

Presented by Brad Se at Strategy Meeting on Nov 7, 90  
copy ~~of~~ direct reports  
DOS RUP 5.0 Overview

# Agenda

★ Mission & Product Overview

★ Strategic Summary

★ Business & Marketing Overview

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(US.)  
> use with  
OEDs under NDA  
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**Mission**

DOS RUP 5.0 Overview

**DOS 5.0 - The new DOS standard**

**The only version of DOS worth owning**

**Replacement for 3.3, 4.01**

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# Product Objectives

MS-DOS RUP 5.0  
Overview

## Compelling product

Exploits the 286/386 - more speed, more space for  
DOS apps

Safe, No risk

Easy to purchase and install

Get more done - A more hassle free DOS

New Utilities and on-line help

**Rock Solid > 5000 Beta sites**

**Polished product, "fit and finish"**

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# Schedule

MS-DOS RUP 5.0  
Overview

*File 5 release  
on Nov 19*

Beta 3 & Beta OAK	November 1990
RTM/OAK Release	January 30, 1991
Announce	March 1-15, 1991

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# Strategy - The Game Plan

MS-DOS RUP 5.0  
Overview

## Immediate Pervasiveness

Build pre-release excitement

Overwhelming support from OEMs at launch

Aggressive marketing programs to support retail upgrade availability

Push towards early corporate adoption

Newsworthy, dynamic launch

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**Strategy - The Game Plan** MS-DOS RUP 5.0  
Overview

**Target Influential End Users (includes Power users) and  
Corporate MIS/DP**

Focus on 286/386 and Windows users, particularly those that use  
memory hungry or multiple DOS applications and networks.

**Ensure users have a great experience with the product**

Create an exciting short piece on "Getting the most out of DOS 5.0".

It will go in the box and be offered to OEMs.

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# OEM

## MS-DOS RUP 5.0 Overview

✓ IBM, Compaq, Memorex/Telex, CompuAdd  
and HP have already signed ✓

Everex, Tandem and Zenith should sign in a  
week or two

**All other significant OEMs are committed**

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# Major Accounts

MS-DOS RUP 5.0  
Overview

## Beta Program

Seed 1700 DOS Beta version 3 into 50% of the Fortune 500 and 50 large federal, state and local government agencies.

## Presentations to the key accounts

"DOS days" seminars for our major accounts in every sales office.

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# Business Overview

MS-DOS RUP 5.0  
Overview

*US Only*

FY 91

	Original RUP Plan	Revised RUP Plan	Absolute Change	% increase
Units	212,000	450,000	238,000	112%
Revenue	\$8.71mm	\$25.56mm	\$16.85 Million	193%
Price	\$79.95	\$99.95	\$20	25%
Marketing*	\$1.40mm	\$2.78mm	\$1.38mm	99%
PSS	\$.42mm	\$1.95mm	\$1.53mm	366%
BOI	\$2.95mm	\$10.06mm	\$7.11mm	241%

*Out release*

*High release*

\* Includes OEM marketing

*4x increase in units!!  
monthly*

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## **Business Objectives**

**MS-DOS RUP 5.0  
Overview**

**Ship 450,000 domestic units of the  
DOS RUP in FY91 for revenue of  
over \$25mil**

**315,000 to the reseller channel**

**15% of this in MLPs**

**4,500 outlets**

**15% direct sales through fulfillment**

**Direct mail, direct response advertising**

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## **Business Objectives**

**MS-DOS RUP 5.0  
Overview**

**100 key corporate account wins in  
the first year**

**Defined as over 500 units installed**

**Obtain distribution in 4,500  
direct outlets in 120 days**

**3,300 indirect outlets**

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# Price

MS-DOS RUP 5.0  
Overview

**Recommended SRP is \$99.95 ✓**

**Allows for strong profit contribution**

Net Revenue for FY91 for the DOS RUP of just under \$25 million, versus plan of \$8.2 million.

DOS business unit BOI increases to \$206.8 mil from \$199.5 (includes incremental operating expenses/allocations)

**Allows for aggressive street price of \$69.95**

**Minimizes conflict with OEM packaged product** 7

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# Product Support

MS-DOS RUP 5.0  
Overview

Provide 90 days of free support on installation issues only

Charge \$2.00 a minute for all other support via 900 phone number

Allocating 6% of DOS RUP revenue to PSS support

Will fund 48 additional support staff

Staffing can be increased if demand warrants

Will support CompuServe forum

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# Packaging

MS-DOS RUP 5.0  
Overview

## Must make counterfeiting difficult

Considered plastic packaging and variant of standard MS packaging w/hologram, metallic and florescent inks

Moving forward with variant of standard MS packaging

Holograms have been effective against counterfeiting

Large upfront costs of plastic packaging

COGS: 5.25 - \$9.28, 3.5 - \$9.02, MLP - \$2.03

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**PR**

**MS-DOS RUP 5.0  
Overview**

**Press tour for long-lead publications done in September**

**One dynamic event held in NY four around 400 people**

**Movie theme - Honey I shrunk the DOS**

**Participation from third parties and OEMs**

**Consider introducing ROM DOS at this event<sup>†</sup>**

**A thorough reviewers guide**

**Will try to get beyond the PC press**

**User Group tours, including intra-company user groups**

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# Adv & Direct Response

MS-DOS RUP 5.0  
Overview

Work with direct mail consultant and USSMD  
to determine direct mail strategy

## Current Plans for FY91:

Direct Mail to "power users" twice

Direct Response advertising

One Enthusiast campaign in FY '91

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# Marketing Budget

DOS RUP 5.0 Overview

Recommending incremental marketing funds of  
**\$1.38 million for a total of \$2.785 million**

Mkt. Fund %	12%	Recommended
Revised FY '91 Forecast	\$25,556,216.	Budget FY'91 Current Budget
Marketing Funds	\$3,066,746.	\$250,000.
*Includes \$390,000 in marketing funds generated from U-M revenue		
Public Relations / Launch		\$900,000.
Advertising		\$200,000.
Direct Mail		\$100,000.
Introductory Promotion	\$0.	\$21,000.
POS Materials	\$90,000.	\$50,000.
Sales Support Materials	\$75,000.	\$15,000.
Packaging	\$20,000.	
Research	\$120,000.	
Samplers	\$36,000.	
Telemarketing	\$130,000.	
Contingency	\$50,000.	\$189,000.
<b>TOTAL:</b>	<b>\$2,780,500.</b>	<b>\$1,400,000.</b>
Less budget already allocated	(\$1,400,000)	
<b>Incremental marketing budget request</b>	<b>\$1,380,500.</b>	

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# International

MS-DOS RUP 5.0  
Overview

**US RUP not developed for international markets**

**The RUP has huge potential internationally**

**Issue: Learning about product issues unique to international**

## **Proposed Program**

**A local beta program in each sub**

**Needs to be done now to uncover problems before  
US RUP bleeds into international markets and creates  
serious support problems.**

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# International

MS-DOS RUP 5.0  
Overview

## Major Issue:

International is not experienced in running beta programs and does not have resources allocated

Mk	100	1	+1
BV	100	1	+1
UK	200	2	1
AB	200	2	1
GRH	200	2	1
Sud	200	2	1
Italy	100	1	
Spain	0	0	
Brazil	100	1	1
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## **Open Issues**

**MS-DOS RUP 5.0  
Overview**

### **Launch Size**

### **Registration Incentive**

**Considering an additional 90 days free  
installation support**

### **Business Press Advertising**

**The WSJ pulled well for the Windows  
Computing ads**

**Additional cost of \$400,000**

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