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To: jodys jonl
Date: Mon Mar 9 1992 08:49:05
Subject: RE: C7/SDK merger
Cc: arts
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EXHIBIT
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Another reason to keep the SDK alive is because I don't want to put the future of the SDK in the hands of the Languages group. If they flop with C7/C8, etc... I don't want to go down in flames along with them. Also, we need to have the ability to revise the SDK when Windows changes, not when the C team decides to get another 'timely' release out.

From: Jody Snodgrass
To: Jonathan Lazarus
Cc: Art Schumer; Jody Snodgrass
Subject: RE: C7/SDK merger
Date: Monday, March 09, 1992 08:42

The bottom line is that we will not be selling many Windows 3.1 SDKs. We have decided that we want to buy C market share and we are doing it by integrating the SDK into our C7 box. I support this and think it is the right thing to do given that we want ALL developers to write Windows apps, and C is our biggest selling development tool so we should put the entire SDK in here. Hopefully, we will sell more C7 and make up our SDK revenue loss here.

The only audience left for our SDK is people who buy C from another manufacturer and want to write Windows apps. Even this won't amount to much because it would be cheaper for them to upgrade to C7 (\$139) and then pay \$150 for the SDK docs.

In essence, we won't be selling the SDK in any quantity.

I believe we should still leave our stand-alone SDK on the market, even though we won't sell much, because I don't want to possibly confuse the market. People might potentially say that the Windows SDK is dead because MS is focusing on NT now. And there will still be a few customers for this product.

I've also thought about decreasing the price of the SDK but I'd recommend we don't do this for a couple of reasons:

- We don't want to compete with C7 on price. The truth is we want people to buy C7 instead of the SDK.
- I'm concerned about lowering our SDK price because it will put pressure on us to lower our 3.1 DDK price and our NT sdk and ddk prices.
- Lowering the price won't help us sell that many more (if any) SDKs.
- I don't want to communicate that \$500 is too high for a development kit as it certainly is NOT. \$500 is a very good price for this kit and we shouldn't be quick about changing this message.

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Plaintiff's Exhibit
9042
Comes V. Microsoft

That's my views. I'd be happy to discuss.

Jody

>From jonl Fri Mar 6 10:08:31 1992
>To: jodys
>Subject: C7/SDK merger

Date: Fri, 6 Mar 92 10:07:56 PST

do we have an SDK business? how do we charge \$500
when they charge \$495 and include the SDK.

> From: jimcc
> Subject: C7/SDK merger
> To: bradsi jonl mikemap paulma
> Date: Wed Jan 29 15:04:16 PDT 1992

>
> This note documents our current plans to combine the win 3.1 sdk
> and C7. This move will give substantial strength to C7 and will help
> give much needed market focus to the product, i.e., clear superiority
> with respect to Win 3.1 development. The data below gives an
> abbreviated view of the financial implications of making this move,
> using conservative assumptions about increased market share. Our view
> is that this combination makes for a killer C7 offer which Borland
> will have a difficult time duplicating. C8 upgrade revenue
> is not factored in. It is also difficult to quantify the
> overall effects of a revitalized user community. Unless there
> are objections, this will be the current plan.

> Background:

> Given the recent decision to make C7 a Win3.1 focused product,
> we have taken a look at our implementation plan from a customer
> perspective. Our goal is to provide the best tools for
> Windows development and regain lost marketshare from Borland.

> In addition, we want to clearly communicate this
> goal through not only our marketing efforts, but also through the
> product itself. Upon examination, we realized the we had created
> a confusing message for the customer by including most, but not ALL,
> of the SDK components in the C7 box.

> Plan of Record

> C7 Beta 3 (12/91): C7 included the basic Windows 3.0 development tools
> (win 3.0 libs, .H files, and resource editing tools).

> 1/27/92: Met with SteveB and added SPY, Debug Kernel, GUI Setup Toolkit
> and multimedia libs.

> 2/13/92: C7 would include the additional resource/analysis tools from the
> SDK because they are documented together.

> 2/21/92: Due to delays, C7 would be focused on Win 3.1

> As a result what was not included in C7 from the SDK was:

> * WIN 3.1 SDK Documentation (~5,000pp)
> * Pen Windows SDK Components

> NEW PLAN

> We are now planning to include all of the Windows SDK components in

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> the C7 box, and that we fulfill standalone SDK orders with the
 > combined SDK/C7 product. The C7 \$139 Reseller upgrade (version and
 > competitive upgrade) will include ALL C7 and SDK Software (and online
 > Win3.1 API documentation) with Win3.1 hardcopy documentation available
 > through fulfillment.

- > * Reseller and Direct Upgrade is \$139 (includes full SDK sw)
- > (Reseller upgrade is 90 days - ending July 1)
- > * Full Retail Box at \$499

> The advantages of this approach are:

- > * Borland cannot easily respond
- > * Clear message to customers that there is ONE product from MS
 > for professional Windows development
- > * Additional incentive to new customers to use/evaluate C7
- > * Increase in market share due to the simpler message and
 > completeness of product (hammer Borland)

> Financial Impact: (Estimates in \$)

	FY92	FY92	Q193	Q193
	revenue	Margin	Revenue	Margin

> FY92 Approved plan	14,284,190	11,250,000		
> Jan'92 Revised forecast	17,627,810	11,252,694		
11,201,199	7,077,042			
> NEW PLAN	19,429,208	10,645,965	10,623,985	6,223,330
*New Plan results in \$1.459MM less margin over 6 months. Units increase from FY92 plan of 65K to 134K (largely due to reseller and competitive upgrades)				

> NOTE: Full details on the financial impact is available from
 > GregL/PaulMi

> Implementation Plan:

- > 1. C7 Program Management will modify the packing list for the
 > C/C++ product to delete all duplicate components of the SDK.
 > The setup program will be modified as a result.
- > 2. SDK Program Management will cooperate with C7 Program Management
 > to modify setup to utilize the same directory structure as C7.
- > 3. SDK Program Management will rename C6 vintage Codeview files
 > to "CVW3" since CVW4 is in C7 software.
- > 4. Because we have a stock of C/C++ upgrade packages that are too
 > small to include the Programming Tools book we will insert a
 > fulfillment card offering the document free upon registering.
 > We will adjust the size of the upgrade box for the next printing
 > and eliminate this card.
- > 5. We will create an SDK documentation fulfillment card that will
 > be inserted into the C7 upgrade packages offering the remaining
 > SDK documentation for \$159. The full SDK documentation will
 > be included in the retail \$499 product.
- > 6. We will modify all C7 advertising, collateral materials, intro
 > kits, direct mail, and packaging to indicate that the entire
 > SDK is included.
- > 7. We will modify all C7 BOMs to reflect this plan.

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>
> Notes:
> - Win 3.1 SDK will exist as a stand-alone SKU--we realize we won't
> sell many units
> - For SDK Upgrade customers (who receive direct mail for SDK
> @ \$150 we will
> fullfill with SDK and C7 SKUs (to make it absolutely clear that they
> are getting the SDK (which is what they ordered).
>