

August 5, 1989

To: Jack Tramiel
From: Dave Ahl
cc: Sam Tramiel
Subj: Saving Atari

Exhibit	7C	Plt	
Consisting of		Deft.	IDENT.
Witness		Pages	
Date			
--ANASTASIA ROCKWELL, CSR 1986--			

Assumption: Atari can be an incredibly successful, profitable, well-respected company.

Problem: Today, it is anything but. Indeed, the company appears to be headed downhill fast in nearly every respect.

Proposal: An 18-step plan to make Atari successful.

COMPUTERS

Product

1. Go to John Sculley at Apple, hat in hand, and work out a deal to legitimately sell a Macintosh clone version of the ST, or at least a Macintosh work-alike. Work with Dave Small to make his emulator into a first class product. Bundle it with a translator to convert ST/PC files to and from Mac format.
2. Work with Bill Teal at PC-Ditto to get his PC emulator to work with a hard disk. Atari would then have the only machine to be able to run PC and Mac programs directly and use the same files.
3. Rewrite all Atari manuals to make them truly user-friendly and useful.
4. Drop the PC clone and 8-bit lines. Finish development of the 8-bit emulator for the ST and give it free to anyone who trades in an 8-bit machine on an ST (see Marketing).
5. Get out of the software business except for a small bundle of packages to get a user started (1st Word Plus and NeoChrome) and the two emulators.
6. Survey users and other manufacturers to determine the 20 best-selling add-ons (hardware and software) and use this as a basis for future modifications and product releases.

Marketing

7. Determine the five leading applications of the ST (music, desktop publishing, CAD/CAM, ???). Organize marketing and distribution (and measure profits) according to end-user applications, rather than hardware product lines. Appoint a manager for each application area and give him real responsibility for marketing to it. Reason: markets are totally different; for example, systems for music may be sold and advertised through entirely different channels than systems for CAD/CAM or desktop publishing.

8. Give 8-bit owners a \$200 trade-in on their machines against an ST. Give owners of any other computer (C64, TI 99/4, Sinclair, Altair...anything) \$100 on a trade-in for an ST.

9. Don't announce any product before it is in actual production.

10. Use Atari Explorer as a selling tool. Give copies to dealers free based on the number of systems they are selling. Encourage them to use the magazine as a giveaway to good prospects.

Manufacturing

11. Send a person from the U.S. to live at the manufacturing plant and check quality. Goal: absolutely zero defects.

VIDEO GAMES

Product

12. Drop the 2600 and XE. Concentrate on the 7800 and hand-held.

13. Package the light gun and get it into distribution.

Marketing

14. No national advertising. Target geographic areas depending upon current penetration, cooperation of retail stores, and market potential. Place advertising in local newspapers and cable stations with local retailer tag lines and addresses (but not co-op advertising--it is abused by retail chains and difficult to audit).

15. Offer trade-ins against the 7800: \$30 for a Nintendo, \$20 for a 2600, \$10 for any other game system.

16. Give premiums to kids who start local Atari Video Game Clubs (branches of the Atarian Club).

17. Use Atarian as a selling tool. Get all retailers carrying game systems to sell the magazine. Run customer-level promotions through the magazine.

OVERALL

18. Start treating your employees, vendors, and customers with trust, dignity, and respect. Such treatment will come back one hundredfold in increased loyalty, diligence, and performance. And that spells PROFIT.