

From: Richard Fade
Sent: Friday, February 05, 1999 3:50 PM
To: Carl Sittig
Subject: RE:

Nope

You see things just fine.

Lets just look at the deal sheet, but it should be clear to them that we will not want to engage and do marketing with them to help sell units in countries which have a competitive bundle, that would go for all countries where this is true even where things are working well today.

Ps - I did not hear Kenny asking for Pro anywhere but China , in China we need to look at a bundled strategy, we should see what they (compaq) are willing to pay and talk with Pieter Knook.
thanks

-----Original Message-----

From: Carl Sittig
Sent: Friday, February 05, 1999 3:44 PM
To: Richard Fade
Cc: Laura Scholten
Subject: RE:

We are still waiting for their sheet - Laura has been pinging them. In the call you successfully hit the ball back into their court, so we need to wait for the response. I feel they are bluffing, so the sheet will be useful as a starting point for the conversation to see if they continue to say Pro only (they know this is a non-starter), or if they are willing to discuss SBE and Word.

Regarding FLP funds, MS Asia is well aware and supports our position (and Compaq Asia understands). Latin America is not as crisp, but should follow suit. TJ should be aware, but not the one to communicate it. We will use this carefully once we see where they are with the deal sheet.

I know JK doesn't want to lose this deal (and I hate to lose as much as anyone), but Compaq has used this technique on us before, and the reason they keep using it is that we have "trained" them that it works. The pattern: we sell value, they try to centralize the decision into Houston, they threaten competition, we try to make a diving catch and drop our price. This is similar to what happen in July with the Word deal in Consumer (vs. Corel). If we believe in the value of the product, and are getting appropriate royalties thru other OEMs in the subs, I'm am hesitant to do anything crazy.

Am I missing a bigger picture?

Carl Sittig

Group Manager, OEM
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425-936-6348

-----Original Message-----

From: Richard Fade
Sent: Friday, February 05, 1999 2:16 PM
To: Carl Sittig
Subject: FW:

I don't know where we are on the Cpq WW deal sheet, JK wants to try to win the business, below are his comments - maybe TJ should be aware and communicating (to marketing resources in Cpq) ?
Your thoughts on best path forward

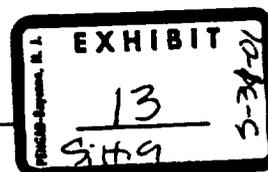
-----Original Message-----

From: Joachim Kempin
Sent: Friday, February 05, 1999 2:11 PM
To: Richard Fade
Subject: RE:

If Cq bundles these other things they will will get less support. and somebody needs to escalate..

-----Original Message-----

From: Richard Fade
Sent: Friday, February 05, 1999 1:36 PM
To: Joachim Kempin
Subject: RE:



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I understand on Cpq and will step through this, today I don't think the Word deal will us as they are explicitly asking for a Suite and have made a big deal about it having to be one, but we will test that with asking if a Word / Works sku at a good price would be interesting.
Thanks for the speedy response.

—Original Message—

From: Joachim Kempin
Sent: Friday, February 05, 1999 12:28 PM
To: Richard Fade
Subject: RE:

On Cq, you need to escalate beyond Kinzman, this is a real tricky Issue, because I will personally tell Tamara no more activities in countries where they do this.
The subs will agree with me. So you need a mediator in Cq to get this accomplished and agin a low cost WORD deal might save our butt here. why not do a development country flat fee deal with them?

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