receiving payment from their customer (and they have a business incentive to go after that customer). If Unisys does not get paid and thus does not pay MS within 180 days of our reporting incident to Unisys, then Unisys agrees to assign to MS their rights with their customer regarding this and MS can pursue directly with customer.

Joachim's point is that MS' chances of catching a corporate customer cheating on this upgrade replication are about the same as catching them copying illegally today-nil. He is trying to help Unisys make MS-DOS 5.0 their sole MS-DOS product across all their installations.

Unisys has an LOI to this effect and upon signing will begin selling Upgrade licenses to their customers. Pete is drafting an amendment which will be completed and signed before the end of December.

Pete, comments or corrections?

> To: tedha
> Subject: unysis

Date: Mon Oct 28 18:58:10 PDT 1991

what happened to their upgrade plans with dt3?

From: johaw
To: bradc
Cc: Kathyg; johaw; richardf
Subject: Z-Nix and DRI
Date: Thu, Nov 7, 1991 12:24PM

Date: Thu Nov 07 12:23:46 PDT 1991

Brad,

Kathleen asked me to report you this information.

When I discussed with Z-Nix about future biz opportunities, I found they will begin to carry notebook PCs and Pen based PCs in late Dec or Jan. Z-Nix is interested in license MS-DOS for only Pen Based PCs. After further discussion, Jimmy Chen, president of Z-Nix, told me he is considering license DR DOS for notebook PCs. Two main reasons for that are: 1. the compression utility (he does not care whether it is stable or not) is useful for notebook PCs which normally has only 40MB HD; and 2. there are too many notebook suppliers from Taiwan, and the competition is very high. DR offers under $5 royalty which is significant lower than MS-DOS.

He is holding his decision about licensing DR DOS, and is waiting
further information from IBM. If IBM bundles DR DOS with PS/1s, Z-Nix will go ahead and do it. I believe there will have many small notebook OEMs doing the same.

Thank you!

John

From: bradc
To: oemman
Cc: bradc; dosmkgtg; joachimk
Subject: Bad News/Good News
Date: Thu, Nov 7, 1991 6:39PM

Date: Thu Nov 07 18:40:14 PDT 1991

o InfoWorld review this week gave MS DOS 5 a 7.1, and DR DOS 6 as 7.6, although an article on p.8 of the same issue notes that the review was already in print before the compatibility problems and setup bugs were discovered.

o The page 8 article reports that users are reporting glitches (BUGS!) in DR DOS 6, including problems with its default installation program that allow it to delete or replace existing DOS files. DR DOS 6's security features have compatibility problems with PS/2's. Uninstall also has problems. Also, all README files in the user's system can be replaced by the DR DOS README file. DRI plans to offer a fix in the next few months.

Note that InfoWorld received this information by calling users provided to them by DR - normally these are your best users...

We are frustrated by the press' inability to be more critical with dr despite its many problems and our many communications with them. We will be even more aggressive in the coming weeks. bradsl and i are going on a ms-dos 5 press tour to talk about our successes next week and will discuss our quality advantage. we are sending the testing results from our independent tests to key publications and are even looking at ideas such as a "Rescue Program" where customers of dr dos can get rescued and sent the ms-dos 3 upgrade by sending us a letter indicating their problems along with their dr dos disks and documentation.

Unless anyone has a problem we are planning on releasing the OEM press release put together for IBM on Monday. If IBM announces support for DR in the future we can reissue or do another one.

The detailed summary of what we learned about dr dos from the testing house is still in \pyrex\public\dosmkgtg\drdos.
The long version is drstrik1.doc (winword 1 format) or drstrik2.doc (winword 2 format). there is also a short and wet version called drshort.doc

From: georged
To: dteam; kgteam
Cc: alexn; bradc; jonro; ocmman
Subject: The Easy-D, Wolfman Strikes!
Date: Fri Nov 8, 1991 2:52PM

Date: Fri Nov 8 15:50:54 PDT 1991

The ink is still wet, but we just received the signed
copy and due on signing check for Vinsotec—a notebook
supplier—for 100,000 copies per year—of MS-Easy DOS
AND Windows, per processor.  Woo, woo, woo, wolf!

From: claudiar
To: bradc; richardf; sergiop
Cc: claudiar; darinsi; karlc; nellim; ryele; rickde; timb
Subject: Microsoft Easy Distribution
Date: Fri, Nov 8, 1991 3:42PM

Date: Fri Nov 8 15:42:12 1991

After careful evaluation we have selected a subcontractor/agent
to perform the MS Easy Distribution program. We used several
elements in performing the evaluation including, WCM capabilities,
cost, flexibility, customer service, and complete fulfillment
capabilities.

Our goals included having an agent provide the complete business
cycle. This included order entry, customer service, manufacturing,
printing, distribution, license verification, and complete invoicing.
We requested that the complete business cycle look like to our
customers that they are doing business with Microsoft. Therefore,
making it completely transparent that we (MS) were using an agent
to provide this full turnkey operation.

We selected Print Northwest as our partner in this journey. Print
NW is the leading graphic communications manufacturer in the Pacific
Northwest. The company’s mission is to be preferred by relationship
oriented customers seeking responsive, innovative, consistent, high
quality communication solutions. Their focus is on satisfying
customer needs while applying the latest technology, modern tools,
and a creative environment for all of their employees to produce
the best product for their customers.
PNW has an outstanding existing relationship with Microsoft, and
we look forward to expanding this business opportunity.

Finance will be working with legal next week to finalize the
contract. If anyone has any questions/comments, please feel
free to contact me.

From: richardf
To: Bradc
Cc: richardf

MSC 00566617
CONFIDENTIAL
As I said in previous mail We SHOULD NOT DO THE PRESS RELEASE FOR MS-DOS ON MONDAY.

We set expectations with customers who gave us those quotes that we would use them if IBM announced a DRI product offering at Comdex.

Also that if we used their quotes at some future date (is not Comdex) we would notify them in advance.

IBM has not announced a DRI product, and we have not given any notification, to do the release would be acting in really bad faith with those customers.

richardf

From: daveb
To: adamt; bradc; bradh; edithw; ericst; fernasdd; marionj; naveenj; sergiop
Cc: claudiar; joank
Subject: OEM Publishing Agreements
Date: Mon, Nov 11, 1991 12:21PM

Date: Mon Nov 11 13:21:01 PDT 1991

The purpose of this mail is help each of you understand the OEM Publishing agreements and the benefits OEM believes they are to Microsoft. It is not my intent to increase anyone's workload or to slow down the process of producing our documentation. By making a few procedural modifications, I feel these agreements can prove beneficial to the systems market.

Overview

OEM Publishers are specific companies selected by Microsoft to manufacture licensable products for our OEM customers. Manufacturing may include only the printing of manuals or the complete printing, disk duplication, and assembly of finished good product.

The Publishing Agreement permits the OEM Publisher to produce "generic" product prior to receiving an order. Other printers or assemblers are not permitted to do this because of copyright laws. Microsoft works directly with the OEM Publisher to provide the necessary masters (Ventura/WinWord files, Postscript files, or Film/CRC). The administration of these agreements is handled by OEM/PRS. The volume of OEM product (MS-DOS, Windows) currently being produced by publishers is approximately 2.4 million

MSC 00556618
units per year.

Goal

To reduce OEM customer's Cost-of-Goods-Sold (COGS), and reduce their time-to-market.

Cost of Goods Sold

There are several costs to consider when calculating and OEMs total COGS. To name a few: adaptation of the documentation, film/CRC, print vendor costs, obsolete inventory, and of course royalties paid to Microsoft. Costs will increase significantly when an OEM is producing low volume. Competition and market demand is pushing costs down. We obviously want to avoid lowering our royalty so instead we attempt to lower an OEM's material cost.

Strategic Benefits of OEM Publishers

OEM Publishers can produce in large volumes therefore distributing production costs over several OEMs. The end result is lowers COGS to each OEM.

The OEM's Time-to-Market is reduced. Each OEM does not have to go through the adaptation period.

Product content and quality remain consistent throughout the industry.

Less administration for Microsoft. We do not have to assist or support each OEM as they attempt the adaptation process.

Per-System Royalty Agreements are more accessible to smaller OEMs. We can reduce the number of Package Product customers which have no long-term commitment to us.

Manufacturing capabilities at several worldwide locations.

Shipment Reporting: OEM Publishers report back to Microsoft, the numbers of units manufactured for each OEM. We are then able to compare this to the units being reported by the OEM.

Requirements

There are a few requirements in order for this process to work. 1) accurate scheduling and product specifications. 2) access to final documentation Postscript files. Since the documentation is not being modified, the
postscript files require much less work. These files would need to be a complete set of the final documentation. Since OEMs produce in single and 2 color the postscript files would need to be produced in a single color, and color separated if we have produced our document that way. Postscript files are generated already for our documents, so very little change would be necessary. (Note: These files are not to be provided any earlier than the ODK or OAK shipment, they would just be provided in a better format.)

I would appreciate any feedback that you may have on Publishing Agreements. Also, can anyone provide the appropriate person or persons that I can work with to discuss or implement the procedures for receiving Postscript files on a regular basis?

Thanks, Daveb

From: sergiop
To: bradc; georged; richardf
Cc: dosmkgtg; sergiop; stevemc; tombru
Subject: Customer visits with Korean subs
Date: Mon, Nov 11, 1991 3:37PM

Date: Mon Nov 11 15:37:24 PDT 1991

Tom and I visited 3 Korean customers on 11/7: Hyundai, Trigem and Goldstar.

The visits proved very valuable because all three were made well aware of the value of maintaining strong business ties with Microsoft. This involved discussing the momentum behind MS-DOS but more importantly a look at futures: what we’re providing for the portable computing segment.

All three left the meeting understanding that we’re providing more than just MS-DOS to the portable computing segment. All three were very interested in the info as all three have a vested interest in the portable segment.

We met with key decision makers of each customer within one week that the two of us discussed the message we would communicate to these OEMs. It’s great to see Tom jump on this effort with the Korean OEMs.

Our next target should be Taiwan OEMs and whatever Korean OEMs we didn’t visit last week.

Let’s keep the ball rolling and stay on top of these OEMs. Sometimes the communication between the parent and sub is not very good so it’s important that whatever we evangelize to the parent we evangelize.
to the US sub as well.

Tom and Steve, are you two ready for the next round?

From: adamnt
To: bradc
Cc: adamnt; dosmkgt; jeff
Subject: Update on Vobis/Dr. Dos
Date: Tue, Nov 12, 1991 1:39PM

Date: Tue Nov 12 14:40:44 PDT 1991

Spoke with Jeff from Germany. Here is a quick Vobis update:

-since Sept, Vobis claims they are shipping 50/50 MS-Dos to Dr. Dos, but we are still paid on a per processor royalty agreement.

-Vobis chairman "hates" MS and instructs their chain of Vobis dealers to push Dr on customers who don’t know what they want.

-Vobis has a better relationship with DRI because DRI treats them as a "strategic partner."

-Vobis is by far the most progress DRI has made with any Euro OEMs, but Jeff has also seen Dr in price sensitive markets like Spain & Italy.

at

From: bradc
To: dosmkgt
Cc: bradc
Subject: UPDATE MS-DOS 5 LICENSEES
Date: Thu, Nov 14, 1991 12:58PM

Date: Thu Nov 14 12:58:53 PDT 1991

>From richba Mon Nov 11 17:37:21 1991
To: bradc
Subject: RE: FW: RE: URGENT UPDATE MS-DOS 5 LICENSEES

Date: Mon Nov 11 18:38:29 PDT 1991

180+ Royalty licensees
200+ PP licensees

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From: kathyg
To: bradc; garype; sergiop
Cc: bradc; oemman; richfd
Subject: RE: DRI...
Date: Thu, Nov 14, 1991 5:39PM

Date: Fri Mar 04 10:39:36 PDT 1988

I think we could get an extra $1 - lets just have an option available to them so we can overcome the dri objection.

kg

From: bradc
To: garype; johnj; sergiop; tedha
Cc: bradc; oemman; richf
Subject: RE: DRI...
Date: Fri, Nov 15, 1991 11:23AM

Date: Fri Nov 15 11:23:25 PDT 1991

we are also talking to Stacker and other compression folks about a possible bundle deal - so lets us play that out first. could we get a $1 or $2 or more extra from oems who wanted to use stacker?

our portable computing initiative then gets even stronger:
1 - advanced power mgmt
2 - ms-dos 5 in rom
3 - file transfer
4 - pcmcia support
5 - solid state media support

and compression. don't get excited yet b/c we have no idea whether we can pull this off but i do need to understand from oem whether you think you could get incremental royalty revenue if i get rights to a good product.

Brad

>From: johnj Fri Nov 15 10:26:54 1991
To: garype sergiop tedha
Cc: bradc oemman
Subject: RE: DRI...

Date: Thu Nov 14 22:24:35 PDT 1991

We might want to go one step further and talk to the folks that do stacker, do some pre-selling on why they might want to have an aggressive royalty for OEM's, get a contact name that we can give to OEM's, etc. That wouldn't take much time but should address the objections.