

MEMORANDUM

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John Linnery *Sent 3/15*
[Signature]

TO: Jeff Hartline
FROM: Kevin O'Neil
Sue Nagedda
DATE: March 23, 1992
SUBJECT: DR DOS / NetWare Lite Bundle Issues

CC: Paul Crer
Ron Porter
Tom Manningly

NW Lite 1.1 6/26 (?)
DR DOS 6.1 8/01 (?)
Windows 3.1 4/06

Support

- policies are different: free vs. paid
- no significant DR DOS revenue to offset increased DR DOS support load
- insufficient cross-training on 2 products
- insufficient DR DOS documentation in bundle in past
- no current plan to specifically document how to use the two together

Unbundling

- dealers / distributors can split two components and sell separately, especially if this is a shrink wrap of two stand-alone boxes.

Product Design

- DR DOS is more complex and difficult to optimize
- some utilities are not compatible
- DR DOS 6.1 is well under development with no thought to NetWare Lite 1.1

Windows 3.1 Compatibility Mismatch

- NetWare Lite 1.1 is compatible with Windows 2.1
- DR DOS 6.0: unverified / limited compatibility
- DR DOS 6.1: will be, but ship date (5/01) is very soft

Utility Compatibility

- SSTOR unreliable under a load - use on server will exacerbate problem
- SUPER PCK vs. NetWare Lite cache
- "LOCK" locks NetWare Lite 1.0; 1.1 unknown but no change is expected

Testing

- DR DOS 6.0 testing very limited
- DR DOS 6.1 testing has not occurred on either side
- customer needs are best served if tested together throughout development
- also, will need to test the Windows 3.1 version of NetWare Lite

Documentation

- inadequate documentation shipped in bundle in past - causing an increased support load
- different documentation styles and detail have confused some customers
- documentation should specifically cover any compatibility, optimization, and any new issues uncovered in testing

Customer Perception

- DR DOS must be a "throw-away" if it is included for free
- DRI and Novell are now a unified company - this should look like a unified product

Delay Ship Date of NetWare Lite 1.1

- since successful bundle implies using DR DOS 6.1, and since DR DOS 6.1 ship date is very soft

TOTAL P.02

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Plaintiff's Exhibit

5461

Comes V. Microsoft

MS-CCP-MDL 5009897

Customer Requirements Definition - DRAFT

1. Purpose and Objective

To introduce during Q3/92, a DR DOS 6.0 plus Novell NetWare Lite OEM Licence product.

2. Basic Product Description

The product will be based on the DR DOS 6.0 April '92 Revision and Novell NetWare Lite version 1.1.

To facilitate end user and OEM acceptance several new product features are desirable, see below.

OEMs will be offered a Redistribution Licence, this will allow them to re distribute a given number of product licences over a period of time

OEMs will be offered the rights to reproduce software or documentation.

To avoid channel debundling the product should be a tightly physically integrated as possible, with an appropriately worded single end user licence agreement.

Proposed Bill of Materials - to be attached

3. Market Opportunity

DR DOS 6.0 has enjoyed considerable success as an OEM product, sold to both third and second tier OEMs

This market segment has become increasingly competitive over the last 6-9 months with the advent of Windows 3.x

Many OEMs have felt obliged to maintain their own competitive stance, to include both DOS and Windows 3.x in their 386 product offerings.

As a consequence many OEMs have not been sufficiently convinced on the additional benefits presented by DR DOS 6.0 compared to the joint benefits, contractual obligations and pricing advantages of a DOS/Windows bundle

The growth of networking is well documented and the successful introduction and sales of NetWare Lite reflect the general market demand for an entry level peer-to-peer networking solution. Nearly 500,000 units of NetWare Lite have been sold through retail distribution to date worldwide

Discussions with potential and existing OEMs has revealed their recognition of the importance of networking as a major market trend. More importantly the creation of markets of a "network ready" PC would allow them to add value to their product offering as well as differentiating it from the "me too" DOS/Windows clone.

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Competitively, a DR DOS/NetWare Lite OEM product would be positioned at least equal value as a commercial alternative to the DOS/Windows bundle.

4. Sales Opportunity

It is believed that pent up OEM demand exists for a DR DOS /NetWare Lite bundle.

Based on this, the following unit sales could be captured over the next 3-6 months (Q3-Q4 92)

<u>Region</u>	<u>Customer</u>	<u>Units</u> <u>Q3</u>	<u>Units</u> <u>Q4</u>
Americas	Input awaited - AMIC		
Europe	Input awaited - COBALT		
Asia Pac	Input awaited - DICK DIXON		
Japan	Input awaited		

5. Desired New Product Features

It is recognised that any engineering effort utilised on developing the DR DOS/NetWare Lite product will have an effect on the Panther development program.

However, the following represent those elements which would enhance the product offering in the short term. A much tighter integration is currently scheduled for Panther

- a. OEMs should have the option and tools to pre-install DR DOS 6.0 and NetWare Lite on to their hard disk
- b. Pre installation should allow for initial configuration of DR DOS 6.0; i.e. memory management settings for hardware and at OEMs choice, PC Kwik, SuperStor and NetWare ODI drivers and NETX, similar to current LANpack functionality.
- c. When pre-installed and where an OEM is providing a network card with his PC, both NetWare Lite and the NetWare shells should be able to be pre-configured to recognise this card and its settings

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- d. When DR DOS 6.0 and NetWare Lite is pre-installed the user should be confronted upon switching on the machine with a welcome screen. This welcome screen should read. "DR DOS 6.0 has been pre-installed and configured on this PC. Should you wish to further configure DR DOS type SETUP at the C:> prompt. To initiate NetWare Lite type STARTNET at the C:> prompt. If you wish to discard this screen type YES now."

It should be noted that a pre installed front end screen for NetWare Lite already exists. Details awaited from Elson Park.

- e. Where NetWare Lite has been pre-installed and configured the user should be requested to enter the server name.
- f. Where pre-installation is not an OEM desired option, the DR DOS 6.0 installation procedure should, when complete, prompt the user to commence the NetWare Lite installation procedure.
- g. Where pre installation is an OEM desired option, a software utility should be made available to allow serialisation of both NetWare Lite and DR DOS on the hard disk
- h. It should be considered that where an OEM choses not to pre install, the DR DOS serialisation should be contained on the diskettes (This could also be transferred to retail product)
- i. A critical issue that must resolved is the ability and control of NetWare Lite serialistaton, where duplication is undertaken by the OEM.

Other Technical issues to be addressed -

Comparison of PCKwik and VCache

It does not make sense to ship two competitive disk caches, especially as royalty payments are required on PCKwik. A choice needs to be made between which cache to ship on the basis of which is the most cost effective and any outstanding incompatibilities corrected.

Issues between Superstor and NetWare Lite needs to be understood and corrected, as well as NLCACHE and Windows

6. Documentation

The DR DOS 6.0 standard documentation should be offered

User Guide
Quick Reference Card
ViewMAX manual
Release Notes
Technical Services Guide
Optimisation Guide

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Based on earlier experience and feed back from US Technical Support, full documentation as opposed to a Quick Start should be included in the product

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NetWare Lite documentation includes ..

7. Pricing

Pricing for the DR DOS / NetWare Lite product should be competitive against the DOS/Windows OEM pricing (on average \$40 for 10000 units) and should reflect the retail channel and OEM pricing of both products.

Suggested base OEM License price:

10,000 units \$30. =

Discounts from this base price would be as follows :

	Base	25k	50k	100k	250k	500k	1000k units	
Discount Level		10%	20%	40%	50%	65%	80%	\$30 - 60%
	\$30	\$27	\$24	\$18	\$15	\$13.5	\$24	\$250.
For volumes less than 10,000 units								\$6
	Base	5k	2.5k	1k	500	250	100	10k 25.
Premium Level		150%	175%	200%	N/A	N/A	N/A	25 22.
	\$30	\$45	\$52.5	\$60				50 20.
			N/A	N/A				100 15.
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8. Printing and Duplication Services

A DR DOS 6.0/ NetWare Lite RDK (Redistribution Kit) should be developed and should contain :

- Master Disks - DR DOS and NetWare Lite
- Serialisation Diskette
- Full Documentation - DRDOS and NetWare Lite
- DR DOS Software Programmers Guide

Machine Readable Documentation (MRD) and or Camera Ready Copy (CRC) should be available to OEMs.

Reprint rights should be priced as follows :

- \$ 30,000 full reprint rights, including code and tools to OEM implementation of OEMBook

Berryessa will not manufacture on behalf of OEMs, they will however advise OEMs on suggested turnkey suppliers

It should be noted that even if an OEM choses the pre install option, OEMs should be encouraged to supply diskettes for security reason to users.

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9. Language Availability

The DR DOS / NetWare Lite OEM product should be made available in English, French, Italian, German and Spanish.

10. Technical Support Implications

Awaiting input from Sue Nageotte, Jody Clifton and Tom Mattingley.

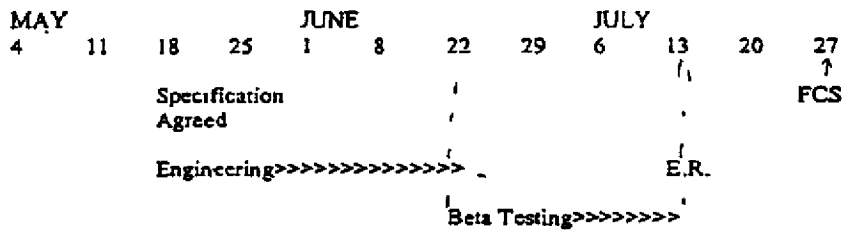
Jody Clifton, Sue Nageotte and Tom Mattingley will review Technical Services Guide.

11. Packaging

A new pack design needs to be created based on the existing NetWare Lite package design.

12. Time Scales

The following represent suggested time scales for release in Q3.



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