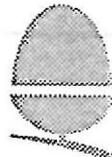




Acorn Staff Newsletter



1989: "A successful but tough year"

This has been another successful but tough year for Acorn as we have tried to enter new markets with new products in a difficult economic environment.

We had a successful first half of the year with a profit of £ 2.05m and a continuing strong demand from schools and the professional home market for the Master 128. I am writing this message to you all before the year end and, whilst the order book looks healthy and I feel optimistic, clearly any forecast for the year end would be difficult to make as well as contravening Stock Exchange Regulations. However, keep your eye on the Notice Board!

The most notable success during 1989 was the launch of the A3000, which was acclaimed by the computer press and followed by excellent sales in the market place. Based on the strength of the A3000 we have taken it into new markets, e.g. the home education market, and with the right software and sales channels the A3000, I am sure, will continue to be a successful product throughout 1990.

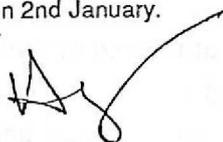
The launch of our Unix product, the R140, early this year was a new venture for us in two respects: we were taking a new product into a new market for

Acorn. This combination limited the success of the product in spite of its good reviews in the technical press and from early users of the workstation. We remain confident that we will be able to make in-roads into the market place and both our sales and our market divisions are making plans for this to happen during 1990.

Clearly, I am unable in the space allocated to mention all the products which have contributed to our success in 1989, but none of the successes would have been achievable without the continued effort of all the staff within Acorn. In spite of the external distractions which we have had during the year, everyone has shown a remarkable capability of absorbing changes of direction and getting back to the main business with very little loss of productivity. I congratulate you all on this achievement.

With Christmas approaching, I know that you deserve the break, and I wish you and your families a Very Happy Christmas.

I look forward to seeing you all on 2nd January.



JAM spreads out

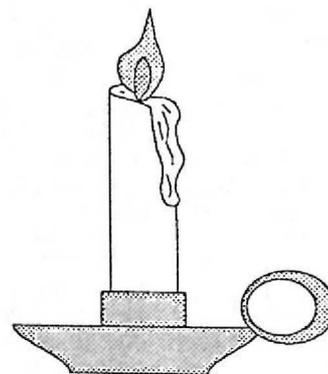
After eight years with Acorn, including both the years of rapid growth and the turbulent days, Jim Merriman has decided to leave us and seek his challenges and fortune elsewhere.

Jim will be remembered for his tremendous drive, enthusiasm and commitment to making Acorn succeed in a very difficult market place. Those of you who have not crossed swords with Jim will have missed a chance to make an excellent work colleague (after crossing swords!), as well as the opportunity of seeing him taking an agreed decision to its completion.

As a member of the Management Team he will be missed for his contributions across all areas of the company as well as for the specialist manufacturing knowledge he gave the company.

We all wish him well in his new venture which, no doubt, we will find out more about in 1990.

Merry Christmas To All Our Readers



Archimedes system chosen by doctors

After fifteen months' research and development, Dr David Hall and Dr Paul Edwards have produced the Archimedes system, a Childrens Register database that runs on an Archimedes computer.

Since the system has been up and running Dr Hall has discovered an unexpected bonus. 'It saves space as well as time since the computer is so much more compact than the reams of paper we had before. The office is much tidier, too.'

Dr Edwards insisted on using the Archimedes system, rather than the PC-compatible machines preferred by the Health Authority, because of its superior speed, memory capacity and processing power. He wrote the program to run under Minerva's System Delta Plus relational database to retain maximum flexibility for the user. Dr Edwards is still adding new facilities to the Childrens Register and has recently linked Colton Software's PipeDream to the package, so that data from the Register can be merged with letters written on PipeDream.

Maternity leave record set

This year we had four members of staff take maternity leave. This was a record in the short history of Acorn.

Jill Osler swears that its "something in the coffee served from the vending machines" and is steering well clear of them! In order of departing the four lucky (?) people were:

Katherine Abel who gave birth to Daniel

Marion Sammons-King who gave birth to Thomas

Gill Allan who gave birth to Katie

Teresa Downey who is still enjoying maternity leave at present

We wish them all the very best and look forward to their return to Acorn. Will 1990 be as bountiful?

NEW DIRECTORS JOIN ACORN

We should like to welcome to Acorn both Malcolm Bird, who joined us as the Technical director in November, and Ulrich Reutter who will join us in January 1990 - although he did spend a few days with us in December - as Manufacturing director.

Malcolm joins us from the PA Consultancy Group where he was the Software Business director. Ulrich joins us from Hinari Consumer Electronic Limited where he held the position of director of Operations.

We look forward to working with our new colleagues and Harvey Coleman is sure that during 1990 most of you will have the opportunity of meeting them. Should you wish to make contact with them, they will both be based at the Newmarket Road office.

"Right First Time"

The one-and-a-half day courses make up the first part, but not the only part, of the Quality Edge process, says John Hammond whilst reviewing the start of the Quality Edge. With something like 23 of the 25 groups behind him he can comment on how varied the experience has been.

'People have generally agreed the notion of quality being conformance to requirements, and that it is important to establish these requirements as accurately as possible from internal or external customers. However, there has been a lot of debate about whether the idea of "right first time" has much meaning in a development environment, or whether "zero defects" makes any sense in the context of software.'

These legitimate concerns deserve a full airing, although John's own view is that the concepts can be defended. For example, "zero defects" does not mean flawless; it means that there is no deviation from the requirement. This requirement (including price and delivery) is something

that is negotiated with the customer and it will usually be more concerned with functionality than with perfection in an abstract sense.

Similarly, "right first time" may seem to rule out any iteration in development but, according to John, that is not necessarily so. *'It has much more to do with attitude',* he says, *'the sort of attitude characterised by "what would it take by way of resource, or procedure, or planning, to stop this thing going wrong". It certainly shouldn't mean that mistakes are treated with intolerance, because that is likely to stifle creativity and enterprise. However, each mistake should be used as a learning experience and corrective action should be taken to stop that particular thing going wrong.'*

John was surprised by how much energy some individuals were prepared to invest in proving that the concepts of quality were irrelevant or plain wrong. In his opinion quality is not a scientific theory that can be discarded when shown to be wrong in some, minor, way.

It is a collection of rules of thumb. If part of it doesn't work for you, then his feeling is you should put some effort into finding the part that does work for you.

John stated that one of the most interesting exercises has been to estimate various costs of 'unquality'. Some examples have been dramatic, and convincing and a reduction in such costs will be one of the benefits of the Quality Edge, though already there are others and more will accrue during the next year or so.

'I have very much enjoyed my contact with Acorn people during this part of the Quality Edge,' confirmed John. *'There has been plenty of discussion, argument and debate and I have seen my role as facilitating an Acorn initiative rather than imposing my own ideas. The commitment of Harvey and his fellow directors, and Ken Parnis deserves special mention, has been a great help in all this. The commitment, along with its expression in the rest of the company, will sustain the Quality Edge during the next phase and establish it as part of Acorn's corporate culture.'*

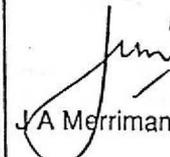
Dear Colleagues

As most of you are aware, I shall be leaving Acorn at the end of 1989.

I would like to take this opportunity to thank you all for your support and help over the past eight or so years.

I have certainly seen some changes take place within Acorn since the days of Market Hill and Bridge Street. However, the one thing that remains with Acorn is the warmth of its people.

I thank you for all your best wishes for my future, and, in return, I wish you and Acorn a very happy and prosperous 1990 and beyond!


J.A. Merriman

STOP PRESS

Teresa Downey, currently on Maternity Leave, has given birth to a baby boy two weeks ahead of the planned Target Completion; and definitely not slipping any of her Milestones!