From josephk Tue Oct 23 14:40:21 1990
To: hankv jonro lewisl mikemap peteh richab ruthannl
Subject: Re: Our conversations today regarding Win apps direct programs
Date: Tue Oct 23 14:36:15 1990

We met with Jon and Rich to discuss how Windows may be part of our
direct marketing efforts, and reached some initial direction.

In a nutshell- Treat ISV's like resellers, and let them buy Windows
at wholesale and resell direct. Excel and Word could then buy
Windows for $78 and resell as part of their direct offers. Note
that this must then be available to any ISV, including Lotus
and WP. (Is this desirable?) Our trial offer then becomes
app for $149 or $99 and Windows for $99.

Word will test the response to such an offer this fall, and include
Windows as above. We would do the test before making this a real
ISV policy. We would however tell ISV's that we were doing
the test.

For our direct marketing ideas, we should use the working assumption
of making Windows a $99 check-the-box option while we work through
the issues surrounding this.

Rich's comments are below.

Joe

>From richab Tue Oct 23 11:30:57 1990
To: josephk ruthannl
Subject: Our conversations today regarding Win apps direct programs
Cc: jonro
Date: Tue Oct 23 11:28:03 1990

Here are my notes of todays conversation:

1.   A decision to go direct to the broader audience of GBUs
     with an offer for Win apps necessarily impacts Windows and
     that we would have to deal with the attendant channel issues
     as well.

2.   Windows has an additional complexity in that we would need
     to cut the same deal with ISVs that we cut with you and
     we need to be convinced that this approach to marketing is
     sound and that the sales organization is signed up to
     managing this new type of business (ie: direct sales to ISVs of
     windows).

3.   We should really learn from the Win 3 experience of high
     awareness, low price point, high sales and unclear permanent
     usage, before duplicating it with an application product.

4.   I don't believe that an Excel direct program can be exactly
     parallel to the Quattro situation because you cannot separate
     the environment sale from the app sale. Excel is not a 1 for
     1 replacement for Lotus because it is a Windows product.

5.   Jonro and I are OK with the concept of a test, but only with
     some caveats. First: we need to be satisfied that the other
     business issues are resolved or can be resolved (channel,
     direct to ISVs, margin, etc.) Second, we would insist on
     pro-actively notifying the ISVs that a test was going to be
     run to minimize the hysteria that can results amongst ISVs. ISVs

wanting to run similar tests would need to be reasonably
accommodated.

6. This is a big decision for us. We want to work through these
   issues together so we can both be successful.

~P