## Donna Poreda

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|---|---|
| From: | Joachim Kempin |
| To: | jkdirs |
| Cc: | bradsi; tonya |
| Subject: | FW: IBM: Desktop OS Strategy Has Four Pillars -- Soyring 06/22/93 |
| Date: | Wednesday, June 23, 1993 2:42PM |

I don't like this. There are several reasons:
Trade freely, means people will flock to this just to avoid hassle with
us and terminating anybody will have an even more adverse effect on our
business.
Replication rights have no value to IBM but do have to all the
cheaters. IBM will learnn this the hard way so will we and it might be
too late afterwards to regain the biz. We better help IBM to watch
piracy of their product. I really mean this. Would be a great reason
for me to call Reiswig.
Because they are NOT a clone they will claim full compatibility- so no
real chance to say this thing is incompatible, but the DOS group should
definitely take a hard look at it- a couple of good crashes properly
publizised will work wonders.
Not having compression, I know how to fight that: IBM had to lower the
price to overcome this and look how many people really need want this
etc., even if we have gotten bad press this can be overcome, because
60 + % of all users are using-want it , true DOS group? So IBM = PSP is
depriving users of this feature and the ability to save HD costs.
They are smart in getting it out now without waiting for workplace shell.
Price is only another issue, and I do not know what we really do here.
Jeff sales to OEMs should get us some royalties- how many $, do we know
this? If that is true we get at least partially paid and it might be
good to think writing them a letter reminding them what we expect them
to pay us per unit. This might change the way they are pricing the
product. PLs check this ASAP.
COGS at $4 seems very low, we need to examine how they can do this and
we can't, who wants to work that after we see their package and
understand that this is true.
Other issue we need to stress is the possible dependence anybody might
get into when buying from IBM. They are a HW company and who wants to
trust them with SW matters and what does it mean buying from them now
and buing from them in the future = after SEP.
last but not least timing is bad. It took us too long to figure out new
distribution sceme and we have no deals in place so we fight it out on
the street. This does not look good for Q1.
Last but not least there is a need for an MS-DOS 6.11 rev. , don't be
shy, but rush it either. Ideally You upgrade the enhanced tools and
leave the core product alone. Can that be done?
I am very worried, and that does not happen to often- any more ideas?
Tonya, Jancl will You take the lead on this ?

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From: John Yuh-Chung Wang
To: Jan Claesson; Joachim Kempin
Cc: John Yuh-Chung Wang
Subject: RE: IBM: Desktop OS Strategy Has Four Pillars -- Soyring 06/22/93
Date: Wednesday, June 23, 1993 3:03PM

I heard PC DOS 6.1 was slipped from the end of June to mid July.
Current MS-DOS gray market providers (small/medium OEMs) are interested
in PC DOS due to:

1. flexibility -- no per system required, and can be traded freely.

2. low cost -- a 100,000 units/year commitment at $15-$17 royalty with

Page 1

replication right. If requiring package from IBM (the package looks like our old package DOS), add $4.00 for COGS. Larger commitment, e.g. 200,000 units, IBM hinted they could lower the price to about $10.

3. IBM claimed PC DOS 6.1 is compatible with MS-DOS. The product has MS-DOS kernel. They also have utility pack, which includes PC Tools, Anti-virus software and E-software (full screen editor). They don't have compression utility; however, IBM claimed this can save OEM from troubles.

4. no OS/2 requirement anymore (IBM used to ask OEM to license PC DOS and OS/2 together).

Tks ! JW