

Dean DeWhitt

From: Dean DeWhitt
Sent: Monday, January 26, 1998 9:19 AM
To: Dean DeWhitt
Subject: Re: FW: Works Royalty Unaccrued for "A5 Lite+Works" in Nov.

Dean,

Every time I release a new SW BOM Mike B. and I meet to review the cost and part numbers. The same was done for all of Aspire 6 plus any. and all, late releases of Aspire 5.

In this particular case I gave Mike the new part number but I did not attach a price to it. Mike had no way to know that this was a new part number so he did not attach a cost to it.

Mike and I will review the data on all system part numbers again on Tuesday at 9am. We do not suspect that we will find any other fatal incidents such as this one.

A balancing act: While the correction on this is +\$8, the actual correction will be +\$4. this is because we had over paid by \$4. on Windows95. We had originally calculated that the price would go up by \$4. in Nov. but Taiwan later confirmed that the start date for the new price was Dec. 1st.

To prevent this from happening again I will provide Mike B with a detail spec that will list if a part number is new or not. This is part of a current review spec process which Dean had requested.

Thank you,

Ricardo

Ricardo -

It is very urgent for you to understand the total story on this. I am praying that this is not true, but Michael is normally accurate. Since I am leaving for Taipei, I want you to research this by the end of Monday and report to me in cmail on the details.

If this is true, I want to know in great depth why it is true. As soon as you are sure you know the facts, make sure Mike Culver knows them too. This is terrible.

Make sure you look at every month, every SKU, not just November, and not just the Wallmart SKUs. Remember this clearly, we can have no surprises.

Dean

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

From: Michael Boucher
Sent: Friday, January 16, 1998 4:31 PM
To: Ted Lai; Robert Olstad; Dean DeWhitt; Ricardo Correa
Subject: Works Royalty Unaccrued for "A5 Lite+Works" in Nov.

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All,

\$8.00 royalty per unit should have accrued to Asp5 "Lite plus Works" (PNs 91.ab524.d03, 91.ab524.d04 and 91.ab578.d01) but did not as the royalty amount was not attached to the PN.

An adjustment will be made to add additional COGS for November of \$298,928 (37,366 at \$8.00/unit).

Verification of the royalty roll up amount should be done for all new BOMS by using PS37, Option 2 with "ROY" in the RTV field (if that was done for this sku when released it would have shown \$8 less in royalty cost than projected).

Ricardo, we need a clearer communication of all new royalty PNs as I didn't know this 353 (353.ab584.005 for Works alone) number was being used, which is why the royalty amount didn't get attached. Please ccmail any new 353 numbers to me, with the unit royalty listed for each, prior to the beginning of the month in which we'll make the initial shipments of the PN. If you don't know the PNs prior to the beginning of the shipment month please let me know what skus will be effected so I'll know to make manual cost additions.

Thanks Mike Boucher 1/16

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