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Belle
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Plaintiff's Exhibit

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I Executive Summary

This launch plan is designed to grow sales of DR DOS through the following:

- A) Increase industry and end-user awareness of DR DOS as a superior alternative to MS/PC-DOS 3.3x or 4.0.
- B) Make additional inroads into the OEM channel by providing a superior product with a higher profile.
- C) Increase attention on the need for alternative operating systems, focus on the shortsightedness of relying on Microsoft as the gatekeeper of microcomputer advances.
- D) Make DR DOS available to VARs and end users by placing it into distribution (before Microsoft does).

This will be accomplished through an aggressive advertising and PR campaign. Since we do not have the financial resources to blanket the industry with our advertising message, the plan is to place eye-catching ads in a limited number of high-profile publications.

In addition to advertising, we must campaign for increased discussion of the wisdom of the current O/S monopoly.

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II Marketing Objective

A State of the market

DR DOS is currently sold to OEMs, System Integrators and a small number of VARs. Because of the product limitations of DR DOS 3.41 and earlier versions, this was the best channel. Our OEM customers were responsible for providing support to their dealers and end users.

Currently, MS-DOS and PC-DOS packaged product are not available through the retail channel without hardware. However, resellers have sold grey market copies for many years to end users, VARs and system integrators who do not qualify to purchase from Microsoft. Microsoft has plans to take MS-DOS retail in Summer 1990.

B Product Positioning

The Leopard Launch marks the first time that DR DOS can truly compete head-to-head with Microsoft. The new version will have answered the Network and CD ROM issues while providing continued software compatibility and enhanced product features. In order for DR DOS to have a bright future, it is necessary to immediately exploit our product superiority and gain name recognition. This is our opportunity and we must take advantage of it.

Because of market uncertainty about the status of the next DOS release, we need to make an aggressive statement to generate immediate product interest. We must maintain our dominance in the embedded O/S market and recapture those accounts that have chosen to go with Microsoft's ROM version.

C Target Markets

One of the obstacles DR DOS has to overcome is our lack of name and product recognition. This is true not only for DR DOS but also for Digital Research as a whole. Some people know of the GEM product line, few associate it with Digital Research. We have a stronger reputation for operating systems, but few know of our complete line.

In a market where a 5 year-old company is remarkable, our 14 years qualifies us as a near institution. Because few people have been involved in the industry this long, memories are short. Bill Gates has evolved from a programmer (who purchased Q-DOS from another small company, made some modifications, and sold it to IBM as MS-DOS) to "an industry pioneer who designed the operating system software for the original PC." (Wall Street Journal,



for resale, it has always been available. More resellers are selling non-brand name computer equipment. (See VAR Business December 1989).

Although 80286 machines still account for the majority of PCs sold, more resellers are choosing to sell 386 machines. All machines require an operating system; but often manufacturers ship systems without a designated O/S. Resellers then purchase operating systems separately to bundle with the CPU, or the O/S is available as a separate option from the OEM.

Because DR DOS has the disk partitioning capability (not available in 3.3x) and software compatibility (inconsistent with 4.0), it is a more attractive product for a reseller to offer.

Because of Microsoft's Summer 1990 plan to take DOS retail, we need to take advantage of the opportunity to immediately launch Leopard upon release and get a share of the market. Because of Microsoft's history of using large national distributors, I recommend taking the product through volume/supermarket type distributors (Ingram/Micro D) with possible additional support from Value-Added distributors (small regionals or nationals like Tech Data or Gates/EA). We will not be available through software only distributors like Kenfil or Software Resource.

Advantages of Supermarket Strategy (with support for Value-Added Distributors) - Resellers who purchase software usually prefer to use a one-stop-shopping strategy, DR DOS will be available to resellers who buy quantities of software from the distributor they currently use. They don't have to call around to find the product. Both Softsel and MicroD also carry hardware and are increasing their technical support department, so support for these resellers would be available. The value-added distributors will also be able to offer technical support as well as options for bundling the product with a variety of hardware products including drives, systems, and networks. In addition, Microsoft currently uses Ingram/MicroD, Softsel and MicroAmerica for distributing their application products. Supermarket distributors often provide a faster sales ramp for non-technical products, it helps if the vendor supports them with marketing activities of some kind.

Disadvantages of Supermarket Strategy Supermarkets carry a lot of products; we could get lost in the crowd. There are limited types of marketing programs available through large distributors. A low cost-product doesn't usually get the attention that a higher

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priced item (and bigger margin) might get from distribution sales without effort or investment from the vendor. (This is true for any product in any channel).

E Competitive Issues and Counter Strategies

- 1) Windows/DOS All indications are that, although the upcoming Microsoft retail product will be an enhanced 4.0, DOS 5.0 will be a Windows DOS.
- 2) Shell Program DOS 4.0 currently ships with a shell program utility. DR DOS has always offered the GEM shell option, but the new version of DR DOS will offer a shell as part of the product. Of course, OEMs can remove this feature.
- 3) Mass Storage
 - o CD ROM The next version of DR DOS will support CD ROM extensions.
 - o SCSI Drives Because industry standard SCSI interfaces and extensions have not been established, DR DOS SCSI support has been inconsistent. Our goal is to support the most popular drives by including Seagate, Fujitsu, Western Digital and Corvus as beta sites.
 - o Bernoulli Drives Support for these drives has also been a problem area that will be addressed in the new version. Beta sites will include testing on Bernoulli drives.
- 4) 3rd Party Bundle to counter Works/DOS We are currently evaluating AlphaWorks as a possible product offering; however customers have not been impressed with the product. We are also talking with WordPerfect about their new version of WordPerfect Executive, due 2Q 1990.
- 5) Networking DR DOS 3.41 is currently compatible with Novell Netware, but does not support some MS-Net extensions. The Leopard release fully supports MS-Net and similar networks (3Com, Tops, etc). We are investigating the possibility of have 3Com, Banyan and Novell as Beta sites.
- 6) Brand Recognition One of DRI's goals for DR DOS should be to increase user acceptance and awareness. Increased industry exposure and strong market support can facilitate our OEMs' sales; it is easier to sell a product with a positive, high profile.

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III Advertising

DR DOS ads will be produced for three distinct markets: OEMs, resellers and end users.

Everybody loves an underdog, as long as they have a quality product. Microsoft has a small fan club. PC/MS-DOS 4.0 has some well-documented compatibility problems. Many people are not only confused about their O/S choices (to upgrade or not to upgrade), but are antagonistic toward Microsoft as well. They want to stick with DOS because of their investment, but they want a comfort level with the software. The launch campaign should capitalize on these feelings of dissatisfaction and the shortcomings of DOS 4.0 and promote DR DOS as a superior alternative. This would be a much more aggressive position than DRI has ever taken, but it can succeed with this product.

Message: DRI is committed to the continued design and delivery of DR DOS as the operating system that extends the functionality of the computer while maintaining compatibility with the user's hardware and software.

Specific product features to be emphasized in advertising:

- o Software compatibility with 3.3x
- o Support for large capacity drives
- o Storage options: CD ROM, WORM, SCSI, etc.
- o Network compatible: Novell and MS-NET
- o LIM 4.0
- o Password protection for the system, directory, file and disk
- o Shell Program
- o ROMability
- o High memory management
- o Help screens
- o Dynamic Idle Detection

In addition, Digital Research ads for operating systems will promote the success Digital Research has had with operating systems by including, in all advertisements, a summary statement similar to the following: Digital Research created PC operating systems and has over N operating systems installed worldwide since 1976. We offer a complete line of operating system solutions including: single user DR DOS, multi-user multi-tasking Concurrent DOS, and real-time multi-user, multitasking FlexOS.

- 1) OEM Ads will be primarily directed to the embedded system and laptop market and promote the use of DOS in ROM. These ads, positioning DR DOS as a superior product, will compliment the ads in end-user publications. In addition, they will provide application/platform specific product feature



information. In these ads, testimonials from happy users/OEM customers only will be used. Sample DR DOS platforms and a partial list of O/S OEM will also be included.

Message: There is one ROM-executable 3.3x compatible DOS - and it isn't available from Microsoft. Our operating systems have been available in ROM since the introduction of microcomputers. DR DOS offers one operating system for all platforms, disk-based and ROM-based.

DR DOS is also available in modular configurations according the needs and budgets of our customers.

- 2) Reseller Ads in reseller publications will position DR DOS as a headache-free sale.

Message: A system sale requires an operating system sale; DR DOS is the operating system that will make your sale hassle free. It's a better product with the compatibility of 3.3X and the attractive features of 4.0 without the problems.

It's the product to sell for: (a) customer upgrades for improved functionality with software compatibility - sell with the large capacity hard drive; (b) network sales - make sure the existing systems on the new network, or network upgrade, are using a compatible O/S that still lets them access their old files - sell with the network; (c) systems shipped without an O/S or no-name clones - bundle DR DOS.

User testimonials from unhappy DOS 4.0 users, or press quotes, will be included as samples of what resellers hear when they don't sell the right O/S - DR DOS. To gain mind share we may also want to put together a spiff or contest of some kind for the reseller sales rep.

- 3) End User These ads will aggressively position DR DOS as the superior DOS.

Message: Users no longer have to decide between maintaining software compatibility with DOS 3.3x or supporting larger drives with DOS 4.0. Users can have both software compatibility and hardware support with DR DOS.

Two suggested formats have been attached. The copy outlining DR DOS features will be matter-of-fact without fluff. Testimonial captions from unhappy DOS users (listing their name and company) recounting a major problem with DOS 4.0 will be featured. A quote from a happy DR DOS user or favorable press review will

also be included. Digital Research will offer an upgrade to MS/PC-DOS users who send their O/S diskettes and pay a nominal fee (\$25-30). The ads will be placed in PC Week and other end user publications. A copy of the ad schedule is attached. An over view of the suggested program for the upgrade promotion is attached.



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IV PR Campaign

A Press Tour/Conferences

DR DOS will go on the road for end-user, reseller and OEM publications. We will focus on product features as well as the options DR DOS offers to the market as alternative to the other DOS. We will talk to key industry writers (Dvorak and PC Week) upon submission of the patent, the estimated time is the first week in March. Press releases announcing the patent submission will also be sent out to all other publications upon approval from Legal. A press tour to monthly publications is scheduled for the first week of April, with Steve Tucker. This time would allow us to expect articles in monthlies in June/July. The weekly press tour should be scheduled at the end of April, but this date may need to be adjusted depending on the Microsoft Windows 3.0 announcement currently scheduled for April 27.

Publications to be addressed include: standard industry publications (PC WEEK, ComputerWorld, Byte, InfoWorld, Electronic Business, PC Magazine, etc); reseller publications (Computer Reseller News, VAR Business, System Integrator, etc.); and OEM books (Embedded Systems, EDI, EDN, Datamation, etc). In addition, DRI should also seek coverage in general business publications (Inc., Business Week, Wall Street Journal, Fortune, etc.).

Overall the press tour should address these issues:

- o Current definition of the operating system and significant players (DOS, UNIX, OS/2, XENIX, proprietary O/S)
- o DR DOS product definition - DR DOS is our single user, single tasking operating system from our complete line of O/S solutions.
- o DR DOS feature overview and target market - dynamic idle detection (battery powered systems), password protection (multi-platform), ROMable (Embedded Systems), shell (desktop users), etc.
- o DR DOS/DRI market strategy DR DOS is a high performance DOS-application compatible alternative to PC/MS-DOS.

During meetings with editorial contacts, DRI would push for increased press coverage questioning the dominance of one O/S, and one company. This dominance affects the industry as a whole and its impact should be examined. The press may choose to say that there are O/S options available; and they

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may choose to identify DR DOS as one of those options; but we would not be looking for DRI propaganda pieces.

- 1) Encourage editorial discussion of Microsoft industry dominance. This topic should be encouraged, in one or all of the facets discussed, in any publications dealing with business, computers, reseller issues, etc. The issue has relevance for all users of computers. In addition, a ghost written article should be created and made available to publications.

The PR campaign would look for additional exposure on these issues:

- a) Restriction of software innovation Because the O/S is controlled by one firm who receives over half its revenue from application software, the market should be concerned about the obvious advantages of designing in O/S changes into applications before the rest of the market has an opportunity to do so. In addition, since one company dictates the developmental direction of the O/S, their application software is designed to take advantage of these changes and to easily accomodate the next update. Other application software developers constantly play catch up.

Because there has been no historical inclination to insure compatibility from one release to the next, these developers are in a double bind of attempting to improve their own product features while maintaining compatibility with various incompatible versions of the "same" operating system. The O/S/Application developer can also build in a requirement that only their operating system be used with their own application software, not clones, even though these O/S clones are fully compatible.

- b) Hardware innovation dictated by O/S manufacturer The market assumption that allegiance to the O/S standard be maintained at all costs has dramatically effected hardware innovation. Often advances in technology can not be accessed until the O/S developer has determined its desireability and the advantage of supporting it. Examples of this belated and sometimes partial support: EEMS, Large capacity drives, CD ROM, ROM cards, Flash memory, etc. The O/S developer also determines how this support will be available. The choice may be an extension of an existing technology, whether or not that is the superior choice.

The O/S developer has the opportunity to shut down

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innovations because of their lack of interest or support. Hardware manufacturers become more conservative in their designs because lack of O/S backing often means product failure.

- c) Near uncertainty and hesitance about investing in any new computer solutions, including new versions of DOS (Staying with the tried and true). MS-DOS has become the industry standard not because it's an innovative, superior product, but there's no awareness of alternatives. Microsoft owns the market and isn't about to let it go. Users are afraid to investigate options because they've been intimidated into believing that Microsoft is the only route to the future.

- 2) Application stories Application stories provide examples of product innovations as well as validation that DR DOS is a viable and desirable product. These stories can be worked from many angles (strictly tech to business oriented information stories). A minimum of one story per quarter should be prepared.

DRI has a superior product that is designed to be compatible and easy to use. This is a tested product with over 4 Million license worldwide. We have no intention of abandoning DOS. We do intend to continue to support and improve the product.

Stories to be issued would be:

- o Corporate installations (Marriott)
- o OEM contracts (Headstart)
- o Testimonials from happy users regarding product superiority (PanAm)
- o Innovative uses for DR DOS and embedded system platforms that take advantage of special features of DR DOS (Arche, MSI, Veridata)

These stories should be reprinted and distributed to OEM sales people, OEM business partners and target accounts, and authorized distributors and resellers.

In addition, public attitudes are leaning towards a preference for non-proprietary operating systems in hand held machines. (Wall Street Journal, 11/27/89) DR DOS in ROM not only provides access to standard DOS software but was designed to increase functionality in the battery powered system market. This feature should be promoted so that eventually it is requested by laptop purchasers. We should make the announcement when the patent has been filed.

The application stories will inform users, OEMS, software...



resellers that there are O/S options available. DRI has an opportunity to remind people of the problems they have had with their O/S and upgrades: loss of data, inability to access files, software and hardware incompatibilities, lack of information about how clean the software really is, having to hear of problems through the press and never knowing when or if they will be addressed, lack of clear message from the manufacturer as to the continued support of DOS (and consequently the life of most user's systems). The operating system is more than just a C:\, it's the engine that makes the whole system run - or not.

- 3) Digital Research affiliations with other key manufacturers, such as Intel and Borland and hopefully Novell and WordPerfect, and our involvement in bringing out new technology with organizations including PCMCIA, need recognition. DRI needs to gain increased exposure as an industry innovator.

B Spokesperson

The press announcement of Leopard should be made by an upper-level management person within the GPOS group. This person should also be able to address global marketing issues. In addition, they should understand the technical aspects of Dynamic Idle Detection and be able to present them in layman's terms. Steve Tucker would be the preferred spokesperson, Greg Ewald would be the spokesperson for the US.

C Reviewer Kit Contents

The reviewer's kit should contain the following:

- o complete product including documentation
- o list of beta test sites and current users
- o list of changes since last release
- o list of special features &/or compatibility information
- o system requirements if any
- o pricing information (retail) and where to buy
- o company contact (s)
- o company backgrounder
- o feature comparison with competition
- o Q & A list
- o set of product collaterals
- o photo of product

D Announcement Strategy

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Ad placement plan*

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Press releases to announce the Leopard product will be sent upon the issue of the patent for Idle Detection. These releases should be sent to sales prospects as well as to the press. The press tour should begin in April. The following is a summary of the press releases to be created for the Leopard Launch. The dates listed are the earliest anticipated times when the release would be required. PR will be informed when they can actually be sent.

1) Idle Detection Patent Submitted

Date: 1 March 1990

Pubs: Weeklies (PC Week, Infoworld, ComputerWorld, etc), Business Publications (Inc., WSJ, etc), OEM Pubs (Embedded Systems, Computer Design, EDN, etc), reseller books (CRN, VAR Business)

Target Audience: Computer users, designers, and resellers

Market Position: This product feature will affect the desirability, functionality, design, cost, weight and market of portable battery powered products, especially laptop and handheld systems.

Objective: This announcement should reinforce Digital Research's position as the operating system developer committed to the development of DOS, and to providing increased O/S functionality to the DOS marketplace.

Key Message: Digital Research has applied for a patent on a feature incorporated into DR DOS and available to manufacturers of battery powered systems. Called Dynamic Idle Detection, it interacts with the system hardware to increase battery life - 2-3 times.

Key Features/Benefits: Dynamic Idle Detection monitors the system to sense when it is idle. When this power wasting is detected the software will switch the system into a low power state. The idle status is regularly evaluated. The user does not perceive any loss of power and there is no degradation of performance. In addition, battery savings are available without modifications to standard DOS applications.

Summary: The Dynamic Idle Detection feature will revolutionize the portable system market. We anticipate that portable system users will demand this feature. 1) System weight: Because the weight of a portable system varies, according to the size of the battery configured, a battery saving feature could allow for smaller batteries to be configured in the machine. A lighter box, with a longer battery life,

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will be more attractive to purchase and easier to sell.
2) Cost to Implement: OEMs can configure systems with DR DOS in ROM or RAM and take advantage of the Idle Detection technology. ~~immediately~~. The battery originally configured with the system would have an immediate power extension; or a smaller battery could be used for equivalent power.

In addition, contracts signed with key OEM(s) should also be included, with a quote from the signed company(s). Separate releases should also be prepared for each actual contract signing.

2) Leopard Product Release

Date: 15 May 1990

Pubs: Weeklies (PC Week, Infoworld, ComputerWorld, etc), Business Publications (Inc., WSJ, etc), OEM Pubs (Embedded Systems, Computer Design, EDN, etc), reseller books (CRN, VAR Business)

Target Audience: All computer users in all industry areas

Market Position: This product is available to system users who want extended features with full DOS compatibility. It also offers an option to those who want to upgrade their operating system but are concerned about the reported problems with DOS 4.x.

Objective: This announcement should reinforce Digital Research's position as the operating system developer committed to the development of DOS, and to providing increased O/S functionality to the DOS marketplace.

Key Message: Digital Research has the DOS operating system designed for the user with increased functionality (command line history, help screens, and shell), enhanced features (password protection, high memory management, and large disk support) and full DOS application compatibility. It's DOS the way it should be done.

Key Features/Benefits: The following is a list of the features provided with DR DOS:

- o support for disk partitions larger than 32MB
- o high memory management
- o help screens
- o password protection for systems, directories, files, and hard and floppy disks
- o shell program with full mouse and keyboard support



- o file link facility
- o cursor utility
- o enhanced ROM-disk support
- o executable from ROM
- o idle detection
- o retail availability
- o upgrade program available for DR/EZ/PC/MS-DOS users (discount/rebate for limited time)

Summary: DR DOS is the enhanced operating system designed to provide additional functionality to the multi-billion dollar investment in DOS software and hardware.

3) DR DOS Now Available in the Retail Channel

Date: 15 May 1990

Pubs: Weeklies (PC Week, Infoworld, ComputerWorld, etc), Business Publications (Inc., WSJ, etc), OEM Pubs (Embedded Systems, Computer Design, EDN, etc), reseller books (CRN, VAR Business)

Target Audience: All computer users in all industry areas

Market Position: DR DOS is now available in the retail channel; for end users to purchase and for resellers to provide with systems, hardware or stand-alone. DR DOS is the operating systems that provides extended features and DOS compatibility without the headaches.

Key Message: The enhanced operating system with extended features and DOS compatibility is DR DOS and it's available through general distribution. Resellers can rely on DR DOS to provide a headache free addition to a new or existing system.

Key Features/Benefits: The following is a list of the features provided with DR DOS:

- o support for disk partitions larger than 32MB
- o high memory management
- o help screens
- o password protection for systems, directories, files, and hard and floppy disks
- o shell program with full mouse and keyboard support
- o file link facility
- o cursor utility
- o enhanced ROM-disk support
- o executable from ROM
- o idle detection
- o retail availability with list of distributors
- o upgrade program available for DR/EZ/PC/MS-DOS



systems. We should also investigate the possibility of presenting a paper.

V Sales Plan

A Sales Activities

Advertising and PR activities have been outlined in previous sections. Section C presents an overview of the collaterals, mailers and presentations to be prepared in support of the sales groups.

B Training See section VI on Training

C Collaterals The following brochures will be produced.

- 1) Story reprints These will be reprinted for sales people and resellers and will include application stories, favorable product reviews, and letters from satisfied, big name users. The back of these testimonial sheets may have a product overview and/or a comparison of DR DOS, DOS 3.3x and DOS 4.0.
- 2) DR DOS Brochures The following collateral pieces will be created specifically for the Leopard product.
 - o The product data sheet and brochure will be combined and will include quotes from happy users or positive reviews. It will also capitalize on DR DOS' superiority to the other DOS. A comparison of DR DOS vs DOS 3.3x and 4.0 will be included.
 - o Comparison Chart - comparison of DOS 4.0, 3.3 and DR DOS
 - o Veritest - One Veritest sheet would contain a list of tested networks and communications products. This list would be widely distributed. The second list of compatible applications would be available as requested.
 - o List of Beta Sites This would be a printed list of the beta sites where the product was tested.
 - o Reseller Sales Guide This guide will be condensed with the listing of compatible products removed. The position of this document is: you as a reseller will have to sell an operating system when you sell a computer, sell one that will make your life easier. The guide



should also focus on sales issues that may be brought up by customers: why DR DOS over the other DOS, who is using the product, what's the difference, etc.

- o List of OEMs for all O/S products
- o Ad reprints
- o Corporate Brochure This would be an overview of Digital Research as a company and would include copy on: company history, market philosophy/strategy, product focus and direction, successes worldwide, etc. (This is in process in the Marketing Department).
- o OEM Merchandising Kit This kit would contain logosheets for Digital Research and DR DOS, sample text for use in ads, and product shots (1 B/W half-tone, one line shot and one color slide or transparency). Rules for the use of these items will be included with a list of available collaterals, (literature samples and current DR DOS ad reprints). These will be available for our distributors as well as our OEMs to provide to their retailers for promotional purposes.
- o DR DOS Newsletter This quarterly publication will provide information about DR DOS features, applications and improvements. Additional information to be included: media schedule, major contacts signed, show schedule, favorable review/quotes from the press, and other marketing information.
- o Operating System Brochure (Tentative) This brochure will include descriptions of all operating system products: DR DOS, Concurrent DOS and FlexOs. Features requested in this piece are: list of OEMs for all three products, examples and photos of platforms, and editorial on how DRI's three Operating Systems offer a complete O/S solution.
- o OEM Data Sheet This piece will specifically be directed to OEMs who are interested in the ROM version of DR DOS. It will address the advantages of a ROM O/S and will describe why DR DOS, because it has always been ROM-able, is the choice for embedded systems. It will also describe the tools required and the support available from DRI. This piece will be more technical than any of the other brochures.

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3) Direct Mail Pieces The following direct mail campaigns are scheduled:

- o Embedded System OEMs - This mailer is actually scheduled to go out in February to embedded systems manufacturers. The mailing list will include names provided by OEM sales, as well as a list of subscribers to Embedded Systems magazine, and attendees of the Embedded Systems Conference.
- o Packaged Product Piece - This will be sent to smaller non-specific OEMs to promote packaged product - This mailer will be designed to provide an overview of the packaged product program. The piece will be sent to the OEM mailing list and additional copies will be available for use by the OEM sales group.
- o VARs - This mailer will be sent upon the introduction of DR DOS into the retail channel. The mailing list will be provided by VAR Business. The mailer will outline the authorized reseller program and provide a list of distributors who stock the product. The suggested retail price will be included on the piece, but no additional pricing will be listed. Copies of the mailer would be available for the distributors to mail to their customer base.
- o MIS departments of Fortune 1000 companies - A mailer will be sent to MIS department heads of Fortune 1000 companies. The mailer might include a demo product offer.
- o Government accounts mailing - This piece would either be sent to a mailing list from a federal computer magazine or to a list provided by IOSC or ATGI.

E Packaging

- 1) Box The entire box will be redesigned for a retail look (in keeping with the corporate identity program still being defined). The back of the DR DOS box will be more sales oriented and will, again include comparisons of DR DOS and DOS 3.3x & 4.0 and a list of features with information of how easy it is to access them. Screen shots of help display, installation menu and shell interface would be included. The format would be similar to the boxes designed

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for graphics products to insure a consistent corporate look.

- 2) **Documentation** The documentation is being completely re-written for the new product release. The new version needs to better accommodate the first time user with more command examples and an explanation of technical terms. In addition, because perfect bound texts tend fall apart and are hard to read while working on the system, a spiral binding of some kind is suggested. A new registration card would be designed. We would also include a quick start card to inform users of hints they should know when using the product (DEBUG=SID86, EDLIN=EDITOR, etc.) The information to be included will come from a review of current tech support issues.

F Presentations

A presentation is being created to show the features of Leopard. It would be produced on color transparencies. The presentation will cover specific product features. Corporate information will include: international office locations, sale figures for operating systems since the company's beginning, product history, company organization, list of O/S OEMs, company firsts, etc. The presentation may be customized as needed and additional slides could be added as needed.

For training distribution and reseller sales people, slides will also be prepared on the operation and function of operating systems and a comparison of DR vs MS-DOS commands, product size, and comparative performance.

VI Training Plan

A Support Personnel Training

Training would be provided to the following Digital Research support people: Corporate Marketing, Customer Service, Customer Support, and Retail and OEM Sales. In addition, training would also be provided to distributor sales and tech support staffs. Training would be provided by product marketing in conjunction with the training department.

B Training Tools and Presentation Materials

All or part of the presentation prepared for sales will be used to train DRI retail sales, customer service and support, OEM sales and marketing, as well as distribution and reseller sales and tech support.

Specifically, the training will include the following:

I Digital Research History (5 - 10 minutes)

This overview will cover the CP/M and language products, and the development of our current line of O/S and GEM product lines.

II Operating System Market (10 - 15 minutes)

A Evolution of the O/S

B Current state of the market and trends

III Introduction of DR DOS (20 - 25 minutes)

A Design Criteria

B Feature Overview & Sales Opportunities

- o Installation/Setup
- o Password Protection
- o Help
- o Idle Detection
- o Shell Program

C Comparison with PC/MS-DOS 3.3 & 4.0

D Product Evolution and Future - Product introduction dates and target markets will be included.

In addition, the training itinerary will be modified as follows for these groups.



- 1) OEM Sales Training Features designed for ROM/Embedded Systems, space/memory requirements, high memory management, Shell, and any differences from MS-DOS.
- 2) Distribution Training Telemarketing group at the distribution offices will receive an overview of the special features of DR DOS. We will prepare a 5 x 7" card with a comparison chart and list of features for use by sales and technical people. The distributor(s) will work with DRI to organize seminars for reseller introduction to DR DOS.
- 3) Support personnel Customer service will receive a product overview. Topics to be covered are: features and benefits, installation procedures, Q & A - why to buy, and list of OEMs and distributors that carry the product. Customer support will also receive a copy of the 5 x 7" feature card described above.
- 4) Marketing The marketing department a combination of the customer service and OEM sales training. Along with a general product overview, a description of the features for the embedded system market will be provided.
- 5) Retail Sales Because the retail sales group has a broad focus (retail stores, corporate accounts, government and distribution) The training will provide a product overview and feature and benefits summary.

B Training tools and presentations required

A modification of the sales presentation can be used for the product overview. This same presentation will be used for distributor sales training.

C Training Schedule

Training should begin 2-3 weeks before advertisements are running in magazines.



X

VII Upgrade Policy

OEM sales will determine individual upgrade policies for existing contracts. However, an upgrade policy should be established at this time for end users. I have included the proposal for providing upgrades to existing DOS users, we could make this available to DR DOS users as well. This upgrade procedure is based on using an outside fulfillment house, but manufacturing is investigating the requirements for implementing this plan in-house.

Upgrade Procedure: PC users who wish to upgrade their operating system would hear of the program in all of our end user advertising. In addition, resellers would also hear about the program in VAR Business as an offer for a demo unit or evaluation copy. Ads would include a coupon for the reader to clip and send, a copy of the coupon would also be accepted. We want to make it as easy as possible for people to get DR DOS. The reader would send the coupon, a check for the determined amount (approximately \$25), and their "other DOS" diskettes. The diskettes could be legal product or pirated diskettes.

The packet (coupon, disks, and check) would be sent to the fulfillment house, the address will be included on the coupon and referred to as Digital Research. The fulfillment house would receive packaged product directly from DRI for fulfilling the coupon offer. The product would be manufactured in plain white boxes. The boxes would have a message (e.g., Your copy of DR DOS), and the fulfillment house would simply label the box and send it out. The box would contain complete product including manuals, diskettes, quick reference card, registration card, a thank you letter and the DRI product brochure.

The fulfillment house would enter information from the coupon onto a database. The information includes name, address, company, phone number and five market research fields that we determine. Additional fields can be included for a fee. I have initially requested weekly summaries of the promotion response. At the end of the promotion we would receive a full accounting of every participant. This information will be printed for us and provided on diskette. Because the procedure is fairly uncomplicated, Carlick estimates that the handling costs would be fairly low. The following is a summary of their cost estimates. An "*" indicates that this figure represents the high end of the estimates.

Description	Cost
Processing Fee - per unit	\$5
Program Management Fee - per week	\$75*
Program Setup	\$1500*

If we choose to make the program available from the launch of the product May 14 until the end of June, the total management fee

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Gross Revenue - Low	\$12,250	\$32,650	\$66,650
In-house Administration			
#1 Gross Revenue	\$25	\$25	\$25
Production Costs	\$ 9	\$ 9	\$ 9
Program Cost	\$ 2.40	\$ 2.40	\$ 2.40
Total	\$11.40	\$11.40	\$11.40
Net Revenue	\$13.60	\$13.60	\$13.60
Gross Revenue	\$13,600	\$34,000	\$68,000
#2 Gross Revenue	\$30	\$30	\$30
Production Costs	\$ 9	\$ 9	\$ 9
Program Cost	\$ 2.40	\$ 2.40	\$ 2.40
Total	\$11.40	\$11.40	\$11.40
Net Revenue	\$16.40	\$16.40	\$16.40
Gross Revenue	\$16,400	\$41,000	\$82,000

*The current packaged product with Gem desktop was used to get the postage and weight figure. There would also be additional unit cost reductions from discounts for volume product production. The figure used was an estimate based on the current packaged product and has been padded to absorb the changes in the product.

Issues that would need to be addressed are: support requirements for product buyers, sales tax reporting, desirability of credit card orders (not always cost effective and time consuming), guarantees to buyers and their administration, and determination of price.



VIII Beta Test Plan

A Overview of beta plan

The beta sites will concentrate on hardware compatibility issues. Twenty-one sites have been selected including: AT&T, Borland, Quarterdeck, WordPerfect, Ontrac, SyQuest, NCR, Fujitsu and Seagate. The contract will include a release for DR DOS to list beta sites in any collaterals.

B Testing Objective & Highlighted Significant Features

The goal will be to confirm compatibility with MS-NET type networks (Novell, Tops, 3Com, MS-Net) and a variety of drives including CD ROM, WORM, SCSI, and removable (Bernoulli).

In addition, we will also test the second beta with one or two novice users. This will allow us to get the type of feedback that we would get from first time users -before the product is released.

C Outside testing service requirement

Veritest confirmation of network and application compatibility would be required.

D Beta test administrator

Beta test administrators are Sue Nageotte and Brad Kerth. Mike Ahern will be the contact for any OEM beta participants.

IX Reference Documents
WSJ- Palm-top Computers (11/27/89)
VAR Business - System sales
Computer Reseller News
Leopard PRD

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DRI COMPANY CONFIDENTIAL


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X Product Launch Schedule

The dates are indicated by the week that the project must be completed.

March 5 Complete Ad Specification with Agency for Embedded System Ad #1

Submit proposals for all Collaterals (Fact Sheet/Product Brief), Feature Comparison, Q & A List, OEM Data Sheet, Reseller Reference Guide, Merchandising Kit, Beta List, etc.

Complete Idle Detection Press Release. Upon approval from legal, fax it to key industry targets (Dvorak and PC Week), mail to other contacts. Phone follow-up.

Get preliminary approval for End-user and VAR ad. Present to ad agency.

Have upgrade program in preliminary stage. Establish bill of materials and cost of goods. Decide venue.

Present Leopard to retail sales.

Submit Embedded System Mailer

Get Idle Detection info to 800 support

March 12 Specify Merchandising Kit

Finish Distributor presentation

Box Design - get comp for ads

March 19 FOSE

Schedule meetings with targeted east coast distributors.

Assemble press kits

March 26 Get photo shoot of official box for collaterals, press releases and merchandising kit. Also line up sample platforms for photos as well for collaterals.

Specify mailers for VARs, government accounts and Fortune 500 per PC Week program.

Mail Embedded Systems mailer

April 2 Monthly Press Tour with Steve Tucker

April 23 Weekly Press Tour (West Coast)

April 30 Finish additional contents of packaged product (letter, hot sheet, etc)
Get white box designed, line up printing
Train sales, and DRI support
Start on printing of official packaged product box and manual covers.

May 7 Press follow-up phone calls
Start manufacture of upgrade product (disk and manuals)
Train distributors

May 14 Product release
Send out reviewers kits
Send out press releases (they will be sent out earlier with a release date to pubs not included on tour)

