

From Kellyw Thu Mar 16 08:50:29 1989
To: jeffl
Subject: Greedy?
Date: Thu Mar 16 08:50:28 1989

FYI.

>From philw Wed Mar 15 18:27:38 1989
To: Kellyw
Subject: Excel Pricing for Zenith Bundle in the Education Channel
Cc: arlenev dawntr hankv mikemaf mikene peteh reneew susannaf
Date: Wed Mar 15 18:25:16 1989

The pricing for Zenith will be as follows:

- Purchase amount under \$250K, \$128 per unit.
- Purchase amount >\$250K, \$119 per unit.
- Purchase amount >\$500K, \$110 per unit.

These prices only apply if the units are BUNDLED, that is, the customer cannot establish the price of the software if sold separately, and cannot buy the target hardware without the software.

These will all be academic editions, and there are absolutely no returns. This is the same pricing that IBM got, and they've already taken 17K units and expect to take another 13K, so I'm sure the pricing will work for Zenith also.

Zenith should bear in mind that (1) we will ship a new version of Excel simultaneously with Windows 3.0, now scheduled for late August, and (2) IBM will have a large amount of hardware bundled with Excel in the academic channel this fall, and WE ARENT TAKING RETURNS at this price.

The issue regarding commission is between OEM and USSMD, we are not involved, but you need to inform Mike Negrin and work it out.

Mike Maples, please let us know if you have any objection to this deal as described. Thanks.

>From dawntr Wed Mar 15 17:59:31 1989
To: philw
Subject: Zenith
Date: Wed Mar 15 17:58:08 1989

>From susannaf Wed Mar 15 11:20:27 1989
To: dawntr
Subject: Zenith
Cc: reneew
Date: Wed Mar 15 11:18:01 1989

Kellyw wants pricing & a commitment from us, before we have had a chance to meet with Mikene (scheduled for Mon 3/20). Also, you and Phil, Hank need to be involved in this too.

We should probably talk about this today

>From Kellyw Wed Mar 15 10:06:47 1989
To: reneew susannaf
Subject: Excel Pricing Schedules
Cc: jeffl
Date: Wed Mar 15 10:04:02 1989

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I know it might be asking a lot, but could I ask both of you to have some preliminary sliding scale numbers for Excel by the end of today. My meeting with Zenith has been postponed a week, but their Executive Product planning meeting is tomorrow and they would like to review some numbers.

In working up their numbers, pls be reminded of two facts:
(1) BillG's commitment to extend "dirt cheap" pricing in education

if they would get Excel into certain key schools, i.e., the Harvards, MITs, Sloan, etc...

(2) In the past, OEM customers have seen as good as 375 discount off of SRP provided the following: OEM bundles at least 1 quarter, min 5K copies. Obviously, with AE Excel, this relationship can't hold — I realize that. However, anything above \$95 for a 5-7K commitment will not be reasonable, nor will it accomplish #1 above. Likewise, anything more than \$130 for commercial version for a similar commitment, will not be reasonable.

Actually, a third matter. I'm not in love with the notion of factoring into Zenith's royalty the price of a commission to the USSMD rep. Neither us or Zenith will pay Zenith's reps a commission. Paying the USSMD rep is a fairly tenuous argument, considering the fact that it is the Zenith rep who is really selling the machine. Again, our intent here is not to cannibalize our retail channels. It will create a dent in it initially (albeit small), but the whole objective is to allow Zenith to create some pull for us through a couple of focused promos and essentially help us carve out a larger pie.

Please do sharpen your pencils, and let's get aggressive as possible. Remember the the three most important criteria in education are 1) price, 2) price, and 3) price !!!!

Thanks,
Susanna

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