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I cannot install UNIX on my upgraded 2086. My diagnostics all run okay, but, when I try to boot my root disk, it hangs. The same disk works on a different 2000. I tried a new floppy; in fact, I used the floppy drive out of the 2000 that I tested, and it didn't work. What am I missing?

#### Α.

UNIX 5.3d used a restart partition. Even the root floppy is looking for it. This is not a problem on ESDI systems, but when attempting to install an ST506 drive, this is where it hangs. You must unplug the AC (that little cable on the front of the drives) while you boot the floppy. You'll see an error message, but it will proceed to boot. Then reconnect the AC to the drives and continue with the installation.

#### Q.

I have a customer with a 16 mhz CPU in his Series 1000. I have just recently been to the Altos 1000 hardware class and have received the FDX diagnostic disk. Will this disk work on the 600? It is labeled Series 1000, 16, 25, 33 mhz. Also, on the 16 mhz 1000 that my customer has, which works perfectly, I get failures on some of the tests. (IOC controller, some hard disk tests, etc.). Any explanation?

#### Α.

The first series 1000's were all 16 mhz. About the time Altos came out with the 25 mhz CPU's, they also changed ROMS on the 16 mhz boards. The new diagnostics will not run on the old 16 mhz CPU's correctly. Also, be very careful when formatting, as the two diagnostics will show a different formatted capacity, thus, affecting the O.S. on a first time install.

#### Q.

I have a used drive that I would like to use in my 586. It's an old Q540 Quantum. How can I be sure it will work for at least a while?

#### Α.

You can use the Altos diagnostic disk to do a read/write test, but when we are testing a hard disk, we use a disk gualifier. This does much more than simply writing data to a drive and reading it back to see if it passes. There are certain timing considerations that also are very important.

## EDITORIAL COMMENTS

This month I'm going to give you all the news that is not fit to print. I say that because much news about Altos must be gleaned from other sources then the horse's mouth. Some days I think the progress that Altos is making may be the best kept secret in the computer industry.

First news is that the Series 2000 is semiofficially a "goner". Arrow has a rebate that is good "while quantities last" or until March 30, 1990. Since the unofficial introduction of the Series 5000 is April 1, 1990 it would seem the fate of the 2000 is sealed. I still resent the manner in which this has been handled as they are trying to move a product through the channel months after they decided to stop supporting it. They elected in October or earlier to not provide products like NFS on the 2000 and yet they still want dealers and customers to pony up thousands of dollars to buy them. I guess they don't value their installed base as much as we do. Wonder if Nordstom's figures they can get all new customers every time they change.

In reading SCO's newsletter I couldn't help but read of Altos and Framemaker teaming up for UniForum to display desktop publishing. This is in line with the rumors that they have been leaving around at their favorite dealers about this extraordinary turn of events. If this is factual it would probably mean that they have implemented X Windows, a possibility that is even more exciting then Framemaker. While software is a little slow in catching up, I see

enough in place to justify thinking about this "portable" graphics environment in a serious manner.

Those of you in the service business better plan on sitting down when you read through the new service parts pricing. If you have service contracts in place based on the old exchange pricing, start adding a line to your evening prayers about these systems holding together for a while more. The new price schedule will go into effect on April 1, 1990 for resellers and will show some dramatic changes. While I agree with Altos that they have to make some changes if they are going to provide quality logistical support at a profitable level, I find the impact of the changes a bit dramatic myself. Some exchange parts were severly underpriced, and this will be corrected in one swoop. I guess it will be like starting over at day number one.

While there may be a tendency to regard two of the three "news" items as negative, they are not intended to be. Altos continues to progress substantially in the right direction, and comparisons should only be made to other firstclass companies. I noticed the other day that the requirements for a dealer to sell the Compag 486 included the purchase of a "parts" kit at over \$15,000. I haven't had experience with their exchange prices, but this struck me as very stiff for a new product with no installed base.

### So You Want to Be a Salesman . . .

There is some tendency of computer resellers to want to be rid of hardware problems; so they farm the service out to a "third party". While this may (or may not) actually get rid of the problem, it also gets rid of a profit opportunity. We think there are a couple of good reasons to re-examine this area.

- 1. Profitability there is gold in them there service problems.
- 2. Upgrade sales should the reseller or the hardware support company get the sale of expansion hardware?

#### Profitability

There are some very simple logical facts that would lead me to believe that much revenue should be derived from service related enterprises. One of the strongest involves the price curves of computers and the high value that a business places on the system. One of the first systems Altos sold in pretty decent numbers was the Altos 586 (typically with three tubes and printer). The CPU had a suggested retail of \$10,990, while the terminals and printers went for \$995 each. After you added in \$3,600 for software, the typical package came to around \$18,570.

When the CPU board went dead after a couple of years, the repair bill usually ran about \$1,000. The users we service offered few complaints as they knew (we reminded them) that they had saved almost \$1,000 from the service contract price. They could pat themselves on the back, because they had made the wise decision to be self-insured. We have dealers who are still doing this repair every day. It occurs to me that I would not buy the 586 for that amount (probably not even close to that amount), but to the user it must be acceptable. They are repairing a \$20,000 investment that is still working as good as the day it was new. Maybe a repair bill of 5% isn't as bad as we tend to think.

Sometimes we forget that users are not always in tune with the latest and greatest. An 80386 based system is fast and powerful, but if their old system is doing the job it was intended to do, they may be perfectly happy with it. The comparison is not always to current replacement cost or even to the value of the system today. It is most often made to the original purchase cost of the system, and this comparison can make the repair costs seem pretty reasonable.

Service can and must be a profitable enterprise for a computer business. Sometimes I feel some sympathy for a user that doesn't win the "no service contract" gamble, but they elected to go that way. I always know that I didn't design the system, the customer could have bought a service contract and elected not to; and, that to survive, I must subscribe to the capitalist system of "those that consume have to foot the bill". The time spent on a system must be billed just as surely as the parts that are replaced have to be added to the cost. Computer people, more than any other group I encounter, seem to want to assume their clients' problems as their own. My car dealer never feels guilty enough about repair bills to do some of the work for free, but computer resellers sometimes do.

#### **Upgrade Sales**

When a customer has any problems with his system, the person most likely to hear about it is the service man. If it runs real slow (because it needs memory), they call the service guy. If they get a hard disk error (no room on dev hd(0,2)), they call the service guy. It has always struck me as a difficult situation to have them solve the problem if the system is broke; but then be expected to call the reseller back in if it just needs expansion.

It is within the realm of possiblity that there could be more profit made on a computer system after it is installed then was made during the initial sale. The initial sale is very competitive and filled with unknowns, while an upgrade is a much more predictable situation. All of our customers are free to purchase upgrades any where they like. We, on the other hand, are free to refuse service to anyone (kind of like No Shoes, No Shirt, No Service).

If our clients elect to purchase based upon price alone, they are no longer clients of ours. We simply will not support a mixed bag system, because it leads to disagreements as to whose problem it really is. On the other side of the coin are those customers who want to move to us as a supplier. If we cannot provide total support for the system (through the OS), we will pass on the sale of an expansion item.

We feel that these expansion sales are only ours if we are providing ongoing support, which means that we are providing day-to-day value by keeping the system up and running. Some sources have placed the value of service and expansion items on a system at 2.5 times the initial purchase price. Whether you accept this rate or not, you must prepare a customer for substantial outlays, and then be in a position to provide a value in the form of responsiveness, knowledge, and ability.

### UNIX "Opportunities" Seminar

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Editorial Comments continued from front page ....

Altos continues to have a virtual exclusive on offering high end products to independent resellers on terms that small operations can deal with. I have been looking for an alternative product line for a year (and I am determined to find one) and while some are pretty close, they have not been able to unseat Altos. Seems strange that a company that operates as if they are in a vacuum, communicates less well then my in-laws, and wishes that I would just go away, is still the only company that is filling the market niche that I remain committed to. Perhaps that circumstance is one of the biggest obstacles to UNIX being accepted as a real contender in the business market. There isn't anyone to accept.

**TOO MUCH INVENTORY:** (2) Altos 586-40, \$500. UK-40, \$400. Various Altos spares-controllers, drives - ask. (3) NEC 3510 printers, \$225. CRTs -ADDS, Altos, more. All look, run great. Howard J. Press Consulting, (309) 764-2991.

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