From: Christine Mullaney
Sent: Thursday, August 05 1999 2:11 PM
To: Christine Mullane, Carolyn Duffy (Exchange), Leland Rockoff (Exchange), Susan Landart, Mick Roberts, Paul Selsis, Richard Smith (Finance), Karen Lee, Jim Settle, Morris Kremen, LCA, Robert McAuley, Geoff Sullivan, Sean Ficklin, Arvind Bhat, Sandra Winters, Scott DelRosso, Bill Benack, Kunju Kothari
Cc: Teresa Howe, Jon Anderson (Exchange)
Subject: RE: 7/21 Meeting Notes/Agenda: EA Pricing Strategy Meeting

LelandR owns the agenda and all actions for the 8/11 and 8/18 meetings. please see him with any questions in my absence.
Please let me know if I've missed anything in the notes below.

Attendees: Leland Rockoff. Rob McAuley. Mick Roberts. Kunju Kothari. Chris Mullaney

## Project Status
**Progress/Milestones/Events**
- Decision to eliminate analysis of WW pricing in EAs due to negative revenue impact for EMEA
- Initial analysis - cost and component pricing - *milestone met on 7//30*.

## Open Issues (top 2-3 issues)
- Continue analysis of options identified in the matrix (Owners: Mick. Finance contacts from Finance and Product Groups)
- Determine rules for adding components during term - new enrollment, new master. extend all masters. (Owner. Leland)
- Create questionnaire that we can use to review options with customers/channel. (Owner: Leland)

**Risks/Dependencies**
- Component pricing recommendations need to be baked by 8/11 in order to allow a week to get customer/channel feedback
- Change in agreement structure to disallow enrollment of add'l product pools during term of agreement will require changes to Everest specification - deadline for closing Everest specification is 8/20 .

No 7/28 Meeting Due to MGS

## Agenda
- Review cost analysis data
- Review component pricing analysis data
- Determine actions/owners for moving ahead on analysis
- Update on add'l products enrollment issue
- Develop outline for executive presentations

## Progress/Decisions
- Changes to VUP/UA analysis items determined as longer term strategic initiatives that will not be addressed in the scope of Everest. Analysis deleted from matrix below.
- Need to change Microsoft project pricing levels (as established for current exception process) to match other product pricing levels. Sean to own closure with product group. Mick to assist where necessary.

FY00 EA Pricing.xls

- WW pricing analysis deleted from matrix due to decision not to evaluate at this time as stated above.
- Continue analysis of options identified in the matrix (Owners: Mick, Finance contacts from Finance and Product Groups)
  - Next status is due 8/11 from all owners
- No requirement for VP review meeting on 9/1. See updated milestones below.
- Localized language uplifts to be standard 18% (rather than the current 15% for all languages and variable uplifts for each language) to reflect latest uplifts in the pricing waterfall with the introduction of Office 2000 and Windows 2000.
- No requirement for Office Premium platform SKU due to Office Premium positioning and future program direction.

- Customer transition impact analysis must be performed prior to JeffR/SteveB meeting. Analysis added to matrix below.
- Rules for adding additional pools during term:
  - There are three options for how we approach this:
    1. Allow additions via a new enrollment per pool during term - each enrollment would be co-terminus with the term of the Master EA. Establish pricing structure to allow this and prevent gaming and potential negative revenue impact. Advantage to this solution: proved out as the best solution for customers and business desk during Everest validation, less complex agreement administration for customers and MS. Disadvantage: may lead to gaming or negative revenue impact.
    2. Allow additions via a new Master per pool with non-co-terminus terms. Establish pricing structure to allow this and prevent gaming and potential negative revenue impact. Advantage: Revenue protection for Microsoft, no potential for gaming. Disadvantage: proved out as a non-starter solution for customers and business desk during Everest validation, complex agreement administration for customers and MS.
    3. Allow additions via a new Master per pool and establish co-terminus terms of each pool by extending each Master term for an additional year or more to match up agreement end dates. Establish pricing structure to allow this and prevent gaming and potential negative revenue impact. Advantage: Revenue protection for Microsoft, no potential for gaming. Disadvantage: proved out as an unacceptable solution for customers and business desk during Everest validation, complex agreement administration for customers and MS.

  Leland to follow up with Kris Mukerjee on this issue.

## Privilege Material
## Redacted

### Updated Milestones

Phase I: Upgrade Advantage Decision

| | | | |
|---|---|---|---|
| Project Intro and Kickoff | | 6/28 | met |
| Overall Tactical/Strategic Product/Program Milestones Discussion | 7/7 | met | |
| Initial Analysis Review (include regional contacts) | | 7/14 | met |
| Analysis Review by Team | | 7/21 | met |
| Initial Review of Cost Analysis, Component Prices | | 7/30 | met |
| Team Review of Cost Analysis, Component Prices | | 8/4 | met |

Phase II: EA Component Pricing Decision (portions of this are also part of the above analysis)

| | | |
|---|---|---|
| Analysis Review by Team | | 8/11 |
| Analysis Review by Team | JonA required | 8/18 |
| Initial Team Recommendation | JonA required | 8/25 |
| Final Recommendation | JonA required | 9/7 |
| Final Exec Approval (JeffR, SteveB) | JonA required | 9/9 |

### Actions/Owners

- Sean to gain agreement from the Microsoft Project team on changing pricing levels for Project to match levels for other products.

Status: In progress.

- Leland to drive decision on rules for adding components during term of EA, follow up with Kris Mukerjee on the business desk to determine appropriate direction.

Status: In progress.

### Privilege Material
### Redacted

- Chris/Leland to confirm meeting schedule with SteveB - topics to include Everest Pricing, EA Renewal, License Simplification.

Status: Completed. Meeting scheduled for 9/9.

- Develop communications plan for getting feedback on survey.

Status: In progress, Leland to assign owner from team.

- Develop customer/channel questionnaire to obtain feedback on UA/individual component strategy for EAs.

Status: In progress, Leland owns development of the questionnaire.

EA Pricing Strateg.
Decision M

Agenda for 8/11 Meeting - TBD by LelandR

Thanks - Chris

📧 email: christic@microsoft.com
📞 voice: 425.936.3969
📠 fax: 425.936.7329

-----Original Message-----
From: **Christine Mullaney**
Sent: Friday, July 23, 1999 1:46 PM
To: Christine Mullaney; Carolyn Duffy (Exchange); Leland Rockoff (Exchange); Susan Langahr; Mick Roberts; Paul Sausville; Richard Smith (Finance); Karen Lee; Jim Settle; Morris Kremen (LCA); Roben McAuley; Geoff Sullivan; Sean Pickton; Arvind Bhat; Sandra Winters; Scott Dell'Osso; Bill Benack
Cc: Teresa Howe; Jon Anderson (Exchange)
Subject: 7/21 Meeting Notes/Agenda: EA Pricing Strategy Meeting

Please let me know if I've missed anything.

Attendees: Jon Anderson, Leland Rockoff, Rob McAuley, Geoff Sullivan, Mick Roberts, Arvind Bhat, Chris Mullaney

### Project Status

**Progress/Decisions**
- Decision to keep UA in programs
- Product group finance and finance teams fully involved in development of strategy and analysis

**Open Issues** (top 2-3 issues)
- Continue analysis of options identified in the matrix (Owners: Mick, Finance contacts from Finance and Product Groups)
- Determine which customers are purchasing the major UA SKUs (Owners: Chris, Mick)
- Create questionnaire that we can use to review options with customers/channel (Owners: TBD)

**Risks/Roadblocks**
- Component pricing recommendations need to be baked by 8/11 in order to allow a week to get customer/channel feedback
- Chris on vacation 8/6-8/22, need owner for 8/11 and 8/18 meetings

### Agenda
- Review final data analysis on UA - possibility of eliminating some UA SKUs, not all
- Review owners for modeling and progress
- Determine whether we need to have 7/26 Regional VP meetings and 8/5 JeffR review on EA pricing
- Options matrix and action plan for determining UA/EA strategy

### Progress/Decisions
- UA will be available in the upcoming Select and Open programs (and other programs as applicable)
- Continue analysis of options identified in the matrix (Owners: Mick, Finance contacts from Finance and Product Groups)
  - Next status is due **7/30** from all owners
- No requirement for JeffR meeting for 8/5
  - Include review of UA analysis during JeffR/SteveB component pricing approval meetings
- Determine which customers are purchasing the major UA SKUs (Owners: Chris, Mick)
  - Determine best options to present to customers and channel for feedback
  - Create questionnaire that we can use to review options with customers/channel
  - Pick 30 customers out of the list to review with, at least 5 channel partners

- Component pricing must be available for these discussions so that customers can compare when providing feedback
- Goals of pricing strategy
  - Create simple, fair component based pricing
  - Increase customer satisfaction by delivering a single, public price point for each volume level in EAs
  - Create a pricing model that maximizes revenue
  - Design pricing model with EA renewal strategy in mind
  - (Potentially) create a worldwide pricing model
- **Updated Milestones**

  Phase I: Upgrade Advantage Decision

  | | | |
  |---|---|---|
  | Project Intro and Kickoff | | 6/28 |
  | Overall Tactical/Strategic Product/Program Milestones Discussion | | 7/7 |
  | Initial Analysis Review (include regional contacts) | | 7/14 |
  | Analysis Review by Team | | 7/21 |
  | Initial Review of Cost Analysis, Component Prices | | 7/30 |
  | Team Review of Cost Analysis, Component Prices | | 8/4 |

  Phase II: EA Component Pricing Decision (portions of this are also part of the above analysis)

  | | | |
  |---|---|---|
  | Analysis Review by Team | | 8/11 |
  | Analysis Review by Team | JonA required | 8/18 |
  | Final Recommendation | JonA required | 8/25 |
  | Review Meeting w/ Regional VPs | JonA required | 9/1 |
  | Final Recommendation | JonA required | 9/8 |
  | Final Exec Approval (JeffR, SteveB) | JonA required | 9/15 |

### Actions/Owners

- Chris/Leland to confirm meeting schedule with SteveB - topics to include Everest Pricing, EA Renewal, License Simplification

  Status: In progress.

- Chris to follow up with Morris on add'l products enrollment issue.

  Status: Completed. Chris to update team in 8/4 meeting.

- Chris to follow up with Jon on potential postponement of moving to a WW price.

  Status: Closed. We will continue to examine this as part of the analysis.

- Chris to follow up with Jon to confirm assumption of $0 price increase in creating component pricing/modeling UA/VUPs, also desktop price goals for components vs. platform.

  Status: Completed. Jon and Sean Pickton will review planned pricing methodology. Jon will identify for group any constraints or things to optimize for in the methodology. Sean will update me, Mick and finance contacts with information to include in analysis.

- Chris to set up meeting with Mick and Finance contacts to discuss ownership and goals for creating component pricing/modeling UA/VUPs, also desktop price goals for components vs. platform.

  Status: Completed. 2 meetings held to date. First cut at cost analysis for EAs (component EAs vs. platform EAs) is due 7/30 from Bill's group. First cut at component pricing analysis is due 7/30 from Paul, Sean and Sandra.

- Mick to complete UA customer/revenue data analysis, bring data on component pricing to Friday's meeting with finance contacts.

  Status: Completed.

- Group needs to obtain customer opinion on scenario of UA elimination with component pricing in EAs - which way would they go? - target customers identified in UA analysis.

  Status: Closed, see above.

- Determine scope of what we plan to address in Everest timeline.

  Status: Updated options matrix attached, remaining items will form basis for analysis during project.

  << File: EA Pricing Strategy Decision Matrix 072199.doc >>

**No 7/23 Meeting Due to MGS**

### Agenda for 8/4 Meeting

- Review cost analysis data

- Review component pricing analysis data
- Determine actions/owners for moving ahead on analysis
- Update on add'l products enrollment issue
- Develop outline for executive presentations

Thanks - Chris
email: christie@microsoft.com
voice: 425.936.3969
fax: 425.936.7329

——Original Message——
**From: Christine Mullaney**
**Sent:** Thursday, July 15, 1999 10:32 AM
**To:** Christine Mullaney; Carolyn Duffy (Exchange); Leland Rockoff (Exchange); Susan Landahl; Mick Roberts; Paul Sausville; Richard Smith (Finance); Karen Lee; Jim Settle; Morris Kremen (LCA); Robert McAuley; Geoff Sullivan; Sean Pickton
**Cc:** Teresa Howe; Jon Anderson (Exchange)
**Subject:** 7/14 Meeting Notes/Agenda: EA Pricing Strategy Meeting

7/14 Meeting Notes

Attendees: Leland Rockoff, Rob McAuley, Geoff Sullivan, Mick Roberts, Jim Settle, Chris Mullaney

**Topics Covered**
- Initial analysis of UA done by Mick
- Matrix review

**Decisions**
- UA numbers are still big - 20% of license purchases under Select, 6% of license purchases under Open
- Analysis of component pricing should be completed with the assumption that UA is still available
- Current hypothesis is that we won't recommend the elimination of UA, given the final data analysis
  - may not need to have meetings with regional VPs and JeffR to get approval on our recommendation if the recommendation is not to eliminate UA
  - we would include UA status during JeffR/SteveB component pricing approval meetings

**Actions/Info**
- Chris to follow up with Jon on potential postponement of moving to a WW price
Status: In progress

- Chris to follow up with Jon to confirm assumption of $0 price increase in creating component pricing/modeling UA/VUPs, also desktop price goals for components vs. platform.
Status: In progress

- Mick to complete UA customer/revenue data analysis, bring data on component pricing to Friday's meeting with finance contacts
Status: In progress

- Group needs to obtain customer opinion on scenario of UA elimination with component pricing in EAs - which way would they go? - target customers identified in UA analysis.
Status: Owner/approach to be determined in next meeting.

- Determine scope of what we plan to address in Everest timeline.
Status: Ongoing

**Agenda for 7/21 Meeting**
- Review final data analysis on UA
- Review owners for modeling and progress
- Determine whether we need to have 7/26 Regional VP meetings and 8/5 JeffR review on EA pricing

- Draft outline for slide deck for these meetings

Thanks - Chris

✍ email: christie@microsoft.com
☎ voice: 425.936.3969
📠 fax: 425.936.7329

——Original Message——
**From: Christine Mullaney**
**Sent:** Tuesday, July 13, 1999 5:07 PM
**To:** Carolyn Duffy (Exchange); Leland Rockoff (Exchange); Susan Landahl; Mick Roberts; Paul Sausville; Richard Smith (Finance); Karen Lee; Jim Settle; Morris Kremen (LCA); Robert McAuley; Geoff Sullivan; Sean Pickton
**Cc:** Christine Mullaney; Teresa Howe; Jon Anderson (Exchange)
**Subject:** Meeting Notes/Agenda: EA Pricing Strategy Meeting

7/7 Meeting Notes

Attendees: Carolyn Duffy, Leland Rockoff, Rob McAuley, Jim Settle, Chris Mullaney

**Topics Covered**
<< File: EA Pricing Strategy 070699.ppt >>
- Met to review this presentation and discuss issues and approach to moving forward to delivering EA prices for the Everest release of EAs.

**Decisions**
- Incorporate potential direction to include servers in CAL pricing in overall analysis
- Add other potential directions re: UA/VUPs to analysis, i.e., increasing price of VUPs
- Evaluate killing OS option
- Agreed upon approach is to trim options list to the top contenders, test with a few customers and move forward.

**Actions/Info**
- Chris to create matrix of options detailing various analyses and decision processes for team to work with.
Status: Completed, see attached.

- Determine if group has a specific timeline re: creating component based pricing vs. taking more time to perform analysis.
Status: Completed. Providing this solution within the Everest project release timeline is mandatory.

- Determine scope of what we plan to address in Everest timeline.
Status: Ongoing

- Mick to work with Scott on pulling UA data and beginning analysis.
Status: Work begun, Mickr to review in meeting tomorrow.

- Chris to set up meeting with Mickr, product group finance and finance to determine action plan and approach to modeling/analysis.
Status: Completed. Meeting scheduled 7/16.

<< File: EA Pricing Strategy Decision Matrix.doc >>

Levels for all products must be the same and agreed upon by all groups.

| Listed Languages | Licenses | One Year | | Two Year | | Three Year | |
|---|---|---|---|---|---|---|---|
| | | Net Price | ERP | Net Price | ERP | Net Price | ERP |
| Microsoft Project | 10,000+ | $119.34 | $145 | | | | |
| | 5,000-9,999 | $125.10 | $152 | | | | |
| | 2,000-4,999 | $130.86 | $159 | | | | |
| | 500-1,999 | $136.62 | $166 | | | | |
| | 1-499 | $141.56 | $172 | | | | |
| MS Front Page | 5,000+ | $18.93 | $23 | | | | |
| | 2,000-4,999 | $20.58 | $25 | | | | |
| | 500-1,999 | $22.22 | $27 | | | | |
| | 100-499 | $23.87 | $29 | | | | |
| | 1-99 | $25.51 | $31 | | | | |
| Visual Studio Enterprise Edition | 5,000+ | $635.36 | $772 | | | | |
| | 2,000-4,999 | $685.56 | $833 | | | | |
| | 500-1,999 | $734.94 | $893 | | | | |
| | 100-499 | $760.45 | $924 | | | | |
| | 1-99 | $797.49 | $969 | | | | |
| Visual Studio Professional | 5,000+ | $306.16 | $372 | | | | |
| | 2,000-4,999 | $321.79 | $391 | | | | |
| | 500-1,999 | $336.61 | $409 | | | | |
| | 100-499 | $351.42 | $427 | | | | |
| | 1-99 | $366.24 | $445 | | | | |
| MSDN Universal | 5,000+ | $1,013.11 | $1,231 | | | | |
| | 2,000-4,999 | $1,092.94 | $1,328 | | | | |
| | 500-1,999 | $1,171.95 | $1,424 | | | | |
| | 100-499 | $1,212.28 | $1,473 | | | | |
| | 1-99 | $1,271.54 | $1,545 | | | | |
| MSDN Professional | 5,000+ | $215.63 | $262 | | | | |
| | 2,000-4,999 | $232.09 | $282 | | | | |
| | 500-1,999 | $249.37 | $303 | | | | |
| | 100-499 | $257.60 | $313 | | | | |
| | 1-99 | $269.94 | $328 | | | | |
| MSDN Library | 5,000+ | $31.27 | $38 | | | | |
| | 2,000-4,999 | $33.74 | $41 | | | | |
| | 500-1,999 | $36.21 | $44 | | | | |
| | 100-499 | $37.86 | $46 | | | | |
| | 1-99 | $39.50 | $48 | | | | |
| BackOffice Server | 5,000+ | | | | | | |
| | 2,000-4,999 | | | | | | |
| | 500-1,999 | | | | | | |
| | 100-499 | | | | | | |
| | 1-99 | | | | | | |

Add'l Listed

| Exchange Server | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| Exchange Server Enterprise Edition | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| Proxy Server | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| Site Server | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| Site Server Commerce | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| SNA Server | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| SQL Server | 5,000+ |
| | 2,000 - 4,989 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| SQL Server Enterprise | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| Systems Management Server | 5,000+ |

Add'l Listed

| | 5,000+ | 2,000 - 4,999 | 500 - 1,999 | 100 - 499 | 1 - 99 |
|---|---|---|---|---|---|
| Transaction Server | | | | | |
| Windows NT Server | | | | | |
| Windows NT Server Enterprise Edition | | | | | |
| Windows NT Terminal Server Edition | | | | | |

Current - Needs to be revised to reflect uplift of 18% instead of 15%.

| All Languages | Licenses | One Year | | Two Year | | Three Year | |
|---|---|---|---|---|---|---|---|
| | | Net Price | ERP | Net Price | ERP | Net Price | ERP |
| Microsoft Project | 10,000+ | | | | | | |
| | 5,000-9,999 | $137.44 | $167 | | | | |
| | 2,000-4,999 | $144.03 | $175 | | | | |
| | 500-1,999 | $150.61 | $183 | | | | |
| | 1-499 | $157.19 | $191 | | | | |
| | | $162.95 | $198 | | | | |
| MS Front Page | 5,000+ | | $26 | | | | |
| | 2,000-4,999 | $21.40 | $29 | | | | |
| | 500-1,999 | $23.87 | $31 | | | | |
| | 100-499 | $25.51 | $33 | | | | |
| | 1-99 | $27.16 | $36 | | | | |
| | | $29.63 | | | | | |
| Visual Studio Enterprise Edition | 5,000+ | $730.82 | $888 | | | | |
| | 2,000-4,999 | $788.43 | $958 | | | | |
| | 500-1,999 | $845.22 | $1,027 | | | | |
| | 100-499 | $874.85 | $1,063 | | | | |
| | 1-99 | $916.82 | $1,114 | | | | |
| Visual Studio Professional | 5,000+ | $352.24 | $428 | | | | |
| | 2,000-4,999 | $370.35 | $450 | | | | |
| | 500-1,999 | $386.81 | $470 | | | | |
| | 100-499 | $404.09 | $491 | | | | |
| | 1-99 | $421.38 | $512 | | | | |
| MSDN Universal | 5,000+ | $1,165.37 | $1,416 | | | | |
| | 2,000-4,999 | $1,256.72 | $1,527 | | | | |
| | 500-1,999 | $1,348.07 | $1,638 | | | | |
| | 100-499 | $1,384.16 | $1,694 | | | | |
| | 1-99 | $1,462.47 | $1,777 | | | | |
| MSDN Professional | 5,000+ | $247.72 | $301 | | | | |
| | 2,000-4,999 | $266.65 | $324 | | | | |
| | 500-1,999 | $286.40 | $348 | | | | |
| | 100-499 | $296.28 | $360 | | | | |
| | 1-99 | $310.27 | $377 | | | | |
| MSDN Library | 5,000+ | $36.21 | $44 | | | | |
| | 2,000-4,999 | $38.66 | $47 | | | | |
| | 500-1,999 | $41.97 | $51 | | | | |
| | 100-499 | $43.62 | $53 | | | | |
| | 1-99 | $45.27 | $55 | | | | |
| BackOffice Server | 5,000+ | | | | | | |
| | 2,000-4,999 | | | | | | |
| | 500-1,999 | | | | | | |
| | 100-499 | | | | | | |
| | 1-99 | | | | | | |

| Exchange Server | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| Exchange Server Enterprise Edition | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| Proxy Server | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| Site Server | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| Site Server Commerce | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| SNA Server | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| SQL Server | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| SQL Server Enterprise | 5,000+ |
| | 2,000 - 4,999 |
| | 500 - 1,999 |
| | 100 - 499 |
| | 1 - 99 |
| Systems Management Server | 5,000+ |

Add'l All

| Transaction Server | 2,000 - 4,999 | | | | | | |
| | 500 - 1,999 | | | | | | |
| | 100 - 499 | | | | | | |
| | 1 - 99 | | | | | | |
| Windows NT Server | 5,000+ | | | | | | |
| | 2,000 - 4,999 | | | | | | |
| | 500 - 1,999 | | | | | | |
| | 100 - 499 | | | | | | |
| | 1 - 99 | | | | | | |
| Windows NT Server Enterprise Edition | 5,000+ | | | | | | |
| | 2,000 - 4,999 | | | | | | |
| | 500 - 1,999 | | | | | | |
| | 100 - 499 | | | | | | |
| | 1 - 99 | | | | | | |
| Windows NT Terminal Server Edition | 5,000+ | | | | | | |
| | 2,000 - 4,999 | | | | | | |
| | 500 - 1,999 | | | | | | |
| | 100 - 499 | | | | | | |
| | 1 - 99 | | | | | | |

| Listed Languages | Licenses | One Year | | Two Year | | Three Year | |
|---|---|---|---|---|---|---|---|
| | | Net Price | ERP | Net Price | ERP | Net Price | ERP |
| Desktop Platform | 50,000+ | $201.64 | $237 | | | | |
| | 20,000 - 49,999 | $213.96 | $252 | | | | |
| | 5000 - 19,999 | $226.33 | $266 | | | | |
| | 1000 - 4999 | $234.56 | $276 | | | | |
| | 500 - 999 | $242.79 | $286 | | | | |
| Microsoft Office Standard | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |
| Microsoft Office Professional | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |
| Microsoft Office Premium | 50,000+ | | | | | | |
| | 20,000 - 49,990 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |
| Windows 98 Upgrade | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |
| Windows 2000 Upgrade | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |
| BackOffice CAL | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |
| Windows NT CAL | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |

Plat_Comp Listed

| | | | | | | | 50,000+ 20,000 - 49,999 5000 - 19,999 1000 - 4999 500 - 999 |
|---|---|---|---|---|---|---|---|
| Exchange CAL | | | | | | | 50,000+ 20,000 - 49,999 5000 - 19,999 1000 - 4999 500 - 999 |
| SQL CAL | | | | | | | 50,000+ 20,000 - 49,999 5000 - 19,999 1000 - 4999 500 - 999 |
| Site Server CAL | | | | | | | 50,000+ 20,000 - 49,999 5000 - 19,999 1000 - 4999 500 - 999 |
| Terminal Server CAL | | | | | | | 50,000+ 20,000 - 49,999 5000 - 19,999 1000 - 4999 500 - 999 |
| SNA Server CAL | | | | | | | 50,000+ 20,000 - 49,999 5000 - 19,999 1000 - 4999 500 - 999 |
| SMS CAL | | | | | | | |

Reflects new uplift of 18% and proposed single price points for platform.

| All Languages | Licenses | One Year | | Two Year | | Three Year | |
|---|---|---|---|---|---|---|---|
| | | Net Price | ERP | Net Price | ERP | Net Price | ERP |
| Desktop Platform | 50,000+ | $237.94 | $280 | | | | |
| | 20,000 - 49,999 | $252.50 | $297 | | | | |
| | 5000 - 19,999 | $267.07 | $314 | | | | |
| | 1000 - 4999 | $276.76 | $326 | | | | |
| | 500 - 999 | $286.49 | $337 | | | | |
| Microsoft Office Standard | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |
| Microsoft Office Professional | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |
| Microsoft Office Premium | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |
| Windows 98 Upgrade | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |
| Windows 2000 Upgrade | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |
| BackOffice CAL | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |
| Windows NT CAL | 50,000+ | | | | | | |
| | 20,000 - 49,999 | | | | | | |
| | 5000 - 19,999 | | | | | | |
| | 1000 - 4999 | | | | | | |
| | 500 - 999 | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Exchange CAL | 50,000+<br>20,000 - 49,999<br>5000 - 19,999<br>1000 - 4999<br>500 - 999 | | | | | | | |
| SQL CAL | 50,000+<br>20,000 - 49,999<br>5000 - 19,999<br>1000 - 4999<br>500 - 999 | | | | | | | |
| Site Server CAL | 50,000+<br>20,000 - 49,999<br>5000 - 19,999<br>1000 - 4999<br>500 - 999 | | | | | | | |
| Terminal Server CAL | 50,000+<br>20,000 - 49,999<br>5000 - 19,999<br>1000 - 4999<br>500 - 999 | | | | | | | |
| SNA Server CAL | 50,000+<br>20,000 - 49,999<br>5000 - 19,999<br>1000 - 4999<br>500 - 999 | | | | | | | |
| SMS CAL | 50,000+<br>20,000 - 49,999<br>5000 - 19,999<br>1000 - 4999<br>500 - 999 | | | | | | | |

EA Pricing Strategy Project
7/20 mickr updates in bold, red
7/21 christle updates in bold, blue and strikethrough
8/4 christie updates in green and strikethrough

| | Options | Potential Impact | Data Modeling | Date Due | Started | Completed | Resource |
|---|---|---|---|---|---|---|---|
| Upgrade Advantage Decision | Kill it | ➢ Revenue<br>➢ w/ split – UA revenue = EA revenue | ➢ Revenue break even<br>➢ UA w/in LORG space today<br> ➢ purchases by sub<br> ➢ compare trend | 7/14 | Yes | Yes | Mickr/Scottdel |
| | | | ➢ By customer<br> ➢ How many customers?<br> ➢ How much UA?<br> ➢ Across product lines<br> ➢ Penetration<br> ➢ Renewal<br>  ➢ More/less/at all | 7/14 | Yes | Yes | Mickr/Scottdel |
| | | | ➢ Pro forma: Use US numbers<br> ➢ Mature market<br> ➢ Parenting is better<br> ➢ PC info and penetration data better<br> ➢ More EA mature = less UA in US?<br> ➢ X-ref with EA purchases | 7/21 | Yes | | Mickr/Scottdel |
| | ~~Kill it and increase price of VUPs~~ | ~~➢ ? lever in model~~<br>~~➢ no comparison to component price~~ | ~~➢ Revenue break-even~~<br>~~➢ See above~~ | ~~7/21~~ | | Pro Forma | |
| | ~~Kill it and eliminate VUPs~~ | ~~➢ ? lever in model~~<br>~~➢ move to EAs?~~<br>~~➢ no loyalty incentives~~ | ~~➢ Revenue break-even~~<br>~~➢ See above~~ | ~~7/21~~ | | Pro Forma | |
| | ~~Change VUPs~~<br>~~➢ No downgrade rights~~<br><br>~~➢ N-1,2,3~~ | ➢ ~~only EAs have downgrade rights?~~<br>➢ ~~only UAs have n-1,2,3 support and upgrades?~~<br>➢ ~~no loyalty incentives~~ | ➢ ~~Competitive data~~<br><br>➢ ~~Revenue break even~~<br>➢ ~~See above~~ | 7/21 | | Discussion Item<br><br>Pro Forma | Mickr |

EA Pricing Strategy Project

| | Options | Potential Impact | Data Modeling | Date Due | Started | Completed | Resource |
|---|---|---|---|---|---|---|---|
| VUP change above and Stay current only should happen at the same time | ~~Change UA~~<br>➢ Stay current only (buy a VUP & then enroll)<br>~~➢ Reduce list of products~~<br>➢ Create 3 year UA price (implies a price increase in UA)<br>➢ ~~Create UA-Adv-price~~ | ➢ ~~? - lever in model~~<br>➢ ~~reduces UA, EA and EA renewal price~~<br>➢ ~~Leads to how wave for these products~~<br>➢ ~~? - lever in model~~<br>➢ ~~relintroduces pro-ration, reduces EA value~~ | ➢ -- Competitive data<br>➢ -- Revenue break even<br>➢ -- See above | 7/21 | | Pro Forma | |
| Upgrade Advantage Decision | Leave as is | ➢ Agreement complexity<br>➢ UA order process on Select renewal is difficult<br>➢ Pro-ration for renewal/extension of less than 2 years<br>➢ Rules needed for allowing customers to opt out of UA at renewal due to order process | ➢ Revenue picture<br>➢ Operational experiences to date with this process | 7/21 | Yes | Pro Forma | |
| Component Pricing | *Moved to reflect order of completion* | | | | | | |
| | Cost analysis regarding potential cost differential for platform vs. component pricing | | | 7/30 | Yes | Finance working on these components | Bill Bennett, Scott Dell'Osso, Jim Settle |
| Is overall goal still = $200/yr/dt? | If yes | ➢ increase price of components to reach goal | ➢ MELP data<br>  ➢ UA<br>  ➢ No UA<br>  ➢ Products<br>  ➢ Breadth of products vs. depth of products<br>➢ Today's product allocation<br>➢ Renewal pricing assumptions<br>  ➢ Compare assumptions to VUP/UA<br>  ➢ ? - lever in model | 8/11 | Yes | Finance working on these components | Paulaau/scanp; Sandrawi |
| | | | | | Yes | | |
| | | | | | Yes | | |
| | If no – what is goal? | | ➢ See above | 8/11 | | | |
| | Remove OS from agreement | ➢ increase price of Office/BO CAL to remove gap from platform price | ➢ See above | 8/18 | | | |

EA Pricing Strategy Project

| | Options | Potential Impact | Data Modeling | Date Due | Started | Completed | Resource |
|---|---|---|---|---|---|---|---|
| Single Price Point | *Moved to reflect order of completion* / Flatten waterfall | ▲ leave money on the table / ▲ field empowerment changes? | | 8/13 | Yes | | Mickr |
| Single Price Point | Decrease number of price points | ▲ leave money on the table / ▲ no loyalty incentive / ▲ field empowerment changes? / ▲ no differentiation between customers with different install bases | ▲ Revenue impact / ▲ Revenue break even | 8/13 | Yes | | Mickr |
| | Eliminate black box price | ▲ why? if going to agent model / ▲ no loyalty incentive | ▲ Revenue impact / ▲ Revenue break even | 8/13 | Yes | | Mickr |
| | Customer transition analysis | ▲ TBD | ▲ Revenue impact / ▲ Revenue break even | 8/25 | | | Mickr |
| WW Price | ~~Moved to reflect order of completion~~ / ~~Increase ROW~~ / ~~price/decrease EMEA price~~ | ▲ Revenue | ▲ Revenue impact / ▲ Revenue break even | 8/11 | Yes | | Mickr |
| | Leave as is | ▲ Arbitrage continues / ▲ Program complexity continues | ▲ None | 8/11 | Yes | | Mickr |
| Other Programs | Open / ▲ Government Open / ▲ Charity | Revenue | ▲ Use Select modeling, plug in Open prices to determine impact for UA decision / ▲ Finalize Open prices against Select waterfall | 8/13 | | | Need to Identify |
| | Academic Select | Revenue | ▲ Use Select modeling, plug in Open prices to determine impact for UA decision / ▲ Finalize prices against Select waterfall | 8/13 | | | Need to Identify |
| | Campus/School | Revenue | ▲ Use EA modeling, plug in CA/SA prices to determine impact for components decision / ▲ Finalize prices against EA waterfall | 8/13 | | | Mickr |
| | OSL | Revenue | ▲ Use EA modeling, plug in Open prices to determine impact / ▲ Finalize prices against EA waterfall | 8/13 | | | Mickr |

EA Pricing Strategy Project

| Options | Potential Impact | Data Modeling | Date Due | Started | Completed | Resource |
|---------|------------------|---------------|----------|---------|-----------|----------|
| GIA/GSA | Revenue | ➢ Use Select modeling, plug in GIA/GSA prices to determine impact for U/A decision<br>➢ Finalize GIA/GSA prices against Select waterfall | | | | Need to identify |
| Commercial | Revenue | ➢ Use Select modeling, plug in Commercial prices to determine impact for UA decision<br>➢ Finalize Commercial prices against Select/Open waterfall | | | | Micke |