

To: mikehal
Cc: joachim paulbu scotto
Subject: DT4 competition???

Date: Mon Jul 29 13:20:47 1991

The attached 'mail from Paul explains an unusual "competitive" scenario. WinWorks will almost certainly be a competitor to our Office Solution with a negative hit of \$40M to ourselves. My recommendation is that we immediately retract WinWorks from bid as an ineligible product...ie that we state that there is uncertainty in the delivery/availability date and no bidder can submit the product as a bid qualifier. In fact, there is reason to believe that WinWorks could make the schedule of late October but we can certainly make the statement and have the right to do so.

I require your involvement in this predicament to ensure that the OEM acct mgrs immediately advise any bidders that WinWorks is ineligible for DT4 submission.

>From paulbu Mon Jul 29 12:38:39 1991
To: richmac
Cc: micheles paulbu
Subject: Urgent! DT4
Date: Mon Jul 29 15:38:45 PDT 1991

Rich, I have a strange situation for you on the DT4 bid. As the saying goes, "We have met the enemy...."

You reviewed the proposal we are using for bidders on DT4. We are clearly pushing people toward the MSFT exclusive bid scenario w/ Option 3. Some vendors cannot live with this and have decided they'll bid Lotus as well. We'll compete w/ Lotus, we believe Lotus is at \$120, maybe lower, we are at \$150 and feel good about our position.

Here's the problem, while we *can* compete w/ Lotus, we can't compete w/ our own Win Works at anywhere between \$12 and \$6.00 a unit. Some of the OEM's, specifically AST and Everex have been quoted this price for the product. The bid spec is so loose Works will meet the spec. As I mentioned in the DT4 backgrounder, it's likely the A.F. will award to two bidders. Our greatest fear is the A.F. will award one Lotus and one MSFT bid, and Works will win!

Assuming the estimated quantities (300K machines) as defined by the Air Force, the difference in a Works vs Office solution is \$40,000,000!!!

What I am proposing is we retract Works quotes we have out to DT4 bidders, we couch this w/ some type of qualifier on ability to deliver product in time f/ DT4. The revenue to the company is substantial enough to warrant such action in my opinion. But something like this would have to come fr your level.

Pls. call me as soon as you can to discuss this.

Thx.,

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