Home Tonight?

PHOENIX - If this writer's PC were an aircraft, it would have crashed no less than 10 times during the last two trips to the East Coast alone! Even cats don't have that many lives to spare... It is a small consolation that some of the crashes were caused by pilot error (i.e., the *WINDOWS* or other software bugs), not hardware failure.

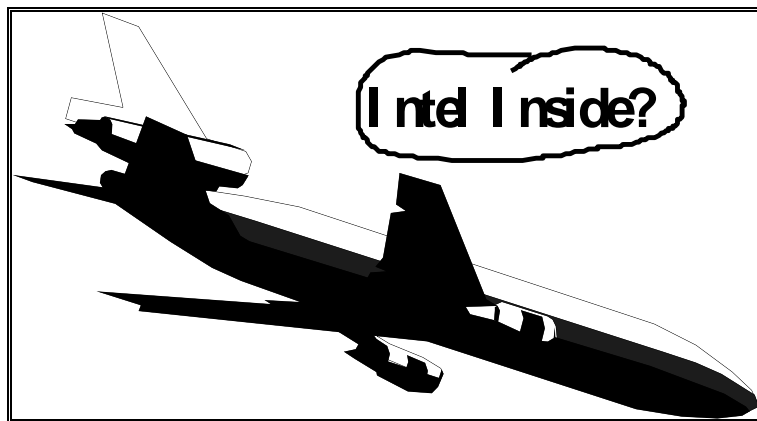
Dead passengers don't care why they died. Only survivors and relatives do! Which reminds us of a "real life" anecdote...

At one point in the late 1960s, an entourage of high-ranking IBM executives arrived at the *Boeing* headquarters near Seattle for a bit of customer glad-handing.

Close to the end of the visit, an IBMer asked the *Boeing* people what would be the most important thing they (IBM) could do to help this valued customer?

A hush fell over

the room. You could practically hear the wheels turning inside the *Boeing* executives' heads. Finally, the top data processing manager spoke up. "You must improve



the reliability of your computers," he said. The IBMers were offended. They felt their machines were already highly reliable, relative to the competition. They tried to point that out. The DP manager shook his head. "You don't get it, do you? Do you realize that if we built our aircraft the way you build your computers, you'd only have a 50% chance of making it home tonight?" The IBMers were stunned. Then, they went to work...

Today, no one is talking about the mainframe reliability anymore. It is simply taken for granted, just like the relative safety of "jumbo jet" air travel. Not so in the PC industry. This segment of the market is still roughly where the mainframes were in the 1960s. The "PC jets" are crashing millions of times every day. But since these systems die one at a time, and since only the customers' nerves, data and time are lost, not human lives, such tragedies go unrecorded in the media headlines (until the first time someone commits a suicide after seeing his life's work going down the drain as *WINDOWS* or other software crashes without a back up ☺).

Intel Debacle

There are exceptions, of course, to these "deaths in solitude and anonymity." The recent publicity regarding a flaw in Intel's Pentium chip is rapidly turning into a media

avalanche, and a PR disaster of perhaps unparalleled proportions in the IT industry. Yet, we also see the event as an invaluable, badly-needed consumer education, which may eventually lead to better buying standards.

Until the ubiquitous PC showed up on the scene, the flaws in the IT products, or the shoddy service or software design, only affected the corporate customers. If it wasn't written in the agreement, the vendors rarely volunteered to make good on such deficiencies.

But now that they are selling their products to millions of consumers, the "techie" vendors' business practices must also mature.

You see, there is an implied contract at work here. When one buys a *Tylenol*, for example, one does not expect to die. When one deposits a pay check in a bank, one does not expect the money to disappear. When one buys a car, one does not expect a "lemon." Etc.

"When I was working (for RJR Nabisco) in the food industry, and for American Express, I learned that such trust must not be violated," said Rick Thoman, who heads up IBM's PC business. For, if it is, the entire industry's reputation will suffer, not just that of a particular vendor. Which is why IBM decided to stop selling the PCs with the Pentium chips last week.



Is Your PC "Safe?"

Indeed, why should the IT buyers accept anything less than the pharmaceutical, banking or food customers? Why are they propelling "nerds" into multi-billionaires by making their sub-standard products "bestsellers?" The answer, of course, is because they don't know any better. Which is a dangerous predicament. Just check out an old proverb:

"He who knows not, and knows not that he knows not....

....is a fool - shun him;

He who knows not, and knows that he knows not....

....is ignorant - teach him;

He who knows, and knows not that he knows....

*....is asleep - wake him;
But, he who knows, and knows that he knows....*

....is a wise man - follow him."

Whichever vendor first demonstrates that "it knows that it knows" and helps educate the IT consumers, will reap significant long-term benefits. Just as the late Peter Finch yelled out of his window in the film, "Network," "***I'm mad as hell, and I'm not going to take it anymore!***", millions of IT buyers now probably feel the same way. They offer a terrific sales opportunity!

**Happy bargain
hunting!**