

DOJ - Legal

From: Mary Engstrom
To: Hank Vigil
Subject: RE: Office 1 SKU/2 SKUs
Date: Monday, April 26, 1993 2:43PM

For the record, I truly loathe you. But I know we have to work together on this stuff.'

From: Hank Vigil
To: Mary Engstrom
Subject: RE: Office 1 SKU/2 SKUs
Date: Monday, April 26, 1993 1:33PM

I'm on your side (or anyone's) who is trying to get the price higher. I agree with you that we should test the price sensitivity before we go below. I keep saying to Pete and Mike that as the market leader I think we can raise prices moderately and Lotus will follow. You may be right about the on-going reality of where the business flows, but I do think the SRP and Street will be strong signals.

From: Mary Engstrom
To: Hank Vigil
Subject: RE: Office 1 SKU/2 SKUs
Date: Monday, April 26, 1993 2:24PM

I suggested a single sku with a higher price, remember? The knock on it was that street had to be below \$500. I then said we could price at \$819, as that is the lowest we could go with a street of <500. We should discuss this further. Kathleen/Marlee are forecasting that something like 60% of the Office/Access business is going through Select. If that's the case, perhaps we should be placing less emphasis on street price.

From: Hank Vigil
To: Kathleen Schoenfelder; Mark Kroese; Mary Engstrom; Robbie Bach
Cc: Dawn Trudeau; Pete Higgins; Roger Heinen
Subject: RE: Office 1 SKU/2 SKUs
Date: Monday, April 26, 1993 11:50AM

I would like a consensus between this group so we can present one strong proposal to Mikemap and Steveb. Mike is against the single sku proposal since it sets the price for us at \$795, even for new users. It is aggressive. I've heard one other proposal that hasn't been widely discussed, this from Danielp - go with one sku and raise the price higher, say SRP of \$849.

Mike does believe we can get out front and have Lotus follow us. Pete is seeing Mikemap tomorrow. I would like us to have a final proposal and try to reach closure with Mikemap in Pete's 1-1.

I assume you can all get your pov to the group today.

thx

From: Kathleen Schoenfelder
To: Mark Kroese; Mary Engstrom; Robbie Bach
Cc: Dawn Trudeau; Hank Vigil
Subject: Office 1 SKU/2 SKUs
Date: Monday, April 26, 1993 12:29PM
Priority: High

I would like to reach resolution among the group of us on whether we should have one Office SKU or two.

The current proposal is one Office SKU priced at \$795 (under \$500 street)

DEPOSITION
EXHIBIT
22
Bach
6/27/01

This would mean that we should have a single version upgrade SKU, potentially at \$249 to \$329 SRP (Access folks are proposing \$329, Robbie mentioned \$249 in the meeting with Steveb). The timing/existence of a competitive upgrade SKU is not yet resolved. However, if we have the version upgrade qualification at one product, a user could simply buy one competitive upgrade SKU then purchase the Office. Total for the "competitive upgrade" would be \$149 plus the price of the Office Version Upgrade. This was a suggestion submitted by Dawn and Mary that I think we should pursue, but has some drawbacks (such as the owner then having two licensed copies of one of the products and the issue of how it could fit within SELECT).

Since we are now slipping the release of the new SKU linearly with each day and also holding up FY94 forecasting, can we make a decision on 1 SKU/2 SKUs and get Steve/Mike/Pete approval asap? Please let me know your opinion today.