

Isaac L. Auerbach Inc. Consultants

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narberth, penna. 19072

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telex: 831 464

November 13, 1979

Mr. Peter Sorensen  
Managing Director  
RC Computer  
Lautrupbjerg 1  
DK 2750 Ballerup  
Denmark

Dear Peter:

Since my return to the United States, I have had an opportunity to review my trip in detail with Isaac and he concurs with the program which we established. Accordingly, we will proceed on the following tasks.

1. Complete a preliminary analysis of the present positions, particularly of resource availability and prospects for revenue from present product lines and customers. We will also note organization strengths and weaknesses which control the initial strategies which can be considered. This analysis will provide a reference point for development of the proposed long-term strategy and ongoing business plan. This analysis will be forwarded to you for your critical analysis and detailed correction as required.
2. Analyze the twenty niche markets identified during my trip, and include any other market segments which we conclude may be appropriate. This analysis will be based in part upon the material currently being developed by your organization and to be forwarded to us by November 19.
3. Develop a proposed long-term business strategy which will govern the detailed three year business plan. This strategy statement will list underlying assumptions with regard to corporate financial and non-financial objectives; e.g., degree of responsiveness to needs of stockholders and government. It will recommend market segments to be attacked and corporate skills to be emphasized or developed. The underlying reasoning will be stated.
4. Develop a detailed outline for the business plan. This will form the basis for a written plan for implementing the agreed strategy.

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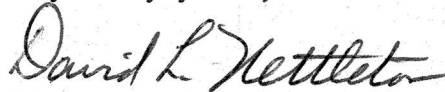
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5. Assist in the resolution of the software compatability problems and identify trends in computer application programs consistent with world development. This can significantly assist RC in their total software development program.
6. Assist in finding alternate production sources in the USA for RC's display.

The first four items will be forwarded to you by November 30. Isaac and I will then come to Copenhagen the week of December 10. I plan to arrive Monday and to meet with RC people on December 11 to resolve outstanding factual questions which I assume will occur during preparation of the foregoing material. A list of outstanding questions or problem areas will be forwarded in advance. We propose that the 12th and 13th be devoted to review and modification if required of the proposed strategy, with the objective of reaching firm agreement reduced to writing. During these two days we should also agree on task assignments for writing the business plan. I assume that you will designate someone to be responsible for overall coordination. On Friday, I would propose to discuss the requirements of the business plan with the individuals responsible for the various sections and thus to launch the writing effort. Isaac would like to spend Friday with you on organizational issues and opportunities.

Let me congratulate you again upon your selection for the highly challenging job of Managing Director of Regnecentralen of 1979. Thank you again for both your hospitality and frank discussions during my recent trip. Both Isaac and I look forward to seeing you in December.

Very truly yours,



David L. Nettleton

cc: Isaac L. Auerbach

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Dear Peter:

To assist you and members of your staff in their work with Isaac L. Auerbach Inc. I will forward to you a progress report on approximately a quarterly basis, summarizing the activities that we have undertaken during the reporting period. The tasks outlined in my letter to you of August 17, 1979 will be specifically identified initially, to be followed by other task assignments that we have received from you orally.

1. We have reviewed the strategy portion of the business plan that was forwarded to us and both David and I have given you our comments orally, I during our meeting in London, David during his meeting with you in Copenhagen.

2. Several documents on the State of the Art were forwarded to you:

- State of Computer Technology, September 1979.  
(a compilation of 22 reports).
- Computer and Data Processor Technology  
(five back issues).
- A subscription was entered to the following AUERBACH Information Management Series services, addressed to Mr. Knud Sorensen.
  - AUERBACH Data Processing Management
  - AUERBACH Data Center Operations Management
  - AUERBACH Systems Development Management
  - AUERBACH Computer Programming Management
  - AUERBACH Data Communications Management
  - AUERBACH Data Base Management
  - AUERBACH Distributed Data Processing Management
  - AUERBACH EDP Auditing

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At no cost to RC Computer I have had AUERBACH Publishers Inc. forward to you a copy of

- Executive Checklist for Chief Executive Officer.  
Copies of other Executive Checklists will be forwarded to you later this month. Namely:
  - Executive Checklist for Finance and Administration
  - Executive Checklist for Sales and Marketing
  - Executive Checklist for Production

3. Based on my initial conversations with David Nettleton on his return from Copenhagen, I ordered a series of publications from the Conference Board in the USA that we felt might be of considerable value to you and your staff. These documents will be shipped to you this week.

- Planning and the Chief Executive
- Planning and the Corporate Planning Director
- Corporate Guides to Long-Range Planning
- The Short-Term Marketing Plan
- The Personnel Function: Changing Objectives and Organization

4. Based on my personal experience in matters of organization and organizational planning I have written a separate letter to you dated November 13 with enclosures based on recent work in this field that I have done within AUERBACH Publishers, Inc. I hope that this letter and the enclosures can provide you with some guidance in these critical matters.

David asks that I bring your specific attention to the chart on the Personnel Manager and to indicate that additional functions can include

- creation and maintenance of job descriptions
- facilitating both upward and downward communications

Based on his assessment he feels that personnel functions require attention within RC Computer.

5. Finally, I have prepared a separate letter to you identifying the tasks that David and I plan to address ourselves to over the coming months and during our meeting with you the week of December 10th.

6. It is our policy that the reports we write for our clients are confidential and our recommendations are not to be used for promotional purposes. For your

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benefit I've enclosed below the normal statement that should have been attached to our report and will be attached to future reports.

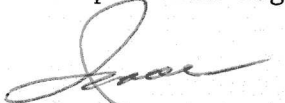
- This report is confidential and is intended for limited distribution within the establishment of the client. It may not be reproduced or disclosed to others, in whole or in part, without the prior written consent of Isaac L. Auerbach Inc. Consultants.

Now that you have already published information from our report, it would be of value to us to be able to read it in English, specifically page 6 in DASK, November 1, 1979. Please provide a translation to us.

David plans to arrive on Monday, December 10th, and meet with RC people on December 11 and through the week. I plan to arrive on December 11 and be available for meetings with you on the 12th, 13th and 14th.

I sincerely hope that this summary of our activities and immediate plans for the next few weeks is of assistance to you.

Best personal regards,

  
Isaac L. Auerbach  
President