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IVEY

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RESEARCH IN MOTION: SINCERELY, A RIM EMPLOYEE (A)¹

Paul Bigus wrote this case under the supervision of Professor Jana Seijts solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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On Thursday, June 30, 2011, at 10:45 a.m., Research in Motion (RIM) co-chief executive officers (CEOs), Jim Balsillie and Mike Lazaridis unexpectedly found themselves facing serious public scrutiny — not from the competitors, market analysts or consumers — but from one of their own senior executives.² In an attempt to have their voice heard, an anonymous senior-level RIM employee addressed an open letter to both Balsillie and Lazaridis, however, the letter was sent to the online technology news provider Boy Genius Report (BGR). Upon BGR verifying the identity of the source RIM employee, the full contents of the letter were featured in an online BGR article, which quickly spread into mainstream media.³ The details of the open letter had provided various candid criticisms of RIM's leadership, its product development and its employee culture. In addition, the employee offered personal insights, outlined specific actions necessary for RIM to improve and expressed the desire to see the company regain its dominant position as an industry leader.⁴ In a year during which RIM already faced pressure from a dwindling market share, failed product attempts and a sinking stock price, co-CEOs Balsillie and Lazaridis not only needed to figure out how to respond to the claims of the letter publicly, but more importantly to work out how to communicate to RIM employees internally.

COMPANY HISTORY⁵

Global mobile communications company RIM first began in 1984, when 23-year-old Lazaridis, a dropout of the University of Waterloo, and Douglas Fregin, an engineering student from the University of Windsor formed RIM upon obtaining a contract from General Motors of Canada to perform industrial automation of

¹ This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of Research in Motion or any of its employees.

² Jonathan Geller, "Open Letter to BlackBerry Bosses: Senior RIM Exec Tells All as Company Crumbles around Him," *Boy Genius Report*, June 30, 2011, <http://www.bgr.com/2011/06/30/open-letter-to-blackberry-bosses-senior-rim-exec-tells-all-as-company-crumbles-around-him/>, accessed January 4, 2012.

³ *Ibid*,

⁴ *Ibid*, 1, 2.

⁵ BlackBerry, "RIM History", 2011, http://www.blackberry.com/select/get_the_facts/pdfs/rim/rim_history.pdf, accessed January 4, 2012.

General Motor's operations.⁶ The young company was able to survive from one contract to another. Building on its success, RIM had grown to employ over a dozen employees with annual revenue in the millions' by the late 1980s. In 1988, the company explored its new market opportunities involving wireless operations, which enabled RIM to become "the first wireless data technology developer in North America and the first company outside Scandinavia to develop connectivity products for the Mobitex wireless packet-switched data communications networks. The technology was widely used for business communications, such as processing credit-card sales."⁸

In the 1990s, RIM continued to acquire with various telecommunication companies to provide research services on solutions to wireless systems. One contract in particular involved "a paging and cellular telephone company that required RIM to investigate the potential of new wireless digital network systems. This contract led to the development and manufacturing of modems, which in turn led to the further development of a complete wireless e-mail system in collaboration with the Swedish mobile phone company Ericsson."⁹ Through important research contracts, RIM was able develop its own internal capabilities and become more than just a service provider by evolving its company business operations into developing communication products. The company reached a major breakthrough in 1992, when RIM researchers discovered a device to receive and send messages on a pager. Equipped with new technology of communication, Lazaridis was determined to develop the innovative technology of sending e-mail over wireless networks.¹⁰

In 1992, Jim Balsillie joined RIM, reportedly investing \$250,000¹¹ of his own money into the company by mortgaging his own home.¹² The move had empowered Balsillie overseeing the company's finances and business development tasks, while allowing Lazaridis to return to the area of his strengths in engineering and research. The partnership eventually led to RIM's first product breakthrough in 1996, with the release of the Interactive Pager. Seen as innovative, the product signified one of the first of its kind to introduce consumers to the novelty of sending and receiving messages over a wireless network.¹³ Although the device was short lived and replaced by other products, many of the Interactive Pager's features helped to create a strong foundation for the development of RIM's future lines of smartphone products. In order to continue developing new products and expand business operations, RIM listed itself as a publicly traded company on the Toronto Stock Exchange in 1997, raising more than US\$115 million in capital from investors.¹⁴ A year later the influx of money proved to be well spent, as RIM introduced the first BlackBerry handheld wireless computing device to the public. By 1999, BlackBerry offered its users the ability to access basic e-mail and two-way paging on a six-line display using a small QWERTY keyboard. In addition, its users could also browse specially-formatted pages that offered news, stock market data, weather and travel information.¹⁵ Moreover, RIM entered into agreements with companies such as BellSouth Wireless and Rogers Cantel to secure wireless service.

⁶ Simon Drew, "Research in Motion Company History Timeline," <http://ezinearticles.com/?Research-in-Motion-Company-History-Timeline&id=4096267>, accessed January 4, 2012.

⁷ Ibid.

⁸ CBC, "In Depth Research in Motion," June 26, 2008, <http://www.cbc.ca/news/background/rim/>, accessed January 4, 2012.

⁹ HiCow, "Research In Motion Company History Timeline," retrieved from <http://www.hicow.com/mike-lazaridis/research-in-motion/jim-balsillie-2638307.html>, accessed January 4, 2012.

¹⁰ CBC, "In Depth Research in Motion," June 26, 2008, <http://www.cbc.ca/news/background/rim/>, accessed January 4, 2012.

¹¹ All currency amounts shown in Canadian dollars unless otherwise specified.

¹² Jason Buckland, "The History of Research In Motion," *MSN Tech & Gadgets*.

<http://tech.ca.msn.com/photogallery.aspx?cp-documentid=29682116&page=1>, accessed January 4, 2012.

¹³ Ibid.

¹⁴ CBC, "In Depth Research in Motion," June 26, 2008, <http://www.cbc.ca/news/background/rim/>, accessed January 4, 2012.

¹⁵ Ibid, 7, 9, 13.

RIM continued to expand business operations through additional public offerings, raising US\$250 million in 1999, and another US\$950 million in 2000. The BlackBerry quickly grew in acceptance and gained in popularity, receiving industry acclaim in 2000, when the device was named Best Telecom Product of the Year for its ability to send and receive corporate email. Meanwhile, it also won the PC World Class Award for Best Wireless Communication Device, for its small and lightweight design and constant access to email.¹⁶ However, RIM had faced serious conflicts over a group of Illinois-based inventors who filed a lawsuit in a U.S. Federal Court, accusing RIM of developing its wireless e-mail network by infringing on patents held by an American patent-company, NTP Inc. of Virginia.¹⁷ The lawsuit would carry on for years. At times RIM was threatened to discontinue BlackBerry service to its American customers before RIM and NTP finally announced a settlement in 2006, in which RIM agreed to pay NTP US\$612.5 million to settle all claims.¹⁸

The company continued to develop the popular BlackBerry device by releasing newer versions with increased user capabilities. In 2002, RIM upgraded the BlackBerry to include voice and data transmission, while also allowing its users to access multiple e-mail accounts. Advancements continued in 2003, with the introduction of color screens on BlackBerry devices for the first time. By 2006, BlackBerry devices included MP3 players, cameras and instant messaging capabilities between BlackBerry users with the release of BlackBerry Messenger. The successful development of both software and hardware features had driven an increase in consumer demand for BlackBerry devices. These consumers were often associated with the nickname "CrackBerry", as they often experienced obsessive symptoms when constantly accessing information, sending e-mail, messages, or simply keeping their BlackBerry device close by at all times.¹⁹ In addition, the term "BlackBerry thumb" was also commonly used to refer to the repetitive stress injury that could occur as an individual's thumbs were overused from constant typing.²⁰ In 2007, RIM hit a milestone, as the number of BlackBerry subscribers had officially passed the 10 million mark. Its consumer demand had remained strong with RIM reporting another 1.65 million subscribers in its third quarter of 2007 alone, and with the company revenue doubling over the previous year to have reached US\$1.67 billion and still continuing to grow.²¹

In 2008, BlackBerry devices held an estimated 44.5 per cent of the U.S. smartphone market, where its market share had risen from 35.1 per cent since 2007, RIM was in a dominant position and yet it was not without any industry competition.²² There had been major changes in the smartphone market in 2007 due to the launch of the Apple iPhone. Although the iPhone had provided end-users with fun interactive features, which were not available on a BlackBerry, such as a touch screen, downloadable apps and a wide selection of games, many businesses and their employees remained loyal to BlackBerry devices for their business functionality and reliability. While the iPhone captured an estimated 19.2 per cent of U.S. smartphone sales in the first quarter of 2008, Apple, at that time, represented a minor share of the market compared to RIM. However, the numbers highlighted an increased demand for new smartphone options and capabilities of a smartphone. In an effort to capitalize on the changing market demands, RIM released the company's first smartphone device, the BlackBerry Torch, with touch-screen capability in 2008. Having delivered a new operating system and social networking integration, the BlackBerry Storm served

¹⁶ BlackBerry, "Awards," 2012, <http://uk.blackberry.com/newsroom/news/awards/awards2000.jsp>, accessed January 4, 2012.

¹⁷ CBC, "In Depth Research in Motion," June 26, 2008, <http://www.cbc.ca/news/background/rim/>, accessed January 4, 2012.

¹⁸ Ibid, 7, 9, 13, 14, 16.

¹⁹ Wise Geek, "What is a Crackberry?," <http://www.wisegeek.com/what-is-a-crackberry.htm>, accessed January 4, 2012.

²⁰ Serena Gordon, "Beware the 'Blackberry Thumb'," *U.S. News*, June 15, 2008, <http://health.usnews.com/health-news/family-health/articles/2008/06/15/beware-the-blackberry-thumb>, accessed January 4, 2012.

²¹ CBC, "In Depth Research in Motion," June 26, 2008, <http://www.cbc.ca/news/background/rim/>, accessed January 4, 2012.

²² Will Park, "Palm Centro Boosts Palm Market Share, RIM Sees BlackBerry Market Share Rise, Apple Loses in iPhone Market," *Intomobile*, June 3, 2008, <http://www.intomobile.com/2008/06/03/palm-centro-boosts-palm-marketshare-rim-sees-blackberry-market-share-rise-apple-loses-in-iphone-market/>, accessed January 4, 2012.

as a symbol of RIM's move outside its traditional BlackBerry designs. However, many industry analysts and consumers viewed the new BlackBerry Storm as more of a catch-up device for RIM, rather than a leap forward ahead of the competing Apple iPhone.²³ From their point of view, industry analysts considered RIM's inability to produce a BlackBerry that could outperform the iPhone represented a missed opportunity and shifting momentum in the mobile communication world towards Apple.²⁴

RIM again felt the pressure of changes in the marketplace when Apple released the iPad, a touch-screen tablet-computing device in January 2010.²⁵ With no direct competition in the newly created tablet market, Apple left many companies including RIM scrambling to create products or opt out of the market completely. After much consumer waiting and anticipation, RIM introduced the BlackBerry Playbook, a touch-screen tablet in April 2011. This release date was over a year after the launch of the original iPad and a month after the release of the second version iPad2 in March 2011.²⁶ To make matters worse, the BlackBerry Playbook failed to meet the expectation of its consumers and industry professionals. Although there had been a long delay in releasing the BlackBerry Playbook, critics pointed out that the device was rushed to market, missing key features such as e-mail, contacts and calendar applications.²⁷ At the same time heavy criticism also emerged. RIM was viewed to have not sufficiently complemented original elements to the user interface but had excessive similarities to its competitors' products.²⁸ Other comments were overly direct, such as "Don't buy it, the reasons? It's not fully baked."²⁹

In retrospect, even though RIM had generated a net income of US\$2.4 billion for 2010 as a whole (see Exhibit 1), its share of the U.S. smartphone market declined from 38 per cent to 30 per cent (see Exhibit 2). Some research reports indicated that RIM's BlackBerry market outside North America (see Exhibit 3) had primarily driven the sales of the company.^{30 31} Intense competition had mounted in the smartphone market. As a result, RIM lost its market share to the growing popularity of the Apple iPhone, in addition to new smartphones using Google's Android operating system, including devices from HTC, Motorola, Samsung and LG Electronics.³² Disappointed with the BlackBerry's dropped market share, analysts and investors no longer viewed RIM as the dominant force in the marketplace. Consequently, in June 2011, RIM's stock price had devalued by more than 50 per cent earlier in the year, from US\$68 to less than US\$26 (see Exhibit 4).³³ Despite the major transition, RIM leadership held confidence that a healthy financial position

²³ David Goldman, "RIM Unveils New BlackBerry Torch," *CNN Money*, August 3, 2010, http://money.cnn.com/2010/08/03/technology/new_blackberry/index.htm, accessed January 4, 2012.

²⁴ Ibid.

²⁵ Apple Press Info, January 27, 2010, <http://www.apple.com/pr/library/2010/01/27Apple-Launches-iPad.html>, accessed January 4, 2012.

²⁶ Corey Herscu, "BlackBerry PlayBook Official Release Date Announced for Canada and US," *The Cellular Guru*, March 22, 2011, <http://thecellularguru.com/2011/03/22/blackberry-playbook-official-release-date-announced-for-canada-and-us/>, accessed January 4, 2012.

²⁷ Devindra Hardawar, "RIM CEO Defends BlackBerry PlayBook against Meanie Critics," *Mobile Beat*, April 15, 2011, <http://venturebeat.com/2011/04/15/rim-ceo-defends-playbook/>, accessed January 4, 2012.

²⁸ Eric Zeman, "BlackBerry PlayBook Panned By Critics," *Information Week*, April 14, 2011, <http://www.informationweek.com/news/personal-tech/tablets/229401575>, accessed January 4, 2012.

²⁹ Jay Yarow, "The Reviews Of The BlackBerry PlayBook Are Unbelievably Bad," *Business Insider*, April 14, 2011, http://articles.businessinsider.com/2011-04-14/tech/29988496_1_blackberry-playbook-tablet-motorola-xoom, accessed January 4, 2012.

³⁰ The Globe and Mail, "Smart Phone Rivals Squeeze RIM Market Share: IDC," February 7, 2011, <http://www.theglobeandmail.com/news/technology/mobile-technology/smart-phone-rivals-squeeze-rim-market-share-idc/article1897202/>, accessed January 4, 2012.

³¹ eMarketer Digital Intelligence, "Apple to Pass RIM in Smartphone Market Share This Year," January 27, 2011, <http://www.emarketer.com/PressRelease.aspx?R=1008206>, accessed January 4, 2012.

³² "Smart Phone Rivals Squeeze RIM Market Share: IDC," *The Globe and Mail*, February 7, 2011, <http://www.theglobeandmail.com/news/technology/mobile-technology/smart-phone-rivals-squeeze-rim-market-share-idc/article1897202/>, accessed January 4, 2012.

³³ "Research in Motion Ltd," *Market Watch*, December 1, 2011, retrieved from <http://www.marketwatch.com/investing/stock/rim?countrycode=ca>, accessed January 4, 2012.

of nearly US\$3 billion in cash, no debt and new products in development would revive the company to regain its leading position in the smartphone market (see Exhibit 5).

THE EMPLOYEE'S LETTER³⁴

On Thursday, June 30, 2011, at 10:45 a.m., an online technology news provider, Boy Genius Report (BGR), released an online article, featuring the contents of an open letter from an anonymous senior-level RIM employee to the company's co-CEOs, Balsillie and Lazaridis (see Exhibit 6). In the opening statement of the letter the anonymous employee justified the decision to send the open letter via a third party news provider, stated:

Mike and Jim, please take the time to really absorb and digest the content of this letter because it reflects the feeling across a huge percentage of your employee base. You have many smart employees, many that have great ideas for the future, but unfortunately the culture at RIM does not allow us to speak openly without having to worry about the career-limiting effects.³⁵

With the featured BGR article appropriately titled, "*Open letter to BlackBerry bosses: Senior RIM exec tells all as company crumbles around him*", Jonathan S. Geller, the writer of the article, disclosed to the readers that before the full contents of the RIM employee's letter was released online, BGR had investigated and confirmed the actual identity of the RIM employee.³⁶

The RIM employee structured the letter to identify a total of eight problems for Balsillie and Lazaridis to address: focus on the end-user experience, recruit senior software leaders, cut projects to their basics, invest in developers, improve product marketing, employee accountability, treat the press and customers with humility, and engage and interact with employees. In the closing sentences of the letter, the RIM employee offered some personal insights into the current state of the company and day-to-day operations by making the statement: "We should also address issues surrounding making RIM an enjoyable workplace. Some of our offices feel like Soviet-era government workplaces."³⁷

After providing the full contents of the RIM employee's letter, the BGR article revealed that RIM did not give an immediate response to a request for comment. At the end of the online article, it concluded that RIM employees were invited to share their thoughts or feelings on the company by sending BGR an email or posting on the comment blog.

The coverage of the anonymous RIM employee's open letter quickly spread to other mainstream media outlets with some headlines reading:

"*Open letter from anonymous RIM official blasting company surfaces online*" – The Financial Post.³⁸

"*Leaked letter describes chaos at RIM*" – Sun News.³⁹

³⁴ Jonathan Geller, "Open Letter to BlackBerry Bosses: Senior RIM Exec Tells All As Company Crumbles Around Him," *Boy Genius Report*, June 30, 2011, <http://www.bgr.com/2011/06/30/open-letter-to-blackberry-bosses-senior-rim-exec-tells-all-as-company-crumbles-around-him/>, accessed January 4, 2012.

³⁵ *Ibid.*, 1, 2, 33.

³⁶ *Ibid.*, 1, 2, 33, 34.

³⁷ *Ibid.*, 1, 2, 33, 34, 35.

³⁸ Matt Hartley, "Open letter from anonymous RIM official blasting company surfaces online," *The Financial Post*, June 30, 2011, <http://business.financialpost.com/2011/06/30/open-letter-from-anonymous-rim-official-blasting-company-surfaces-online/>, accessed January 4, 2012.

"Drama in BlackBerryland: RIM Exec Reportedly Rips Superiors" – TIME Techland.⁴⁰

THE DECISION

In addition to the year in which the company already faced serious pressure from a dwindling market share, failed product attempts and a sinking stock price, co-CEOs Balsillie and Lazaridis would need to devise an appropriate course of action to respond publicly to the claims of the letter from an anonymous RIM employee. More importantly, the leadership would need to provide communication internally to answer the ensuing concerns and mounting questions of RIM employees, in order to maintain the stability within its organization during what could be looked upon as a defining period in the company history.

³⁹ Sun News, "Leaked Letter Describes Chaos at RIM," June 30, 2011, <http://www.sunnewsnetwork.ca/sunnews/business/archives/2011/06/20110630-145641.html>, accessed January 4, 2012.

⁴⁰ Jared Newman, "Drama in BlackBerryland: RIM Exec Reportedly Rips Superiors," *TIME Techland*, July 1, 2011, <http://techland.time.com/2011/07/01/blackberry-drama-rim-exec-rips-superiors/> accessed January 4, 2012.

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Exhibit 1

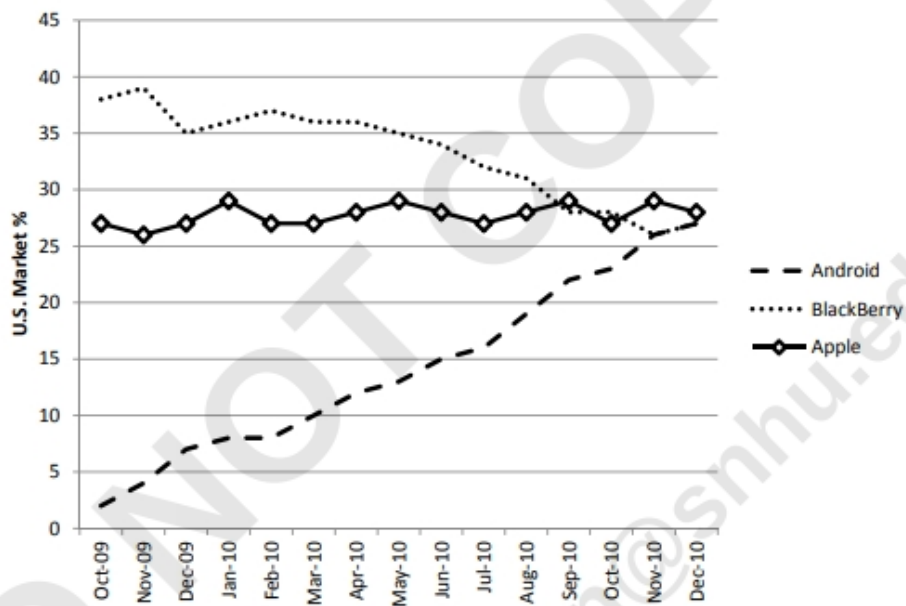
RESEARCH IN MOTION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES – OPERATIONS
(In thousands U.S. of dollars)
As at and for the Fiscal Year Ended

	February 27, 2010	February 28, 2009	March 1, 2008
Revenue	14,953,224	11,065,186	6,009,395
Cost of sales	8,368,958	5,967,888	2,928,814
Gross margin	6,584,226	5,097,298	3,080,581
Operating expenses			
Research and development	964,841	684,702	359,828
Selling, marketing and administration	1,907,398	1,495,697	881,482
Amortization	310,357	194,803	108,112
Litigation	163,800	–	–
	3,346,396	2,375,202	1,349,422
Income from operations	3,237,870	2,722,096	1,731,159
Investment income	28,640	78,267	79,361
Income before income taxes	3,266,510	2,800,363	1,810,520
Provision for income taxes	809,366	907,747	516,653
Net income	\$ 2,457,144	\$ 1,892,616	\$ 1,293,867

Source: RIM, (2012). *Financial Documents 2010 Annual Report*,
http://www.rim.com/investors/documents/pdf/annual/2010rim_ar.pdf, accessed January 4, 2012.

Exhibit 2

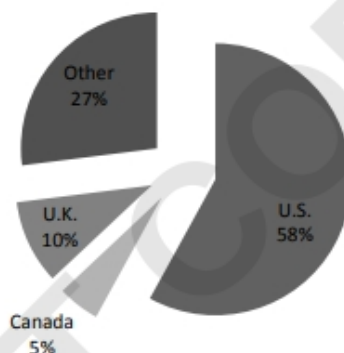
UNITED STATES SMARTPHONE OPERATING SYSTEM MARKET SHARE
OCTOBER 2009 – DECEMBER 2010



Source: Christina Warren, "Android, BlackBerry & iOS Tied for U.S. Market Share," *Mashable*, February 1, 2011, <http://mashable.com/2011/02/01/nelsen-smartphone-marketshare/>, accessed January 4, 2012.

Exhibit 3

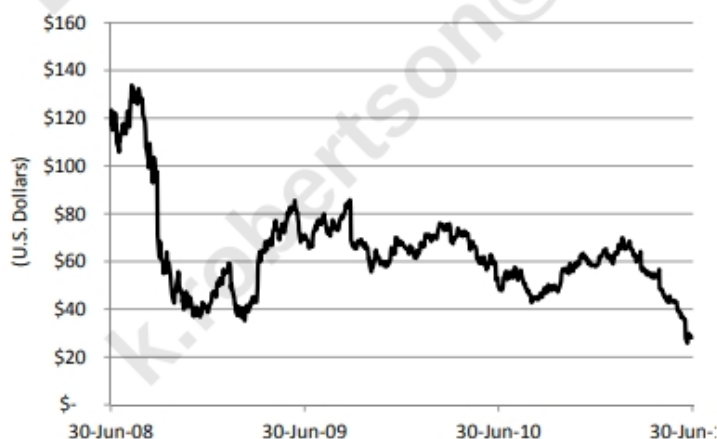
RESEARCH IN MOTION LIMITED GEOGRAPHIC REVENUE MIX 2010



Source: RIM, Financial Documents 2010 Annual Report, retrieved from http://www.rim.com/investors/documents/pdf/annual/2010rim_ar.pdf, accessed January 4, 2012.

Exhibit 4

RESEARCH IN MOTION LIMITED
Historical Stock Price (in US dollars)
From June 30, 2008 – June 30, 2011



Source: Yahoo Finance, Research In Motion Limited, 2012, retrieved from <http://finance.yahoo.com/q/hp?s=RIMM&a=05&b=30&c=2008&d=05&e=30&f=2011&g=d&z=66&y=726>, accessed January 4, 2012.

Exhibit 5

RESEARCH IN MOTION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES – CONSOLIDATED BALANCE SHEETS
(In thousands U.S. of dollars)
As at and for the Fiscal Year Ended

	February 27, 2010	February 28, 2009
Assets Current		
Cash and cash equivalents	1,550,861	835,546
Short-term investment	360,614	682,666
Accounts receivable, net	2,593,742	2,112,117
Other receivables	206,373	157,728
Inventories	621,611	682,400
Other current assets	285,539	187,257
Deferred income tax asset	193,916	183,872
	5,812,656	4,841,586
Long-term investments	958,248	720,635
Property, plant and equipment, net	1,956,581	1,334,648
Intangible assets, net	1,326,363	1,066,527
Goodwill	150,561	137,572
Deferred income tax asset	-	404
	\$ 10,204,409	\$ 8,101,372
Liabilities Current		
Accounts Payable	615,620	448,339
Accrued liabilities	1,638,260	1,238,602
Income tax payable	95,650	361,460
Deferred revenue	67,573	53,834
Deferred income tax liability	14,674	13,116
	2,431,777	2,115,351
Deferred income tax liability	141,382	87,917
Income tax payable	28,587	23,976
	2,601,746	2,227,244
Shareholders' Equity		
Capital Stock	2,207,609	2,208,235
Treasury stock		
Feb 27, 2010 - 1,458,950 (Feb 28, 2009 - nil)	(94,463)	-
Retained earnings	5,274,365	3,545,710
Additional paid-in capital	164,060	119,726
Accumulated other comprehensive income	51,092	457
	7,602,663	5,874,128
	\$ 10,204,409	\$ 8,101,372

Source: RIM, Financial Documents 2010 Annual Report, 2012,
http://www.rim.com/investors/documents/pdf/annual/2010rim_ar.pdf, accessed January 4, 2012.

Exhibit 6

**ANONYMOUS OPEN LETTER FROM RESEARCH IN MOTION EMPLOYEE
FEATURED IN BOY GENIUS REPORT
THURSDAY, JUNE 30, 2011****To the RIM Senior Management Team:**

I have lost confidence.

While I hide it at work, my passion has been sapped. I know I am not alone — the sentiment is widespread and it includes people within your own teams.

Mike and Jim, please take the time to really absorb and digest the content of this letter because it reflects the feeling across a huge percentage of your employee base. You have many smart employees, many that have great ideas for the future, but unfortunately the culture at RIM does not allow us to speak openly without having to worry about the career-limiting effects.

Before I get into the meat of the matter, I will say I am not part of a large group of bitter employees wishing to embarrass us. Rather, I believe these points need to be heard and I desperately want RIM to regain its position as a successful industry leader. Our carriers, distributors, alliance partners, enterprise customers, and our loyal end users all want the same thing... for BlackBerry to once again be leading the pack.

We are in the middle of major "transition" and things have never been more chaotic. Almost every project is falling further and further behind schedule at a time when we absolutely must deliver great, solid products on time. We urge you to make bold decisions about our organizational structure, about our culture and most importantly our products.

While we anxiously wait to see the details of the streamlining plan, here are some suggestions:

1) Focus on the End User experience

Let's obsess about what is best for the end user. We often make product decisions based on strategic alignment, partner requests or even legal advice — the end user doesn't care. We simply have to admit that Apple is nailing this and it is one of the reasons they have people lining up overnight at stores around the world, and products sold out for months. These people aren't hypnotized zombies, they simply love beautifully designed products that are user centric and work how they are supposed to work. Android has a major weakness — it will always lack the simplicity and elegance that comes with end-to-end device software, middleware and hardware control. We really have a great opportunity to build something new and "uniquely BlackBerry" with the QNX platform.

Let's start an internal innovation revival with teams focused on what users will love instead of chasing "feature parity" and feature differentiation for no good reason (Adobe Flash being a major example). When was the last time we pushed out a significant new experience or feature that wasn't already on other platforms?

Rather than constantly mocking iPhone and Android, we should encourage key decision makers across the board to use these products as their primary device for a week or so at a time — yes, on Exchange! This way we can understand why our users are switching and get inspiration as to how we can build our next-gen products even better! It's incomprehensible that our top software engineers and executives aren't using or deeply familiar with our competitor's products.

Exhibit 6 (continued)**2) Recruit Senior SW Leaders & enable decision-making**

I'm going to say what everyone is thinking... We need some heavy hitters at RIM when it comes to software management. Teams still aren't talking together properly, no one is making or can make critical decisions, all the while everyone is working crazy hours and still far behind. We are demotivated. Just look at who our major competitors are: Apple, Google & Microsoft. These are three of the biggest and most talented software companies on the planet. Then take a look at our software leadership teams in terms of what they have delivered and their past experience prior to RIM... It says everything.

3) Cut projects to the bone.

There is a serious need to consolidate our focus to just a handful of projects. Period.

We need to be disciplined here. We can't afford any more initiatives based on carrier requests to squeeze out slightly more volume. Again, back to point #1, focus on the end users. They are the ones making both consumer & enterprise purchase decisions.

Strategy is often in the things you decide not to do.

On that note, we simply must stop shipping incomplete products that aren't ready for the end user. It is hurting our brand tremendously. It takes guts to not allow a product to launch that may be 90% ready with a quarter end in sight, but it will pay off in the long term.

Look at Apple in 1997 for tips here. I really want you to watch this video because it has never been more relevant. It is our friend Steve Jobs in 97 and it may as well be you speaking to RIM employees and partners today. <https://www.youtube.com/watch?v=3LEXae1j6EY>

4) Developers, not Carriers can now make or break us

We urgently need to invest like we never have before in becoming developer friendly. The return will be worth every cent. There is no polite way to say this, but it's true — BlackBerry smartphone apps suck. Even PlayBook, with all its glorious power, looks like a Fisher Price toy with its Adobe AIR/Flash apps. Developing for BlackBerry is painful, and despite what you've been told, things haven't really changed that much since Jamie Murai's letter. Our SDK / development platform is like a rundown 1990's Ford Explorer. Then there's Apple, which has a shiny new BMW M3... just such a pleasure to drive. Developers want and need quality tools.

If we create great tools, we will see great work. Offer shit tools and we shouldn't be surprised when we see shit apps.

The truth is, no one in RIM dares to tell management how bad our tools still are. Even our closest dev partners do their best to say it politely, but they will never bite the hand that feeds them. The solution? Recruit serious talent, buy SDK/API specialist companies, throw a truckload of money at it... Let's do whatever it takes, and quickly!

5) Need for serious marketing punch to create end user desire

25 million iPad users don't care that it doesn't have Flash or true multitasking, so why make that a focus in our campaigns? I'll answer that for you: it's because that's all that differentiates our products and its lazy marketing. I've never seen someone buy product B because it has something product A doesn't have. People buy product B because they want and lust after product B.

Exhibit 6 (continued)

Also an important note regarding our marketing: a product's technical superiority does not equal desire, and therefore sales... How many Linux laptops are getting sold? How did Betamax go? My mother wants an iPad and iPhone because it is simple and appeals to her. Powerful multitasking doesn't.

BlackBerry Messenger has been our standout, yet we wasted our marketing on strange stories from a barber shop to a horse wrangler. I promise you, this did nothing to help us in the mind of the average consumer.

We need an inventive and engaging campaign that focuses on what we are about. People buy into a brand / product not just because of features, but because of what it stands for and what it delivers to them. People don't buy "what you do," people buy "why you do it." Take 3 minutes to watch the this video starting from the 2min mark: <http://youtu.be/qp0HIF3Sfl4>

6) No Accountability – Canadians are too nice

RIM has a lot of people who underperform but still stay in their roles. No one is accountable. Where is the guy responsible for the 9530 software? Still with us, still running some important software initiative. We will never achieve excellence with this culture. Just because someone may have been a loyal RIM employee for 7 years, it doesn't mean they are the best Manager / Director / VP for that role. It's time to change the culture to deliver or move on and get out. We have far too many people in critical roles that fit this description. I can hear the cheers of my fellow employees now.

7) The press and analysts are pissing you off. Don't snap. Now is the time for humility with a dash of paranoia.

The public's questions about dual-CEOs are warranted. The partnership is not broken, but on the ground level, it is not efficient. Maybe we need our Eric Schmidt reign period.

Yes, four years ago we beat Microsoft when everyone said Windows Mobile with Direct Push in Exchange would kill us. It didn't... in fact we grew stronger.

However, overconfidence clouds good decision-making. We missed not boldly reacting to the threat of iPhone when we saw it in January over four years ago. We laughed and said they are trying to put a computer on a phone, that it won't work. We should have made the QNX-like transition then. We are now 3-4 years too late. That is the painful truth... it was a major strategic oversight and we know who is responsible.

Jim, in referring to our current transition recently said: "No other technology company other than Apple has successfully transitioned their platform. It's almost never done, and it's way harder than you realize. This transition is where tech companies go to die."

To avoid this death, perhaps it is time to seriously consider a new, fresh thinking, experienced CEO. There is no shame in no longer being a CEO. Mike, you could focus on innovation. Jim, you could focus on our carriers/customers... They are our lifeblood.

8) Democratise. Engage and interact with your employees — please!

Reach out to all employees asking them on how we can make RIM better. Encourage input from ground-level teams—without repercussions—to seek out honest feedback and really absorb it.

Exhibit 6 (continued)

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Lastly, we're all reading the news and many are extremely nervous, especially when we see people get fired. We need an injection of confidence: share your strategy and ask us for support. The headhunters have already started circling and we are at risk of losing our best people.

Now would be a great time to internally re-brand and re-energize the workplace. For example, rename the company to just "BlackBerry" to signify our new focus on one QNX product line. We should also address issues surrounding making RIM an enjoyable workplace. Some of our offices feel like Soviet-era government workplaces.

The timing is perfect to seriously evaluate at our position and make these major changes. We can do it!

Sincerely,

A RIM Employee

Source: Jonathan Geller, "Open letter to BlackBerry bosses: Senior RIM exec tells all as company crumbles around him," *Boy Genius Report*, June 30, 2011, <http://www.bgr.com/2011/06/30/open-letter-to-blackberry-bosses-senior-rim-exec-tells-all-as-company-crumbles-around-him/>, accessed January 4, 2012.