

ILL - Europe

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MEMORANDUM

<p>To: Norbert Christ Tony Speakman Gerhardt Heinbach Chris Griggs Lindsay Williams Peter Gebhardt Carlo Albertario Duncan Baldwin David Bridger Richard Thompson</p>	<p>Jose Vasco George Kapplinger Jean-Jaques Coppin John Bromhead Joachim Twelmeyer Achim Vetter Richard Gibbs Jon Williams Komol Gupta</p>
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From: Robert Gunn

Date: 31st January 1992

DeS's

EXHIBIT NO. 593
 4/27/98
 LEE A. BURSTEN

Subject: Summary and Action points from OEM Sales Meeting - 23rd January 1992

As promised I enclose a summary and action points from last week's OEM Sales Meeting. I apologise for the delay in issuing this note, but as you are all aware the focus has been on closing business in Quarter 1. The main points are as follows.

1. We reviewed the OEM Sales Budgets for Europe for FY 1992. In total our sales plan is for almost \$42 Million of revenue, with almost \$24 Million (57%) coming from OEM sales. Of these OEM sales approximately 55% comes from DR DOS. A copy of the overall Europe plan is attached.

We also need to understand that Novell look at the budgets as the minimum that should be achieved on both a quarterly, and annual basis.

2. As regards sales forecasting, everybody also should understand the importance of providing accurate sales forecasts on a regular monthly basis. In addition, as we move towards the close of each month, and each quarter, these forecasts need to be updated so that the management of DR in Europe, and in the US, have as accurate as possible assessment of the likely outcome on both a monthly and a quarterly basis.

Action all OEM Sales/sales managers/country managers.

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Plaintiff's Exhibit

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- d. We discussed the possibility of a market development fund being built into the OEM agreements to enable us to support OEM's with some marketing support. Whilst there is no budget for this, Robert Gunn will discuss this with Pete DiCorti.

Action: RG.

- e. It was also indicated that we are recruiting a Flexos Business Development Manager for Europe, and that this person when recruited, will be responsible for the overall development of the business, and sales strategy within the European arena, and would form a strong link with the Monterey Development Centre, and international sales activities outside of Europe.
- f. Tony Speakman gave an overview of our activities in the UK concerning Opus Technology PLC. Part of our sales strategy should not be to wait until an MS DOS Licence is about to expire, before we try and undertake some business with that particular OEM. I will be more than prepared to consider business opportunities on a case by case basis with other OEM's that are part of the way through their MS DOS licencing period, and if this means highly aggressive pricing from our point of view, then this should be brought up where opportunities arise and will be discussed.

Action: All OEM sales.

- g. We discussed DR Multiuser DOS and to what our real potential business is in Europe. It is estimated that there are only about 20 true OEM's, with the rest of our OEM business in reality being large VAR's. We need to try and develop our VAR business in this area, and although some of it might come under the category of Retail revenue, in certain instances we may continue to do OEM type agreements with larger VAR's for significant quantities of DR MDOS.

Action: All OEM sales.

- h. We discussed the possibility of a European OEM seminar. This may be held in Quarter 3 in possibly either Belgium or Holland.

Action: RG/DB.

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5. John Bromhead and Richard Gibbs gave us an overview of Microsoft's product plans. It is clear that in the next few months we are going to hear a lot of noise from Microsoft concerning Windows 3.1 which is due for release in the next two months or so.
6. We discussed both sales and technical product training for sales people. GPOS Product Development and Marketing will provide training to all European sales staff in the next three months for whom it is required. The feedback on these requirements should be provided via the country managers to Richard Gibbs.

In addition, Paul Whitney will be co-ordinating sales training requirements for all sales staff in Europe in the next few weeks.

Action: GPOS Product Marketing and Paul Whitney.

It was also agreed that training to Novell staff should be implemented where it hasn't already, and training in Novell's products should be provided to DR sales staff. This will be followed up by Robert Gunn in conjunction with the country managers.

Action: Country managers.

7. We discussed the issue of competition against Microsoft with regard to their strategy of only selling Windows with MS DOS 5.0, or selling Windows at a prohibitively high price if MS DOS 5.0 is not required. Firstly, any written evidence of Microsoft's strategy in this respect should be forwarded to Robert Gunn immediately. It may well be that Microsoft's sales strategies are illegal, and therefore the evidence is of the utmost importance.

In addition, if anyone has any ideas as to how the OEM's can source Windows stand alone at a price at which we are able to offer DR DOS 6.0, then they should make this known immediately to local country managers, and to myself.

8. It was requested that each sales office should have a set of RDK's in each office. Purchase orders should be raised for these RDK's by the offices for both DR DOS and DR MDOS.

Action: OEM sales managers/Lindsay Williams.

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9. It was requested that the Transfer Price List for products from the factory should be provided to the sales offices. This is in hand and will be distributed shortly.

Action: Andrew Owen.

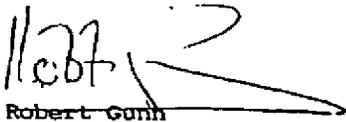
I believe this covers all the major points that we discussed. I may have missed a few other points that were raised during our meeting. If you think anything of significance has been missed out from this memo, then please let me know and I will circulate the additional points accordingly.

Finally, I would like to thank you for your input to the meeting, and we will hold the next OEM Sales Meeting at the beginning of Quarter 3, namely early May 1992.

However, in the meantime if there are important issues that need to be raised, as I am sure there will be, please discuss these with your local country manager, and they will ensure that any issues receive the necessary discussion and follow up.

I trust that everybody found the meeting useful and constructive.

Regards


Robert Gunn

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