

From mikehal Fri Aug 2 16:44:29 1991  
To: richardf  
Cc: johnj ronh  
Subject: RE: Exerex Update  
Date: Wed Jul 31 16:42:41 PDT 1991

Use your own judgement. If you think he is gaming us, delay. We also need to think thru him bidding char works and then trying to switch to works.

\*\*\*\*\*  
>From richardf Fri Aug 2 15:47:17 1991  
To: mikehal  
Cc: johnj ronh  
Subject: RE: Exerex Update

Date: Fri Aug 2 15:46:48 1991

OK well then we will quote him just as we would off of EBUs current pricing.  
Mike I fear this is the same old tired saw... "just ignore this DT4 thing, give me a commercial contract and ignore what resellers i sell that through.. (ie DT4)". We will again ask the question is this for commercial business or for distribution to the DT4 bid.

richardf  
>From mikehal Fri Aug 2 12:14:00 1991  
To: richardf  
Cc: johnj johmmc ronh  
Subject: RE: Exerex Update  
Date: Wed Jul 31 12:12:46 PDT 1991

I wasn't suggesting you lower the price. Johnnie just said he did not have an answer yet.

\*\*\*\*\*  
>From richardf Fri Aug 2 11:59:13 1991  
To: mikehal  
Cc: johnj johmmc ronh  
Subject: RE: Exerex Update

Date: Fri Aug 2 11:58:31 1991

Mike ron and I here on this end.  
Be clear we have given them a price for WWorks for commercial systems -

\$12.  
they want lower price based on higher min commit ( \$12 = 50k units) I have refused to give them lower pricing, I would not go much lower than the \$12 anyway for a commercial deal. ( ie even ignoring the DT4 issue..).  
I can go ahead and drop to \$10 for 200k unit commit, but would represent

\$10 as a floor.  
richardf/ronh

>From mikehal Fri Aug 2 10:04:59 1991  
To: paulbu  
Cc: johnj mikehal richardf richmac samjad  
Subject: RE: Exerex Update  
Date: Wed Jul 31 10:03:46 PDT 1991

I talked to HAL Clark and Johnnie Lee for 40 minute. Most of the discussions were rehashing the old stuff.

The only new news they brought up was that the MS Office bundle was also driving them into larger disks and memory so that the per machine cost were more than the software delta. Basically they view the Wworks solution as requiring 10 megs of disk vs 40 for OFFICE. I don't know whether they have a unique problem with disk granularity. When they roll all of that up they get a \$100m cost delta between the two software offerings which they don't think will hold up under protest. Have we looked at the difference in H/W requirements for the low end

HIGHLY  
CONFIDENTIAL

solutions?

What they told me they would prefer as a low end solution was Character works and then switch to Wworks. They also said they may submit a low end bid as a prime to get the best price and eliminate EDS's overhead. They are looking at other low end software. We talked about the risk of

distribution for Wworks and they are prepared to take that risk.

Reading between the lines I sensed they were getting squeeze by EDS a little and trying to transfer some of the pain to us. They also said they thought EDS would ask us to lower the bundled price and raise the software only price.

Richard, they did raise the commercial question and expressed some irritation that we would not quote a price. I told them a commercial price would not help them on dt4 as they could not bid an unannounced product. They said they understood. We should probably quit stonewalling them on the commercial price.

The discussion was reasonably cordial and was only a disagreement on strategy not that we had a mutually beneficial relationship.

I am sure they will be calling paul.

>From paulbu Fri Aug 2 08:24:11 1991  
To: mikehal  
Cc: johnj maryho micheles paulbu richmac samjad  
Subject: Exerex Update

Date: Fri Aug 2 11:23:34 1991

Mike, Samjad and I spoke to Johnnie Lee last night. We stated and restated our position, consistent with what you presented to the Everex Pres. on your call w/ him.

After about 90 mins. of discussion it was clear we were not making any significant progress. At the close of the call we asked Lee to consider an alternative to satisfy his requirement for a dirt cheap offering.

We said we would be willing to consider relieving him (thus EDS) of the exclusivity requirement of the option 3 proposal. This would enable him to bid a low end, cheap alternative to Works.

As you know, it's our position the A.F. wants MSFT, and if Office is the only MSFT product offered....

We will speak to him again today to discuss this option further. We realize if we drop the exclusivity we have to get something from EDS in return in order to remain on solid ground legally/ethically.

By the way, on the RFP requirement for the software only CLIN, Johnnie Lee says he'll buy the product thru distribution.

Paul

HIGHLY  
CONFIDENTIAL

MS 5003620  
CONFIDENTIAL