

FROM: Smith, Pat <pat.smith@bigtech3.com>  
TO: GMB-AnalyticsTeam <analyticsteam@bigtech3.com>  
SENT: February 10, 2017 8:02AM EST  
SUBJECT: FW: Project Switchblade Status?

Analytics Team - For our meeting on the afternoon of Feb 17, please bring your thoughts on how your group could support this. See below. This is a top priority. I have 30 min at 8am on Feb 17 to answer any questions you might have before our afternoon meeting.

Thanks,  
Pat

President, Global Product Development  
Big Tech 3  
p: x55432

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FROM: Rice, Melanie <melanie.rice@bigtech3.com>  
TO: Smith, Pat <pat.smith@bigtech3.com>, Chen, Tom <tom.chen@bigtech3.com>  
CC: GMB-ProductDirectors <proddirect@bigtech3.com>, GMB-ProductFinance <orodfinance@bigtech3.com>, GMB-GlobalManufacturing <globalmanu@bigtech3.com>  
SENT: February 9, 2017 5:02PM EST  
SUBJECT: RE: Project Switchblade Status?

Hi Pat,

The biggest delay is the complexity of all of the work streams and the amount of information that must be compiled. With the other key North American and Asian initiatives, we don't have enough resources to make it happen sooner.

Thanks,  
Mel

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FROM: Smith, Pat <pat.smith@bigtech3.com>

TO: Rice, Melanie <melanie.rice@bigtech3.com>, Chen, Tom  
<tom.chen@bigtech3.com>  
CC: GMB-ProductDirectors <proddirect@bigtech3.com>, GMB-ProductFinance  
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<globalmanu@bigtech3.com>  
SENT: February 9, 2017 10:05AM EST  
SUBJECT: RE: Project Switchblade Status?

We need results sooner. I thought we had more progress than this. What is taking so long here?

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FROM: Chen, Tom <tom.chen@bigtech3.com>  
TO: Smith, Pat <pat.smith@bigtech3.com>, Rice, Melanie  
<melanie.rice@bigtech3.com>  
CC: GMB-ProductDirectors <proddirect@bigtech3.com>, GMB-ProductFinance  
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<globalmanu@bigtech3.com>  
SENT: February 9, 2017 10:02AM EST  
SUBJECT: RE: Project Switchblade Status?

Pat - Mel and I talked this morning and we believe we'll have something by April 15.  
Does this work for your timeline?

Thanks,  
Tom

Director, Global European Manufacturing  
Big Tech 3  
p: x74839

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FROM: Smith, Pat <pat.smith@bigtech3.com>  
TO: Rice, Melanie <melanie.rice@bigtech3.com>, Chen, Tom  
<tom.chen@bigtech3.com>

CC: GMB-ProductDirectors <proddirect@bigtech3.com>, GMB-ProductFinance <orodfinance@bigtech3.com>, GMB-GlobalManufacturing <globalmanu@bigtech3.com>  
SENT: February 8, 2017 4:13PM EST  
SUBJECT: RE: Project Switchblade Status?

When will the initial report out be complete?

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FROM: Chen, Tom <tom.chen@bigtech3.com>  
TO: Smith, Pat <pat.smith@bigtech3.com>, Rice, Melanie <melanie.rice@bigtech3.com>  
CC: GMB-ProductDirectors <proddirect@bigtech3.com>, GMB-ProductFinance <orodfinance@bigtech3.com>, GMB-GlobalManufacturing <globalmanu@bigtech3.com>  
SENT: February 8, 2017 1:13PM EST  
SUBJECT: RE: Project Switchblade Status?

Pat & Mel,

Bottom Line:

We have two manufacturing sites (Mexico & Australia) that have the capacity and capability to build some of the new product lines, but it may be significantly more expensive to build in these locations and ship the phones than it would be to revamp our Poland manufacturing site. We are evaluating these options currently.

Complexity:

The Poland site is basically maxed out and has older equipment, so we can only make model 3 and 4 phones here. To upgrade the facility, we'd need to conduct a series of what-if analyses and reconfigure the entire facility in time for the FreeMobile sales decreases.

Current Status:

We are working with marketing and product development teams to assess all relevant scenarios.

Let me know if you have any questions.

Thanks,  
Tom

Director, Global European Manufacturing  
Big Tech 3  
p: x74839

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FROM: Rice, Melanie <melanie.rice@bigtech3.com>  
TO: Smith, Pat <pat.smith@bigtech3.com>  
CC: GMB-ProductDirectors <proddirect@bigtech3.com>, GMB-ProductFinance <orodfinance@bigtech3.com>, GMB-GlobalManufacturing <globalmanu@bigtech3.com>  
SENT: February 8, 2017 10:43AM EST  
SUBJECT: RE: Project Switchblade Status?

Pat,

We've created an initial financial analysis based on the scenario that we lose the contract with our carrier/distribution partner (FreeMobile) in Europe and we've collected a lot of the key data sets. Currently, we are compiling the results, but with so many elements to consider, it is taking us longer than we expected. However, we are committed to having your report ready in time for your board meeting. I'm looping in Global Manufacturing as well given their criticality in some of the scenarios. Below is where we currently stand:

- Strategic Business Assessment of FreeMobile. Since FreeMobile has pivoted to start making their own line of cell phones, we believe that they will not extend the contract we have with them to carry any of our cell phone lines past 2019. Given that they are the number 1 carrier in the Europe market (45% ownership), this puts us at significant risk in hitting our sales targets. However, we suspect they won't have a full service line by 2019, so the bleeding of our sales would be staggered from 2019 through 2023.
- European Cell Phone Market. We've collected some of our sales data for Europe and we attempting to bump it up against 3rd party market trends. More work here is needed.

- Our New Product Lines. One way to mitigate the risk of FreeMobile's self manufacturing of cell phones is to stay ahead of them with new product launches. While we have these new product lines in the works, we are facing several manufacturing constraints and unknowns. Tom - Can you provide some more perspective here?
- Future Distribution Model for Europe. We've begun high-level discussions with other European carriers and have some rough financials on the traditional contract distribution costs, but no one carrier has the comprehensive coverage of FreeMobile. This likely means an increase in complexity to cover the continent. However, a third option has emerged beyond the traditional distribution agreement to include some partnership opportunities, such as sharing sales and marketing costs to grow a carriers coverage. We'd have to consider whether we have resources to support such a partnership.

Thanks,  
Mel

Director, Europe Product Development  
Big Tech 3  
p: x43422

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FROM: Smith, Pat <pat.smith@bigtech3.com>  
TO: GMB-ProductDirectors <proddirect@bigtech3.com>, GMB-ProductFinance <orodfinance@bigtech3.com>  
SENT: February 8, 2017 4:32AM EST  
SUBJECT: Project Switchblade Status?

Team - Where do we stand on this project? There are a lot of moving pieces and it is critical for our European strategy. I briefed the board on this yesterday and next quarter I'll need a comprehensive path forward to present to them.

Thanks,  
Pat

President, Global Product Development  
Big Tech 3

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