



INTEROFFICE CORRESPONDENCE

TO: Distribution
FROM: Brian Doyle

SUBJECT: Intel Update
DATE: August 14, 1981

RE:
CC: Barbara Lamm
Fred Moore
Rich Jones
Don VerMeer

The purpose of this memo is to bring you up to date on recent Intel activities and assess the situation.

Intel seems to suddenly "be getting their act together." To wit:

1. The performance of the 3805 at Prudential in Florida, which has a new release of microcode and is only 20' from the channel, is actually better than the 4305, whereas in other previous comparisons it has always been much worse.
2. The 3815 (see attached announcements) is being aggressively marketed.
3. Intel seems to have beefed up both the sales and S.E. staff on the 3805/3815. They are very active in certain areas, especially: Calgary & Toronto, Northeast U.S., Cleveland, Atlanta and Florida. It seems they have several headquarters SE's now, who have apparently got hold of our support material (component evaluation, slides, etc).
4. They are continuing to do a lot of special pricing and terms.

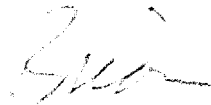
We need to take the following steps to meet this increased activity.

1. Guidance to the field on how to market against Intel in the new environment using the existing tools. I plan to publish this soon.
2. Get the Entry-Model 4305 announced during September. I am working hard on this.
3. Get tough on pricing on an exception basis, although I don't feel we should make an across-the-board reduction at this time; I feel that Intel operates under an STC price umbrella, just as we have in the past in relation to IBM. We should, however, reduce the high speed transfer feature immediately.

4. We need to make some improvements in the 4305 hardware in the long term to mitigate some advantages Intel has in this area.
5. We need better competitive activity reporting procedures. I am not receiving loss reports, and activity reporting is haphazard and informal.

In summary, I feel we can continue to succeed in the great majority of battles against Intel, but we need to "get our act together". I still see the IBM 3380, when available, or the IBM paging cache, rumored to be in "product verification test", as the major competitive threat.

I welcome your input on this competitive situation.



Brian Doyle

Distribution:

Art Buckingham
Russ Drew
Dan Ellis
Gary Holtwick
Barry Hull
Jack Scott

#1078H

Intel Unit Extends IBM-Compatible Storage Syst. Line

PHOENIX — Intel's Commercial Memory Systems has extended its IBM-compatible, semiconductor storage systems line downward with a new Fast-3800 series model aimed at attaching to IBM and IBM-compatible mainframes in the 4341 class and above.

The Fast-3815 follows by 2 years the original Fast-3805, which has appealed mostly to IBM 3033 users, according to Robert K. Wilson, marketing manager. The RAM storage systems are designed to relieve large capacity disk drives of memory paging and swapping functions.

The 3815 is available in 12- and 24-megabyte configurations and is field upgradeable to the 3805, which accommodates up to 72 megabytes. The 3815 has a single controller instead of the dual controller used in the 3815. Therefore, the 3815 probably will not be equipped with the forthcoming DBAP data base management package which Intel will offer on the

3805 in August (Data Topics, June 15), Mr. Wilson noted.

Intel is currently using 16K RAMs on the 3800 series, but will switch to 64K chips in the coming year, extending maximum capacity to 288 megabytes, Mr. Wilson noted.

In addition to replacing disk drives in paging and swapping applications, the 3815 is also aimed at replacing the IBM 2305 drum storage system, which Intel said is still IBM's fastest direct-access storage device. In a 2305 emulation mode, the 3815 is said to operate at speeds up to 225 pages per second. In a native mode, implementing fixed block architecture, the speed extends up to 250 pages per second, the company said.

The 24 megabyte version of the Fast-3815, including controller, carries a list price of \$144,000 (\$6,000 per megabyte). The 12-megabyte disk is priced at \$34,000 (\$7,000 per megabyte). On a 36-month lease, the 24M byte unit leases for \$4,450 per

month and the 12M byte disk leases for \$2,550 a month. Deliveries are scheduled 30 to 60 days ARO, the company said. The native mode option for the disk is priced at \$12,000, or \$400 a month on a lease, the company added.

The Fast-3815 is said to have an access time of 800 microseconds, with a maximum channel speed of 1.5 or 2 megabytes per second. The unit runs under a variety of operating systems, including MVS and VM, and will be run under DOS within 90 days, Mr. Wilson said.

The drive uses Intel's single board computer, the ISBC-8612, to perform double-bit error detection correction. Other features include the ability to transfer data to spare storage, perform a software sweep, and log bad memory circuits to enable replacement at regular maintenance periods. The Fast-3815 is also available with a two-channel switch option which enables one 3815 to be shared by two channels.