

Erik Stevenson

From: Brad Chase
To: bradsi
Cc: bradc; tonya
Subject: RE: Confidence Crusade for MS-DOS 6
Date: Wednesday, August 04, 1993 11:02AM

My first cut at a response:

I understand your concern and completely agree that any innovative idea like the book bundle must be worked with your team. At the same time I support Brad's goal to push his marketing team for innovation, new ideas etc. I want them to have the spirit of making things happen and driving their business that has been so fundamental to Microsoft success. Many innovative marketing programs originate in product groups (seminars, direct mail, newsletters, "champs") b/c they are focused on achieving specific product goals.

I worry a bit less about the fine lines of who "owns" what when. Lets just push our business forward. Bradc and I have been very involved in the OEM IBM business and that has helped MS. You and jeffr certainly helped influence the SRP for the MS-DOS 6 Upgrade. Certain things are clear cut (I would never make a sales call without working with you and you would never commit to getting a product feature done without working with me). In this case I would be very mad if they finalized the deal without getting your input but there was never any intention of finalizing the deal without working closely with your team.

From: Brad Silverberg
To: Brad Chase; Tony Audino
Subject: FW: Confidence Crusade for MS-DOS 6
Date: Friday, July 23, 1993 5:27PM

anything you think I should say to him?

From: Mike Appe
To: bradsi
Subject: RE: Confidence Crusade for MS-DOS 6
Date: Friday, July 23, 1993 10:27AM

The book idea may be clever (Negrin frankly thinks not - I'm neutral) -What I didn't(and still don't) like is how your people operated to initiate the deal. Your people need to understand their job. I promise never to get into the positioning or packaging of your product. Keep your guys out of the issue of how we "sell" our products without working through us (or OEM). They were totally off base and caused much problems. You may disagree (in fact I think Tony does) - but I'm frankly damn emphatic about only one organization discusses pricing and distribution of products with the channel in the US - and its US Sales (or OEM as appropriate). You own selecting SRP's only. Proposing and negotiating deals without our involvement and agreement (and without us managing the negotiation where we understand the channel parity, support, order processing, returns, etc) of the channel issues is bad business.

mikeap

From: Brad Silverberg
To: Mike Appe

Page 2

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CONFIDENTIAL

Plaintiff's Exhibit

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Comes V. Microsoft

RBC 04735

Subject: RE: Confidence Crusade for MS-DOS 6
Date: Tuesday, July 20, 1993 12:29PM

Thanks for your help!

You don't like the book deal? I think it's a hot idea.

From: Mike Appe
To: bradsi
Subject: RE: Confidence Crusade for MS-DOS 6
Date: Tuesday, July 20, 1993 11:48AM

Sanderson has a plan to ensure the appropriate field resources are ready and willing to support this. We want to counter IBM in every way we can. Keep Bradc and team under control on these book deals, 800 numbers, etc and we'll all sleep better.....He needs to get his team to work with us - not around us....

mikeap

From: Brad Silverberg
To: Mike Appe
Subject: FW: Confidence Crusade for MS-DOS 6
Date: Thursday, July 15, 1993 7:21PM

I know you are swamped for resources but your help to get some reseller rep bandwidth to implement the stuff below would be appreciated. We need to move the units for \$ and competitive reasons.

BTW, I got today the FY93 yearend numbers and USFG for MS-DOS did 3.58M units versus a budget of 1.3M. Not bad!!! Congrats!

From: Brad Chase
To: mikeap
Cc: bradc; bradsi; jeffsa; paulma; tonya
Subject: RE: Confidence Crusade for MS-DOS 6
Date: Thursday, July 15, 1993 3:04PM

what do you think on the field resource issue?
jeff are you the contact for the fall promo?

From: Steve Ballmer
To: Brad Chase
Cc: Brad Silverberg; Jeff Raikes; Jeff Sanderson; Mike Appe; Mike Negrin; Paul Maritz; Tony Audino
Subject: RE: Confidence Crusade for MS-DOS 6
Date: Thursday, July 15, 1993 2:50PM

stick with jeffsa and mikeap they are key on field resources and the fall promo

From: Brad Chase
To: Steve Ballmer
Cc: Brad Chase; Brad Silverberg; Jeff Raikes; Jeff Sanderson; Mike Appe; Mike Negrin; Paul Maritz; Tony Audino
Subject: RE: Confidence Crusade for MS-DOS 6

Date: Thursday, July 15, 1993 2:40PM

I'll check but I believe we are paying for the toll line here in the prod group. we pay for it now, we still get a decent volume of calls even though we are months after launch

One of the key things to do to combat pc-dos and dr-dos and minimize our ms-dos 6 upgrade returns when we launch elroy in early October is to be aggressive now. We have approx. 700K-800K in the US channel (450K at direct) and currently estimate sell thru at about 30K per week. We are aiming to get that up - goal is 50K per week. We are doing local newspaper ads, reseller and press visits, etc. (all the stuff you read about in the confidence campaign email)

Mikeap and mikene had several ideas to help. One was to rebate resellers a buck or two a unit for units sold in Aug and Sept. We can ask resellers to provide the end user names. My understanding is that while the details have not been flushed out, everyone likes the idea (jeffsa/miker to have detailed recommendations Monday) but the one open issue is concern about using field resources to implement.

Mikeap/Jeff/Steve can we get your support for this? I understand that you have to balance a lot for the field. If it is any consolation the resource drain would be focused on the reseller reps who call on the top say 20 resellers. Each unit we have to scrap is \$6 and so this effort can not only help garner material incremental revenue but it will also help us minimize our large returns exposure. It also makes it harder for IBM and Novell.

As far as I know my team is not in the loop on the fall office/upgrade promo. I am not aware of what is going on. Who is the contact they should work with?

From: Steve Ballmer
To: Brad Chase
Cc: Jeff Raikes; Mike Appe; Mike Negrin
Subject: RE: Confidence Crusade for MS-DOS 6
Date: Wednesday, July 14, 1993 10:16PM

who will man this toll line ho will it be paid for i am not objecting but do prefer those things which do not require heads or field support at this time I assume we will include elroy in the fall offffice/upgrade promotion

From: Brad Chase
To: Bill Gates; Mike Maples; Steve Ballmer
Cc: Brad Chase; Brad Silverberg; Jeff Raikes; Joachim Kempin; Mike Appe; Paul Maritz; Tony Audino
Subject: FW: Confidence Crusade for MS-DOS 6
Date: Friday, July 09, 1993 10:10AM

MS-DOS 6 Upgrade sales have stayed well above the MS-DOS 5 Upgrade despite the InfoWorld press helped by such tactics as initiating, publicizing and distributing our customer satisfaction research, the ad we ran in PC Week and IW, the personal letter from me to the press and resellers, the reseller and OEM visits, the broad distribution of tips and tricks and XXCAL study, articles for micronews, and emails to the company and to the field.

However the "confidence crusade" continues. Tony's mail below summarize the additional things we are doing NOW (we are not waiting for Elroy, we are being aggressive now).

From: Tony Audino
To: Brad Chase
Subject: Confidence Crusade for MS-DOS 6
Date: Thursday, July 08, 1993 2:06PM

The marketing team has developed and is executing a plan for restoring confidence in MS-DOS 6 with customers NOW! All tactics in this plan will be completed by the end of July. We have broadly defined customers to include distis/resellers, OEMs, corporate accounts and non-purchasers (EUs who has evaluated the product and chosen not to purchase it because of negative press or other reasons). The attached document outlines this plan in detail and provides the status and due dates for the various tactics. As appropriate each tactic is being rolled out in all the channels that are appropriate. It also summarizes the steps we are taking to address the competitive challenges to our business (PC-DOS6.1, Novell DOS 7 and Stacker 3.1). I will cover the highlights below.

Tactics for Confidence Crusade

- 1) Account visits to all distis and top 15 resellers; top 5 OEMs
 - provide Top MS-DOS 6 Q&A (1 page flyer)
 - provide binder with supporting materials, eg, XXCAL, NSTL, Byte article, MS-DOS 6 Tips & Tricks, etc
- 2) Establish reseller toll free hot-line/fax to answer questions/send materials
- 3) Broad distribution of XXCAL study via field reps
- 4) Finalize and broadly distribute NSTL study
- 5) Broad distribution of Byte mag reprints via field reps
- 6) Run momentum local newspaper ad campaign in 10 largest markets for 3 insertions beginning 7/10.
- 7) Present technical video tour- live video with 2 way audio beamed to 10 cities and Canada with technical presentation on MS-DOS 6 followed by Q&A
- 8) Distribute MS-DOS vs PC-DOS comparison via field
 - follow up with other competitive research PC-DOS, Stacker 3.1 and Novell DOS 7
- 9) Obtain testimonials re successful installations of upgrade for PR

10) Analyst/monthly press tour "Putting MS-DOS 6 in perspective" beginning 7/28

Tactics to address Competitive Challenges

PC-DOS 6.1

- 1) Prepare positioning paper for broad distribution to the field, OEMs, resellers, etc - DONE
- 2) Conduct call down of press, analysts re PC-DOS 6.1 v MS-DOS 6 - DONE
- 3) Perform product testing after we receive a copy to supplement positioning paper
- 4) Comparative analysis of SuperStor and DoubleSpace
- 5) Monitor PC-DOS penetration of OEMs with OEM group; this is where we could get hurt the worst
- 6) Meet with Mikene/Mikeap re ways to combat PC-DOS in reseller channel
- 7) Prepare and seed press/analysts with positioning paper on "New DOS era??" where IBM, Novell and MS will compete with different DOS and why MS-DOS will remain the best choice for customers.

Novell DOS 7

- 1) All of the same tactics from PC-DOS apply here as well. We presently anticipate a Sept release and we will be prepared.
- 2) Prepare positioning and "leak" of MS-DOS 7 to coincide with Novell DOS 7 announcement.

Stacker 3.1

- 1) Perform product testing to support comparative analysis
- 2) Prepare positioning paper for broad distribution to the field, OEMs, resellers, etc
- 3) Have XXCAL conduct comparative product testing with Stacker 3.1 and DoubleSpace.

<< File Attachment: CRUSADE.DOC >>