

HIGHLY
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From richardf Tue Jul 30 16:19:27 1991
To: richmac
Subject: AST
Cc: richardf
Date: Tue Jul 30 16:19:22 1991

Apparently we (joachim) had been talking to AST about the possibility of doing some "price for commitment" kind of agreement with AST (AST committed to "x" million dollars (instead of exclusively bundling our products on every bid) we give them the lower price, this was in the severla million \$\$ range). Knowing that anything we quote AST we would have to run back to ALL DT4 bidders, i killed discussion today, had Jeff Daniels tell them they had the choices which exist today. (Options 1-3), they are very toasty but that is our problem. Jeff's mail here indicates however that they will not bid our products, and that from my understanding Zenith will not do this either considering the "exclusive " we want for all bids the OEM submits. I realize this is a late time to be offering this but has Paul considered some alternative to this exclusivity requirement ? One might be: Must bid p/system on the bid the MS products occur on but not exclusive on all bids in return the OEM makes a high commit (say \$4-5m), have we thought about an approach such as this which might be more acceptable to the OEMs ?
Just a thought (late one at that) .
thanks
richardf

>From jeffd Tue Jul 30 14:50:03 1991
To: maryeo paulbu richardf samjad
Cc: georged jeffd markche pattye.
Subject: Doing the right thing? -AST Update-
Date: Tue Jul 30 14:52:55 PDT 1991

Paul & Richard:

AST's main objection with Option 3 is that if they bid exclusive MS products they are forced to bid GUI hardware which is \$300 higher per PC than CUI hardware. AST thinks bidding GUI hardware and MS applications solely are mistakes.

I told AST today that we could not do anything with them that differs from what MS Federal is offering other OEMs.

AST believes that the way we structured the bid forces them to bid our competitors products.

My biggest concern here is that MS may be our own worst enemy. With Zenith and AST submitting bids which are not MS exclusive, we stand a good chance of losing sizable business.

jeffd

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