# Novell DOS™ 7
"The Networking DOS"

Product Introduction Plan

July 28, 1993

Version 4

NV002985
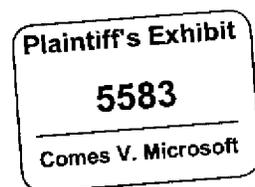
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POSITIONING PLAN: Strategic Overview

CORPORATE POSITIONING OVERVIEW

The Desktop Systems Group is chartered with ensuring that client computers are viewed as an integral part of the greater NetWare computing environment. Novell must refocus its reference from client/server networking to distributed computing and the role of the desktop in relation to the enterprise. With Novell DOS 7, the Desktop Systems Group must educate its audiences worldwide and explain how the desktop accesses the value of the network--its services. Novell has the strongest story in the industry, which will help maintain both a competitive edge and broad installed base.

Today, only about 35 percent of all PCs worldwide have been connected in local area networks (LANs), and yet there are more than 100 million DOS PCs, with an estimated growth to nearly 200 million by 1995. With NetWare, Novell dominates the network market at over 65 percent, representing 25 million of the 40 million units currently networked. NetWare provides back-end services for multiple desktop environments. Herein lies its value--yet because this value is accessed from the desktop, Novell must be able to provide desktop solutions. DOS is still the dominant operating system on the desktop. With the introduction of Novell DOS 7, we are now able to integrate networkability and NetWare access directly into the desktop OS, without having to depend upon third-party vendors (i.e. Microsoft).

Novell's mission is to expand the networking industry by providing a desktop environment which promotes networking, by enabling first-time networkers and small offices to share workgroup resources, and by integrating the tools to streamline access to NetWare services.

Novell's goal is to sell product. By effectively marketing a superior networking DOS that continues to advance the standard, customers can now expect the features they have been demanding: better memory management, multitasking, disk compression and, of course, networking. In light of the problems and negative publicity surrounding MS-DOS 6.0, there is a tremendous opportunity to re-capture market share with a superior product, while depriving Microsoft of revenue that fuels their own new product development and marketing. Moreover, this market penetration will also force Microsoft into committing resources to fix and improve MS-DOS--energy which could otherwise have been expended in the development of their own networking technology.

PRODUCT POSITIONING OVERVIEW

As with DR DOS 5.0 and 6.0, Novell is now defining the next generation of DOS with Novell DOS 7, which integrates networking and provides superior underlying DOS technology to support that integration. Novell is extending the life of DOS by providing advanced operating system features without forcing users to abandon existing hardware, applications, or development tools. With the introduction of new APIs, developers will be able to create more powerful programs for the DOS environment. Ultimately, Novell will introduce new users to the benefits of networking, while improving the desktop environment for existing NetWare customers.

Novell has been communicating this plan to the press and various user groups, with enthusiastic response. Novell DOS 7 is expected to ship on October 18, 1993, supported by a variety of high-profile marketing programs and "launch activities" (to be further disc~~~

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OBJECTIVES

- Ramp retail sales to a 120,000-unit sell-through per quarter and generate $4.5 million in quarterly revenue--five months from product ship.

- Ramp OEM quarterly revenue to $5 million--three months from product ship.

- Upgrade 100,000 DR DOS 5.0 and 6.0 customers to Novell DOS 7 and generate $3.6 million in revenue--six months from product ship.

- Develop NetWare sales channel and generate $5 million in quarterly revenue--six-nine months from product ship. Leverage field sales force.

- Sign a regional tier 2 OEM and a major peripheral tier 1 OEM--Q1 '94.

- Communicate Novell's desktop strategy (in the context of DOS 7) to the marketplace.

- Position Novell DOS 7 as a truly compatible and superior alternative DOS.

- Position Novell DOS 7 as a value-added networking DOS for Windows users.

- Generate $7 million in revenue--Q4 '93.

- Generate $34 million in revenue--FY '94.

- Disrupt Microsoft OEM revenue.

PRODUCT OVERVIEW

Novell DOS 7 is distinguished from competition by offering the following:

Networking features

- Peer-to-peer networking — NCP-based Desktop Server as in Personal NetWare enables users to share resources with others.

- Universal NetWare Client — Connects to NetWare 4.x, 3.x, 2.x and Desktop servers through a single interface.

- Network management agent — Enables NMS to manage the workstation.

- Unattended automatic install from any NetWare server.

Advanced DOS Features

- Workstation Security — Permits the user to selectively restrict access to the machine or specific resources during specified time periods. Single point login provides simultaneous access to the local machine and the network.

- Multitasking — Allows several programs to execute simultaneously.

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- Disk Compression — Proven reliable disk compression technology from the market leader, STAC Electronics, with support for compressed removable media. Compression is integrated at boot time (not through a config file) and includes utilities to convert existing DR DOS and MS-DOS 6 users.

- DPMS — DOS-Protected Mode Services Interface allows resident software to use protected mode and extended memory to increase application space. DPMS clients (Desktop Server, Disk Compression, NWCache, NWCDEX) enhance the functionality of the users PC with little or no impact on memory available for applications.

- Search and Destroy — Anti-virus utility.

- Fastback Express — File backup and utility restoration.

MS-Windows Integration

- MS-Windows based network utilities — Provide drag-and-drop resource mapping, workgroup diagnostics and management. DOS versions provide equivalent functionality.

- Fastback Express and Anti-virus — Utilities are also provided in MS-Windows versions.

- MS-Windows program groups and program items — Created when system is installed.

- MS-Windows permanent swap files — Supported on the compressed disk media.

- More memory in DOS box — A result of improved memory management and DPMS clients.

KEY MESSAGES

- Novell DOS 7 accelerates the growth of the networking market place by providing tight integration between DOS and NetWare, and by providing an entry-level peer-to-peer network computing solution that can easily migrate to NetWare.

- Novell DOS 7 advances the standard for DOS with integrated networking, multitasking, protected mode extensions, data management and workstation security.

- Novell DOS 7 is fully compatible with existing MS Windows and DOS applications and devices, provides an excellent DOS foundation for MS Windows, and is backed by Novell's commitment to deliver the best support and solutions to Novell customers.

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TARGET CUSTOMERS

Those advanced in PC computer literacy who are networked or aware of network technology and are interested in upgrading their operating system.

- MIS Directors

- Power Users

- First-time Networking Users

Specific potential customers, consisting of (but not limited to):

Customer/End-user

- Current (and potential) NetWare customers (MIS)

- Network users employing non-Novell solutions (bring them into the fold)

- Non-networked (at least not yet) DOS users

- Inevitably computerized, first-time, or soon-to-be computer users (connected by MIS)

- Existing DR DOS users (eager to upgrade to Novell DOS 7)
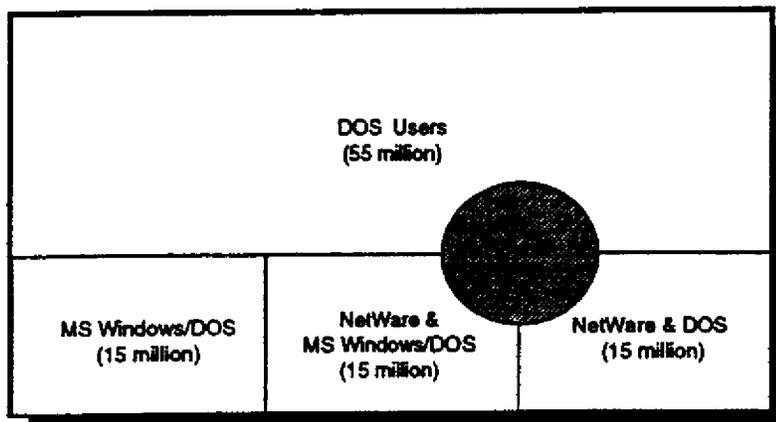
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Target Groups for Marketing Programs

- NetWare-Authorized, Gold and Platinum Resellers, VARs/VADs/SIs

- OEMs

- Mass market resellers (Re-establish the channel where DR DOS 6.0 was successful.)

- Press and analysts

- Novell account managers and SEs

- Novell employees - domestic and international. (Novell failed to generate internal support for DR DOS 6.0; crucial for DOS 7.)

CHANNEL OVERVIEW

Novell DOS 7 will be distributed through the following channels, each addressed by specific marketing programs designed to encourage market penetration:

NetWare

- Novell Platinum, Gold, and Authorized Resellers, VARs, VADs and SIs

Retail

- Software and computer stores: locally owned or small chains - storefront, some consulting and/or repair services

- Superstores, chains and mass merchandisers: Egghead, Fry's, CompUSA, Software Etc.

Direct

- DR DOS upgrades

- NetWare installed users

OEM

- Palmtops

- Desktops

- Network Interface Cards

- Peripheral OEMs

Government

- Local and state offices

Education/Healthcare

- School districts, health dept, dept social services, hospitals

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POSITIONING: Corporate Issues

DESKTOP STRATEGY

Novell DOS 7 is a central component of Novell's desktop strategy. By delivering a client operating system integrated with peer-to-peer networking--the most advanced NetWare client software and network management--we are expanding the network industry by making NetWare more accessible to users.

NETWARE 4.0

Novell DOS 7 is the ideal client DOS for NetWare, as it uses the 4.0 VLM client to access all versions of NetWare, as well as other DOS 7 peer-to-peer servers. And like NetWare 4.0, Novell DOS peer-to-peer networking allows users to set up a single distributed database of user IDs. Moreover, users need to log in only once to access all network servers, with a single-network view of the available resources.

SOFTWARE DISTRIBUTION

The server-based installation capability of Novell DOS 7 enables Novell to distribute the software under the control of the network supervisor, through the user's login script file, without user interaction. This can be enhanced by using Novell's Network Navigator--which can schedule unattended software updates and installations during off-peak hours.

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PRODUCT PLAN

PRODUCT SCHEDULES

Beta 1	July 15
Beta 2	August 9
Beta 3	September 6
Engineering Release	October 4
First Customer Ship	October 18

PACKAGING

Currently specified SKUs for retail channel distribution:

- Standard dual-user packaged product with license for two users–3.5" high capacity media.

- Standard dual-user packaged product with license for two users–5.25" high capacity media.

- 10-user license product - both 3.5" and 5.25" high capacity media.

- 100-user license product - both 3.5" and 5.25" high capacity media

Available direct:

- Novell DOS 7 Documentation Set

- 5.25" Low Capacity Disk Set

- 3.5" Low Capacity Disk Set

- No 360K Disk sets

Software Developer's Kits (SDKs) available through the Novell Professional Developer's Program:

- Novell DOS 7 Software Developer's Kit

- DPMS Software Developer's Kit

- PalmDOS Software Developer's Kit

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OEM products available through OEM Sales:

- OEM Toolkit (SDK plus BIOS sources, BatteryMAX and ROMing tools)

- OEM Redistribution Kit (delivered when a contract has been signed)

NetWare/Novell DOS 7 Bundle

Details of Bundling Novell DOS 7 with NetWare will be worked out with NSG product groups over the next two weeks.

MATERIALS COST

Novell DOS 7 Single User Retail Product (3.5") - $12.00 COGS

- Color Carton and Space Filler

- Novell DOS 7 User Guide (400 Pages)

- Novell DOS 7 3.5" Disk Set (8 Disks)

- Registration Card

Novell DOS 7 Single User Retail Product (5.25") - $10.00 COGS

- Color Carton and Space Filler

- Novell DOS 7 User Guide (400 Pages)

- Novell DOS 7 5.25" Disk Set (8 Disks)

- Registration Card

NOVELL DOS 7 STANDARD PRICING

Novell has established a base list price of $129 for the standard dual-user packaged product. Full pricing information appears below.

INTRODUCTION PRICING

Introductory pricing has been suggested at $49 list price for the first 3 months after shipment (Oct-Jan 1993). Given the market conditions, this promotion may continue into infinity.

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Fig. 1 - End user and channel pricing for Novell DOS 7 dual user packaged product
Packaged Product SRP   **$129**

Quantity	Disc.%	SRP	ASP	Street Price	Per user (on Street Price)
1 (2 User)	55%	$129	$58	$72.50	$36.25
1 (2 User)	25%	$49	$37 (90 Day Promotion)	$49	$24.50

Fig. 2 - End user and channel pricing for Novell DOS 7 Multi License Pack
    10 and 100 User License Packs

Users	Disc. %	SRP	ASP	Street Price	Per user (on Street Price)
10	55%	$399	$180	$224	$22
100	55%	$2,999	$1350	$1687	$17

Fig. 3 - Comparison of OEM pricing for Novell DOS 7 and NetWare Lite/DR DOS bundle

OEM Price

Volume	Price / Unit	Cost
5,000	$15.00	$75,000
25,000	$10.00	$250,000
50,000	$8.00	$400,000
100,000	$6.00	$600,000
250,000	$4.00	$1,000,000
500,000	$3.00	$1,500,000
1,000,000	$2.00	$2,000,000

DR DOS/NWLite Bundle

Volume	Price / Unit	Cost
5,000	$29.00	$145,000
25,000	$23.00	$575,000
50,000	$19.00	$950,000
100,000		
250,000	$15.00	$3,750,000
500,000	$10.00	$5,500,000
1,000,000	$8.00	$8,000,000

UPGRADES AND COMPETITIVE PRICING

Upgrades

- DR DOS 5.0 and 6.0 Users to Novell DOS 7 - direct

- NetWare Installed Base - direct

- Competitive Upgrade - channel

Upgrade Pricing

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- DR DOS 5.0 and 6.0 to Novell DOS 7 - $29.00

- NetWare installed base - $49.00

- Competitive upgrade program - $49.00 any version of DOS (90 days after FCS)

Competitive pricing

MS-DOS 6.0 carries a list price of $129. In March 1993 MS-DOS 6.0 was introduced at a promotional price of $49 for a period of two months (through May 31). Major new features: DoubleSpace disk compression, MemMaker memory utility, Central Point Anti Virus and Norton Backup.

IBM DOS 6.1 was introduced at the PC Expo in June 1993. It will ship in late July at a price of $59.99 fulfilled direct for the first 60 days (through September). The list price is expected to be $189. The channel upgrade price is $109. Major new features: IBM Anti Virus, Central Point Backup (full) and RAMboost memory utility, PCMCIA and Pen extensions--no disk compression, but a coupon for a free copy of SuperStor.

INVENTORY CHANNEL MANAGEMENT

Distributors, and resellers who purchase product from distributors, will be allowed to exchange their unsold copies of DR DOS 6.0 for credit toward the purchase of Novell DOS 7. The exact stock rotation plan with channel sales remains to be established.

REVENUE FORECAST

The following chart illustrates revenue forecast goals for FY 1993-95.

	FY93 Q4	FY93	FY94	FY95
Revenue	$7M	$13M	$34M	$42M

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MARKETING COMMUNICATIONS

According to Novell's focus group meetings, there is virtually no name recognition for Novell among first-time or non-network PC users. Conversely, companies such as Microsoft, WordPerfect, Lotus, and Apple enjoy considerable name recognition. With Novell DOS 7, the Desktop Systems Group and Novell as a whole must significantly augment its presence among the end-user audience domestically and internationally to succeed in the highly volatile and saturated market.

Commensurate with name recognition is the need to inform a diverse audience of the development and availability of the most advanced, technical, and feature-rich networking DOS--a highly technical product applicable to a variety of users on various levels. Hence, Novell's communication plan must be as diverse and far-reaching as its target customer.

LAUNCH EVENT

The Novell DOS 7 launch event is scheduled for Monday, October 4, 1993 - Tech Day at NetWorld Dallas. A two-hour event presented to the press and key analysts will commence at 10:00 am, with opening remarks from Ray Noorda, followed by John Edwards' commentary on "Positioning Novell DOS 7 in the NetWare Environment." The presentation will include a video featuring functionality clips of Novell DOS 7 and customer testimonials. The launch event will conclude with a luncheon.

PUBLIC RELATIONS ACTIVITIES

The press is a very strategic marketing vehicle in creating end-user demand for Novell DOS 7. Through increased activity and participation in trade shows which focus on the desktop, by conducting numerous long and short lead press tours and meetings with the press and analysts, by participating in radio talk shows, and by producing an abundance of competitive domestic and international marketing materials for end users, Novell stands to enhance visibility and thus coverage at the end-user level through traditional and non-traditional communications vehicles, thereby dramatically increasing its name recognition and perception within the end-user arena.

To date, the Desktop Systems Group has successfully completed long-lead press tours in both the United States and Europe, while collectively targeting more than 65 publications. General articles have already appeared both domestically and internationally. The Asia/Pacific press tour is being finalized, with an expected target of more than 25 publications. Also in progress is an extensive international beta program.

Additional press activities for Novell DOS 7 include a domestic short-lead press tour, international short-lead conference calls, a domestic analyst tour, international analyst conference calls, numerous industry publications for product awards and recognition, and a major international press announcement and roll out at NetWorld Dallas. Moreover, two additional announcements must be held in Europe and Asia/Pacific to support these vital regions for Novell DOS 7.

Another key focus area lies within industry forums such as Software Publishers' Association bi-annual meetings and Stewart Alsop's Agenda and Demo events.

Press Packets include the following:

- Press Cover Letter

- Novell DOS 7 Spec Sheet

- Novell DOS 7 Comparison Chart

- Novell DOS 7 White Paper

- Novell DOS 7 related Press Releases

- Novell DOS 7 Product Presentation Handouts

- DPMS Spec Sheet

- Reviewer's Guide

COLLATERAL

- **Product Sales Guide:** A sales document containing all necessary information for selling Novell DOS 7 including product overview, features & benefits, target market, audience, competition, pricing, sales tools, upgrades.

- **Product Profile:** A technical document which serves as a quick, easy-to-use reference. It provides product information for sales situations focused on Novell DOS 7.

- **Product Comparison:** A sales document providing feature by feature comparison of Novell DOS 7, MS DOS 6, PC DOS 6.1, and DR DOS 6.0. Covers compelling reasons to choose Novell   DOS 7 over others.

- **Product Spec Sheet:** A concise yet technical two-page document containing Novell DOS 7 product overview, features & benefits, specifications and system requirements.

- **White Paper:** A very detailed technical summary of Novell DOS 7.

- **Reseller, Technical, and Marketing Presentations:** Covers the marketing trends which fostered the development of the key features of Novel DOS 7, including a series of slides on introduction, product strategy, and resale.

- **Reviewers Guide:** This guide will carry the reviewer through the evaluation process of Novell DOS 7.

- **Novell DOS and the NetWare Environment:** An MIS Kit which focuses on integration and solutions.

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SALES CONFERENCE CALL

The Novell DOS 7 marketing group will host a worldwide telephone conference call to introduce Novell DOS 7 to foreign and domestic sales offices. A Sales kit will be express-mailed to arrive before the call. Arrangements will be made for a conference call replay for those unable to attend the first call. This conference call will coincide with the October 4, 1993 launch event.

PACKAGING DESIGN

SBG Partners is developing dual-user retail packaging for Novell DOS 7.

This package design must convey that Novell DOS 7 is the most advanced "network-friendly" DOS while building name-brand identification from DR DOS to Novell DOS. The message on the front of the box will communicate that Novell DOS 7 is "The Network-Ready" DOS.

ADVERTISING

Foote, Cone & Belding is creating an introductory ad for the launch of Novell DOS 7. The ad must be ready for September/October media deadlines.

Target Audience

- Those advanced in PC computer literacy who are networked or aware of network technology and are interested in upgrading their operating system.

    - MIS Directors

    - Power Users

    - First time Networking User

- Current DR DOS 5.0 and DR DOS 6.0 installed base.

- DOS and MS Windows users currently networked and interested in the benefits of an advanced network-ready DOS.

- Companies looking for a simple first-time networking solution.

Communications Objectives

- Novell DOS 7 is the superior DOS/Networking product.

- MS Windows compatibility.

- Competitive DOS upgrade.

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Media Plan

A limited media mix necessitates effective positioning within each publication to ensure a successful marketing campaign. Steve Wiest and Coleman Barney will be instrumental in the execution of this plan.

The media plan is to be implemented within the following publications:

- PC Magazine

- Byte Magazine

- Dr. Dobbs Journal

- Computer Reseller News

- InfoWorld

- PC Week

- Networking Publications — TBD

FAX-THE-FACTS

This program will provide an 800 number through which customers can arrange to have collateral automatically faxed to them based on menu selection. This number will be included in our advertising and direct mail pieces. Fax-the-Facts is designed to cut the sales cycle down by delivering all the necessary information to make a buying decision.

TRADE SHOWS

InterOp Fall '93

The Novell DOS 7 Group will share a counter with the NetWare Lite Group in the Corporate Booth at Fall InterOp, held in San Francisco, CA, August 23-27, 1993. Actual show dates will be August 23-27. A beta version of Novell DOS 7 will be demonstrated to customers visiting the counter. This will be the first time Novell DOS 7 will be demonstrated publicly.

NetWorld Dallas '93

The Novell DOS 7 Group will present the premier product demonstration at counter space in the Corporate Booth at NetWorld Dallas, held in Dallas, Texas, October 5-7, 1993. Coinciding with the show will be Novell's major "launch event" scheduled for October 4, 1993.

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POS MATERIALS

- Shelf Hanger/Flip Book

- Pocket Cards

- End Caps, Table Top Displays (case by case)

PROGRAM KITS

MDF Kits

Marketing Development Fund (MDF) kits will be made available to Novell Channel Marketing to facilitate their efforts in marketing Novell DOS 7 through distributors and Novell resellers using accrued marketing development funds. The kit will include these various marketing materials:

- 50, 100, 150-word descriptions of the product

- Ad reprints

- Logo sheets/usage guide

- Black & white and color photos of the Novell DOS 7 package

- Color slides of the box and screen shots

MIS Kit

Designed for the NetWare MIS manager, clearly highlights the benefits of Novell DOS 7 in a NetWare environment.

- Mailer/Label

- Letter

- Ultimate NetWare Client

Novell Reseller Kit

As the name implies, the Novell Reseller Kit is designed to give the Novell Reseller everything needed to easily and effectively sell Novell DOS 7. The kit includes:

- Mailer/Label

- Letter

- MIS Kit

- Training Video

- Novell DOS 7

- Promotional Item

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OEM Kit

OEM kits support the marketing efforts of Novell sales reps. Updated quarterly, they provide press clips and any additional information regarding Novell DOS 7. Each kit contains:

- Press clips on Novell DOS 7

- Collateral

- Ad Reprints

Novell Sales Training Kit

A comprehensive kit designed to give the Novell salesperson everything possible to effectively sell Novell DOS 7. The kit includes:

- Mailer/Label

- Letter

- Presentation

- Spec Sheet

- Product Comparison

- White Paper

- Sales Guide

- Product Profile

- Flip Book

- Novell DOS 7

- MIS Kit

- Training Video

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Retail Merchandising Kit

A concise kit designed for storefront resellers to effectively merchandise Novell DOS 7. The Kit includes:

- Mailer/Label

- 5 Pocket Cards

- Demo Disk

- Promotional Item

- Letter

- Flip Book

- 5 Product Comparison Sheets

EMPLOYEE COMMUNICATIONS

Members Meeting Video

The October or November Members Meeting Video will include an engaging segment introducing the Novell DOS 7. If in November, the video will also include coverage of October Launch Event in Dallas, Texas at NetWorld.

NetWords Article

Ideally, Novell DOS 7 should be featured in the September or October issue of NetWords as well as bulletins in other publications.

Novell Bulletins

- Novell Sales Bulletin

- NetWire

- FAX Broadcast

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MARKETING PROGRAMS AND MATERIALS

RETAIL PROGRAM

Novell DOS 7 will be launched under a dual-user competitive upgrade.

Temp Rep Training Tour

A national product tour with other vendors, where 2,000 reseller accounts are trained within a twelve-week period, will not only maximize impact, within a limited budget. Moreover, Novell will acquire sufficient information to deliver and set up displays appropriate to each reseller.

Classically, the major focus of this effort is 20% of the retailers who drive 80% of sales through retail outlets.

Each Reseller Sales Rep will receive:

- 5 Pocket Cards

- Giveaway as a low-cost thank you gift.

- 1 Demo Disk

- Collateral (upon request)

Detailing

Detailers will disseminate information regarding the type of merchandising materials most appropriate per reseller, thereby ensuring that over a 12-week period, 2,000 reseller accounts will receive assistance in the set-up of merchandising materials specific to their volume and environment.

Merchandising Materials:

- Shelf Hanger/Flip Book

- Collateral Materials

- Other materials to be specified by resellers (End Caps, Table Top Displays)

Reseller Direct Mail

Because temp reps and detailing are not as effective in reaching all types of resellers, direct mail will be used to generate broader channel excitement and support for Novell DOS 7, while providing merchandising materials, and soliciting orders from all interested dealers. Two mailings are scheduled.

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DR DOS Mailing List Update

The first mailing is targeted to 10,000 DR DOS 6.0 resellers, with the intent of updating the current list. A call for action will secure a reseller on the list to receive subsequent mailings on Novell DOS 7. Mailing to drop August 15, 1993.

Reseller Mailing

In an effort to generate channel excitement and support for Novell DOS 7 and place merchandising materials among interested dealers, this mailing is targeted to 20,000 resellers from CRN and VAR Business lists, as well as Novell resellers lists and DR DOS 6.0 resellers who respond to the first mailing. This master list will be merge/purged to eliminate duplicate names.

The mailing will consist of a high-profile brochure—with an 800 number and business reply card—that announces the product and offers the Novell DOS 7 Merchandising Kit. The mailing will be third class, as will the merchandising kits (due to weight restrictions). Mailing to drop October 11, 1993. Offer expires November 30, 1993 (45 days after mailing drops).

Retail Reseller Merchandising Kits

The Merchandising Kit is designed to give the resellers everything necessary to merchandise their stores. This kit, which includes the following, will be the fulfillment of the direct mail campaign discussed above.

- 5 Pocket Cards

- Shelf Hanger/Flip Book

- Novell DOS 7 Collateral

- Giveaway for responding to mailing

- Demo Disk

Channel Monthly Mailings

Three channel mailings will be performed each quarter—one per month—the first two of which will be post card mailings specific to Novell DOS 7 channel activities, while the final mailing will include a packet of all DSG products.

Mailing	Qty	Q1			Q2		
		Nov	Dec	Jan	Feb	Mar	Apr
DSG Reseller Postcard	20K	•			•		
DOS Reseller Postcard	20K		•				•
Quarterly Info Package	20K			•		•	

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DIRECT UPGRADE PROGRAM

Two specific target audiences can upgrade to Novell DOS 7 direct from Novell: the current DR DOS database consisting of 5.0 and 6.0 registered users and the NetWare/NUI database of users.

DR DOS Upgrade Offer

Through a two-tiered mailing to the DR DOS 5.0, 6.0 and NetWare Lite/DR DOS bundle installed base, Novell will offer an upgrade to Novell DOS 7 for $29. A second mailer extending the offer by 30 days, will go out to all names on the list who have yet to respond. Approximately 112,000 users are currently registered for DR DOS 6.0, while 40,000 users are registered for DR DOS 5.0.

Mailing #1

- Drops October 4, 1993
- Offer expires November 30, 1993
- Mailing is 3rd Class
- Quantity: 110,000

Mailing #2

- Drops December 1, 1993
- Offer extended to January 31, 1993
- Suppress all orders and returns
- Mailing is 3rd Class
- Quantity: 75,000

Mailing contains:

- Letter
- Brochure
- Outer Envelope
- Order Card
- Business Reply Card

Novell NetWare Direct Upgrade Offer

Novell intends to sell Novell DOS 7 to volume NetWare purchasers by distributing two key mailings during the first quarter. The first mailing will target current 4.0 and 3.11 registered users, while the second mailing will focus on the NetWare Users International database.

The offer for an upgrade to Novell DOS 7 for $49 and a free MIS kit is targeted to 300,000 volume purchasers of Novell NetWare and 125,000 members of NetWare Users International.

Mailing #1

- Drops November 15, 1993
- Offer expires December 31, 1993
- Mailing is 3rd Class
- Quantity: 150,000

Mailing #2

- Drops January 1, 1993
- Offer expires February 28, 1993
- Suppress all orders and returns
- Mailing is 3rd Class
- Quantity: 150,000
  - Read early result
  - Project forward

Mailing contains:

- Cover Letter
- Brochure
- Outer Envelope
- Order Card
- Dealer Locator Card
- Business Reply Card

Competitive Upgrade Offer

Focusing on the Gold and Platinum resellers as well as the general field, this program will be designed to maximize the number of upgrades from any other DOS to Novell DOS 7. A special incentive program will be designed to provide resellers with coupons which can be traded for necessary training.

NV003007

NETWARE PROGRAM

Novell DOS 7 will be launched under a dual-user competitive upgrade.

NetWare Reseller Direct Mail

This mailing is designed to generate awareness of Novell DOS 7 and the Multi License Packs among Novell Gold and Platinum Resellers--who are already Novell product champions--by giving the reseller an opportunity to request training from a Novell rep and/or a detailed merchandising kit.

Approximately 13,000 NetWare Resellers will receive this offer for a free Novell Reseller Kit by return mail, as well as one Not For Resale (NFR) or a visit by a Novell salesperson. This mailing will coincide with Novell field training and seminars.

Mailing:

- High-profile mailer with Novell 800 number and Business Reply Card

- Drops October 11, 1993

- Offer expires November 30, 1993

- Mailing is 3rd Class

- Quantity: 13,000

- Prioritize leads for training by Novell Sales Force

Novell Reseller Kits contain:

- Presentation

- Novell DOS 7 Collateral

- 1 NFR

- MIS Kit

- Training Video

- Promotional Item

OEM PROGRAMS

Considering OEM-sensitivity to both pricing and branding, only aggressive marketing and strong positioning will successfully place Novell DOS 7 in this high-value channel. These OEM programs will establish peer-to-peer networking as a central theme, with provisions set on a case by case basis.

NV003008

RBC 04720   NV2051

MILLENNIUM BETA EVALUATION PROGRAM

To expand the beta program and make it more widely available, the goal is to establish 1,000 external sites available to evaluate DOS 7, which will enable them to ensure its compatibility with their applications and that it is a superior solution for their environment.

To expand the program, the processes for distributing beta kits and providing support will be streamlined by empowering SE Technical and International Country managers to provide their sales offices with discretionary kits. Technical support will be available through an 800 number and the normal channels for international support, with a specified contract number for Millennium sites.

NOVELL SALES TRAINING PROGRAM

Equipped with "everything" necessary to host a high-impact, engaging event, the Novell DOS 7 product and field marketing group will train the SEs and the Novell Sales force through a series of regional training seminars and Novell television. The sales force will then be sufficiently trained and motivated to duplicate their training event in product presentations to Novell VARs and NetWare resellers.

Each SE and Novell Sales Rep will receive:

- Video for training

- Free giveaway for reps who attend training

- Presentation

- Sweepstakes Entries

- Collateral

- 1 NFR

Sweepstakes

To motivate the sales force to visit and train at least five resellers on both NetWare and Novell DOS 7 in their area without interfering with existing incentive programs, a special contest has been designed. Each Novell Sales Rep will receive a Sweepstakes Entry Form on which to record the name and address of each reseller visited. Five visits equals one entry form (reps can achieve more than one entry form), which will be collected for one drawing per month for a prize of $10,000.00 per drawing. The three-month sweepstakes prize totals $30,000.00.

NV003009

INTERNATIONAL COMMUNICATION

In an effort to provide effective translations and Novell DOS 7 marketing campaigns within the international sector, Custom Communications Programs will be developed on a per-country basis that augment core US programs and materials where applicable, including:

- Press Coverage

- Advertising

- Sales Training/Promotions

- Trade shows

- Press Materials/Collateral

- Conference Call

- Programs

NV003010

RBC 04722

NV/2052

SALES AND FIELD TRAINING PLAN

COMMUNICATION PLAN

- Sales Conference Call
- Sweepstakes
- Sales Kits
- Training Kits
- Distributor and OEM Activities
- Seminars
- Novell Television Training

TRAINING PLAN

The Novell sales rep will leave a Training Kit with each NetWare Reseller trained on Novell DOS 7.

Each Reseller will receive (at training):

- Presentation
- Complete set of Novell DOS 7 Collateral
- 1 NFR to show
- Shelf Hanger/Flip Book
- Training Video
- MIS Kit

Pre-Launch Training

- Internal
- External

Post-Launch Training

- Internal
- External

EDUCATION PLAN

- Education Courses and Materials

NV003011

CLOSURE

Novell's Desktop System strategy will help change the way in which people work with computers within an organization. Novell DOS 7 will support access to networking services ranging in size from global networking to small workgroups.

Network computing provides value, and Novell is the leading provider of network services and the infrastructure necessary for simple access to that value. In the coming months, Novell DOS 7 will provide the first network-ready DOS, network installation, peer-to-peer networking, a network management agent, pre-emptive multitaskng, desktop security, and enhanced memory management, as well as a suite of protected mode drivers and Microsoft Windows utilities. This strategy incorporates Novell's overall corporate mission of accelerating the growth of the network computing industry.

NV003012

BUDGET

See Attached.

NV003013

07/30/93 09:11

	Dev	Qty	Unit	Cost	Date	Q4 '93	Q1 '94	Q2 '94	Q3 '94	Q4 '94
Advertising Media										
Collateral										
• Pocket cards	$5,000	1	$0.20			$200	$300	$10	$10	$10
Spec sheet			$0.04							
Product Profile			$0.15							
Product Comparison			$0.04							
Sales Guide			$0.16							
White Paper			$0.16							
Review Guide			$0.15							
Presentations			$0.08							
Demo disk	$30,000		$3.00							
• Training video	$45,000		$7.00			$30				
• MIS kit	$13,000		$3.00			$13				
• Flip book	$12,000		$3.00			$12				
Audio cassette	$5,000		$0.50			$5				
Distributor card	$1,000		$0.10			$1				
Programs										
Overall Program Development	$16,000					$15	$100			$100
Internal										
Novell Sales Training										
• Sweepstakes entry	$5					$5	$20			
• Content	$5					$15				
Novell sales training kit		1,000	$33.24	$33,240		$33				

NV003014

RBC 04726

	Dev	Qty	Unit	Cost	Date	Q4 '93	Q1 '94	Q2 '94	Q3 '94	Q4 '94
Retail										
Temp Reps										
Tour #1										
Retail merch kit offer	$60,000	2,000				$60				
Detailing										
Tour #1		2,000	$14.00			$28				
Retail merch kit offer	$10,000	2,000				$10				
Custom In-store POS	$25,000	1,000	$20.00			$25				
• Retail reseller mailings										
Cleanup	$3,600	10,000				$14				
Mailer w/BRC		10,000	$1.00	$13,500		$14				
Postage										
Merch mailing										
Mailer w/BRC	$15,000	20,000	$1.45	$44,000		$44				
Postage		20,000	$0.29	$3,000		$3				
Merch kit offer										
Fulfillment		2,800	$20.00	$52,000		$52				
Postage		2,600	$5.00	$13,000		$13				
Generic Mailing #1		20,000	$0.55	$11,000		$11	$15			
Generic Mailing #2		20,000								
Quarterly Mailing #1		20,000								
Major Account Merch		20,000								
Direct										
• Direct DR DOS Upgrade										
Mailing #1	$25,000	120,000	$1.00	$145,000		$145				
Postage		120,000	$0.29	$34,800		$35				
Mailing #2	$2,000	70,000	$0.90	$65,000			$65			
Postage		70,000	$0.29	$20,300			$20			
• NetWare Direct Upgrade										
Mailing #1	$11,000	250,000	$0.95	$248,500			$249			
MIS kit offer (ops)		12,500	$4.90							
Postage		250,000	$0.55	$137,500			$138			
Mailing #2	$10,000	180,000	$0.95	$163,000				$163	$10	$10
MIS kit offer (ops)		9,000	$4.90							
Postage		180,000	$0.55	$99,000				$91		

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	Dev	Qty	Unit	Cost	Date	Q4 '93	Q1 '94	Q2 '94	Q3 '94	Q4 '94
Novell/NetWare										
• *NetWare Reseller Mailing*										
Mailing # 1	$10,000	13,000	$1.46	$28,850		$29				
Mailer/BRC		2,600	$32.00	$83,200		$83				
Novell Reseller kit offer										
Novell Reseller kit		2,600	$10.00	$26,000		$26				
Fulfillment										
Postage		13,000	$0.55	$7,150		$7	$50			
Kits										
MIS kit	$15,000	0	$4.80	$15,000		$15				
Novell reseller kit	$16,000	0	$31.80	$15,000		$15				
Novell sales training kit	$6,000	0	$33.24	$6,000		$6				
Retail merch kit	$15,000	0	$19.34	$15,000		$16				
Market Development Fund kit	$15,000									
Events										
		26	$2.15	$54		$16				
Interop						$8				
NetWorld Dallas						$5				
Launch Event										
Video						$10				
Press conference						$20				
International										
Europe						$300	$460			
Asia/Pacific						$50	$75			
Translations (Marcom)						$35	$35			
Miscellaneous										
Product Info						$20	$10			
Grand Total						$1602	$1001	TBD	TBD	TBD