

From tedha Thu Jul 18 08:34:07 1991
To: joachink richardf
Cc: jeffl peterbra tedha
Subject: RE: DRI and the new world...
Date: Thu Jul 18 08:27:54 PDT 1991

Bad news on top of bad news. Debbie's latest info is that DRI's ROM DOS is very modular. DRI has taken out modules for CBM to even further shrink their code size. It is doubtful that we will ever be smaller than DRI. Also, CBM has sent specs of this code out to the ISVs who are developing the Palmtop "applets-applications which will run out of ROM on the Palmtop; it is unknown whether this Palmtop will be able to access apps off of IC cards."

Debbie is calling Bill Sydnes (GM PC Development) to get the functional spec this am. Then Tomle can review it to determine our competitive technical position.

She is meeting with Sergio today to determine if we can get the beta code and docs out to CBM without waiting for it to go thru manufacturing.

Bill is moving forward on DRI but will give MS "due diligence" in reviewing our code. From what they have shared with Debbie (and we have no reason NOT to believe them) we are far back on having the code they want.

>From richardf Wed Jul 17 18:19:17 1991
To: joachink tedha
Subject: DRI and the new world...
Date: Wed Jul 17 18:19:14 1991

Lets not chose to lose this one on price, if we can get them the code and explain the new "mini command.com" that we can shrink below DRI size, we should go to \$1.25 - \$1 even, limit it to their \$500 and below products.

You know I am all for selling on value when we have it, but we just do not in this deal (we are very late), lets make a concious decision to get this business, if we do not compete on price we will lose it and should not blame Debbie.
richardf

>From debbiefl Tue Jul 16 14:20:45 1991
To: jeffl sergiop tedha
Cc: peterbra richardf
Subject: cbm palmtop update
Date: Tue Jul 16 14:20:14 PDT 1991

i have had a chance to talk to tony ricci (vp) and bill sydnes (gm pc development) in the last 2 days about this project. here is the situation.

1) dri is perceived as a perfect match from a price, technical and availability stand point. dri is offering \$1 and they have already delivered the code which cbm has been able to break apart and split

out
some code to make it smaller.
2) to make a 3/92 product intro, a dos decision needs to be made asap.

the functional spec from the mutated dri dos and a machine has already been sent to applications developers to start applet development.
3) MS is uncompetitively priced and has nothing roomed to compare with

the functionality of dri dos 5. dos 3.22 is completely unacceptable.
4) a contract has been drawn up for dri, but nothing has been signed.
5) cbm would evaluate ms's product if we could get them a beta asap,

but because they have put a functional spec out to their developers, it may be too late. we would also have match dri's price.
6) according to tony & mehdi, when a product is at the <\$500 price point, consumers are not as concerned about whose dos is on the

machine
| as long as they are getting the functionality and performance they
need.
| so the reasoning that got us on their desktops for a price premium
will
| not fly here.

| i have checked with fernandd and we should have a beta to release to
manufacturing services within the next couple of days. i have
requested
| from y-oemreg and lynettel that this beta ship immediately to
commodore.
| however, if this isn't ready soon, we could lose this deal. i have to

| have a product before i can even work on the price. and that's
assuming
| that they like ms rom dos 5 (size, modularity of code etc)

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