



VISICORP™
PERSONAL SOFTWARE™

OUTLINE

REVIEW OF VISICALC
ORGANIZATIONAL NEEDS
PRODUCERS AND USERS
OF TEMPLATES
EASE OF USE

ADVANCED FEATURES
AVAILABILITY, PRICING
SUMMARY
QUESTIONS & ANSWERS

VisiCalc[®]

“Electronic Worksheet to Solve Numeric Problems”

Replaces Paper, Pencil and Calculator

- **Solve Problems in Seconds Instead
of Hours**
-

Ask “What If”

- **Change any Number and Instantly
Recalculate all Numbers**
-

Explore More Alternatives

- **Analyze Impact of Decisions Before
You Make Them**

VisiCalc[®]

Perform Individual Tasks More Efficiently

- Planning
- Budgeting
- Forecasting
- Cash Flow Analysis
- Financial Statements
- Taxes
- Cost Estimates
- Investments
- Real Estate
- Structural Design
- Nearly Anything Numerical!

One User, One Machine, One Model

Organizational Needs

Simpler for the Novice

Uniform and Consistent Use

Additional Functionality

- For Ease of Use
 - Build More Complex Models
-

Easier to Consolidate Data

Essential to Produce Professional Reports

"Producers" and "Users" of Templates

Template is a Pre-Formatted Model

- **Titles, Formulas Built-In**
-

Templates Easy to Use by a Novice

- **Virtually no Training Required**
-

**Produce These Templates for Complex
Models**

- **Easier to Develop and Test**
-

Producer and User Could be Same Person

Ease of Use

Step-by-Step Guidance

Keystroke Memory

Data Protection

Information Hiding

Data Checking

Help

Ease of Use thru Step-by-Step Guidance

Tab to Next or Previous Cell

Brief Prompts or Messages

Ease of Use thru Keystroke Memory (km)

Shorten and Simplify any Command Sequence

Can Chain km Sequences

Can Pause and Prompt at any Step

Can be Saved and Used in Other Models

Ease of Use

Cell Protection

- Prevent Accidental Modification of Data
-

Shield Information

- Only Useful Information Displayed
-

Data Checking

- Define Type of Data Expected and Program Checks for Correct Type (Values, Labels, Numbers)
-

Ease of Use

Help!!

Available at any Time

With One Keystroke (?)

Provides Help for Current Operation

Can Also Help in Other Operations

Returns to Original Operation with One Keystroke (ESC)

Advanced Features

Create Complex Models

Make Templates Easy to Use

Shorten and Simplify a Command Sequence

Greater Flexibility

Professionally Formatted Reports

Upward Compatible with VisiCalc Models

Create Complex Models

Financial Functions

- Internal Rate of Return
 - Present Value, Future Value
 - Interest Rate, Periods, Payments
-

Calendar Functions

- Month, Day, Year
 - Hour, Minutes, Seconds
 - Day of the Week (Using Modular Function)
-

Create Complex Models

(cont'd)

Enhanced Replicate Command

- Duplicate Rows, Columns, Blocks
 - Duplicate Attributes Only
-

Move, Insert and Delete Multiple Rows or Columns

Enhanced Choose Function

- @LABEL
 - @LCHOOSE
-

Automatic Extensions Such as

- Weighted Average Calculation
- Sum of Squares

Advanced Features to Make Templates Easy to Use

Powerful Cell Attributes

- Hide Information
 - Label Attributes
(Left, Right, Center)
 - Protection
 - Data Checking
 - Tab
-

Advanced Features

Shorten and Simplify a Command Sequence

- **Develop Frequently-used Command Sequences**
 - **Test Them Individually**
 - **Combine Them into One km Sequence**
 - **Save and Use in any Model**
-

Advanced Features Greater Flexibility

Variable Column Width (1-125)

- **Can Modify Width Any Time**
-

Floating \$ Sign

% Sign

**Commas for Numerical Separation
(e.g., 30,000.00)**

Advanced Features Greater Flexibility

(cont'd)

**Periods and Significant Digit Control
(e.g., 1920., 1920.1, 1920.123)**

Brackets () for Negative Numbers

Debit (DB) and Credit (CR) Symbols

Extensive Number and Label Justification

Advanced Features Professionally Formatted Reports

Many Formatting Features, Plus

Extensive Printer Settings

- **Titles**
 - **Page Breaks, Page Numbers**
 - **Page Length, Width**
 - **Form Length**
 - **Margin Width**
-



VISICORP™
PERSONAL SOFTWARE™

AVAILABILITY, PRICING, ETC.

- REQUIRES A III, ONE ADDITIONAL EXTERNAL DISK DRIVE

- SHIP : AUGUST 1, 1982

- ORDERS ACCEPTED : JUNE 15, 1982

- PRICE (APPLE III) : \$ 400.00
SUGGESTED RETAIL

- UPGRADE PRICE : \$ 200.00
(TO EXISTING VC III USER)

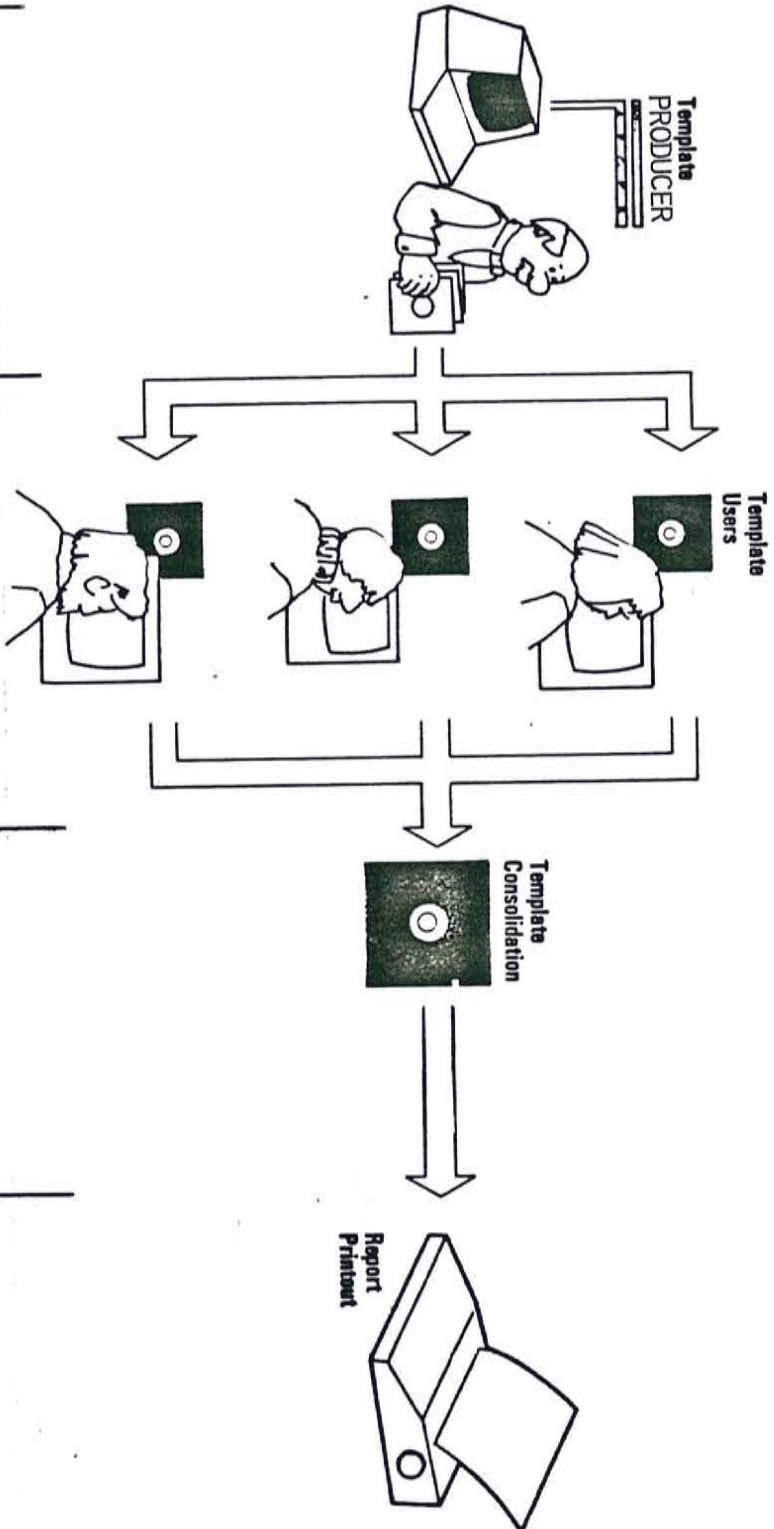


VISICORP™
PERSONAL SOFTWARE™

SUMMARY

- UPWARD COMPATIBLE WITH VISICALC
- BETTER THAN OTHER VISICLONES
- DESIGNED TO MEET ORGANIZATIONAL NEEDS
- SUPPORTS BUILDING COMPLEX YET EASY TO USE MODELS
- SUPPLIED AND SUPPORTED BY VISICORP

VISICALC ADVANCED VERSION VS "PAPER & PENCIL"



USING PAPER AND PENCIL

?

VISICALC ADV., VERSION

30 - ? MIN.

?

30 - 60 MIN?

?

1 - 10 MIN.

?

5 - 10 MIN.



VISICORP™
PERSONAL SOFTWARE™

	<u>MULTIPLAN</u>	<u>GEMINI</u>
WINDOWS - 8	8	2
** TITLES ACROSS COLUMNS	YES	NO
SHEET NAME (SAME AS FILE NAME?)	YES	NO
** CELL NAME	YES	NO
MOVING CURSOR MENU	YES	NO
HELP	YES	YES
* NEXT ACTION MESSAGE	YES	NO
* EXTERNAL CELL REFERENCE	YES	NO
RELATIVE CELL REFERENCE	YES	NO
* PARTIAL RECALCULATE		
RECALC ORDER DETERMINED BY PROGRAM	YES?	NO
HOME (UPPER LEFT)	YES	? YES (IBM)
* NEXT (MULTIPLAN-NEXT UNPROTECTED) NONBLANK CELL?)	YES	YES
TAB	YES?	
COPY	YES	YES
MULTIPLE DELETE	YES (MORE POWERFUL)	YES
MULTIPLE INSERT	YES (MORE POWERFUL)	YES
MULTIPLE MOVE	YES (MORE POWERFUL)	YES
* MULTIPLE BLANK	YES (MORE POWERFUL)	NO
FORMATS/CELL ATTRIBUTES	YES	YES-MORE COMPREHENSIVE
- LOCK	YES	YES
NPV	YES	YES
FIN FUNCTIONS (IRR,PV,FV,RATE)	NO	YES
CALENDAR FUNCTIONS	NO	YES

PRODUCT MARKETING

SK/vs/6-3-82



VISICORP™
PERSONAL SOFTWARE™

	<u>MULTIPLAN</u>	<u>GEMINI</u>
LOGICAL FUNCTIONS	NO	YES
CHOOSE	NO?	YES
LOOKUP	YES	YES
ENHANCED CHOOSE, @ LABEL, @ VALUE	NO	YES
DOT PRODUCT	NO	YES
IF	NO	YES
HIDE	NO	YES
EXPRESSION (IAE)	NO	YES
MODULO		
VAR COL WIDTH	3-32	1-125
DUPLICATE ATTRIBUTES ONLY (IF=,IRCA)	NO?	YES
STRING FUNCTIONS	YES	NO
KEYSTROKE MEMORY	NO?	YES
SPEED (PERFORMANCE)		
USER MEMORY (ON A 64K MACHINE)		
USER FRIENDLINESS		

PRODUCT MARKETING

SK/vs/6-3-82



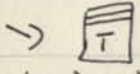
The
Michael Thomas
Corporation

SPECIALISTS IN BUSINESS DEVELOPMENT

Michael Thomas 411 Bond # 430

every entrepreneur is:

entrepreneur	- always in the future
mgr	- the organizer
technician	- the perfectionist



(after the entrepreneurial stage)

BUSINESS DEVELOPMENT

- ① personal system
- ② strategic plan
- ③ organization
- ④ management (system to satisfy common needs) HOTEL
- ⑤ people (the vision), making their life work this) DISNEYLAND
- ⑥ marketing (understands the customer's job it does) MARLBORO MAN
- ⑦ systems / procedures / policies IMPLEMENTATION

OWNER
OTHER
G. GOALS



HOTEL

DISNEYLAND

MARLBORO MAN

IMPLEMENTATION

stages of small business

- entrepreneurial stage
- adolescence
- maturity

Thinking

- ① thinks of business as a franchise prototype
- ② engineers the business as a product *
- ③ often tries to find goals: whether this makes sense.

THANK YOU FOR ATTENDING
OUR WORKSHOP.

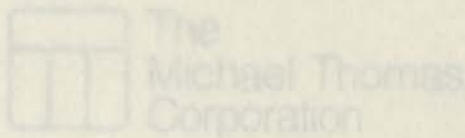
Since the inception of our business, we have had the opportunity to meet with thousands of business people in every kind of business. The Key Frustrations Workshop has played an essential part in that dialogue. For, through it, we have been able to create an important medium of communication, which in turn has established a foundation of understanding for the many successful relationships which have evolved from it between us and our clients.

Operating a business, at best, is a highly complex and risky endeavor. But, operating a business the way most businesses are operated is little more than an unmitigated disaster. It is our contention that such disasters, though increasingly prevalent in today's business community, are not only unnecessarily wasteful, but mostly preventable. It is our objective as a firm to prevent such disasters from occurring, and, by so doing, to assist business people like yourself in the achievement of some modicum of independence and control through the development of a more rational and productive business enterprise.

To achieve this objective, we have spent countless hours in researching the most productive methods used in the business environment; methods in Marketing, Production, Finance, Engineering, Administration—all were included so as to make certain that the resulting technology allowed for a synergy of experience, rather than a myopically specialized one, to emerge. Out of this research, and the practical application of it, was developed a program which we believe to be unparalleled in the business community. We call it The Michael Thomas Business Development Program, and it is at the heart of the service we have developed on behalf of our client companies.

To better understand what we have accomplished, it is useful to think of our business development program as the means through which a company creates its own operations prototype, exactly as a franchisor would prior to expansion. In other words, we approach the task of business development in exactly the same way as McDONALD'S did in the creation of their franchise system. By so doing, we help the entrepreneur to look at his business from a totally unique perspective. Rather than personalizing it, as all entrepreneurs are given to do, he begins to look upon the business as a system which requires perfecting. In other words, we help him to see his business as an independent organism which must be approached systematically—and objectively—if it will ever be able to run without his direct and personal attention.

In the process of developing the above approach, we have quantified those methods, systems and techniques which have worked for the most successful franchise operations (as well as the most successful of all companies) and have adapted them for use by small, emerging companies. We then developed a proprietary method for communicating such information to the management of a small business so as to insure its successful implementation. Finally, once installed, the entire technology is standardized throughout the client's organization and documented in manuals.



The result is that the small businesses with whom we have worked can take an entire systematology which has already been validated in many other companies, and convert it to their own use in a very short period of time, and with an impact that can be startling. Where increased sales are the objective, sales are increased; where more efficient production is the requirement, production is managed more efficiently; where profitability is of primary concern, profits are enhanced. In short, wherever it is applied, and then implemented, the technology works.

It is this objective, and how we can apply these principles to your business, that we will discuss in our next meeting with you. To that end, we request that you complete the enclosed CLIENT PREFERENCE SURVEY. Through it, our Marketing Associates will be able to better understand your concerns, as well as your objectives. Should they be compatible with ours, he or she will then explain the next step to be taken in a potential relationship between us.

Again, thank you for attending our seminar. We trust you have found the information of interest whether or not we continue beyond this point.

THE MICHAEL THOMAS CORPORATION
SAN MATEO, CALIFORNIA

The Michael Thomas Corporation
411 Sora Avenue, Suite 428
San Mateo, California 94402
415/347-8023



The
Michael Thomas
Corporation

CLIENT PREFERENCE SURVEY

AS YOU LOOK AT YOUR BUSINESS, CERTAIN NEEDS WILL BECOME APPARENT TO YOU. WHILE YOU MAY FIND THEM OBVIOUS, SOMEONE FROM THE OUTSIDE MAY NOT.

TO GIVE US THE FULLEST POSSIBLE PICTURE OF YOUR BUSINESS, WE ASK YOU TO FILL OUT THIS DOCUMENT. YOUR RESPONSES WILL, OF COURSE, BE KEPT IN THE STRICTEST CONFIDENCE, AS IS THE CASE WITH ALL COMMUNICATION BETWEEN US.

WE HAVE DIVIDED THE DOCUMENT INTO 5 MAJOR CATEGORIES:

- (1) GENERAL
- (2) MARKETING
- (3) OPERATIONS
- (4) ADMINISTRATION
- (5) MISCELLANEOUS

CLIENT PREFERENCE SURVEY

WHILE THREE OF THE CATEGORIES ARE CLEAR AS TO THEIR MEANING, TWO OF THEM MAY CAUSE YOU A BIT OF CONFUSION. THEREFORE, AN EXPLANATION IS IN ORDER.

BY "OPERATIONS" WE MEAN ALL THE FUNCTIONS WITHIN YOUR BUSINESS THAT ARE DIRECTLY RELATED TO THE DELIVERY OF YOUR PRODUCT OR SERVICE. IF YOU ARE A MANUFACTURER, THIS CATEGORY PERTAINS TO, AMONG OTHER THINGS, PRODUCTION CONTROL, INVENTORY CONTROL, SHIPPING, RECEIVING AND THE LIKE. IF YOU ARE A DISTRIBUTOR, IT WOULD RELATE TO INVENTORY CONTROL, WAREHOUSING AND THE VARIOUS OTHER DISCIPLINES THAT ARE RELEVANT TO YOUR PARTICULAR OPERATION.

BY "ADMINISTRATION" WE MEAN ALL THE FUNCTIONS THAT ARE PERFORMED TO SUPPORT THE REST OF THE ORGANIZATION—PERSONNEL, ENGINEERING, FINANCE AND WHATEVER OTHERS THAT MAY BE APPROPRIATE TO YOUR SITUATION.

IF ANY GIVEN ITEM IN THIS DOCUMENT IN ANY WAY CAUSES YOU SOME CONFUSION, PLEASE DO NOT HESITATE TO ASK FOR AN EXPLANATION. SIMPLY MAKE YOUR ENTRIES AS BEST YOU CAN. THIS IS NOT A TEST OF YOUR KNOWLEDGE, BUT A STATEMENT OF WHAT YOU WOULD LIKE TO ADDRESS AND SOLVE IN YOUR BUSINESS DEVELOPMENT PROGRAM.

WE WOULD PREFER THAT YOU NOT ASK OUR MARKETING ASSOCIATE FOR AN EXPLANATION OF ANY ITEM IN THE DOCUMENT, NOT BECAUSE WE REFUSE TO SHARE OUR EXPERTISE WITH YOU, BUT BECAUSE WE DO NOT WANT TO INFLUENCE YOUR PREFERENCES. AT THE APPROPRIATE TIME, COMPLETE EXPLANATIONS WILL BE PROVIDED.

THANK YOU.

The Michael Thomas Corporation
411 Borel Avenue, Suite 430
San Mateo, California 94402
415/341-8823

CLIENT PREFERENCE SURVEY

AS YOU LOOK AT YOUR BUSINESS, CERTAIN NEEDS WILL BECOME APPARENT TO YOU. WHILE YOU MAY FIND THEM OBVIOUS, SOMEONE FROM THE OUTSIDE MAY NOT.

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IF ANY GIVEN ITEM IN THIS DOCUMENT SEEMS UNCLEAR OR IN ANY WAY CAUSES YOU SOME CONFUSION, PLEASE DO NOT BE CONCERNED. SIMPLY MAKE YOUR ENTRIES AS BEST YOU CAN. THIS IS NOT A TEST. IT'S NOTHING MORE THAN A STATEMENT OF WHAT YOU WOULD LIKE TO ADDRESS AND SOLVE IN YOUR BUSINESS DEVELOPMENT PROGRAM.

WE WOULD PREFER THAT YOU NOT ASK OUR MARKETING ASSOCIATE FOR AN EXPLANATION OF ANY ITEM IN THE DOCUMENT, NOT BECAUSE WE REFUSE TO SHARE OUR EXPERTISE WITH YOU, BUT BECAUSE WE DO NOT WANT TO INFLUENCE YOUR PREFERENCES. AT THE APPROPRIATE TIME, COMPLETE EXPLANATIONS WILL BE PROVIDED.

THANK YOU.

HOW TO COMPLETE THE MICHAEL THOMAS CLIENT PREFERENCE SURVEY

WE ARE ASKING YOU TO FORCE-RANK THE FIVE MAJOR CATEGORIES, AS WELL AS THE ITEMS WITHIN EACH CATEGORY, BY THEIR ORDER OF IMPORTANCE TO YOU.

THEREFORE, YOU WILL BE DOING TWO THINGS: (1) TELLING US WHICH ITEMS IN OUR SERVICE INVENTORY YOU THINK ARE RELEVANT TO YOU, AND (2) THE SEQUENCE IN WHICH YOU WOULD LIKE TO SEE THOSE ITEMS DELIVERED TO YOU AND MADE AVAILABLE (OR INSTALLED IN) YOUR BUSINESS.

THROUGHOUT THIS DOCUMENT, YOU WILL FIND PARENTHESES () NEXT TO CERTAIN ENTRIES AND ITEMS. WHEN YOU SEE THEM, WE'RE ACTUALLY ASKING YOU TO DECIDE IF THAT PARTICULAR ITEM IS NEEDED IN YOUR BUSINESS. IF YOU THINK IT IS, THE NEXT THING TO DECIDE IS WHETHER OR NOT IT IS A MORE URGENT PRIORITY THAN THE OTHER ITEMS YOU NEED. THEREFORE, THE MOST URGENT ITEM IN A GIVEN CATEGORY WOULD RECEIVE THE NUMBER "1" IN THE PARENTHESES NEXT TO IT; THE SECOND-MOST IMPORTANT, NUMBER "2"; THE THIRD-MOST IMPORTANT, NUMBER "3"; AND SO ON. **YOU DO NOT HAVE TO PLACE A NUMBER NEXT TO EVERY ITEM;** ONLY THOSE THAT YOU THINK YOUR BUSINESS NEEDS.

AS YOU BEGIN EACH CATEGORY, BEGIN AGAIN WITH THE NUMBER "1".

THE "MISCELLANEOUS" CATEGORY IS RESERVED FOR THE AREAS AND NEEDS THAT ARE NOT IDENTIFIED BY THIS DOCUMENT BUT ARE, NEVERTHELESS, IMPORTANT TO YOU. ONCE YOU HAVE COMPLETED THAT CATEGORY, WE WILL ASK YOU TO FORCE-RANK THE CATEGORIES THEMSELVES. AFTER THAT, WE'LL HAVE SOME GENERAL QUESTIONS FOR YOU.

PLEASE TURN THE PAGE AND BEGIN.

GENERAL

REMEMBER: STARTING WITH NUMBER "1", WHICH IS THE MOST URGENT NEED, THE PRIORITIES DIMINISH IN IMPORTANCE AS THE NUMBERS GO HIGHER.

PLEASE DO NOT USE THE SAME NUMBER MORE THAN ONCE IN THE SAME CATEGORY.

YOU ARE NOT COMMITTING YOURSELF TO THE SEQUENCE YOU ESTABLISH. THIS IS ONLY A STATEMENT OF YOUR PREFERENCES AT THIS TIME.

- () ORGANIZATIONAL STRATEGY
- () POSITION CONTRACTS (JOB DESCRIPTIONS)
- () MANAGEMENT TRAINING FOR YOUR MANAGERS
- () DEVELOPING OPERATIONS MANUALS
- () DEVELOPING AN IN-HOUSE NEWSLETTER
- () HAVING US EVALUATE YOUR PHYSICAL ENVIRONMENT
- () EMPLOYEE RELATIONS PROGRAM
- () REVIEW OF YOUR COMPANY'S LEGAL STATUS AND DOCUMENTS
- () AN EXPANSION PROGRAM (FRANCHISING, OPENING BRANCHES, ETC.)
- () IN-HOUSE CAPABILITY TO TRAIN YOUR MANAGERS
- () REVIEW OF YOUR COMPANY'S GENERAL FINANCIAL CONDITION
- () REVIEW OF A POSSIBLE MERGER OR ACQUISITION
- () QUALITY ASSURANCE TECHNOLOGY (GETTING BETTER INFORMATION ABOUT HOW YOUR COMPANY IS RUNNING)

CONTINUED

MARKETING

NOTE: THIS CATEGORY FILLS MORE THAN ONE PAGE. LOOK AHEAD FIRST.

- () DEMOGRAPHIC MODEL OF YOUR TYPICAL CURRENT CUSTOMER
- () FINDING NEW MARKETS
- () LEARNING ABOUT YOUR CUSTOMER'S PSYCHOGRAPHICS
- () DEVELOPING A UNIQUE SELLING PROPOSITION
- () PACKAGING YOUR PRODUCT
- () DETERMINING WHAT YOUR PRODUCT/SERVICE SHOULD BE
- () DEVELOPING ADDITIONAL PRODUCTS/SERVICES
- () LOGO
- () COMPANY NAME
- () PRODUCT NAME
- () RECRUITING AND TRAINING A MARKETING/SALES MANAGER
- () ORGANIZING THE DEPARTMENT
- () SETTING OBJECTIVES FOR SALES
- () DISTRIBUTOR PROGRAM (FOR GETTING THEM)
- () DISTRIBUTOR PROGRAM (FOR MOTIVATING THEM)
- () REP OR RETAIL DEALER PROGRAM (FOR GETTING THEM)
- () REP OR RETAIL DEALER PROGRAM (FOR MOTIVATING THEM)
- () COMPENSATION PROGRAM
- () GETTING COLLATERAL MATERIALS (ADS, BROCHURES, ETC.) PRODUCED
- () CUSTOMER SERVICE PROGRAM/TECHNOLOGY
- () PRODUCT/SERVICE PRICING
- () WARRANTY
- () SALES CONTRACT

CONTINUED

MARKETING (CONTINUED)

- () EVALUATION OF RETAIL MERCHANDISING STRATEGY
- () EVALUATION OF PRODUCT CATALOGUE
- () EVALUATION OF CURRENT COLLATERAL MATERIALS

PLEASE DO NOT START WITH NUMBER "1" AGAIN

DEVELOPING A SALES PROCESS (PRESENTATIONS, SYSTEMS AND MATERIALS) FOR:

- () FACE-TO-FACE WITH PROSPECT/CUSTOMER
- () TELEPHONE
- () RETAIL
- () TRADE SHOW/CONVENTION
- () INSIDE SALES DESK
- () AFTER-MARKET (ADDITIONAL SALES TO CURRENT CUSTOMERS)

A SYSTEM FOR:

- () FORECASTING SALES
- () TRACKING SALES LEADS
- () REPORTING SALES ACTIVITY
- () PLANNING SALES CALLS
- () ESTABLISHING SALES TERRITORIES
- () RECRUITING AND TRAINING SALES PERSONNEL
- () COMPLETING SALES TRANSACTION PAPERWORK
- () COMPUTING SALES CONVERSION (EFFICIENCY)
- () SUPPORTING INSIDE SALES DESK
- () ENTERING AN ORDER
- () MOTIVATING SALES PERSONNEL

CONTINUED

MARKETING (CONTINUED)

- () DETERMINING RETAIL TRADING ZONES
- () EVALUATING RETAIL LOCATIONS

A SYSTEM FOR EVALUATING THE FOLLOWING MEDIA:

- () NEWSPAPER
- () TRADE MAGAZINES
- () CONSUMER MAGAZINES
- () TV
- () RADIO
- () OUTDOOR (BILLBOARDS, BUMPER STICKERS, ETC.)
- () DIRECT MAIL (GENERATING LEADS/INTEREST THROUGH THE MAIL)
- () MAILORDER (SELLING THROUGH THE MAIL)
- () POINT-OF-PURCHASE (RETAIL)
- () HANDOUTS/FLYERS
- () NEWSLETTER AS MARKETING DEVICE

A STRATEGY FOR USING THE FOLLOWING MEDIA:

- () NEWSPAPER
- () TRADE MAGAZINES
- () CONSUMER MAGAZINES
- () TV
- () RADIO
- () OUTDOOR
- () DIRECT MAIL
- () MAILORDER

CONTINUED

..... MARKETING (CONTINUED)

OPERATIONS

() POINT-OF-PURCHASE

() HANDOUTS/FLYERS

() NEWSLETTER

() WRITING QUALITY CONTROL STANDARDS THAT ALREADY EXIST

() EVALUATION OF PRODUCTION METHODS

() ORGANIZING THE DEPARTMENT

() PRODUCING PRODUCT DOCUMENTATION (DRAWINGS, BILLS OF MATERIAL, ETC.)

() COMPENSATION PROGRAM FOR OPERATIONS PERSONNEL

() PRODUCT INSTALLATION/DELIVERY TECHNOLOGY

A SYSTEM FOR:

() PROCESSING AN ORDER

() SHIPPING

() RECEIVING

() INVENTORY CONTROL

() WAREHOUSING

() MATERIALS REQUISITION

() PRODUCTION PLANNING/SCHEDULING

() PRODUCTION REPORTING

() COSTING

() QUALITY CONTROL

() PURCHASING

() MATERIALS PLANNING

() CONTROLLING ENGINEERING PROJECTS

CONTINUED

OPERATIONS

NOTE: START AGAIN WITH NUMBER "1". THIS CATEGORY FILLS MORE THAN ONE PAGE.
LOOK AHEAD FIRST.

- () SUPPLIER RELATIONS PROGRAM
- () DEVELOPING QUALITY CONTROL STANDARDS
- () WRITING QUALITY CONTROL STANDARDS THAT ALREADY EXIST
- () EVALUATION OF PRODUCTION METHODS
- () ORGANIZING THE DEPARTMENT
- () PRODUCING PRODUCT DOCUMENTATION (DRAWINGS, BILLS OF MATERIAL, ETC.)
- () COMPENSATION PROGRAM FOR OPERATIONS PERSONNEL
- () PRODUCT INSTALLATION/DELIVERY TECHNOLOGY

A SYSTEM FOR:

- () PROCESSING AN ORDER
- () SHIPPING
- () RECEIVING
- () INVENTORY CONTROL
- () WAREHOUSING
- () MATERIALS REQUISITION
- () PRODUCTION PLANNING/SCHEDULING
- () PRODUCTION REPORTING
- () COSTING
- () QUALITY CONTROL
- () PURCHASING
- () MATERIALS PLANNING
- () CONTROLLING ENGINEERING PROJECTS

CONTINUED

... . OPERATIONS (CONTINUED)

ADMINISTRATION

- () CONTROLLING PRODUCT DOCUMENTATION
- () REPAIRS & MAINTENANCE
- () REJECTS & REWORKS
- () WILL CALLS
- () DETERMINING DELIVERY ROUTES
- () RENDERING TECHNICAL SUPPORT TO YOUR CUSTOMERS
- () RENDERING TECHNICAL SUPPORT TO YOUR DISTRIBUTORS/REPS
- () MANAGING R&D PROJECTS

ACCOUNTS FOR

- () CASH PLANNING & FORECASTING
- () RECEIVABLES REPORTING/TRACKING/AGEING
- () PAYABLES REPORTING/TRACKING/AGEING
- () DETERMINING & REPORTING THE CASH POSITION
- () COLLECTING RECEIVABLES
- () CREDITOR RELATIONS
- () BUDGETING
- () BUDGET MONITORING
- () GENERAL COMPENSATION
- () COMPENSATION FOR ADMINISTRATION PERSONNEL
- () PROFIT PLANNING
- () CREDIT MANAGEMENT
- () GENERAL FILING

CONTINUED

ADMINISTRATION (CONTINUE) **ADMINISTRATION**

NOTE: START AGAIN WITH NUMBER "1". THIS CATEGORY FILLS MORE THAN ONE PAGE.
LOOK AHEAD FIRST.

- () EMPLOYEE HANDBOOK
- () SELECTING AND ADMINISTERING FRINGE BENEFITS
- () ORGANIZING THE DEPARTMENT
- () EMPLOYEE ORIENTATION PROGRAM
- () ESTABLISHING AND MAINTAINING PERSONNEL RECORDS
- () SALARY ADMINISTRATION (REVIEWS, RECORDKEEPING, ETC.)
- () TECHNOLOGY FOR RUNNING A SERVICE DEPARTMENT
- () EVALUATION OF CURRENT PERSONNEL POLICIES

A SYSTEM FOR:

- () CASH PLANNING & FORECASTING
- () RECEIVABLES REPORTING/TRACKING/AGEING
- () PAYABLES REPORTING/TRACKING/AGEING
- () DETERMINING & REPORTING THE CASH POSITION
- () COLLECTING RECEIVABLES
- () CREDITOR RELATIONS
- () BUDGETING
- () BUDGET MONITORING
- () GENERAL COMPENSATION
- () COMPENSATION FOR ADMINISTRATION PERSONNEL
- () PROFIT PLANNING
- () CREDIT MANAGEMENT
- () GENERAL FILING

CONTINUED

... ADMINISTRATION (CONTINUED)

SCCELLANEOUS

- USE THIS SPACE TO IDENTIFY NEEDS AND PREFERENCES THAT WERE NOT
- () MAKING BANK DEPOSITS
 - () APPLYING FOR A LOAN
 - () RISK MANAGEMENT (INSURANCE OTHER THAN MEDICAL)
 - () PLANT SECURITY
 - () MANAGING OFFICE SUPPLIES
 - () ORGANIZING YOUR DESK
 - () RECRUITING & TRAINING ADMINISTRATION PERSONNEL
 - () LEGAL RELATIONS WITH EMPLOYEES
 - () PROCESSING EMPLOYEE INSURANCE CLAIMS
 - () CASH HANDLING
 - () CREATING & SAFEGUARDING OPERATIONS MANUALS
 - () UPDATING OPERATIONS MANUALS

MISCELLANEOUS

USE THIS SPACE TO IDENTIFY NEEDS AND PREFERENCES THAT WERE NOT
ADDRESSED BY THIS DOCUMENT:

- () GENERAL
- () MARKETING
- () OPERATIONS
- () ADMINISTRATION
- () MISCELLANEOUS

ADD THE CATEGORIES

NOW, PLEASE FORCE-RANK THE CATEGORIES, AGAIN BEGINNING WITH NUMBER "1".

1. WHAT EXCITES YOU THE MOST ABOUT THE PROSPECT OF HAVING YOUR OWN BUSINESS DEVELOPMENT PROGRAM?
 - () GENERAL
 - () MARKETING
 - () OPERATIONS
 - () ADMINISTRATION
 - () MISCELLANEOUS

2. WHAT CONCERNS YOU MOST?

3. WHAT IS YOUR PERSONAL OBJECTIVE? WHAT DO YOU WANT FROM YOUR BUSINESS?

4. ARE YOU AT THE STAGE IN THE LIFE OF YOUR BUSINESS WHERE YOU REALIZE THAT YOU NEED HELP?

5. DO YOU BELIEVE THE MICHAEL THOMAS CORPORATION CAN HELP YOU? IF NOT, PLEASE EXPLAIN.

ADDITIONAL QUESTIONS

1. WHAT EXCITES YOU THE MOST ABOUT THE PROSPECT OF HAVING YOUR OWN BUSINESS DEVELOPMENT PROGRAM?
2. WHAT CONCERNS YOU MOST?
3. WHAT IS YOUR PERSONAL OBJECTIVE? WHAT DO YOU WANT FROM YOUR BUSINESS?
4. ARE YOU AT THE STAGE IN THE LIFE OF YOUR BUSINESS WHERE YOU REALIZE THAT YOU NEED HELP?
5. DO YOU BELIEVE THE MICHAEL THOMAS CORPORATION CAN HELP YOU? ____
IF NOT, PLEASE EXPLAIN.



HALL ACUFF

VISICORP

DATE: October 24, 1983
TO: Distribution
FROM: Gene Spence *How*
RE: VisiCare Business Plan, Revision 1
Revision 0 was distributed 9/30/83

ACTION: Read & prepare for ESM Review 11/1/83.

1. Attached for your review is Revision 1 the VisiCare Business Plan. This Revision reflects the numerous comments to Revision 0.
2. You are requested to review Rev. 1 and be prepared to participate in an ESM presentation and review on November 1 with final review and approval at ESM November 8. Our plan is to begin offering VisiCare at Visi ON FCS.
3. Major Unresolved Issues

In Rev. 0 there were two major unresolved issues the resolution to which are highlighted here.

A. Transition from Free-to-Fee Technical Support

Currently we allow unlimited access to our Tech Support Peps (TSP). Two options are available to achieve our desired transition from this "free" basis to a "fee" basis. First, we could go cold turkey at Visi ON FCS and only allow access to TSPs via VisiCare (fee). Or, second, we could allow a transition period during which customers could access TSPs as currently (free). This could be for 30 days after registration of each individual purchase or until say March 1, 1984, for everybody regardless of purchase date.

Based upon further analysis and discussion including participation in an ADAPSO industry study, it is concluded that we should offer a 30 day warranty period of free support and maintenance to all future users who register their product. Special attention will be paid to transitioning current VisiSeries users from free-to-fee effective March 1, 1984. Additionally procedures will be developed to allow the Sales & OEM groups to be intra-company billed for any support to be provided to OEMs and potential customers.

INTERNAL CORRESPONDENCE
COMPANY CONFIDENTIAL

B. Limited Hot-Line Access

In Rev. 0 VisiCare was structured to allow up to one hour per year of cumulative access to the toll-free hot-line. This one hour was defined as for "non-VisiCorp induced" calls, i.e. VisiCare customer calls caused by bugs would not be charged to the customers one hour per year limit (above one hour of non-VisiCorp induced calls would be billed at \$2/min).

The unresolved issue arose from the fact that our limited Corporate Volume End User market research done by Pat Mullin and Gene Spence indicated a very strong negative bias towards any limit and additional billing for toll-free hot-line usage. These customers' expectations of unlimited toll-free hot-line access have been set by their historical experience with their mainframe and mini suppliers (IBM, DEC, HP, etc.).

Based upon further analysis and discussion including participation in an ADAPSO industry study, it is concluded that subscribers to Visi ON/VisiSeries VisiCare (\$350 SRP) shall have unlimited Toll-Free Hot-Line access to be monitored and managed, as necessary. Subscribers to VisiSeries VisiCare (\$99 SRP) shall have one-half hour of non-VisiCorp induced calls (above one-half hour of non-VisiCare induced calls will be billed at \$2/min).

Your review & comments and/or participation in the November 1 & 8 ESM presentations and reviews is greatly appreciated.

Distribution:

Ben Cushman
Jerry Diamond
Ron Fisher
Dan Flystra
Pat Geary
Valarie McInroy
Terry Opdendyk
David Spencer
Ed Supplee

cc:

Robbie Bogue
Scott Darling
Jaci Ethier
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Roger Fisher
Debbie Friedenber
Alicia Giddings
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Barbara Goldstein
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Virginia LaGrossa
Kirk Loevner
Kurt Lynn
Chris Mederios
Joni Niles
John Petersen
Peter Schireson
John Spaulding

VISICARE BUSINESS PLAN

REF: SERVICE MARKETING

BUSINESS PLAN DATED 3/19/83

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VISICARE BUSINESS PLAN

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- *3. INTRODUCTION
- *4. USER REQUIREMENTS
5. OBJECTIVES & STRATEGIES
- *6. COMPETITION FOR THE VISICARE SERVICE
7. VISICORP COMPETITORS' ACTIVITIES/OFFERINGS
8. PRODUCT SPECIFICATIONS
9. ISSUES RESOLUTION
10. IMPLEMENTATION PLAN
11. PRO FORMA P & L
12. STAFFING
13. START-UP COSTS
14. VOICE BANK TOLL-FREE HOT-LINE ADMINISTRATION

*NOTE: SECTIONS 2, 3, 4 & 6 WERE TAKEN FROM THE SERVICE MARKETING
BUSINESS PLAN DATED 3/19/83

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VISICARE BUSINESS PLAN

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- B. "CUSTOMER SUPPORT STRATEGIES FOR PERSONAL COMPUTERS & SOFTWARE IN FORTUNE 1350 ACCOUNTS", BY THE LEDGEWAY GROUP, INTRODUCTION & OBJECTIVES PAGES 1-5.
- C. "VISICARE SUPPORT FOR LARGE CORPORATE ACCOUNTS", SEPTEMBER 28, 1983, BY PAT MULLIN, MAJOR FINDINGS & MAJOR RECOMMENDATIONS
- D. COMPETITIVE INFORMATION
- E. MICROCOMPUTER APPLICATIONS SOFTWARE COMPETITIVE PRICING ANALYSIS
- F. CYGNET CO-SYSTEM
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- H. COMPARISON OF USER SUPPORT PLANS WITH VISICARE
- I. ADAPSO MICROCOMPUTER SOFTWARE SUPPORT SURVEY & RESULTS

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VisiCare Business Plan

1. EXECUTIVE SUMMARY

The plan identifies a highly leveraged market requirement for end user support. Successful implementation of the plan will result in competitive barriers, a more complete product line, an ongoing relationship with the end user and higher corporate revenues and profits.

Support agreements are not new to our soon-to-be Corporate Volume End Users of Visi ON. Additionally, our traditional individual users are becoming more demanding of support.

In depth market research of our traditional individual end users and preliminary market research of the new corporate user indicates that conditions are ripe for a transition from our current "free" basis to a "fee" basis for support. Timing is critically tied to the introduction of Visi ON. Additionally, our competitors are beginning to move in a similar direction. IUS and Peachtree have already introduced fee-based support offerings. Further, ADAPSO has formed a microcomputer applications software vendor sub-group to explore support needs and offerings in the industry. Appendix I is a copy of the October 20, 1983, ADAPSO Microcomputer Software Support Survey & Results.

Our unique support offering VisiCare consists of the following:

A. Support:

1. Toll-Free Hot-Line Access (diagnostics/trouble shooting/product usage problem solving)
2. Technical Newsletter (news, bug fixes, tips & techniques)

B. Maintenance:

1. Back-ups, updates & upgrades
2. Replacement for materials & workmanship and all risk insurance claims

VisiCare Business Plan

Specifications have been developed for VisiCare packages to cover:

1. Visi OM and VisiSeries VisiCare for corporations & individuals.
2. VisiSeries VisiCare for individuals.
3. A special version of #1 has been developed for the Corporate VEU with a central support group for microcomputers.

Pricing is as follows for the above:

1. \$350/yr/user
2. \$ 99/yr/user
3. \$8750/yr/central support person

The two major issues outlined in the cover letter to Rev. 0 of the Plan have been resolved and discussed in the cover letter. VisiCare will be announced, offered and implemented at Visi OM FCS.

The Rev. 0 Business Plan Pro Forma business model shows first three year revenues of \$11.5M (1.2, 4.0 & 6.3 by year) at just under 50% gross margin and just over 20% pre-tax profit with a net present value of \$1.4M (@ 25% discount rate). Rev. 1 Business Plan Pro Forma business model results will be distributed separately.

Initial staffing requirements are ten people.

Start-up costs required to be paid to outside firms range from \$10K to \$54K depending upon the hot-line administration system selected.

VisiCare Business Plan

2. DIGEST

The Plan identifies a highly leveraged market requirement for personal computer end user service and support, and recommends the development of products which respond to that requirement. VisiCorp is uniquely positioned to enter this business by its preeminence in the application software market, and motivated by its need to develop competitive barriers and incremental revenue. Successful implementation of the plan will result in strong competitive barriers in both the service and software product areas; a more complete (desirable) corporate product line; a stronger (ongoing) relationship with the end user; and higher software and total revenues.

End user service and support available today is minimal and wildly inconsistent; some provided by dealers, some through manufacturer hotlines, some by in-house corporate MIS staff. Fortune 1000 companies actively dealing with these issues express high interest levels in sourcing service and support from third parties; preferably the hardware or software vendor.

3. INTRODUCTION

Service and maintenance agreements are not new to the mainframe and mini computer industry, and in fact generate substantial revenues for most manufacturers. As previously discussed, the vendor is able to consolidate (leverage and sustain) their position with the customer user by providing service.

In earlier years in the personal computer industry there was little need for such support services. The industry was born out of and sustained by users who delighted in diagnostics and bug fixing. The advent of the personal computer as an office professional tool, however, has dramatically changed this. The growing number of computer neophyte users will need increasing levels of support; no less than (although somewhat different from) their mini and mainframe colleagues.

VisiCare Business Plan

Providing support products and services to users is a dramatic new direction for VisiCorp, for several reasons. First, some of the services are currently being offered for free. Second, there are administrative burdens such as current costs and future systems costs. Third, we will be establishing a renewable, ongoing direct relationship with the end user.

Used here, support products include hotline access (technical, operational, and applications support), user communications (newsletter), software maintenance (backup, replacement, update & upgrade) and all risk insurance.

4. USER REQUIREMENTS

Personal computer users:

Want to know what to do when "something goes wrong"; Want fast (immediate) access to help;

Want to be kept up to date on product changes, fixes, enhancements, etc.;

Want information about new products and applications;

Want personal attention;

Want confidence in their ability to obtain all of the above consistently and simply;

Don't want to pay incrementally for "every little thing..."; and

Express willingness to pay for this support.

Market research for Retail & ISO Channels was performed by The Ledgeway Group and is reported in "Customer Service Strategies for Retail & ISO Channels", April, 1983. See Appendix A for the "Executive Summary". Market Research is currently underway for the Fortune 1350 Accounts by The Ledgeway Group. Report delivery is scheduled for December 1, 1983. See Appendix B for the "Introduction & Objectives".

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Because of the time window in which VisiCare must be offered, i.e. Visi ON FCS, we must proceed without adequate market research. We have attempted to reduce the risks associated with this factor by doing our own abbreviated market research. Direct contact has been made with Clorox, Bank of America, General Electric Corporate, GEISCO and State of Delaware. In addition, Pat Mullin has completed a brief market survey during which eight large accounts previously known to VisiCorp were contacted (e.g. State Farm, Arthur Young). See Appendix C.

5. OBJECTIVES & STRATEGIES

A. OBJECTIVES

1. Make lots of money fast by running VisiCare as a profit center, not just an expense offset.
2. Establish VisiCorp in the marketplace as the premier high support (value added) application software supplier.
3. Develop an ongoing, renewable relationship with large corporations and stand-alone end users.
4. Establish VisiCare revenue as a continuing % of corporate runrate and go back and penetrate the established user base.

B. STRATEGIES

1. Initially focus on Visi On customers (Fortune 1350)
 - ° Most volume end user customers demand VisiCare
 - ° Need to contain the rollout of VisiCare
2. Then expand to PSO VisiSeries customers.
3. Close at point of sale and through periodic direct offers to installed base.
4. Meet market requirements for support and lead & exceed competitors' support offerings (IUS & Peachtree).
5. Leverage VisiCare's VisiCorp affiliation.

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6. COMPETITION FOR THE VISICARE SERVICE

Competition in the support area will be focused on areas in which VisiCorp has a lesser advantage by virtue of its position as supplier. For example, while we cannot expect to corner the market on VisiCalc templates, we can reasonably expect no significant competition on hotline support for our products, or software maintenance contracts. In some cases, we may need to channel our support through non-direct vehicles (corporate information centers, for example), but these are pricing and distribution rather than competitive issues.

While not likely to become major competitors, we will need to work closely with our sales channels in the development of the support business. Given the importance to users of reliable, consistent support, the channels will need to concern themselves with same. To the extent that they can rely on VisiCorp, and "broker" our support, they will be allies rather than competitors.

Specifically, they include:

- Dealers
- Manufacturers
- OEMs
- User groups

VisiCare Business Plan

7. VISICORP COMPETITORS ACTIVITIES/OFFERINGS

A. ADAPSO

At this point in time the major microcomputer applications software vendors are all evaluating their current support offerings. Essentially all are looking at putting support on a "for fee - not free" basis. ADAPSO has formed a microcomputer applications software vendor sub-group to focus on support. One meeting has already been held in San Francisco. A vendor survey is underway and a report and panel discussion will be given at the next sub-group meeting on October 19 & 20 in Palm Springs.

B. PEACHTREE & IUS

To date Peachtree & IUS have developed "for fee" support offerings. See Appendix D for details. Neither offering is as comprehensive as VisiCare. In addition both have priced the Hot-Line portion of their offerings @ essentially break-even levels, i.e. \$40 hr. or less than 50% of the VisiCare price for hot-line time in excess of the one hour per year included in VisiCare. This probably represents a misunderstanding of the true cost of hot-line support rather than a conscious decision to only "break-even".

C. OTHERS

Appendix D contains a copy of Ester Dyson's Rosen Electronic Letter "Release 1.0" dated July 14, 1983. This report contains an excellent summary on the status of where VisiCorp's competitors and other related companies stand on support.

D. COMPETITIVE PRICING ANALYSIS

Appendix E is a summary table of competitive pricing. Data is presented from "Blue Chip" support companies (IBM, DEC & HP), PC software companies (Digital Research, Peachtree & IUS), third party software support companies (Software Support Center & TelAssist), & consultants (Ledgeway & Rosen Electronic Letter).

VisiCare Business Plan

8. PRODUCT SPECIFICATIONS

A. OVERALL

Our support product consists of the following:

A. Support:

1. Toll-Free Hot-Line Access (diagnostics/trouble shooting/product usage problem solving)
2. Technical Newsletter (news, bug fixes, tips & techniques)

B. Maintenance:

1. Back-ups, updates & upgrades
2. Replacement for materials & workmanship and all risk insurance claims

B. GENERAL

The basis on which they will be specified is as follows:

I. SUPPORT

a. HOTLINE

1. Visi On/VisiSeries VisiCare
User has unlimited toll-free access to a VisiCorp software technician. A system will be installed which will allow monitoring and management of any "excessive" usage, as necessary.
2. VisiSeries VisiCare
User has one half-hour per year of toll-free access to a VisiCorp Software Technician (above on-half hour would be billed at \$2/min). VisiSeries VisiCare customer calls caused by VisiCorp bugs will not be counted.

VisiCare Business Plan

b. NEWSLETTER

A quarterly publication focusing on product news and applications, tips, contests, etc.. Fostering users group concept.

II. MAINTENANCE

a. BACK-UPS, UPDATES & UPGRADES

Upon request the user is provided with a free backup of (protected) software. Updated versions of software products at no charge upon request. Upgraded versions of software products are available on preferential pricing basis (eg. 33% of the upgrade SRP).

b. REPLACEMENTS

All items supplied by VisiCorp which fail due to materials & workmanship or which suffer an insurance loss will be replaced upon request & exchange with proof of loss.

C. SPEC OUTLINE

I. VISI ON/VISISERIES-VISICARE FOR VOLUME END USER NOT CENTRALLY SUPPORTED AND FOR INDIVIDUAL END USERS

SPEC

a. HOT LINE

1. available to all VisiCare subscribers.
2. unlimited access

b. NEWSLETTER

1. one copy each to all VisiCare subscribers
2. shipped direct to VisiCare subscribers

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- c. BACK-UPS
 - 1. as requested @ N/C with availability notification via product box
 - 2. one per VisiCare subscriber
 - 3. shipped direct to VisiCare subscriber
 - 4. one time only, not available at renewal

- d. MATERIALS & WORKMANSHIP & ALL RISK INSURANCE REPLACEMENTS
 - 1. as requested
 - 2. insurance claims require claims form to be filled out

- e. UPDATES
 - 1. all available @ N/C
 - 2. as requested, with availability notification via newsletter
 - 3. one per VisiCare subscriber
 - 4. shipped direct to VisiCare subscriber

- f. UPGRADES
 - 1. all available, as requested @ 33% discount on upgrade SRP
 - 2. as requested, with availability notification via newsletter
 - 3. one per VisiCare subscriber
 - 4. shipped direct to VisiCare subscriber

- g. SPECIAL OFFERS ON OTHER VISICORP PRODUCTS AND SERVICES

PRICING

\$350 /YR/VISICARE SUBSCRIBER LESS ANY SPECIAL VELA DISCOUNTS OF 5%

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II. VISI ON/VISISERIES - VISICARE FOR CENTRALLY SUPPORTED VOLUME

END

USERS & OEMS

SPEC

A. HOT LINE.

1. available to VisiCare subscribers in the Central Support Group
2. unlimited access

B. NEWSLETTER

1. available to VisiCare subscribers in the Central Support Group
2. shipped to the Central Support Group

C. BACK-UPS

1. as requested @ N/C with availability notification via product box
2. up to 50 copies per VisiCare subscriber in the Central Support Group
3. shipped to the Central Support Group
4. one time only, not available at renewal

D. MATERIALS & WORKMANSHIP & ALL RISK INSURANCE REPLACEMENTS

1. as requested
2. insurance claims require claims form to be filled out

E. UPDATES

1. all available @ N/C
2. as requested, with availability notification via newsletter
3. up to 50 copies per VisiCare subscriber in the Central Support Group
4. shipped to the Central Support Group

F. UPGRADES

1. all are available @ 33% discount on upgrade SRP
2. as requested, with availability notification via newsletter
3. up to 50 copies per VisiCare subscriber in the Central Support Group
4. shipped to the Central Support Group

G. SPECIAL OFFERS ON OTHER VISICORP PRODUCTS & SERVICES

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PRICING

- A. \$Y/YR/VISICARE SUBSCRIBER IN THE CENTRAL SUPPORT GROUP
- B. Y = CENTRAL SUPPORT VISI ON/VISISERIES-VISICARE SRP
(25 X \$350/YR OR \$8750/YR) LESS VEUA DISCOUNT SCHEDULE
(UP TO 10%)

VisiCare Business Plan

III. VISISERIES - VISICARE FOR INDIVIDUAL END USER

SPEC

A. HOT LINE

1. Hot line support includes one-half hour per year (above this @ \$2/min). VisiCorp induced problems (bugs) do not count.

B. NEWSLETTER

C. BACK-UPS

1. as requested @ N/C with availability notification via product box
2. one time only, not available at renewal

D. MATERIALS & WORKMANSHIP & ALL RISK REPLACEMENTS

1. as requested
2. insurance claims require claim form to be filled out

E. UPDATES

1. all available @ N/C
2. as requested, with availability notification via newsletter

F. UPGRADES

1. all are available @ 33% discount on upgrade SRP
2. as requested, with availability notification via newsletter

G. SPECIAL OFFERS ON OTHER VISICORP PRODUCTS & SERVICES

PRICING

INDIVIDUAL END USER VISISERIES-VISICARE SRP (\$99/YR)

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9. ISSUES RESOLUTION

A. AGREED ISSUES

<u>ISSUE</u>	<u>PROPOSED SOLUTION</u>	<u>STATUS</u>
1. DESCRIPTION OF VISICARE AS AN "INSURANCE POLICY" VS. A "MAINTENANCE CONTRACT"	DESCRIBE AS VISICARE, HOWEVER, FOR OSO, OK TO ALSO USE THE WORDS "MAINTENANCE CONTRACT" & FOR PSO OK TO ALSO USE THE WORDS "INSURANCE POLICY"	AGREED
2. CUSTOMER CONSULTING RESOURCE	DEFER DECISION TO OFFER UNTIL AFTER VISICARE IS ESTABLISHED. MEANWHILE CONSIDER USING VISITRAINING CONSULTANTS.	AGREED
3. VISI ON TOOL KIT ISV SUPPORT VS. VISICARE	LEAVE TOOL KIT SUPPORT IN PRODUCT MARKETING. COMMUNICATE, COORDINATE AND MAKE CONSISTENT WHERE APPROPRIATE. NOTE - WE ONLY OFFER VISICARE FOR PRODUCTS WHICH VISICORP SELLS.	AGREED
4. HOTLINE HOURS OF COVERAGE	9 AM EST - 5 PM PST, 5 DAYS PER WEEK WITH ANSWERING MACHINE @ OTHER TIMES	AGREED
5. HOW TO PACKAGE (BUNDLE)		
A. VISICARE W/VISITUTOR W/VISITRAINING W/VISIPRESS?	NOT NECESSARY EXCEPT FOR VEUA	AGREED
B. SERVICE MARKETING W/OSO W/PSO?	DON'T DO IT	AGREED
C. VISICARE FOR VISI ON & VISISERIES	ONE VISICARE CONTRACT COVERING ALL VISICORP PRODUCTS AND ANOTHER VISICARE CONTRACT TO COVER ONLY VISISERIES	AGREED
D. BUNDLE HOTLINE W/NEWSLETTER W/MAINTENANCE CONTRACT	YES	AGREED

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<u>ISSUE</u>	<u>PROPOSED SOLUTION</u>	<u>STATUS</u>
6. ELECTRONIC BULLETIN BOARDS	INVESTIGATE IN 1984 FOR POSSIBLE SOFTWARE & INFORMATION TRANSMISSION - STAY ADVISED OF VISION TOOL KIT/COMPUSERV ACTIVITIES	AGREED
7. GUARANTEE TO FIX BUGS	NO GUARANTEE AT ALL	AGREED
8. ADMIN. SYSTEMS TO DELIVER VISICARE	A. GO WITH VOICEBANK	AGREED
	B. INVESTIGATE ADDITIONAL 3RD PARTY SOLUTIONS SUCH AS NTE OMNIFACTS & THE CYGMET CO-SYSTEM	AGREED
	C. DEVELOP INTERNAL SYSTEM AFTER A OR B	AGREED
9. UPDATES FOR BUG FIXES AND MINOR ENHANCEMENTS AND UPGRADES FOR MAJOR ENHANCEMENTS AND NEW VERSIONS	A. COMMIT TO A CERTAIN NUMBER PER YEAR	AGREED
	B. PRICING	AGREED
10. NEWS LETTER ADMINISTRATION	A. EDITORIAL BY VISICARE EDITOR, TBH	AGREED
	B. PUBLICATION BY BOB BESHALSKE'S GROUP	AGREED
	C. DISTRIBUTION EXTERNALLY OR INTERNALLY	AGREED
	D. UTILIZE CURRENT BUG TRACKING SYSTEM TO GENERATE A BUG REPORT SERVICE IN NEWSLETTER	AGREED

VisiCare Business Plan

<u>ISSUE</u>	<u>PROPOSED SOLUTION</u>	<u>STATUS</u>
11. CENTRALLY SUPPORTED. CORPORATE ACCOUNT VS. DECENTRALIZED.	DEVELOP SEPARATE VISICARE OFFERINGS AND PRICING	AGREED
12. MANAGE THE TRANSITION FROM OUR CURRENT FREE TELEPHONE SUPPORT TO VISICARE TM	SEE COVER LETTER	AGREED
13. ANNOUNCE INDIVIDUAL END USER VISISERIES VERSION OF VISICARE	SEE COVER LETTER	AGREED
14. PRICING	SEE COVER LETTER	
A. TOLL-FREE HOT-LINE PER USER VS. AS USED	VISI ON/VISISERIES VISICARE - UNLIMITED. VISISERIES VISICARE - INCLUDE ONE-HALF HR/YR/USER IN PRICE THEN ADD @ \$2/MIN.	AGREED
B. HOTLINE CONSULTING TIME FOR BUGS	NO CHARGE FOR BUG INDUCED H/L CONSULTING @TSR DISCRETION W/SUPV. REVIEW	AGREED
15. CORPORATE ACCOUNT EXPECTATIONS BASED ON IBM/DEC/HP EXPERIENCE	PAT MULLIN SURVEY OF CURRENT AND FUTURE MARKET EXPECTATIONS RECEIVED 9/28/83. SEE APPENDIX C.	AGREED
16. ADMINISTRATION/PROCEDURES	HOLDING WEEKLY MEETINGS W/PAT GEARY'S TECH SUPPORT GROUP	AGREED
17. COMPETITION'S ACTIVITIES	MONITOR CONTINUOUSLY. SEE 10/20/83 ADAPSO SUPPORT GROUP MEETING RESULTS IN APPENDIX I.	AGREED

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<u>ISSUE</u>	<u>PROPOSED SOLUTION</u>	<u>STATUS</u>
18. DEALER STRATEGY & PRICING	A. AUTH. DEALERS ONLY INVOLVED ON VEUA W/FLAT 8% COMMISSION	AGREED
	B. GENERAL END USER DEALER INVOLVEMENT, TO BE ENCOURAGED W/FLAT 8% COMM. WHEN USER FILLS IN NAME OF DEALER.	AGREED
	C. DIRECT OFFER AVAILABLE THROUGH RETURN OF SIGN-UP CARD IN PACKAGING AND THROUGH TELEPHONE TO AN ORDER ENTRY FUNCTION	AGREED
19. SHOULD WE OFFER VISICARE TO END USER CUSTOMERS OF HARDWARE OEMs?	YES. IBM NEEDS CLARIFICATION.	AGREED
20. SHOULD WE BE IN THE INSURANCE BUSINESS FOR DISKS (& MICE)	YES. RE-INSURE ONLY OUR PRODUCTS (DISK, MOUSE & MANUAL) TO REPLACEMENT COST LEVEL ONLY	AGREED

VisiCare Business Plan

9.B OPEN ISSUES

<u>ISSUE</u>	<u>PROPOSED SOLUTION</u>
1. INTERNATIONAL VISICARE	IDENTIFY MARKET NEEDS AND DEVELOP SEPARATE PROGRAM. PER MEETING W/BRIAN EISENBERG CONSIDER HANDLING CANADA LIKE U.S. & CONSIDER A SPECIAL INTERNATIONAL VISICARE W/O TOLL-FREE H/L
2. A. ENTERPRISE LICENSING FOR LARGE CORPORATE ACCOUNTS	BEN CUSHMAN MEMO 9/16/83 ATTEMPTS TO OBTAIN RESOLUTION. ALSO SEE APPENDIX C.
B. ELECTRONIC DOWNLOADING OF SOFTWARE BY LARGE CORPORATE ACCOUNTS	NEED CORPORATE RESOLUTION. SEE APPENDIX C. OSO (AGIT GILL) WORKING THIS ISSUE.

VisiCare Business Plan

10. <u>IMPLEMENTATION PLAN</u>	<u>DATE</u>	<u>STATUS</u>
A. PRODUCT MANAGER ON BOARD	8/15/83	COMPLETE
B. INTRODUCTORY MEETING/ISSUES DEFINITION	9/1/83	COMPLETE
C. ISSUES RESOLUTION MEETING	9/15/83	COMPLETE
D. ISSUE PLAN	9/30/83	COMPLETE
E. PLAN COMMENTS DUE BACK	10/10/83	COMPLETE
F. ISSUE PLAN REV 1	10/24/83	COMPLETE
G. ESM 1ST PRESENTATION & REVIEW	11/1/83	
H. ESM 2ND PRESENTATION & REVIEW	11/8/83	
I. PLAN APPROVAL	11/8/83	
J. ANNOUNCE VISI ON/VISISERIES VISICARE FOR VISI ON @ FCS	@ VISI ON FCS	
K. IMPLEMENT VISI ON/VISISERIES VISICARE FOR VISI ON	@ VISI ON FCS	
L. ANNOUNCE VISISERIES VISICARE FOR VISISERIES	@ VISI ON FCS	
M. IMPLEMENT VISISERIES VISICARE FOR VISISERIES	@ VISI ON FCS	
N. PROFITABILITY ESTABLISHED	SEE PRO FORMA P & L	
O. 1ST MILLION \$ OF REVENUE	SEE PRO FORMA P & L	
P. 1ST MILLION \$ PRE-TAX PROFIT	SEE PRO FORMA P & L	

VisiCare Business Plan

11. PRO FORMA P & L

TO BE DISTRIBUTED SEPARATELY

VisiCare Business Plan

VISICARE

BUSINESS MODEL ASSUMPTIONS "BUILT-INTO" PRO FORMA P & L

MARKET

NO CREDIT IS TAKEN FOR GOING BACK & PENETRATING THE INSTALLED BASE OF EXISTING USERS.
25% VEU ARE NOT CENTRALLY SUPPORTED / 75% ARE WITH ONE SUPPORT PERSON/50 END USERS

PRICING

LIST PRICE IS SHOWN FOR 1ST TIME PURCHASES

RENEWAL DISCOUNT IS GRANTED AS SHOWN

50% OF NEW BUSINESS WILL RENEW FOR A SECOND YEAR

25% OF NEW BUSINESS WILL RENEW FOR A THIRD YEAR

COST OF SALES

VOICEBANK INCLUDES

\$15/HR. FOR 800 TELEPHONE

\$11.80/HR. FOR VOICEBANK SERVICES

NEWSLETTER

SETUP INCLUDES \$10K/YEAR FOR OUTSIDE AUTHORS

VARIABLE COST OF \$0.92/ISSUE PLUS \$3.45 FOR A PRODUCT BOX & BINDER

REPLACEMENT

MICE M & W @ \$47 COVERS HANDLING COST OF \$7 PLUS \$40 FOR NON-WARRANTY REPAIRS.

DEVELOPMENT

INITIAL - \$4K FOR HOT-LINE SOFTWARE & \$23K FOR PUBS & PUBS PRODUCTION OF VISICARE (3 PERSON-MONTHS)

NEWSLETTER - 1 PERSON MONTH/QUARTER OF PUBS SUPPORT

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10/24/83
PAGE 24 OF 36
REV 1

VisiCare Business Plan

12. STAFFING

A. INITIAL STAFFING NEEDS (ON BOARD BY 12/83)

	<u>ON BOARD</u>	<u>TRH</u>	<u>TOTAL</u>
1. PRODUCT MANAGER	1	0	1
2. NEWSLETTER EDITOR	0	1	1
3. TECHNICAL SUPPORT SUPERVISOR	0	1	1
4. TECHNICAL SUPPORT REPS* (6 A.M. - 3 P.M.)	2	2*	4

	<u>ON BOARD</u>	<u>TRH</u>	<u>TOTAL</u>
5. VISICARE OPERATORS (6 A.M. - 3 P.M.) (WE WILL CHOOSE ONE OF THESE THREE APPROACHES)			

A. VOICEBANK	0	0	0
B. NTE	0	1	1
C. CYGNET	0	1	1

6. VISICARE ORDER ENTRY	0	1	1
7. SECRETARIES/ADMINISTRATORS	0	1	1

B. SUBSEQUENT STAFFING NEEDS

1. TSR SUPERVISORS - ONE PER 10 TSRs
2. TSRs - SEE BOTTOM OF PRO FORMA P & L
3. TELEMARKETING SPECIALISTS
 - A. TO PENETRATE INSTALLED BASE OF USERS - 1 @ 1/1/84
 - B. FOR VISICARE RENEWALS - 1 @ 10/1/84

VisiCare Business Plan

13. START-UP COSTS

I. HOTLINE

A. TOLL-FREE LINES

IN AND OUT WATS - INSTALLATION AND ORDER \$ 2K

B. ADMINISTRATION (WE WILL CHOOSE ONE OF THESE THREE APPROACHES)

1. NTE - OMNIFACTS

a. SOFTWARE AND HARDWARE	\$45K
b. IBM PC-XT (ONE)	7K
c. CUSTOMER DATA BASE SOFTWARE (IN-HOUSE VISIFILE)	N/C
SUB-TOTAL	<u>\$52K</u>

2. VOICEBANK

a. SET-UP	\$ 1K
b. BRISBANE - SAN JOSE PHONE LINE INSTALLATION	\$ 1K
c. 1ST MONTH MINIMUM ON ONE YEAR VOICEBANK CONTRACT	\$ 2K
d. CUSTOMER DATA BASE SOFTWARE (REBATED OVER 12 MONTHS)	\$ 4K
SUB-TOTAL	<u>\$ 8K</u>

3. CYGNET CO-SYSTEM

a. CO-SYSTEM TERMINALS (THREE)	\$ 5K
b. IBM PC-XT (THREE)	\$21K
SUB-TOTAL	<u>\$26K</u>

II. OTHER

THERE ARE NO OTHER START-UP COSTS TO BE PAID TO OUTSIDE COMPANIES.

VisiCare Business Plan

14. VOICE BANK TOLL-FREE HOT-LINE ADMINISTRATION

One of the Key problems in delivering VisiCare is administering the toll-free hot-lines. Several solutions have been investigated. "Hardware" solutions of using NTE OMNIFACTS or the soon-to-be-released Cyonet Co-System smart telephone are still a fall back position. See Appendix F.

The preferred solutions to toll-free hot-line administration is VoiceBank. VoiceBank is the Brisbane-based evolution of a major business and technical development effort at Exxon. VoiceBank currently provides advanced telephone answering services to individuals and corporations, field service dispatch services to such companies as HP & 800# based order-entry services for a host of companies.

For VisiCare VoiceBank will provide order entry, customer data base management and toll-free hot-line administration. For the latter VoiceBank will screen incoming calls and pass them to the appropriate TSR. In addition they will provide a system for tracking and reporting on the toll-free hot-line usage by customer. See Appendix G for the Hot-Line Spec Outline.

This system will be used to "monitor" & "manage" actual hot-line usage in the case of those users who get unlimited access.

VISICARE BUSINESS PLAN

EXHIBIT A

"CUSTOMER SERVICE STRATEGIES FOR RETAIL & ISO CHANNELS",

APRIL, 1983, BY THE LEDGEWAY GROUP,

EXECUTIVE SUMMARY, PAGES 4-11.

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VISICARE BUSINESS PLAN

EXHIBIT B

"CUSTOMER SUPPORT STRATEGIES FOR PERSONAL

COMPUTERS & SOFTWARE IN FORTUNE 1350 ACCOUNTS",

BY THE LEDGEWAY GROUP, INTRODUCTION & OBJECTIVES, PAGES 1-5

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REV 1

VISICARE PLAN

APPENDIX C

"VISICARE SUPPORT FOR LARGE CORPORATE ACCOUNTS",

SEPTEMBER 28, 1983, BY PAT MULLIN,

MAJOR FINDINGS AND MAJOR RECOMMENDATIONS.

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REV 1



VISICORP

DATE: September 28, 1983

TO: Gene Spence

FROM: Pat Mullin

RE: VISICARE SUPPORT FOR LARGE CORPORATE ACCOUNTS

cc: Ben Cushman
Pat Geary

Attached is my analysis of VisiCare requirements in the large corporate account market.

It includes:

1. A summary of major findings and recommendations
2. Results of large account investigation and interviews
3. Summaries of software support offerings by competitors and major PC vendors.

PM:kb

INTERNAL CORRESPONDENCE
CONFIDENTIAL

SUMMARY

VISICARE SUPPORT FOR LARGE CORPORATE ACCOUNTS

Major Findings

- Large corporate accounts expect to pay for support and want that support delivered by the developer, i.e., VisiCorp provide the support to them for VisiCorp products.
- Corporate accounts want at least two offerings:
 1. Support delivered to their in-house PC support staff
 2. Support delivered directly to their end users.

Selection is a function of whether they are centralized or decentralized organizationally. The highly centralized customers want a single copy of software for redistribution themselves, preferably electronically.

- Corporate accounts do not have any preconceived opinions about pricing, but some expectation that it be like the price of similar offerings.
- Corporate accounts are very negative to limiting hotline access time. They much prefer unlimited usage with some delay in responsiveness.
- Competitors and major PC vendors are moving to fee support offerings. The notable exception is LOTUS 1-2-3. Digital bundles hardware and software into an offering comparable to their minicomputer products. Pricing is \$45.00/month for the Professional 350 and \$38.00/month for the Rainbow 100. A late addition to this pricing policy is the announcement on 9/28 that Digital would provide the first year free.
- No hotlines were found that limited customer access time and most covered the US over a 12 hour period. Currently, most of the hotlines are free. These hotlines are being run on a contention basis: first come, first served. Cost is controlled by limiting resource and dropping service. Therefore, hotline availability is used to control over-usage.

Major Recommendations

1. VisiCorp should not limit hotline access time. User expectations have been set by the market makers, like IBM, and by major competitors to expect unlimited access time.
2. VisiCare pricing should be set relative to user expectations for support costs. Typically, annual support costs are about 10-12% of product price. Another checkpoint is that IBM charges \$390. per year for similar software support on the S/23 Datamaster.
3. During the initial launch of Visi On™, support should be provided on a no charge basis but without an 800 number. Large corporate users will be very frustrated at getting approval for a VisiCare license. It will delay getting them started with the 2-3 Visi On™ systems that are required for evaluation prior to a major Volume End User sale. VisiCare should go into effect 60-90 days after FCS, either 1/1/84 or 2/1/84.
4. Enhanced VisiCare offerings in the future should provide for single copy distribution of a product to a large user central support organization. Electronic distribution within a large customer also needs to be provided.

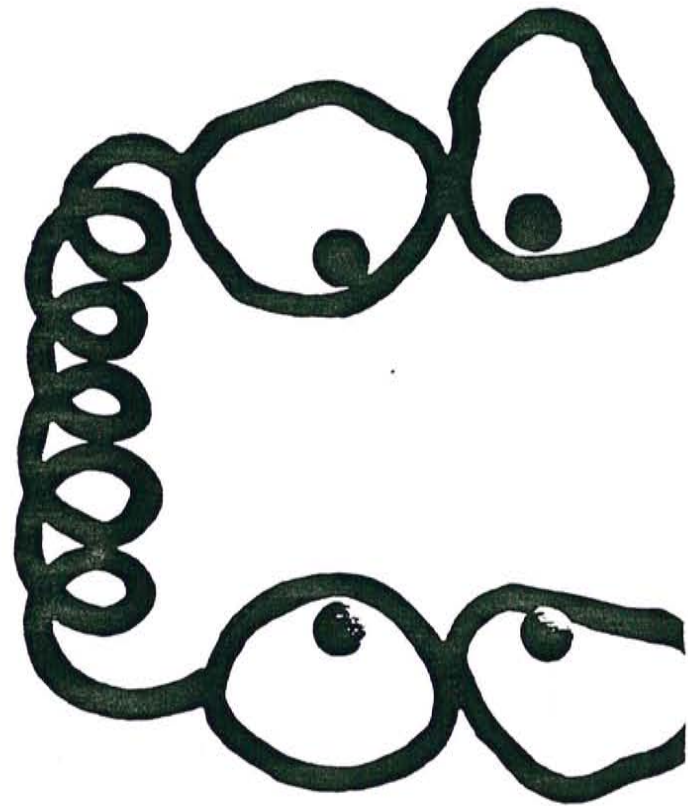
VISICARE BUSINESS PLAN

APPENDIX D

COMPETITIVE INFORMATION

1. INFORMATION UNLIMITED SOFTWARE, INC. (IUS) PHONE SUPPORT
TM BROCHURE AND PLAN AND USER SUPPORT PLAN
2. PEACHTREE SOFTWARE TM SUPPORT PLAN
3. ROSEN ELECTRONIC LETTER COMPETITIVE SURVEY, 7/14/83

HOW PHONE SUPPORT CAN HELP YOU MAKE THE RIGHT CONNECTIONS.



EasyFamily Make it Easy on Yourself.

Information Unlimited Software, Inc.
2401 Marinship Way
Sausalito, CA 94965
(415) 331-6700



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In Canada, contact Basic Software Group, Inc., 1045 W 7th Ave., Vancouver, B.C. V6J 1S4. In United Kingdom, contact Xitan Systems, Southampton; Icarus, London; Timon Associates, London; Inverram, London; or Medlectron, Derby.

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EasyFamily™ systems.

You're running your EasyFamily computer program and you have a question. So you pick up your phone, dial a toll-free number and get a quick answer. Not a "check with your dealer, it's not our job to answer questions," or "sorry, we don't have time to solve your problem." But an actual human being who quickly and painlessly helps you connect with the answer.

That's PhoneSupport, available when you buy an EasyFamily program. IUS, the company behind EasyFamily and PhoneSupport, is the first software manufacturer to offer it.

Why you need PhoneSupport.

EasyFamily software is specifically designed to be simple to use and to understand. But we know that individual situations may arise that cry out for special attention. To give it to you, we give you PhoneSupport. And whether you have one question or 50, the answers are just a toll-free phone call away.

Now hear this!

For a minimal charge,* IUS will provide you with:

- Toll-free telephone access to a patient, skilled professional staff who will answer all your questions for whatever EasyFamily program you've bought.
- Free software updates; if the program you buy is revised, you get the revisions free versus the typical \$15 to \$20 fee.
- TechNotes™ information issued periodically, to provide answers to most frequently asked questions and keep you up-to-date on EasyFamily developments.
- Free replacement of defective program disks, even if mistakenly formatted.

You'll find complete information included with your EasyFamily program. To subscribe, simply send us the PhoneSupport card in the back of your manual or call PhoneSupport at (415) 331-6700.

EasyFamily software. See how Easy it all is.

Personal computing without personal anguish. That's what EasyFamily programs provide for you. And their compatible commands mean that when you master one program, you're on your way to controlling them all. So you can enhance your productivity with the software of your choice. Plus, PhoneSupport gives you an answer when you need it from a human being who understands that you want results from your program. PhoneSupport is available for:

- EasyWriter II™** Featuring stand-alone wordprocessing capabilities for your microcomputer. 80 column display, up to 80 pages of double-spaced text on a single diskette.
- EasyWriter™** An exceptionally easy wordprocessing program for the occasional writer. Allows full use of computer function keys.
- EasySpeller II™** Largest spelling checker available for EasyWriter II, with over 88,000 entries. Special Webster's Legal and Medical Spellers also available.
- EasySpeller™** Will work with EasyWriter and any other DOS files.
- EasyFiler™** Database manager and report generator which allows you to store, sort, manipulate and retrieve information and merge mailing lists. Compatible with EasyWriter II.
- EasyPlanner™** Will become your favorite electronic spreadsheet because it allows you to design and store a series of financial instructions called "work steps." Works with EasyWriter II for customized, professional financial presentations.
- EasyBusiness Systems™** Five accounting programs that work separately or with each other to provide the most comprehensive system available for micros. Features text editor and variable report generator for customized reports.
 - General Ledger and Financial Reporter
 - Accounts Receivable
 - Accounts Payable
 - Order Entry
 - Inventory Control and Analysis
 - Payroll (available later in 1983)

All programs listed are available in MS/DOS for the IBM Personal Computer, Texas Instruments Profession Computer and Compaq Portable Computer. EasyWrite for the IBM Personal Computer is sold exclusively by IBM.

*20% of suggested retail price. Free with EasyBusiness Systems™ for the first 30 days. No charge for this period of use with EasyBusiness Systems are at caller's expense.

†EasyWriter II, EasySpeller II, EasyPlanner and EasyFiler available in version 1.1 and 2.0.

PhoneSupport™ Plan



Information Unlimited Software, Inc.



WHAT IS PhoneSupport?

PhoneSupport is a special IUS service which provides telephone access to our trained support staff. We have attempted to make our products as easy to use and understand as possible, but we know that situations can arise which require special attention. In answer to this need, we offer our PhoneSupport Plan...fast answers to your questions are as close as your phone.

HOW DOES PhoneSupport WORK?

There are three different PhoneSupport plans available for owners of the EasyBusiness Systems™ software. With each plan, we're sure you'll appreciate the personal contact with our trained support staff. They are there to help you with any difficulties you may have with a particular application. PhoneSupport may be called from 9:00 am to 4:00 pm (Pacific Time).

Free Thirty-Day PhoneSupport: All owners of the Easy-Business Systems software receive free PhoneSupport for thirty days. Once we have received your completed Warranty Registration card, you can begin using this service. Just call (415) 331-6700 and ask for Technical Support.

One Year PhoneSupport: After your free thirty days have expired, you may purchase an annual PhoneSupport contract for 20% of suggested retail price. Send us the completed PhoneSupport Registration Card, attached, along with payment and we'll send you a Personal Identification Number and the toll-free PhoneSupport telephone number.

Should you need help outside of business hours, just call our toll-free number and leave a message on the PhoneSupport answering machine. We'll call you back the next working day. Membership also includes free replacement of defective program disks, even if mistakenly formatted over.

Per-Call PhoneSupport: Should you choose not to subscribe to PhoneSupport, you may telephone our support staff on an individual call basis at (415) 331-6700. The cost is \$40 per hour with a minimum charge of \$10.00. This service is available to MasterCard and Visa cardholders only.

USING PhoneSupport

If you encounter any difficulties using the programs, we suggest that you first consult your manual to make sure you are properly operating the program. Check to see if the program supports the particular operating system, interfaces and peripherals that you have.

If the problem you have cannot be solved by reading the manual, call us and give the Technical Support representative your name and PhoneSupport I.D. number if applicable. You should also have information handy on your system configuration, including printer make and model and the interface card type. Then, explain your problem to the representative. We'll coach you through so you'll feel comfortable with your new accounting software.

Remember, to receive free PhoneSupport for thirty days please mail us your completed Warranty Registration card. Then register for an annual PhoneSupport contract by mailing in the attached card with your registration fee. Or call us and supply a MasterCard or Visa number for immediate assistance.

PhoneSupport. Answers to your questions are as close as your phone.

rt™ Plan



PhoneSupport™ Registration Card

To continue using PhoneSupport when your free thirty days has expired, use this card. Simply complete the information requested and mail it to us with your payment. Make sure you include a current address so we can send you pertinent information. Payment can be made by credit card, check or money order.

Name _____ Title _____

Company _____

Address _____

City _____ Zip _____

Phone () _____

Name of Product _____

Purchase Date _____

Visa Number _____ Exp. Date _____

MasterCard Number _____ Exp. Date _____

Interbank Number _____

I enclose check or money order in the amount of \$ _____



Other IUS products used: _____

Signature _____ Date _____
(Unsigned cards cannot be processed)

Note: Prices subject to change without notice.



Inf

BUSINESS REPLY MAIL

FIRST CLASS

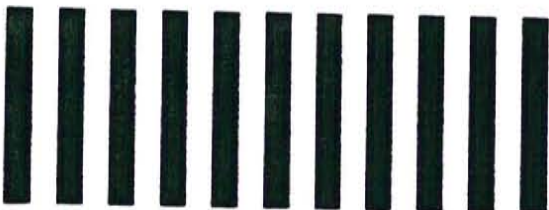
PERMIT NO. 7

SAUSALITO, CA 94965

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Sausalito, CA 94965

PhoneSupport™

DISCLAIMER OF WARRANTY

IUS specifically disclaims all warranties as to program performance, merchantability, or fitness for a particular purpose. The entire risk of selecting and using a program and PhoneSupport are assumed by the user. IUS will use its best reasonable efforts to answer the questions of PhoneSupport users in a prompt and accurate manner, but the user must take the responsibility of using the PhoneSupport service.

LIMITED WARRANTY

PhoneSupport subscribers shall receive a 90 day extension of their IUS Limited Warranty regarding the replacement of defective floppy diskettes. Users should refer to their "User Assurance Plan" for complete details of the IUS Limited Warranty for defective floppy diskettes.

IUS warrants that it will replace defective floppy program diskettes for a 90 day period beginning on the date that it receives a prepaid "PhoneSupport Registration Card" from user. This Limited Warranty is only extended to those programs covered by the "PhoneSupport" subscription program.

Any implied warranties relating to the diskettes, including any implied warranties of merchantability and fitness for a particular purpose, are limited in duration to the period of ninety (90) days from the date of purchase. Neither Information Unlimited Software, Inc. nor anyone else who has been involved in the creation and production of this product shall be liable for indirect, special or consequential damages, such as, but not limited to, loss of anticipated profits or benefits, resulting from the use of this product or arising out of any breach of this warranty. Some states do not allow the exclusion or limitation of incidental or consequential damages so the above limitations may not apply to you. This warranty gives you specific legal rights, and you may also have other rights which vary from state to state.

USER ASSURANCE PLAN



Information Unlimited Software, Inc.

How to Use This Booklet

This booklet contains the Limited Warranty Policy (back of this page) and describes the Replacement, Backup and Upgrade policies referred to as the "User Assurance Plan" coverage for the user of this IUS product.

Please complete the following information and retain this page for your future reference:

Name of Program _____ Mo _____ Day _____ Yr _____

Date of Purchase _____

Serial Number of Program (If applicable) _____

Version Number of Program _____

Your address **AS YOU MAILED IT** IN on your Warranty Registration Card:

Company _____

Address _____

City _____ State _____ Zip _____

Country _____

The Warranty Registration Card

Please fill out the Warranty Registration Card completely and mail it in. The postage is paid for your convenience. When your license of this product is registered, Information Unlimited Software, Inc. will have a record of your purchase. Warranty registration enables you to obtain a replacement diskette as detailed in the Limited Warranty Policy; in the case of a copy-protected diskette, it permits you to obtain a backup (second) copy. Your name will also be included in Information Unlimited Software, Inc.'s mailing list, so that if and when upgrades and enhancements to this product become available, you may be notified by mail, and may be eligible to obtain those enhancements at a discount.

The Replacement Order Card

In the event your diskette is found to be defective in materials and workmanship as detailed in the Limited Warranty Policy, please return the defective diskette to your local dealer or Information Unlimited Software, Inc. for replacement if still within the ninety (90) day limited warranty period. After ninety days, and up to one year after date of purchase, replacement diskettes are available for \$15.00 only by mail from Information Unlimited Software, Inc. California residents, please include sales tax. Information Unlimited Software, Inc. must have received your warranty card in order to ship a replacement diskette. In the event you are applying for a replacement diskette, please fill out the Replacement Order Card completely, and return it with your diskette (and payment if applicable) to:

Information Unlimited Software, Inc.
2401 Marinship Way, Sausalito, CA 94965

Upgrade to Enhanced Products

Information Unlimited Software, Inc. periodically releases new versions of its products.

Please send in your Warranty Registration Card. It assures that, in the event such a new version of this product becomes available, you will be contacted by mail and may be eligible for upgrading your current product to the new version at a discount.

READER'S CRITIQUE

Information Unlimited Software, Inc.'s, Publications Department wants to provide documents that meet the needs of all of our product users. Your answers to the following questions, and any comments you wish to add, will help us produce better manuals.

Please rate this manual in the following areas:

	Excellent	Good	Average	Fair	Poor
1. Organization of information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ease of reference	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Usefulness of section titles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Number of illustrations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Usefulness of boldface and italics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Completeness of information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Clarity of information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Use of examples	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Usefulness of illustrations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Degree to which this manual meets your expectations and needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Appropriateness of the manual level to a person of your experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Overall manual	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How much computer experience do you have? _____
Please specify, by page, any errors you have found in this manual. _____

Other comments

We would appreciate hearing any other comments and suggestions you might have about this manual. Feel free to call or write.

Name _____

Company _____

Street _____

City _____ State _____ Zip _____

REPLACEMENT ORDER CARD

Use this card only to order a replacement for a program diskette found defective in material or workmanship as described in the accompanying Limited Warranty Policy. If your diskette is past the ninety (90) day Limited Warranty period and you do not have PhoneSupport™ for your product, please enclose this card, the diskette and \$15.00 in check, money order or your Visa or MasterCard number. California residents, please include sales tax. Mail to Information Unlimited Software, Inc., 2401 Marinship Way, Sausalito, CA 94965.

Name _____
 Company _____
 Address _____ State _____ Zip _____
 City _____
 Country _____
 Tel # _____ TLX # _____
 Name of Product _____
 Purchase Date _____ Mo _____ Day _____ Year _____
 Visa Number _____ Exp. date _____
 MasterCard Number _____ Exp. date _____
 Interbank Number _____
 I enclose check or money order in the amount of \$ _____
 Signature _____
(Unauthorized checks cannot be processed! Note: Prices subject to change without notice.)

THE IUS EASYFAMILY™

Information Unlimited Software, Inc. is a publisher of software for personal computers, specializing in products for professional and business users. Our EasyFamily™ consists of the Productivity Series:

- EasyWriter™
 - EasyWriter II™
 - EasySpeller™
 - EasySpeller II™
 - EasyFiler™
 - EasyPlanner™
- And the EasyBusiness Systems™:
- General Ledger & Financial Reporter
 - Accounts Receivable
 - Accounts Payable
 - Inventory Control and Analysis
 - Order Entry
 - Payroll

These products are fully integrated both by similar data formats across the family and by user orientation.

Another way in which IUS helps its customers is through PhoneSupport. This is a special IUS service which provides telephone access to our trained support staff. We have attempted to make our products as easy to use and understand as possible, but we know that situations can arise which require special attention. In answer to this need, we offer our PhoneSupport Plan...fast answers to your questions are as close as your phone. The PhoneSupport program is offered to customers at 20% of suggested list price of product. It includes unlimited support through an 800 number, free replacement of defective disks, reduced price or free product updates, technical updates to documentation, and subscription to technical newsletter designed for end-user.

For further information about the IUS products or PhoneSupport, please call IUS at 415-331-6700.

WARRANTY REGISTRATION CARD



Name _____
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 City _____
 Country _____
 Tel # _____ TLX # _____
 Title: Principal _____ Mgr _____ Engineer _____ Supervisor _____ Other _____
 Type of Business: _____
 01 Agriculture _____ 40 Transportation _____ 70 Service _____
 12 Mining _____ 50 Wholesale Trade _____ 80 Medical _____
 13 Petroleum _____ 52 Retail Trade _____ 81 Legal _____
 16 Construction _____ 60 Financial _____ 82 Education _____
 20 Manufacturing _____ 62 Investment _____ 99 Government _____
 36 Electronics/Computers _____ 65 Accounting _____ Other _____
 Product Purchased _____ Version Number _____
 Serial Number _____ Date Product Purchased _____ Mo _____ Day _____ Yr _____
 Name of Store/Lawson _____
 Rank Salesperson's Knowledge of Product: _____
 Poor _____ Good _____ Very Good _____ Excellent _____

I Learned About the Product Through:

Retail Store _____ Salesperson Called on Me _____ Radio Ad _____
 Computer Show _____ Magazine Ad in _____ Other _____
 Direct Mail _____
 Another User _____ Newspaper Ad _____

Other IUS Products Used:

EasySpeller™ _____ EasySpeller II™ _____ EasyWriter™ _____ EasyWriter II™ _____
 EasyPlanner™ _____ EasyBusiness Systems™ _____

Primary Use of Computer: _____ Business Only _____ Educational _____ Business/Personal _____
 Personal/Hobby _____

Computer Owned by: _____ Self _____ Employer _____ Other _____

Total Number of all software products purchased for this computer _____

Brands and total numbers of personal computers at this location:

TI _____ Apple _____ Commodore _____ IBM PC _____ TRS _____ DEC _____
 Osborne _____ Other _____

Three application areas where you intend to use your computer: (Rank 1, 2, 3)

Business Finance _____ Data Management _____
 Business Analysis _____ Forecasting _____
 Personal Finance _____ Trend Analysis _____
 Word Processing _____ Presentation Graphics _____
 Data Communications _____
 Time Management _____

Magazines you subscribe to or read regularly:

Byte _____ PC Magazine _____ Venture _____
 Business Week _____ Personal Computing _____ Wall Street Journal _____
 Infoworld _____ Popular Computing _____ Other _____
 Inc. _____ Time/Newsweek _____

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2401 Marinship Way
Sausalito, CA 94965

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Software Program Sold "As Is"

The software program and the enclosed instructional and reference materials are sold "As Is" without warranty as to their performance, merchantability or fitness for any particular purpose. The entire risk as to the results and performance of this software program is assumed by you.

Limited Warranty for Diskette

However, to the original consumer only, Information Unlimited Software, Inc. warrants the magnetic diskette on which the program is recorded to be free from defects in materials and faulty workmanship under normal use and service for a period of ninety (90) days from the date of purchase. If, during this 90-day period, a defect in the diskette should occur, the diskette may be returned to Information Unlimited Software, Inc. at the address below, or to any authorized IUS™ dealer, and Information Unlimited Software, Inc. will replace the diskette without charge to you, provided that you have previously sent in your Warranty Registration Card to Information Unlimited Software, Inc., or send proof of purchase with the diskette. If, during the first (1st) year after the date of purchase, a defect in the diskette should occur, the diskette may be returned to Information Unlimited Software, Inc. accompanied by the attached Replacement Order Card and payment of \$15.00 and Information Unlimited Software, Inc. will replace the diskette for \$15.00 provided you have previously sent in your Warranty Registration Card to Information Unlimited Software, Inc. or send proof of purchase with the diskette. Your exclusive remedy in the event of a defect is expressly limited to replacement of the diskette as provided as above. To provide proof that you are the original purchaser, please complete and mail the attached Warranty Registration Card to Information Unlimited Software, Inc., 2401 Marinship Way, Sausalito, CA 94965 within thirty (30) days of purchase.

If the failure of a diskette has resulted from accident, abuse or misapplication of the diskette, then Information Unlimited Software, Inc. shall have no responsibility to replace the diskette under the terms of this limited warranty.

Any implied warranties relating to the diskette, including any implied warranties of merchantability and fitness for a particular purpose, are limited in duration to the period of ninety (90) days from the date of purchase. Neither Information Unlimited Software, Inc. nor anyone else who has been involved in the creation and production of this product shall be liable for indirect, special or consequential damages, such as, but not limited to, loss of anticipated profits or benefits, resulting from the use of this product or arising out of any breach of this warranty. Some states do not allow the exclusion or limitation of incidental or consequential damages so the above limitations may not apply to you. This warranty gives you specific legal rights, and you may also have other rights which vary from state to state.

Notes: Prices subject to change without notice.



BUSINESS REPLY MAIL

FIRST CLASS

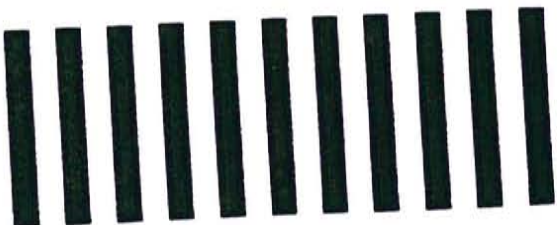
PERMIT NO. 7

SAUSALITO, CA 94965

POSTAGE WILL BE PAID BY ADDRESSEE

Information Unlimited Software, Inc.
2401 Marinship Way
Sausalito, CA 94965

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES





Service To Match Our Software: The Peachtree Support Plan

Congratulations on your choice of a Peachtree Software® business package. As you put it to work for you in the months to come, you'll find it an indispensable part of your business and wonder how you ever got along without it.

Peachtree wants to make sure you have a smooth conversion, so we've designed a support plan to assist you in the installation of your Peachtree software packages.

Free 30-Day Assistance

For that crucial break-in period, Peachtree offers a free 30-day introductory support plan with the return of the attached registration card. Then, if you have any questions or problems in your first month of use, you can call Peachtree Technical Support at (404) 239-3165 for direct access to one of Technical Support representatives. They can help you pinpoint exactly what's wrong and help you take the necessary action to get running again as soon as possible. And our Technical Support staff has full access to all of Peachtree's technical resources.

Important: You must fill out and return the enclosed registration card to Peachtree immediately to receive this free 30-day support. This registration process gives us important information that we need to service you.

Extended One-Year Support Plan

But our service needn't stop here. Peachtree offers an extended support plan that not only protects you against software problems but allows you access a range of special Peachtree services, including package amendments, updates, and a user newsletter.

Peachtree's one-year extended support plan is priced at \$96. Here's what you get:

Consultation: You can call Peachtree Technical Support anytime during regular business hours on a toll-free telephone line for consultation with a Technical Support representative about any software questions or problems you may be having. And there's no limit to how many times or how often you may call. For the price of a long distance call, you have unlimited access to Peachtree's service.

Amendments and Updates: "Paper" amendments for your software package are supplied free. But, if you don't have the computer expertise or the time to update your own programs from our paper amendments, or if you do not have the necessary source code and compiler for some products, you

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IN THE
UNITED STATES

BUSINESS REPLY MAIL

FIRST CLASS PERMIT NO. 11380 ATLANTA, GA.

Peachtree Technical Support
3445 Peachtree Road, N.E.
Atlanta, Georgia 30326

FOLD AND TAPE TO SEAL

OVER



FREE 30-DAY SUPPORT Peachtree Software Registration Card

Peachtree Software Incorporated wishes to provide users with the best possible support for its software products. To help us assist you and guarantee your 30-day support, please fold and return this registration card to:

Peachtree Technical Support
3445 Peachtree Road, N.E.
Atlanta, Georgia 30326

IMPORTANT

I have read and do agree to comply with the terms of the accompanying license agreement.

Signed _____
Print Name _____
Company _____
Address _____
City, State, Zip _____
Telephone () _____
Software Package Title _____ Serial # _____
Purchase Date _____ Model _____
Machine Type _____ Printer _____ Terminal _____
Disk Size _____
Do you have other Peachtree Software packages registered with Technical Support? _____
If so, which ones? _____

Please read the enclosed information regarding our extended technical support plan.

Please check one:
 Yes, I do wish to subscribe to the extended one-year support plan. I have signed and enclosed the support agreement along with:
 My Check Visa MasterCard
Card # _____ Expiration Date _____

Authorized Cardholder's Signature _____
 No, I do not wish to subscribe to the extended one-year support plan. I understand I do have thirty days to reconsider.

RETURN REGISTRATION IMMEDIATELY

can have your packages updated by Peachtree for a nominal materials and handling charge under the support plan. You're assured of keeping your software up-to-date and abreast of our latest refinements.

User Newsletters: Periodically Peachtree sends its Technical Support customers their own newsletter, filled with news from Peachtree, stories on users' experiences with our packages and tips on how to get the most from all the features of your software. And you get an early line on new Peachtree products and services!

Upgrades: As Peachtree introduces new products and enhances existing ones, you, as a support customer, will be among the first to find out about the new features and services we are offering. And, where upgrades are offered, you will be given the opportunity to upgrade your software at reduced prices—and still receive Peachtree's comprehensive support service. But you don't have to upgrade—we stand behind all our software, and we provide the same high level of service for all our packages.

Make Your Choice

You've heard our plan, and now the choice is yours. Fill out the registration card and return it to us to get your free 30-day introductory support. Or send us your check or credit card authorization to receive the 30-day support and the extended one-year support with Peachtree's extended service.

But the choices don't stop there. If you need time to decide, or if you want to put us to the test first, simply fill out the registration card and return it to us for the 30-day support. Then, *anytime before the 30 days expire*, send us your check or credit card authorization to take advantage of the extended one-year support coverage.

At Peachtree, we've got service to match our software. The best. Try it and you'll see.

Peachtree Technical Support / 3445 Peachtree Road, N.E. / Atlanta, Georgia 30326

VISICARE BUSINESS PLAN

APPENDIX E

MICROCOMPUTER APPLICATIONS SOFTWARE

COMPETITIVE PRICING ANALYSIS

VENDOR	PRICE/YR	T/F H/L	N/L	R/U	REPL M&W	REPL INSUR	U/D	U/G	CCR	DISC	OTHER
I. BLUE CHIP SUPPORT COMPANIES											
1. IBM	\$390										
2. DEC	\$300	X	X				X				
3. HP	\$300										1. MANUAL UPDATES 2. SOFTWARE STATUS BULLETINS 3. SOFTWARE PROBLEM REPORTING
4. DEC/ FINGRAPH	\$120	X	X					650% DISCOUNT			
II. PC SOFTWARE COMPANIES											
1. DRI	\$250	X	4/YR								
2. IUS	20% SRP/APP OR \$119 OR FOR SERIES OF 7 APPS OR \$40/HR. W/\$10 MIN	9-4 PST	4/YR								SUBSCRIPTION TO "SOURCE"
3. PEACHTREE	\$96	REG. BUS. HRS.	12/YR + OTRLY. MAG.								NOMINAL M/H CHG. REDUCED PRICES
4. INTERCALC (USERS GROUP)	\$40/HR W/\$10 MIN		\$10 MEMR + \$42 FOR 12/YR								
III. 3RD PARTY SOFTWARE SUPPORT COMPANIES											
1. SOFTWARE SUPPORT CENTER (SOFTAD/ SCHUCHARDT SOFTWARE SYSTEMS)	\$99/GROUP OR \$149/BOTH GROUPS	NOT T/F 9-3 PST									
2. TELASIST	\$75 + \$15/CALL & \$1.75/MIN >10 MIN	X									
IV. CONSULTANTS SURVEYS/RECOMMENDATIONS											
1. LEDGEWAY	\$74-\$111	\$50-75	12/YR @ \$24-\$36								
2. ROSEN ELEC LETTER	\$100	X									

VISICARE BUSINESS PLAN

APPENDIX F

CYGNET CO-SYSTEM

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A SAMPLE OF WHAT THE CYGNET COSYSTEM CAN ADD TO THE PC.

Intelligent telephone functions

- Speed dialing
- Continuous redial with silent operation
- PABX functions
- Optional speakerphone

Personal phone directory with space for 400 names

- Choice of directory search (name, department, etc.) with built-in DDI/MS

Desk-to-desk teleconferencing with simultaneous verbal and textual communication

- Three-way teleconferencing
- Screen Mail

36 programmable function keys

- Single-key access to data bases
- Single button SPRINT™, MCI, etc.

Unattended 24-hour electronic mail (computer on or off)

- Attachment of data files (spreadsheets, etc.) to electronic mail
- Electronic Mail to distribution lists as well as "cc" frames

Emulation of 15 widely-used ASCII terminal types

- Single-key connection and log-on to data services
- Exchange files with other PCs and mainframes

Communications Management System to maintain records of all voice and data communications activity

- Time clock to record time spent working on projects

Complete system for sorting and printing reports

Calendar function to keep track of appointments

- One-time entry for regularly scheduled appointments with automatic reminder
- Perpetual calendar

CYGNET

Cygnat Technologies, Inc. • 1240 Lawrence Station Road
Sunnyvale, CA 94089 • (415) 734-0010

CoSystem is a trademark of Cygnat Technologies, Inc.
SPRINT is a registered trademark of Southern Bell Communications Company
MCI is a registered trademark of MCI Telecommunications Corp.

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CYGNET

THE COMMUNICATIONS COSYSTEM FOR PERSONAL COMPUTERS



If you think about it, the personal computer is really a decision-making tool.

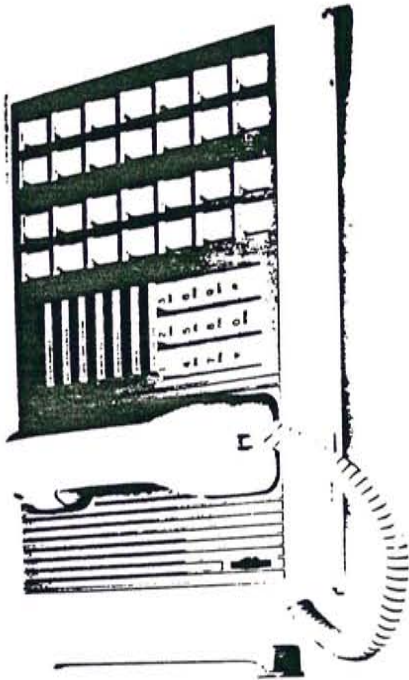
It helps you process information faster and more effectively than you can do it yourself. But besides the processing of information, decisions also require the gathering and distributing of information.

That's where the Cygnat™ Communications CoSystem fits in.

Working in tandem with the PC, the Cygnat CoSystem transforms it into a completely integrated voice and data workstation. Your productivity increases, because for the first time, your ability to generate information is matched by your ability to collect and communicate it.

The Cygnat CoSystem is much more than a replacement for devices like modems and telecommunications software. It's a complete, microprocessor-based system with 90K of its own memory, integrated software and its own special keyboard.

The CoSystem works around the clock with your PC to speed you through everything from telephoning and calendar planning to unattended electronic mail and desk-to-desk teleconferencing. The PC-CoSystem combination offers a responsiveness and adaptability which vastly improve your ability to make decisions. By allowing you to work at nearly the speed of thought, the CoSystem makes realtime management a reality.



WORKING WITH THE CYGNET COSYSTEM.

sales reports. You route these to the appropriate departments with your comments and file copies. All that, and you haven't touched a single sheet of paper.



Powerfully simple. The Cygnet CoSystem was specifically designed to add a number of powerful features to your personal computer. Yet it was intended to make those features accessible to even unsophisticated computer users. On-screen "menus" help you learn the CoSystem, become familiar with it, and use its features quickly and simply. Probably the easiest way to understand how the CoSystem improves workflow is to follow the PC and CoSystem through a typical morning.



9:00 You call today's calendar in the screen, note all appointments and a reminder to call your accountant in Detroit. Since you've memorized his speed dial number, you just press "Speed Dial," "15" and pick up the hand set. The CoSystem will automatically make a record of the time you spend on the call.

9:30 The stock market is up, and you want to know how your stocks are doing. You press the programmable key you've labeled "Dow Jones," and the CoSystem takes over. In less than a minute, it dials your subscriber information service, logs you onto the system and instructs the system to give you your quotes.



10:00 You want to see Max's three- and six-month forecasts for the coming three- and six-month periods. You load your electronic spreadsheet, call Marketing and begin a desk-to-desk teleconference, discussing the forecasts you're viewing simultaneously. After some discussion, you both agree on changes which will yield an increase in profits.



10:35 You've been thinking about how well your stock is doing, and you want to buy

more. You call your broker with "Speed Dial," "12," but his line is busy, so you hit "Auto Redial" and move on to other business.

10:45 You decide to compose a letter to all the sales offices. As you're word processing on the PC, you see electronic mail is arriving via the CoSystem. You bookmark your work, read the message, and as soon as you finish, the CoSystem returns you to your exact spot in your letter. Once you complete the letter, you instruct the CoSystem to send a copy to everyone on your "Sales" distribution list.



11:00 "Auto Redial" has gotten through to your broker. Since you want to check your recent correspondence, you press "Speakerphone" and sort through your files as you talk. Agreeing to sell another stock and take some funds from your cash account, you instruct your broker to buy 300 more shares of your



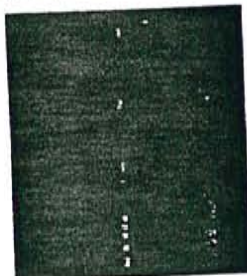
keep a record of the transaction for administrative purposes.

11:35 Your calendar tells you an appointment with your insurance agent. It also reminds you that you owe the VP Operations a set of financials by noon.

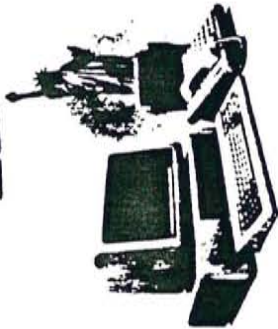


11:40 You retrieve the current financial statement from the company mainframe and call your boss. You send the screen to him and discuss the effects of an increased investment in plant and equipment. You note your respective thoughts and forward the appended information to the company controller.

11:55 You leave to meet your insurance agent knowing that the Cygnet CoSystem is accepting and storing electronic mail for you



11:20 You're in the process of transmitting a quote to a client. As the CoSystem sends it off, the client announces that a few specifications have changed. You prepare a new quote, send the revised version and receive verbal approval over the phone. At this point, the client will simply print the quote out, sign it and return confirming copies to you. What's more, the CoSystem's Communication Management System has



VISICARE BUSINESS PLAN

APPENDIX G

HOT-LINE SPEC OUTLINE

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VISICARE

HOT-LINE SPEC OUTLINE

I. THREE PHASES

- A. ORDER ENTRY
- B. INCOMING CALLS TO TECH SUPPORT
- C. OUTGOING CALLS FROM TECH SUPPORT

II. ORDER ENTRY

- A. ENTER CUSTOMER AND/OR CORPORATE ADDRESS, PHONE NUMBER, DATE & VISA/M-C NUMBER AND EXPIRATION DATE TO CUSTOMER DATABASE. PROVIDE THREE ADDITIONAL FIELDS IN DATABASE FOR LATER DIRECT USE BY VISICORP.
 - 1. TELEPHONE INPUTS FROM CUSTOMERS WITH VISA/M-C
 - 2. CORPORATE PO's AND CHECKS WILL BE SENT TO VISICORP DIRECTLY AND HARDCOPY (AND TELEPHONE) INPUT WILL BE SENT FROM VISICORP TO VOICEBANK FOR DATA ENTRY.
- B. VALIDATION OF VISA/M-C NUMBER WILL BE BY VISICORP INITIALLY. VOICEBANK WILL INVESTIGATE AND QUOTE LATER ON THIS ITEM.
- C. ASSIGN AN EIGHT DIGIT ID #. MAINTAIN CAPABILITY TO USE FIRST FOUR DIGITS AS A CORP ID#.
- D. REFER ALL OTHER CALLS TO VISICORP CUSTOMER SERVICE NUMBER (NOT TOLL-FREE).

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VISICARE

HOT-LINE SPEC OUTLINE

- E. SET UP 800# FOR O/E (DIFFERENT FROM IV.B)
 - 1. CALIFORNIA
 - 2. REST OF U.S. EXCLUDING HAWAII AND ALASKA
 - 3. CANADA/INTERNATIONAL WILL BE HANDLED BY VISICORP
- F. ONLY VOICE BANK WILL ASSIGN CUSTOMER ID#
 - 1. TWO CATEGORIES (VISI ON AND VISISERIES VS. VISISERIES ONLY)
 - 2. 100K CUSTOMERS PER CATEGORY MINIMUM
- G. INVENTORY & SHIP CUSTOMER BOXES (7" X 10" X 2") UPON SIGN-UP

III. PHONE SYSTEM RECOMMENDATIONS

PROVIDE VISICORP AN ANALYSIS AND RECOMMENDATION OF:

- A. HOW MANY 800 # LINES TO SET UP AND THEIR COSTS
- B. HOW TO SET UP THE BRISBANE TO SAN JOSE TELEPHONE LINKAGES AND THEIR COSTS

IV. INCOMING CALLS TO TECH SUPPORT

- A. SCREEN INCORRECT CALLS AND PASS TO VISICORP CUSTOMER SERVICE AS APPROPRIATE
- B. SET UP 800 #s FOR THE TWO CATEGORIES OF SERVICE IN II.F.1 (DIFFERENT 800 #s FROM THE O/E 800#s IN II.E)

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VISICARE

HOT-LINE SPEC OUTLINE

- C. VERIFY ID# FROM CURRENT CUSTOMER DATABASE.
- D. DETERMINE WHICH VISICORP PRODUCT THE QUESTION RELATES TO.
- E. TRANSFER CALL TO APPROPRIATE VISICORP TECH SUPPORT PHONE NUMBER.
- F. VISICORP NTE SYSTEM WILL AUTOMATICALLY ROTATE TO BACK-UP TECH SUPPORT PHONE NUMBER AND, IF UNAVAILABLE, VOICEBANK WILL SET UP CALL BACK TICKLER.
- G. CAPTURE DATE, TIME AND DURATION OF CALL FROM ANSWER BY TECH SUPPORT REP (TSR) TO END OF CONVERSATION (EITHER PARTY BREAKS OFF).
- H. VOICEBANK WILL ARRANGE FOR A METHOD OF TRACKING NON-BILLABLE INCOMING CALLS IN WHICH THE TSR CAPTURES TIME OF DAY AND ID#. VISICORP WILL LATER MAKE DAILY DIRECT INPUT TO THE HP DATA BASE.

V. OUTGOING CALLS FROM TECH SUPPORT

- A. CAPTURE CUSTOMER ID, PHONE NUMBER CALLED, DATE, TIME AND DURATION OF CALL FROM TSR TO CUSTOMER (FROM CROSS CONNECT TO BREAK-OFF BY EITHER PARTY)
- B. IF CUSTOMER NOT AVAILABLE, TSR TRIES AGAIN LATER.
- C. NON-BILLABLE CALLS WILL GO THROUGH VOICEBANK SYSTEM. DATA WILL BE CAPTURED BY PRODUCT ONLY, I.E. NOT BY CUSTOMER ID. TIME CAPTURED WILL BE FROM CROSS CONNECT TO ANSWER OR HANG-UP BY TSR IN CASE OF NO ANSWER.

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VISICARE

HOT-LINE SPEC OUTLINE

VI. REPORTS

A. ORDER ENTRY

REPORT NAME

- | | |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BASE | 1. WEEKLY CUSTOMER DATABASE UPDATES SHOWING CURRENT STATUS AND ALL CHANGES, ADDITIONS & DELETIONS |
| SHIP | 2. WEEKLY BINDEP SHIPPING REPORT |
| DATE | 3. EXCEPTION REPORTS SHOWING ALL CUSTOMERS WHOSE CONTRACT PERIOD HAS EXPIRED AND ALL WHOSE WILL EXPIRE IN 30 DAYS FOR USE BY VISICORP IN CONTACTING THOSE CUSTOMERS FOR WARNING OR RENEWAL PURPOSES. |

B. INCOMING AND OUTGOING CALLS TO AND FROM TECH SUPPORT

REPORT NAME

- | | |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BILL | 1. MONTHLY TRANSACTION REPORTS BY CUSTOMER ID# SHOWING INCOMING AND OUTGOING AND TOTAL DATA ON CALLS FOR THE PERIOD AND ACCUMULATED CONTRACT PERIOD TO DATE SUMMARY DATA. |
| TIME | 2. EXCEPTION REPORTS SHOWING ALL CUSTOMERS WITH MORE THAN 45 MINUTES AND MORE THAN ONE HOUR ACCUMULATED TELEPHONE TIME DURING THE CONTRACT PERIOD. |

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VISICARE

HOT-LINE SPEC OUTLINE

VII. HOURS OF OPERATION

- A. NORMAL HOURS OF OPERATION ARE 6 A.M. - 5 P.M. PST.
- B. VOICEBANK SYSTEM WILL AUTOMATICALLY TAKE MESSAGES OUTSIDE THESE HOURS.
- C. VOICEBANK OPERATORS WILL CAPTURE INFO FOR TSR CALLBACK VIA A SINGLE RECALL NUMBER TO VOICEBANK.

VII. VOLUME DATA

A. ORDER ENTRY

1. YEAR 1 Q1 -	500	YEAR 2 Q1 -	4000
YEAR 1 Q2 -	500	YEAR 2 Q2 -	4000
YEAR 1 Q3 -	3000	YEAR 2 Q3 -	5000
YEAR 1 Q4 -	3000	YEAR 2 Q4 -	5000

B. INCOMING & OUTGOING CALLS

1. YEAR 1 Q1 -	5000	YEAR 2 Q1 -	30000
YEAR 1 Q2 -	7500	YEAR 2 Q2 -	35000
YEAR 1 Q3 -	20000	YEAR 2 Q3 -	40000
YEAR 1 Q4 -	20000	YEAR 2 Q4 -	40000
2. INCOMING =	2/3		
3. OUTGOING =	1/3		

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VISICARE

HOT-LINE SPEC OUTLINE

C. TIME OF DAY

ORDER ENTRY, INCOMING AND OUTGOING CALLS

1. 6 A.M. PST - 9 AMPST = 25%
2. 9 A.M. PST - 2 PMPST = 50%
3. 2 P.M. PST - 5PMPST = 25%

D. GEOGRAPHICAL SPLIT

1. CALIFORNIA - 20%
2. REST OF CONTINENTAL U.S. - 80%

E. NUMBER OF TECH SUPPORT REPS

1. CURRENT - 8
2. END OF YEAR 1 - 10
3. END OF YEAR 2 - 20

VIII. START DATE

- A. I.A, B & C - 11/1/83
- B. VI (SELECT) REPORTS MAY BE SCHEDULED OUT BEYOND 11/1/83.

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VISICAP BUSINESS PLAN

APPENDIX H

COMPARISON OF USPS WITH VISICARE

WARRANTY	PSO/USP REVISED	PSO/VISICARE	NSO/VISI ON USP	NSO/VISI ON/VISI CARE
Program	As-Is	As-Is	As-Is	As-Is
Disk	Material & Workmanship only	Material & Workmanship plus "no fault" insurance policy	Materials & Workmanship only	Material & Workmanship plus "no fault" insurance policy
Mouse	90 days from orig. purchase	one year from end of 90 day warranty or VisiCare purchase	90 days from orig. purchase	one year from end of 90 day warranty or VisiCare purchase
Mouse	not applicable	not Applicable	Material & Workmanship only	Material & Workmanship plus "no fault" insurance policy
Mouse			90 days from orig. purchase	one year from end of 90 day warranty or VisiCare Purchase
Mouse			Paid repair >90 days <360 days from orig. purchase @ \$95+ freight in	
FEATURES	NON-REGISTERED	REGISTERED	NON-REGISTERED	REGISTERED
Replacement	not applicable	not applicable	upon receipt of defective mouse	within 24 hrs. of phone call
Mouse Shipment	not applicable	Customer Service help @ cost of phone call	not available	Technical Support help w/800# at no charge
TSR	not available	Technical Support help w/800# @ no charge	Customer Service help @ cost of phone call	one available @ no charge during 1st year of VisiCare
Back-ups	not available	available @ \$20	not available	one/year available @ no charge during 1st year of VisiCare
Replacement Disk	not available	exchange avail. @ N/C during warranty & @ \$50 thereafter	not available	exchange avail. @ N/C during warranty. \$50 thereafter
Updates (Bugs & Minor Enhancements)	no advance notification	advance notification	no advance notification	advance notification
Upgrades	no advance notification	advance notification	no advance notification	advance notification
Newsletter	silent	silent	silent	VisiCare Newsletter
Discounts on other Products	not available	not available	not available	available
Customer Consulting Resource	not available	not available	not available	not available

VISICARE BUSINESS PLAN

APPENDIX I

ADAPSO MICROCOMPUTER SOFTWARE
SUPPORT SURVEY & RESULTS

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COMPUTERS & GAMES

Computer Buyers Are Serious Shoppers

The average amount spent by a first-time buyer of a personal computer and accessories for the home is about \$1,800. If a customer plans to use the system for both home and business use, he is likely to spend approximately \$3,100. If the computer is purchased entirely for business use, the tab will run about \$3,750. These figures come from a marketing study conducted by Associates for Research Behavior, Inc.

The study, "Personal Com-

puters: The Retailer's Perspective," examines personal computer buying habits from the computer retail manager's point of view. It was commissioned by *Newsweek's* Market Research Department to determine how customers shop, what they buy and how retailers sell. The survey was based on telephone interviews with 300 managers of outlets selling computers ranging from 225 computer store managers to 75 computer department managers in discount,

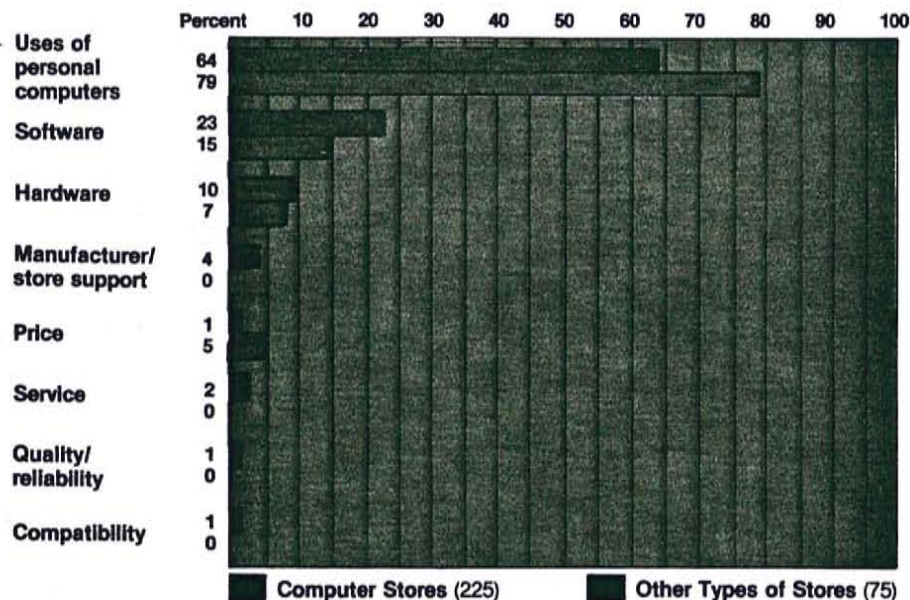
department, toy and other stores.

According to the report, prospective computer buyers are serious shoppers who plan their visits to dealers rather than casually walking in and make two or three return trips before putting down their money. By the way, you're likely to see an average of 18 such shoppers per day if you operate a computer specialty outlet and 9 shoppers per day in a computer departments and other types of stores. A majority of managers report that less than half of their customers correctly anticipate the cost of the entire system. In the opinion of most managers, customers choose a particular outlet or department because of the knowledge of the sales staff, service and brands carried. Store and brand advertising, location, and availability of software are also believed to have an influence on store selection. A customer's decision to buy is likely to be based on the input of friends, sales clerks and advertising (in that order). Few computer sales are made to customers who are trading up their systems. Nine out of ten home-use computer buyers and eight out of ten business-use customers are first-time buyers, notes the study.

Computer store and department managers report that over a third of the computers they sell are for business use only, another third are for personal use only and a fourth are for both home and business use. It's no surprise to the experienced retailer that the two most com-

Continued

Retailers Want Manufacturers to Advertise:



The clear preference of managers in terms of the primary emphasis they would like to see in manufacturers' advertising is the uses of personal computers. Far fewer managers would like manufacturers to emphasize the benefits of software, hardware or other themes.

Source: *Newsweek*

Continued

mon in-home uses of personal computers are games and educational activities (customers invariably buy entertainment software along with the system). Other popular uses cited are personal finance and household management. Business buyers are most interested in accounting, word/data processing and data base/record keeping software. Both home and business customers first buy printers followed by disk drives and modems.

In-store demos involve promotional materials and literature, sample programs and videotapes, all of which are supplied by the manufacturers. Four out of five computer stores or departments do local advertising and the media they most often use are newspapers and radio. Co-op funds are used. Most retailers interviewed agree that manufacturers should devote more advertising dollars to explaining the many uses of computers. Half the stores in the survey are located in the suburbs (forty percent are in shopping malls).

The following brands are carried by the greatest number of outlets: Apple, Atari, Commodore, Osborne, Texas Instruments, IBM, Radio Shack and Timex/Sinclair. Not surprising, the leading reason for carrying a particular brand is consumer demand. Half the managers surveyed report that they carry only one or two brands of computers. □

WICO Won't Go Whacko

WICO Corporation plans to launch a multi-million-dollar consumer advertising campaign beginning in September. It's a multi-media campaign, themed "My Sticko Won't Go Whacko Because It's a WICO," designed to promote consumer awareness of the company's three product lines. WICO manufactures the Command Control line of arcade-quality joysticks and trackball game controllers; the Computer

Command line of hardware accessories engineered for small business and personal computers; and the Boss line of popularly-priced game controllers. The campaign will promote the products' durability and quality through print and broadcast advertising. Television commercials will be run in 20 major markets, notes company president Gordon Goranson. When consumers consider buying an accessory, he says, "we want them to think of WICO."

The first phase of the campaign provides for \$3.5 million in advertising expenditures from September through the December holidays. According to Goranson, WICO's advertising plan is tied to independent research findings of continued strong consumer demand for quality home video and computer accessories. Technological advances will cause the computer and games markets to grow, says Goranson, creating a large replacement and trade-up market for accessories in a "rolling effect."

"WICO advertising will be

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Gordon Goranson (left) and Skip Roberts of WICO.

designed to appeal to the quality-conscious consumer who seeks to upgrade his home video game system, and to the growing number of personal computer owners who seek to enhance the entertainment value of their units," adds Goranson. "Further, WICO's expanded 1983 advertising budget reflects our continued commitment to the home video market." □

Tronix Debuts Monogram

"I have a strong desire and inclination to do major things in home financial productivity software," says John Reese, president of Tronix Publishing, Inc. Reese was in Boston recently to promote his company's new division, Monogram, and a family financial program for the Apple II and IBM computers.

The Monogram home management software division was created, says Reese, in an attempt to separate the company's new venture into upscale, productivity software from its established identity as a video games supplier for low-end, home computers. "I don't want it to be an issue among consumers," explains Reese, who believes that consumers would be less than ready to accept such wide divergence in product orientation. As for the trade, notes Reese, he hopes it will continue to think of Monogram as a division of Tronix, rather than an entirely new venture.

Monogram's first offering has been dubbed "Dollars and Sense" and is designed to assist a family in managing budgets, income and expenses and assets and liabilities. "It is an easy-to-create and maintain personalized financial database which gives the user extraordinarily fast access to information," says Reese. The package also helps keep tabs of information needed to prepare income taxes.

Tronix plans to introduce a series of integrated add-on products that take full advantage of the financial database created by Dollars and Sense. Eventually, the program will be used along with any of the popular spreadsheets, says Reese.

Dollars and Sense was developed by Frank Mullin, a TRW executive who also worked with designers at Oaktree Software on the program.

The program works with either an Apple II or IBM PC computer with at least one disk drive.

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Reese wants to release the product in other formats, he says, but is presently hampered by the lack of sophisticated systems in most homes. "What I mean by that," he explains, "is that in the low end we really have CPUs; we don't have computer systems. I would like to have Dollars and Sense on the Commodore 64 but there are not a lot of Commodore 64s out there with two disk drives. We can only put this program on upscale machines right now." The package will be shipped in August at a suggested retail of \$100 for the Apple and \$165 for the IBM PC. □

Total Computer Industry Shipments to Reach \$92.4 Billion in 1984

According to a new study by Venture Development Corporation, a Wellesley, MA market research firm, total computer industry shipments will equal \$92.4 billion in 1984. In 1980, total industry shipments were \$51.2 billion. The industry data includes shipments of computer systems, data storage systems, terminals, printers, plotters, software, and services.

The VDC report *The U.S. Computer Industry, Second Edition* forecasts the compound annual growth rate for the industry for the 1980 to 1984 time period to be 15.9 percent. VDC expects 1983 shipments to increase only 14.1 percent over 1982 levels, although 1984 shipments will grow by 15.4 percent.

Computer systems represent over half of the total industry shipments in both 1980 and 1984. Their relative share of shipments will decline slightly over the four-year period due to the slow growth of mainframe computer systems, predicts VDC. The software and services category will gain the most market share over the period, underscoring the importance of applications software and the services industry. The terminals' share of shipments will decrease due to falling average selling prices; this decline was not offset sufficiently by the

high growth terminal market segments such as graphics terminals. Finally, data storage systems will slightly increase their market share, based primarily upon the high growth of Winchester disk drive shipments.

Dollar shipments show a different picture in that line printers constitute a much larger share, about one-third of shipments as opposed to less than 10 percent of unit shipments. Electronic typewriters and printer/plotters are the two categories that will be gaining dollar share at the ex-

pense of the other categories.

The software and services includes system software, application software, computer processing services, and professional services. The software market data applies only to the independent software suppliers, and do not include the product offerings from hardware manufacturers like Digital Equipment Corporation, Data General, and IBM.

Annual software and services revenues will grow 20.6 percent per year from \$5.5 billion in 1980

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to \$11.7 billion in 1984. We expect 1983 revenues to increase 21.4 percent over 1982 levels. Computer processing services has the largest share of software and services revenues in both 1980 and 1984. Application software will have the largest increase in relative share, growing from 21.6 percent of revenues to 27.0 percent in 1984. □

"New Generation" Word Processing Software Announced for the IBM PC

A "new generation" word processing software package for the IBM Personal Computer has been introduced by Leading Edge Products, Inc., a leading national marketer of microcomputer equipment, software and supplies.

The company said the "Leading Edge Word Processor" will give the IBM PC capability that matches or exceeds that of a dedicated word processor. In addition, the Leading Edge Word Processor is far more powerful, easier to learn and use, and less expensive than current popular packages."

"This accomplishment," a Leading Edge spokesperson says, "represents a real breakthrough made possible by our team of software architects working in the Leading Edge Research and Development Department, under the leadership of two veterans of the software industry, Philip Florence and J.B. Royal."

The company spokesperson says this is the first of many fast, easy to use and reasonably priced software packages designed for the IBM Personal Computer and compatible microcomputers that will be developed by Leading Edge Products.

The Leading Edge Word Processor—a package powerful enough for heavy professional use, yet easy for the home user as well—will be available for shipment in August or September. It will be priced under \$300.00. □

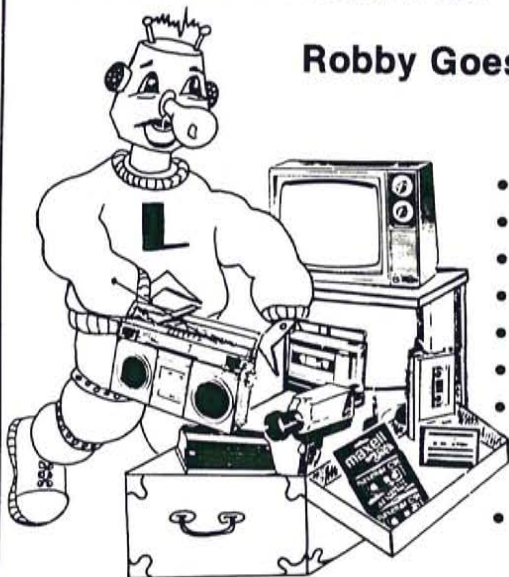
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March 15, 1983
Revision 3

DRAFT

DEALER/DISTRIBUTOR/FRANCHISE PROGRAM

OUTLINE

- I. BACKGROUND ASSUMPTIONS
- II. OBJECTIVES
- III. RECOMMENDATIONS SUMMARY
- IV. SPECIFIC TERMS:
 - A. AUTHORIZED VISICORP DEALER PROGRAM
 - B. AUTHORIZED U. S. DISTRIBUTOR PROGRAM
 - C. AUTHORIZED VISICORP FRANCHISE/CHAIN PROGRAM
- V. FINANCIAL ANALYSIS
- VI. RISKS/EXPOSURE/RESPONSES
- VII. IMPLEMENTATION SCHEDULE
- VIII. PROMOTION PLAN
- IX. ADMINISTRATION
- X. Q4 SALES ANALYSIS BY TERRITORY
- XI. Q4 SALES PRODUCTIVITY ANALYSIS

I. BACKGROUND ASSUMPTIONS

This plan assumes the following elements to exist as facts in today's marketplace:

- there will be a slight improvement in domestic economic conditions, but continued industry growth near our projections;
- there will be significant pressure on VisiCorp's ability to hold standalone market share and continued market acceptance/brand loyalty may erode with competitive sales gains;
- should the Visi/ON (TM) program slip into 1984, the framework (authorized dealer agreement) for additional cooperative efforts and maintenance of dealer loyalty would be in place;
- the existing independent rep organization is hardware dependent and may not be effective in supporting the sales out and service needs and corporate objective; and,
- aggressive and positive influence must be exercised over existing channels if we are to obtain reasonable sales growth and achieve Plan '83 Sales Forecast.

This plan further assumes as fact the following, based on Q4 sales by territory study (attached):

- 261 direct-independent dealers, or less than 25% of VisiCorp's active dealer customer base, accounts for 81% of the total direct-independent dealer revenues;
- of these key dealers, approximately 61% have open credit lines;
- direct-independent dealers account for less than 42% of total non-contract sales revenues;
- allocated franchise accounts for greater than 14% of total non-contract sales revenues;

I. BACKGROUND ASSUMPTIONS (Continued)

- the average dealer quarterly rebate is 3% of key dealer sales; and,
- sales productivity, based on Q4 sales cost study (attached) and as measured by \$ sales/selling cost, is equal to \$3,720.00 sales per \$1,000.00 selling cost.

The intent of this plan is to propose no major changes in our current sales operations or distributor channels. The "strong independent retail dealer" will continue to be the focus of our sales/service efforts and distributor's sales and promotional efforts will be more structured, both in order to maximize revenues, our market influence, and enhance our image as a market leader.

II. OBJECTIVES

The objectives of this plan are to:

- position VisiCorp as a market leader in quality software and value added products;
- increase influence in sales and product promotional efforts through all existing non-contract distribution channels;
- strengthen loyalties within existing channels;
- exceed Plan '83 revenue and obtain 105% of pre-tax earnings;
- retain 1982 market share in stand alone products;
- diversify distribution efforts and reduce dependency on any single customer to 12% of total non-contract revenues by December 31, 1983;
- implement an authorized dealer program that is compatible with Fortune 1000 sales program and the sales/marketing of the Visi/ON (TM) program; and,
- increase productivity 10 % measured by:
 - sales expense/call ratio, and
 - sales/sales expense ratio.

III. RECOMMENDATIONS SUMMARY

- A. Implement an Authorized VisiCorp Dealer (AVD) program designed to increase our influence in retailers' sales and promotional efforts and the amount of real estate committed to the VisiSeries. The significant elements of this program are:
- increased serviceability of the key dealers that represent 90% of new business; and,
 - adjusting the dealer discount structure to be more obtainable and appealing.
- B. Implement an Authorized U. S. Distributor (AUSD) program designed to increase our influence in distributor sales and promotional efforts and to gain a higher level of distributor loyalty. The significant elements of this program are:
- cooperative promotional efforts targeted to sales of non-calc promotions and/or special promotions;
 - adjusting the distributor discount structure to increase sales appeal of non-calc products.
- C. Implement an Authorized VisiCorp Franchise (AVF) program designed to increase influence in franchise sales and promotional efforts and to add definition to distributor channels. The significant elements of this program are similar to the AUSD program except for the following changes:
- requirements for dealer/chain support increased;
 - minimum quarterly volume set at 35,000 per quarter; and,
 - margin structure set at flat 50% of SRP.
- D. Focus the independent rep's sales and service efforts to maximize the service given to the top or key dealers in the assigned geographic area and fairly compensate reps for effective sales efforts by:

III. RECOMMENDATIONS SUMMARY (Continued)

- paying commissions on independent dealer business (AVD) equal to 8% of net billings;
 - paying commissions on allocated and non-allocated franchise business equal to 4% of net billings;
 - paying a monthly bonus of 5% of total net billings if billings exceed quota; and,
 - eliminate 4% commission on allocated distributor business.
- E. Implement a program which has a positive effect on our sales employees in terms of career growth, opportunity and productivity.

IV. SPECIFIC TERMS

A. Authorized Dealer Program

- An Authorized VisiCorp Dealer (AVD) agrees to have a retail showroom with store front and business sign that is visible from the street.
- An AVD agrees to have no less than one demonstration computer for each VisiCorp product line supported at the authorized location.
- An AVD agrees to have all sales staff certified by successfully completing the "VisiCorp Product Training School" within 90 days from the start of employment or from the Date of Authorization. "VisiCorp Product Training School" will be held on a quarterly basis in locations convenient to major market areas (to be designated). There will be no cost charged for training of AVD employees.
- The AVD agrees to allow access to warehouse facilities, to a designated VisiCorp representative for the express purpose of counting inventory levels on VisiCorp products. Access will not exceed two visits per month per location or as mutually agreed upon by AVD and VisiCorp.
- The AVD agrees to maintain a representative inventory of no less than one resellable copy per location of the VisiCorp products for computer lines supported by AVD.
- The AVD agrees to keep at each location no less than one "demonstration copy" of a representative selection of the full product of all VisiCorp products carried. VisiCorp agrees to provide to AVD a single copy and back-up disk, per location, of all standalone programs inventoried by AVD and at no cost to AVD. Each demonstration copy will be marked "Demonstration Copy - Not For Resale".

IV. SPECIFIC TERMS (Continued)

- The AVD agrees to purchase no less than \$2,500 per quarter under the following discount structure: standard 35% off SRP discount, plus a monthly credit rebate based on invoice date, of:
 - 6% on monthly billings of \$1,000 or greater
 - 7% on monthly billings of \$1,500 or greater
 - 8% on monthly billings of \$2,500 or greater
 - 9% on monthly billings of \$3,500 or greater
 - 10% on monthly billings of \$5,000 or greater
 - 11% on monthly billings of \$7,500 or greater
- The AVD agrees to display in a prominent location in each authorized location a no-cost VisiCorp Point of Purchase display or a suitable product display and as mutually agreed upon.
- The AVD agrees to periodically submit to VisiCorp current financial information, Balance Sheet and Income Statement, as required to maintain credit lines. The AVD further agrees to perform within the terms of credit as set by VisiCorp.
- The AVD agrees to provide both presale seminars and postsale training classes for end user sold by AVD on the VisiSeries.
- The AVD agrees to maintain, in good standing, a valid resale tax license for collection of sales taxes within the state of business for the entire term of this agreement. The resale number and all pertinent information is represented in Exhibit A entitled Tax Exemption Certificate.
- The AVD is authorized, as a non exclusive dealer of VisiCorp products, to sell, promote and service products listed on the Authorized VisiCorp Dealer Price List. VisiCorp may, at its' own discretion, include any new product or delete any product from this price list at any time without notice.

IV. SPECIFIC TERMS (Continued)

- The AVD agrees to exercise it's best efforts to sell VisiCorp products and to implement VisiCorp promotions.
- The AVD agrees to purchase VisiCorp products exclusively from VisiCorp directly or from an Authorized Distributor.
- The AVD agrees not to sell VisiCorp products for the purpose of resale, and only to sell to end users. The AVD further agrees to notify each purchase of VisiCorp about the VisiCorp License Agreement.
- The AVD agrees not to alter or reproduce any VisiCorp product or any portion of any VisiCorp product.
- The AVD agrees to be responsible for the primary service support to any end user. VisiCorp agrees to offer to the AVD a technical hot line and an Authorization Code necessary to obtain technical support and information and that this hot line shall be provided at no cost to the AVD. The AVD further agrees to keep the Authorization Code for the exclusive use of the AVD and it's direct employees.
- The AVD agrees not to make any warranties, guarantees, or representations about VisiCorp product performance or suitability beyond that stated in the warranty and license agreement.

- The AVD agrees to sell VisiCorp products intact including warranty cards, license agreements.
- The AVD agrees to report to an aythorized VisiCorp representative the following information pertaining to inventories for all authorized AVD locations as of the close of the calendar month:
 - beginning inventories by product line for the month begin reported,

IV. SPECIFIC TERMS (Continued)

- inventories received by product line for the reporting month, and
 - closing inventories by product line for the reporting month.
- The AVD agrees to use best efforts to promote VisiCorp's goodwill.
 - VisiCorp agrees to provide product training either at an AVD location or through the "VisiCorp Product Training School", at VisiCorp's discretion, on a quarterly basis.
 - When applicable, VisiCorp agrees to honor all orders placed prior to a price increase.
 - VisiCorp agrees to publish to dealers and pertinent large account users and prospects a listing of all AVD on a quarterly basis.
 - When applicable, VisiCorp agrees to provide "price protection" by granting a credit equal to any difference in net invoice price to the lower dealer base price times the total number of pieces in inventory that are unopened and not defective as of the effective date of the price change. The inventory level shall be verified by an actual inventory count taken by a VisiCorp sales representative and this clause is in force only if AVD is not in breach on any other clause of the agreement, specifically those terms relating to credit and sales out/inventory reporting.
 - VisiCorp agrees to provide, at no charge, a continuous self-running demo disk, as they become available, to each authorized location for all VisiSeries products supported by AVD. VisiCorp further agrees to provide at no charge reasonable quantities of brochures per authorized AVD

IV. SPECIFIC TERMS (Continued)

location, per month. VisiCorp will further provide reasonable quantities of video sales/training aids, point of purchase displays, and seminar tools as they become available. (VisiCorp may, at its own discretion, charge for these services.)

- VisiCorp agrees to offer credit terms of Net 30 days to all credit approved AVD's.
- VisiCorp agrees to use best efforts to fill all AVD stocking orders. However, this does not preclude VisiCorp from holding shipment or refusing an order placed by the AVD whose credit account with VisiCorp is not in good standing at the time of shipment. The AVD agrees to hold VisiCorp harmless for potential damages resulting from VisiCorp being out-of-stock on a product ordered or resulting from VisiCorp holding or refusing shipment based on best knowledge of the AVD's credit account not in good standing.
- VisiCorp agrees to provide a toll free phone number and authorization code to be used by AVD and it's employees to obtain technical information and support. This "Hot-Line" will be available during normal business hours, Pacific Standard Time, Monday through Friday, excluding holidays. There will be no charge for this service.
- VisiCorp agrees to provide a cooperative promotional fund equal to 2% of the net quarterly billings to be used for special promotions, VisiCorp promotional mailings, approved seminars and any other promotional charge the Director of Sales of VisiCorp deems appropriate.

IV. SPECIFIC TERMS (Continued)

B. Authorized U. S. Distributor Program

- The Authorized U. S. Distributor (AUSD) agrees to have no fewer than two (2) stocking locations;
- The AUSD agrees to conduct business exclusively within the boundaries of the United States as agrees upon in writing by the Director of Sales of VisiCorp;
- The AUSD agrees to report sales quantities by line item and dollar volume by territory on a monthly basis by the 15th day following the close of the reported month. These reports are to be mailed to the Director of Sales at VisiCorp, 2895 Zanker Road, San Jose, CA 95134;
- The AUSD agrees to report "end of month inventory" levels by line items for all stocking locations by the same day and method as stated above. AUSD also agrees to provide current inventory levels upon request, or as time reasonably permits. Such request will not exceed twice per month or as mutually agreed;
- The AUSD agrees to employ one technical representative certified by completing the VisiCorp Product Training School within 90 days from start of employment or from the date of authorization. There will be no charge to the AUSD for this training;
- The AUSD agrees to submit to VisiCorp a (monthly) three month rolling sales forecast by product line by the end of the month prior to the beginning of the forecast period;

IV. SPECIFIC TERMS (Continued)

- The AUSD agrees to participate in the VisiCorp distributor Co-op Promotional Program by mailing, on a regular basis, exclusive VisiCorp product or promotion announcements to the AUSD dealer base. The Co-op Promotional Program will consist of a fund equal to 2% of the net quarterly purchases. There will be no carry-overs of funds between calendar quarters. Also, charged against this fund will be brochures in excess of _____, continuous running demo disks in excess of _____, VisiCorp provided mailers, approved seminars, and other promotional cost as approved by the Director of Sales of VisiCorp on all VisiCorp products listed in the distribution;
- The AUSD agrees to purchase no less than \$25,000 per calendar quarter at the standard discount to SRP of 45%, plus a bonus of 2% on all non-spread sheet products as listed in the distributor price list;
- The AUSD agrees to sell only to resellers of VisiCorp products;
- When applicable, VisiCorp agrees to provide "price protection" by granting a credit equal to any difference in net invoice price to the lower distributor price times the total number of pieces in inventory that are unopened and not defective as of the effective date of the price change;
- When applicable, VisiCorp agrees to honor all orders placed prior to a price increase;
- VisiCorp agrees to make available at no cost to the AUSD VisiCorp Product Training School or a suitable product training every 90 days; and,
- VisiCorp agrees to allow stock balancing and stock rotation as specified in VisiCorp's Standard Operating Procedure.

IV. SPECIFIC TERMS (Continued)

C. Authorized VisiCorp Franchise/Chain Program

(Analysis of current qualifications to be done
by April 1, 1983).

V. FINANCIAL ANALYSIS

This plan has no significant effects on our gross margins after commissions. There is no margin difference in the AVF/C program.

The following lists the effects of the Dealer/Distributor Program Summary:

v. DEALER - DISTRIBUTOR PROGRAMS
FINANCIAL ANALYSIS

<u>DEALERS</u>	<u>MARGIN PERCENT</u>	<u>Q4 Eq. MARGIN AMOUNT</u>
1. NEW REBATES TO DEALERS 11% ON 7500	(.2%)	(29K)
2. CO-OP DEALER PROGRAM 2% PROMOTIONAL FUND	(.2%)	(29)
DEALER MARGIN LOSS	(.4%)	(58K)
 <u>DISTRIBUTORS</u>		
1. NO REP COMMISSION ON ALLOCATED SALES	(.04)(56% SALES)	140
2. DISTRIBUTOR CO-OP PROGRAM 2% PROMO FUND	(.02)(44% SALES)	(56)
3. DISTRIBUTOR MIX INCENTIVE	(.02)(.44%)(.50)	<u>(28)</u> 56K
4. INCREASE REP OVER QUOTA BONUS FROM 3% TO 5%		NET MARGIN GENERATOR OR BREAK EVEN

This analysis summary does not consider the effects this program should have on sales of non-calc programs and over all stronger sales of Visiproducts.

DEALER/DISTRIBUTOR PROGRAM

VI. EXECUTIVE SUMMARY

D. RISKS/EXPOSURES/RESPONSES

1. OUR ABILITY TO MANAGE A TIMELY TRANSITION WITHOUT CREATING "VOIDS" IN SALES CHANNELS THAT COULD ADVERSELY EFFECT NEAR TERM SALES GROWTH.
RESPONSE: KEY DEALER = 350 AND TIMEFRAME 45 DAYS WITH 3 REGIONAL MANAGERS SHOULD BE ABLE TO FOCUS AND EXECUTE.
2. THERE MAY NOT BE ADEQUATE INCENTIVES BUILT IN TO THIS DEALER/DISTRIBUTOR PROGRAM TO GAIN SIGNIFICANT INFLUENCE IN SALES EFFORTS, THEREBY CREATING A "HOLLOW" OR "INEFFECTIVE" AUTHORIZATION AGREEMENT.
RESPONSE: FRAMEWORK FOR ADD-ONS IN PLACE, NO SIGNIFICANT (1%) MARGIN IMPACT LEAVES ROOM.
3. WE MAY ANTAGONIZE OTHER THAN AVD DEALERS.
RESPONSE: VISICORP SALES PERSONNEL WILL MONITOR KEY (GROWTH) DEALERS.
4. WE MAY ANTAGONIZE INDEPENDENT REPS WITH REDUCTION OF ALLOCATED COMMISSION.
RESPONSE: WE'VE ADDED 2% POINTS TO OVER QUOTA COMMISSION.
5. DISTRIBUTORS VIEW DISTRIBUTION OF ACCOUNTS AS UNFAIR AND DO NOT PUSH VISICORP PRODUCTS.
RESPONSE: KEY CONCERN OF DISTRIBUTORS IS MARGIN, PROMOTION, AND WASTED COMPETITION WITH SOFTWARE PUBLISHERS. EXPECT POSITIVE RESPONSE.

VII . PROMOTION PLAN

A. The criteria for initial selection of AVD candidates will be:

- all Q4 and Q1 dealers receiving a rebate from VisiCorp; and,
- any other dealer suggested by the regional manager who seems to be a strong candidate based on volume or potential.

All AVD candidates must be approved by the Director of Sales. We expect to have no more than 350 AVD's.

B. The criteria for initial selection of AUSD candidates will be:

- actual Q4 and Q1 orders; and,
- potential distributors selected based on suitability of location, served market, profile and potential performance.

All AUSD candidates must be approved by the Director of Sales. We expect to have no more than 10 AUSD's.

C. The criteria for initial selection of AVF/C will be:

- actual Q4 and A1 orders; and,
- potential franchisors selected based on suitability of profile and potential performance.

All AVF/C candidates must be approved by the Director of Sales. We expect to have no more than 2 franchisors initially approved.

D. The targeted AVD candidates will receive a package with a letter from the Director of Sales outlining the program, a sell sheet describing the benefits of the program, and a copy of the agreement. Appropriate window banners, stickers, plaques or other visible evidence of AVD qualification should be included. A press package to local newspapers should be coordinated with this mailing.

VII. PROMOTION PLAN (Continued)

Within 15 days, the VisiCorp rep will follow-up with a presentation call to each AVD candidate to review and present the AVD program to the selected candidates.

Within 30 days, we expect to have 80% of all candidates authorized and under contract.

- E. The AUSD agreements will be mailed with a package similar to that outlined in "D" above. Within 15 days of mailing, we will have completed a presentation tour of all targeted AUSD candidates, and, within 30 days, have authorized and under contract all distributors.
- F. The AVF/C agreements and schedule will be handled in the same way as "E" above.

VIII. ADMINISTRATION

(Detailed study of required changes made and agreed
by April 11, 1983).

Q-4 Sales Analysis By Territory

	Oct'82 Sales:				Nov'82 Sales:				Dec'82 Sales:				Q-4 Totals:			Total Q-4 Sales
	direct		allocated		direct		allocated		direct		allocated		dlr \$	dist \$	Fran \$	
	dlr \$	dst \$	dst \$	frn \$	dlr \$	dst \$	dst \$	frn \$	dlr \$	dst \$	dst \$	frn \$				
31 Rainbow	18.0	0.0	47.5	23.5	13.2	0.0	30.6	2.4	22.7	0.0	46.9	43.0	53.9	125.0	45.4	224.3
32 No. Calif.	54.5	17.7	28.1	22.8	83.7	-2.2	52.5	22.9	81.8	50.9	117.6	41.3	220.1	264.7	64.2	549.0
33 So. Calif.	39.7	0.0	103.6	11.9	65.6	0.0	102.0	34.8	56.6	0.0	119.7	27.0	161.9	325.2	61.8	548.9
34 Thorson	19.3	0.0	41.0	14.5	27.8	0.0	30.8	17.4	23.4	0.0	33.6	20.1	70.6	105.4	37.5	213.5
35 Hawaii	0.1	0.0	0.0	1.5	-0.1	0.0	0.0	1.6	0.9	0.0	0.0	5.7	0.9	0.0	7.3	8.2
36 So. West	1.1	0.0	13.3	35.3	-0.2	0.0	17.9	10.2	4.4	0.0	19.9	12.1	5.3	51.1	22.3	78.7
37 Clothier	14.6	12.1	36.8	16.9	8.3	13.2	19.1	31.9	12.7	21.2	46.2	46.5	35.7	148.6	78.4	262.7
38 T.R.I.	23.4	0.0	56.8	12.2	35.7	0.0	46.0	22.4	56.3	24.4	82.3	32.4	115.4	209.5	54.7	379.7
40 Texas	51.5	0.0	52.6	14.5	59.1	0.0	49.3	12.8	35.8	0.0	74.0	34.9	146.4	176.0	47.6	369.9
50 Louisiana	0.6	0.0	14.0	3.9	2.0	-1.3	6.0	7.3	12.9	0.0	11.4	7.7	15.5	30.2	14.9	60.6
51 RMS/ELM	31.0	0.0	16.0	13.8	35.7	0.0	6.2	7.0	30.8	0.0	10.7	7.7	97.5	32.8	14.7	145.1
52 2nd Gen.	22.8	0.0	39.0	11.8	15.9	0.0	43.9	11.3	38.2	0.0	11.9	19.2	76.9	94.8	30.5	202.2
53 Sesame	37.9	0.0	39.1	8.1	52.1	0.0	29.3	14.8	52.3	0.0	40.2	19.3	142.3	108.7	34.1	285.1
54 Yohay	121.1	0.0	37.4	3.0	155.1	0.0	41.2	19.8	119.2	29.7	80.7	59.4	395.3	189.0	79.2	663.5
55 RMS Sales	36.8	0.0	43.9	12.4	61.5	0.0	29.2	23.9	62.0	0.0	39.6	36.3	160.2	112.7	60.2	333.1
56 Marsey-K.	21.7	0.0	24.7	9.1	54.7	0.0	18.8	12.4	13.4	122.4	142.5	16.2	89.9	308.3	28.6	426.7
57 New England	54.7	3.9	55.8	14.8	68.7	4.9	63.5	48.9	128.9	78.5	101.0	40.9	252.3	307.6	89.8	649.7
58 A.B.&T.	144.2	7.4	16.7	17.5	147.7	0.0	25.1	30.6	71.7	40.6	55.7	28.0	363.6	145.5	58.6	567.7
59 G/B Mktng.	42.4	0.0	34.7	13.5	51.4	0.0	23.5	26.4	72.5	0.0	27.2	43.7	166.3	85.4	70.1	321.8
61 King Mktng.	26.7	0.0	0.0	0.0	26.2	0.0	0.0	6.6	23.5	0.0	0.0	12.9	76.4	0.0	19.5	95.9
TOTALS:	762.3	41.1	701.0	260.9	964.1	14.6	634.8	365.1	920.0	367.6	1,061.2	554.3	2,646.5	2,820.4	919.4	6,386.3

	Z of Total Q4 Sales:				Commissions Structure:				Z of Commissions:				Key Dealers: (Q-4 rebate)				
	dlr		total		dlr \$		tot \$		dlr		total		sales		total		
	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	
31 Rainbow	24.0%	55.7%	20.2%	3.5%	4.3	5.0	1.8	11.1	38.8%	44.9%	16.3%	3.1%	35.2	65.3%	1.0	1.9%	6
32 No. Calif.	40.1%	48.2%	11.7%	8.6%	17.6	10.6	2.6	30.8	57.2%	34.4%	8.4%	8.5%	201.5	91.5%	7.7	3.5%	22
33 So. Calif.	29.5%	59.2%	11.3%	8.6%	13.0	13.0	2.5	28.4	45.6%	45.7%	8.7%	7.9%	143.2	88.5%	6.3	3.9%	12
34 Thorson	33.1%	49.4%	17.6%	3.3%	5.6	4.2	1.5	11.4	49.7%	37.1%	13.2%	3.1%	58.0	82.2%	1.5	2.1%	10
35 Hawaii	11.3%	0.0%	88.7%	0.1%	0.1	0.0	0.3	0.4	20.3%	0.0%	79.7%	0.1%	0.0	0.0%	0.0	0.0%	0
36 So. West	6.7%	65.0%	28.3%	1.2%	0.4	2.0	0.9	3.4	12.5%	60.9%	26.6%	0.9%	2.6	49.3%	0.0	0.5%	1
37 Clothier	13.6%	56.6%	29.9%	4.1%	2.9	5.9	3.1	11.9	23.9%	49.8%	26.3%	3.3%	31.6	88.5%	0.7	1.9%	6
38 T.R.I.	30.4%	55.2%	14.4%	5.9%	9.2	8.4	2.2	19.8	46.6%	42.3%	11.1%	5.5%	71.3	61.8%	1.6	1.4%	14
40 Texas	39.6%	47.6%	12.9%	5.8%	11.7	7.0	1.9	20.7	56.7%	34.1%	9.2%	5.7%	129.4	88.4%	5.1	3.5%	14
50 Louisiana	25.6%	49.8%	24.6%	0.9%	1.2	1.2	0.6	3.0	40.8%	39.6%	19.6%	0.8%	6.2	40.0%	0.1	0.8%	1
51 RMS/ELM	67.2%	22.6%	10.1%	2.3%	7.8	1.3	0.6	9.7	80.4%	13.5%	6.1%	2.7%	85.7	87.9%	3.5	3.6%	8
52 2nd Gen.	38.0%	46.9%	15.1%	3.2%	6.1	3.8	1.2	11.2	55.1%	34.0%	10.9%	3.1%	60.9	79.2%	1.0	1.3%	13
53 Sesame	49.9%	38.1%	12.0%	4.5%	11.4	4.3	1.4	17.1	66.6%	25.4%	8.0%	4.7%	117.8	82.8%	3.2	2.3%	19
54 Yohay	59.6%	28.5%	11.9%	10.4%	31.6	7.6	3.2	42.4	74.7%	17.8%	7.5%	11.7%	354.1	89.6%	14.2	3.6%	40
55 RMS Sales	48.1%	33.8%	18.1%	5.2%	12.8	4.5	2.4	19.7	65.0%	22.8%	12.2%	5.5%	138.2	86.2%	4.1	2.5%	19
56 Marsey-K.	21.1%	72.3%	6.7%	6.7%	7.2	12.3	1.1	20.7	34.8%	59.7%	5.5%	5.7%	45.1	50.2%	2.0	2.2%	5
57 New England	38.8%	47.3%	13.8%	10.2%	20.2	12.3	3.6	36.1	56.0%	34.1%	9.9%	10.0%	212.8	84.3%	9.4	3.7%	19
58 A.B.&T.	64.0%	25.6%	10.3%	8.9%	29.1	5.8	2.3	37.3	78.1%	15.6%	6.3%	10.3%	279.1	76.8%	12.2	3.4%	22
59 G/B Mktng.	51.7%	26.5%	21.8%	5.0%	13.3	3.4	2.8	19.5	68.1%	17.5%	14.4%	5.4%	124.9	75.1%	3.1	1.9%	22
61 King Mktng.	79.7%	0.0%	20.3%	1.5%	6.1	0.0	0.8	6.9	88.7%	0.0%	11.3%	1.9%	62.3	81.6%	2.4	3.1%	8
TOTALS:	41.4%	44.2%	14.4%		211.7	112.8	36.8	361.3	58.6%	31.2%	10.2%		2,159.8	81.6%	79.1	3.0%	261

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Q4 Sales Productivity Analysis

	oct '82	nov '82	dec '82	tot 04
TOTAL NON-CONTRACT SALES:	\$1,686	\$2,440	\$2,634	\$6,760
direct upgrades	36	44	47	\$127
direct dealer	763	1041	897	\$2,701
distributor	753	1042	1056	\$2,851
franchise	134	313	634	\$1,081
department cost allocations:				
dept 200 Towers	20	11	20	51
dept 210 Comm	135	157	307	599
dept 220 Product marketing	41	36	58	135
dept 300 Sales	78	70	55	203
dept 301	14	18	16	48
dept 302	23	27	22	72
dept 303	37	47	31	115
dept 304	32	36	24	92
dept 350 Dealer Services	9	8	8	25
dept 360 Customer Support	17	11	15	43
dept 370 Hatts	11	9	18	38
dept 380 Ed	17	23	23	63
Admin	145	150	40	335
total sales cost:	579	603	637	1819
\$ sales / sales cost ratio:	\$2.91	\$4.05	\$4.14	\$3.72

note: taken from Profit by Distribution Channel report generated by
Supplier's office.

SUMMARY OF MAJOR BUSINESS TERMS
OF
VISI/ON TM OEM AGREEMENT

1. Deliverables. VisiCorp will provide the technology, tools, materials, consulting and certification services described in Exhibit 1. These items will be provided according to the schedule specified in Exhibit 1-A.
2. Items Provided By OEM. OEM will be responsible for providing the items specified in Exhibit 2.
3. License to Convert. VisiCorp will provide to OEM source code for VisiHost and object code only for the remainder of the Visi/ON program.
OEM will receive a non-exclusive, nontransferable worldwide license to modify for the computer specified in Exhibit 3 the VisiHost TM portion of the Visi/ON TM program as required to perform the conversion of the Visi/ON TM Operating Environment to the OEM's computer. OEM will not be authorized to make any changes to the Visi/ON program other than the VisiHost portion; nor will OEM be authorized to make any changes to Visi/ON application program interface ("VisiMachine").
4. Manual Modification. VisiCorp will provide to OEM in machine readable form an English language version of the user's manual for the Visi/ON product. OEM will be granted the right to modify the manual to the extent necessary to reflect differences in the OEM's computer and the computer for which the manual was prepared.
5. Certification Services. Upon completion of the conversion by OEM, VisiCorp will perform certification testing for the converted Visi/ON product to confirm successful operation and compatibility with VisiCorp application programs. VisiCorp reserves the right to review the Visi/ON manual modified by the OEM.
6. Distribution License. Upon certification of the converted Visi/ON product and review of the modified manual by VisiCorp, OEM will receive a non-exclusive, non-transferable worldwide license to manufacture, distribute and sublicense, in object code form only, the converted Visi/ON program and to copy, distribute and sublicense the modified manual.

7. Fees. In return for the transfer, as described above, of certain technology, tools, materials; the performance of certain services; and the grant of certain licenses; OEM will pay to VisiCorp the amounts shown in Exhibit 3. VisiCorp reserves the right to have a certified public accountant examine the records of OEM to verify correct - payments by OEM.
8. Foreign Language Translations. Foreign language translations of the VisiCorp Visi/ON manual will be made available at the prices and times indicated in Exhibit 5. VisiCorp will grant permission to OEM to translate the Visi/ON manual into foreign languages. (Right of review by VisiCorp).
9. Use of Trademarks. Upon certification by VisiCorp of the converted product, OEM will receive permission to use on a non-exclusive, non-transferable worldwide basis the following VisiCorp trademarks:

Visi/ON TM
VisiHost TM
VisiSeries TM
VisiCorp TM
VisiMachine TM
Visi/ON TM Applications Products

OEM will include trademark and copyright notices as required.

10. Use of Visi/ON Name. VisiCorp reserves the right to approve the name of the converted product. OEM will affix a label to the outside of the package containing the converted Visi/ON program, such label to be approved in advance by VisiCorp.
11. Registration Card. A VisiCorp registration card will be included with each converted Visi/ON product shipped by OEM.
12. Sublicenses. OEM will require, directly or contractually, that each end user of the converted Visi/ON product receive a Customer License Agreement in substantially the form of Exhibit 6.
13. Maintenance. OPEN
14. Warranty. VisiCorp will warrant that it has no knowledge of anything that would make conversion of the Visi/ON program to OEM's computer technically impossible. OEM is to acknowledge that VisiCorp provides no guaranty that the conversion efforts of OEM will be successful.
15. Confidentiality. OEM will be obligated to safeguard the proprietary confidential information of VisiCorp.

16. Term. The license agreement will be for a 3-year term. The amounts charged by VisiCorp for consulting services and certification will be subject to periodic adjustments. OEM may review for additional one-year periods at then current royalty rates.
17. Additional Conversions. OEM may convert the Visi/ON program to additional computer systems without negotiating a new license agreement. OEM will be required to sign an amendment identifying the computer system and committing to pay the then current rates charged by VisiCorp for the required tools, technology and consulting services, and for the certification procedures. Royalties will be payable and will be based on cumulative volumes of machines shipped with Visi/ON.
18. Mouse Device. If OEM desires, VisiCorp will sell OEM "mouse" pointing devices of the type and at the price indicated in Exhibit 7. If OEM chooses to manufacture or provide its own mouse, VisiCorp will perform certification testing for the mouse to confirm successful operation and compatibility with the Visi/ON program.

VisiCorp will provide to OEM the VisiCorp mouse specifications and also will provide a list of mouse manufacturers which may have the capability to provide mice which meet the VisiCorp specifications; however, VisiCorp cannot warrant that mice produced by any companies on the list will meet the VisiCorp specifications.
19. Copy Protection. If OEM chooses to provide its own mouse, OEM will provide, for copy protection purposes, a machine readable serial number in the computer system. VisiCorp will reserve the right to approve the copy protection scheme used by OEM.
20. Right to Modifications. VisiCorp will have the right to use all modifications, improvements and enhancements to the technology, tools and materials made by OEM.
21. Status as ISV. OEM may acquire the right to prepare application programs which operate under the Visi/ON program by executing VisiCorp's standard Independent Software Vendor License Agreement. No fees will be payable to VisiCorp by OEM in conjunction with the Independent Software Vendor License Agreement.
22. Announcement. Upon execution of the Visi/ON OEM Agreement by OEM and VisiCorp, OEM and VisiCorp will have the right to publicly announce that Visi/ON will become available for the OEM's computer(s).

SUMMARY

**VISICORP
CONFIDENTIAL**

MAJOR BUSINESS TERMS
VISI/ON TM OEM AGREEMENT

1. VISICORP DELIVERABLES

- o SPECIFIED IN EXHIBIT 1
- o SCHEDULE FOR DELIVERABLES: EXHIBIT 1-A.

2. ITEMS TO BE PROVIDED BY OEM

- o SPECIFIED IN EXHIBIT 2.

3. LICENSE TO CONVERT

- o WE PROVIDE SOURCE CODE FOR VISIHOST, OBJECT CODE ONLY FOR REMAINDER OF VISI/ON.
- o WE GRANT NON-EXCLUSIVE, NON-TRANSFERABLE, WORLDWIDE LICENSE TO MODIFY VISIHOST TO CONVERT TO OEM'S COMPUTERS.
- o NO CHANGES CAN BE MADE TO VISI/ON ~~OR THE MACHINE.~~ *also VisiHost*

4. MANUAL MODIFICATION

- o WE PROVIDE MANUAL (ENGLISH) IN MACHINE READABLE FORM.
- o OEM MODIFIES TO REFLECT DIFFERENCES IN COMPUTERS.

5. CERTIFICATION

- o AFTER OEM CONVERTS VISIHOST, WE TEST AND CERTIFY SUCCESSFUL *conversion* CONVERSION AND COMPATIBILITY WITH OUR APPLICATIONS PROGRAM.
- o WE RESERVE RIGHT TO REVIEW MODIFIED MANUAL.

6. DISTRIBUTION LICENSE

- o AFTER CERTIFICATION, WE GRANT NON-EXCLUSIVE, NON-TRANSFERABLE, WORLDWIDE LICENSE TO MANUFACTURE, DISTRIBUTE AND SUB-LICENSE VISI/ON (OBJECT CODE ONLY).
- o ALSO LICENSE FOR MODIFIED MANUAL.

CGD 3/22/83

7. FEES

- o SPECIFIED IN EXHIBIT 3
- o WE HAVE RIGHT TO AUDIT.

8. TRANSLATIONS

- o IF WE HAVE TRANSLATED MANUALS, WE MAKE AVAILABLE AT SPECIFIED PRICES.
- o WE GRANT PERMISSION TO TRANSLATE VISI/ON MANUAL.
(VISICORP HAS RIGHT OF REVIEW)

9. TRADEMARK

- o AFTER CERTIFICATION, WE GRANT PERMISSION TO USE OUR TRADEMARKS.

10. USE OF VISI/ON NAME

- o WE HAVE RIGHT TO APPROVE NAME. (WILL AVOID "VISI/ON PLUS").
- o MUST HAVE LABEL, WHICH WE APPROVE, ON PACKAGE.

11. REGISTRATION CARD

- o WE WANT OEM TO INCLUDE OUR REGISTRATION CARD IN EVERY PACKAGE.
- o WE'LL GET FLAK ON THIS!

12. SUBLICENSES

- o OEM MUST SUBLICENSE VISI/ON.

13. MAINTENANCE

- o PAT MULLIN DEVELOPING POLICY.

14. WARRANTY

- o WE WARRANT THAT WE KNOW NOTHING THAT WOULD MAKE CONVERSION TECHNICALLY IMPOSSIBLE.
- o OEM WILL ACKNOWLEDGE THAT WE PROVIDE NO GUARANTY THAT CONVERSION BY OEM WILL BE SUCCESSFUL.

15. CONFIDENTIALITY

- o OEM WILL BE OBLIGATED TO PROTECT OUR PROPRIETARY INFO.

16. TERM

- o ~~THREE-YEAR TERM,~~ *10 years*
- o ~~OEM CAN REVIEW FOR ADDITIONAL ONE-YEAR PERIODS.~~

17. ADDITIONAL CONVERSIONS

- o OEM MAY CONVERT TO OTHER MACHINES. *with new license*
- o UPFRONT FEE INCLUDES CERTIFICATION FEE PLUS FEES TO COVER OTHER VISICORP TOOLS, TECHNOLOGY, CONSULTING NEEDED. FEES AT THEN CURRENT RATES.

18. MOUSE

- o WE'LL SELL MOUSE TO OEM IF HE REQUIRES.
- o IF OEM PROVIDES, WE MUST CERTIFY.

19. COPY PROTECTION

- o ~~IF OEM PROVIDES MOUSE,~~ SYSTEM MUST INCLUDE MACHINE READABLE SERIAL NUMBER FOR COPY PROTECTION.

20. RIGHTS TO MODIFICATIONS

- o WE WANT RIGHT TO USE ALL MODIFICATIONS, IMPROVEMENTS, ENHANCEMENTS MADE BY OEM TO TECHNOLOGY AND TOOLS.
- o OEM WILL RESIST!

21. STATUS AS ISV

- o OEM BECOMES ISV AT ~~NO CHARGE~~. *at cost of his fees*

22. ANNOUNCEMENT

- o OEM AND VISICORP HAVE RIGHT TO ANNOUNCE FUTURE VISI/ON AVAILABILITY AFTER AGREEMENT SIGNED.

EXHIBIT 1
VISI CORP DELIVERABLES

THE FOLLOWING IS A LIST OF DELIVERABLES THAT VISICORP WILL PROVIDE OEM:

A) DEVELOPMENT TOOLS: VISICORP WILL PROVIDE THE FOLLOWING TOOLS ON MAGNETIC MEDIA WITH THE REQUIRED DOCUMENTATION:

1. UNIX OPERATING SYSTEM WITH ASSOCIATED PUBLIC DOMAIN TOOLS, *w/ other items by client*
2. MODIFIED C TRANSLATION SYSTEM INCLUDING THE COMPILER AND ASSEMBLER. ()
3. VISI/ON LINKER
4. OBJECT DOWN/UP LOAD UTILITY.
5. VISIC STYLE GUIDE.
6. CONSULTING SUPPORT: UP TO 2 MAN-WEEKS.

B) PORTATION MATERIALS: VISICORP WILL PROVIDE THE FOLLOWING PORTATION MATERIALS WITH REQUIRED DOCUMENTATION:

1. VISIHOST SOURCE CODE AND SPECIFICATION.
2. VISIHOST CONVERSION GUIDE.
3. VISIHOST TEST SUITE.
4. VISI/ON OBJECT CODE.
5. VISI/ON TEST SUITE.
6. CONSULTING SUPPORT UP TO 4 MAN-WEEKS.

C) PRODUCT MATERIALS: VISICORP WILL PROVIDE THE FOLLOWING MATERIALS AS APPROPRIATE TO THIS CONTRACT:

1. VISIMACHINE SPECIFICATIONS. [Application to Visi²⁰ interface]
2. DESIGNER'S GUIDE FOR WELL-BEHAVED PRODUCTS.
3. VISI/ON USER'S MANUAL. in machine readable form.
4. PRODUCT OBJECT CODE.
5. PROUDCT USERS'S MANUAL
6. PRODUCT DEVELOPMENT TOOLS.

ISO material

EXHIBIT 2

ITEMS TO BE PROVIDED BY OEM

1. THE FOLLOWING IS A LIST OF ITEMS THAT THE OEM MUST PROVIDE FOR THE VISIHOST CONVERSION:
 - A) MACHINE SPECIFICATIONS: FUNCTIONAL SPECIFICATIONS FOR THE TARGET MACHINE, 2 COPIES.
 - B) SOFTWARE SPECIFICATIONS: SPECIFICATIONS FOR THE OPERATING SYSTEM AND BIOS FOR THE TARGET MACHINE, 2 COPIES.
 - C) TARGET SYSTEMS: 2 COMPLETE TARGET SYSTEMS INCLUDING OPERATING SYSTEM SOFTWARE, WINCHESTER AND FLOPPY DISK, AT LEAST 1/2 MEGABYTE OF MEMORY, GRAPHICS DISPLAY MONITOR, RS232C INTERFACE AND PRINTER.
 - D) SOFTWARE LICENSE: OEM MUST OBTAIN A LICENSE FOR UNIX FROM AMERICAN BELL AND FOR THE C TRANSLATION SYSTEM FROM ADP.
 - E) DEVELOPMENT SYSTEM: OEM MUST OBTAIN ACCESS TO A SUITABLE DEVELOPMENT SYSTEM. CURRENTLY THIS WILL REQUIRE A DEC VAX 11/780 OR VAX 11/750.
 - F) SOFTWARE ENGINEERING CAPABILITY: OEM WILL NEED TO HAVE 1-3 FULL TIME ENGINEERS ASSIGNED WITH EXPERIENCE IN UNIX, C, ASSEMBLER, OPERATING SYSTEMS AND INTERACTIVE GRAPHICS.



VISICORP™

WORD PROCESSING AREA BUSINESS REVIEW

1. 1983 OBJECTIVES AND KEY RESULTS
2. 1983 MARKETING STRATEGY AND PLAN
3. COMPETITIVE OVERVIEW
4. PRODUCT PLANS 1983
 - STANDALONE
 - VISI/ON™
5. POTENTIAL EXPOSURES AND CONTINGENCY PLANS
6. STRATEGIC OUTLOOK 1983-1985
7. SCHEDULE OF MAJOR EVENTS

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PRODUCT MARKETING



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1983 OBJECTIVES AND KEY RESULTS

1. SHIP VISIWORD IN APRIL - PLAN 83.0 SCHEDULE WAS FEBRUARY.

2. IBM CERTIFICATION FOR SALE OF VISIWORD THROUGH IBM SALES CHANNELS:
 - AGREEMENT TO REVIEW BY 5/15
 - APPROVAL BY 6/30

3. ESTABLISH VISICORP'S POSITION AS THE LEADING WORD PROCESSING SOFTWARE SUPPLIER FOR PC MARKET AS MEASURED BY:
 - A.) SALES OF VISIWORD AND VISISPELL
 - ACHIEVING #1 WORD PROCESSING PRODUCT RATING IN THREE OF THE LAST SIX MONTHS OF 1983 IN IBM SOFTALK

 - B.) SALES OF Q. WORD WITH VISI^{ON}
 - SELL Q. WORD WITH 75% OF ALL VISI^{ON} SYSTEMS

 - C.) OEM OPPORTUNITIES
 - SIGN AT LEAST ONE MAJOR OEM CONTRACT BY 12/31

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1983 OBJECTIVES AND KEY OBJECTIVES (CONT.)

4. MAINTAIN HIGH QUALITY, VALUE-ADDED PRODUCT IMAGE AS MEASURED BY:
 - A.) RESPONDING TO LEVEL 1 BUGS WITHIN 2 MONTHS
 - B.) PROVIDING PRODUCT SUPPORT SERVICES, SUCH AS:
 - RESPONSIVE CUSTOMER SUPPORT
(80% CALLS WITHIN 24 HOURS)
 - VISI-PRESS, SEMINARS, VISI-TUTOR
(STARTING IN 2ND QUARTER)
 - LARGE ACCOUNT AND DEALER TRAINING
(STARTED IN 1ST QUARTER, LARGE ACCOUNT
SEMINARS STARTING IN 3RD QUARTER)

5. ESTABLISH VISIWORD IN THE INTERNATIONAL MARKET WITH FCS BY THE END OF 3RD QUARTER.

6. 1983 REVENUE CONTRIBUTION FROM WORD PROCESSING PRODUCTS: \$6,000,000.

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1983 REVENUE CONTRIBUTION - WORD PROCESSING

VISIWORD:

	<u>INDEPENDENT</u>	<u>CONTRACT</u>	<u>TOTAL</u>
IBM	3975	650	4625
TI	515	171	686
OTHER	---	100	100
			<u>5411</u>

VISISPELL:

IBM	246	77	323
TI	62	22	84
OTHER	---	---	---
			<u>407</u>

Q. WORD:

417	149	<u>566</u>
-----	-----	------------

TOTAL 6384

UPSIDE POTENTIAL:

No type shipment

ADDITIONAL OEM CONTRA4TS
VISIWORD/VISISPELL 808X STOCKING ORDERS

DOWNSIDE POTENTIAL:

IMPACT TO VISIWORD SALES DUE TO INCREASED MEMORY REQUIREMENT (10%)
POTENTIAL LOSS OF INTERNATIONAL SALES

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PRODUCT MARKETING



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1983 MARKETING STRATEGY AND PLAN - WORD PROCESSING

1. SHIP AND MAINTAIN HIGH QUALITY, FUNCTIONALLY COMPETITIVE PRODUCTS.
2. ACTIVELY ADVERTISE USING VISICORP'S BRAND NAME IMAGE. *WSP
late April
Revised
May*
3. PROMOTE THE IMAGE OF A FAMILY OF SOFTWARE PRODUCTS, AND HOW THEY CAN WORK TOGETHER.
4. STRESS VISIWORD'S UPGRADE PATH TO VISI^{ON}.
5. INTRODUCTORY PROMOTIONS FOR VISIWORD AND VISISPELL.
 - INTRODUCTORY PROMOTION WITH DEALER SUPPORT KIT
 - 2ND QUARTER PROMOTION PLAN*free spell with Word* *2nd Quarter on April*
6. GET IBM'S APPROVAL FOR VISIWORD AND VISISPELL.
 - AGREEMENT TO REVIEW BY 5/15
 - APPROVAL FOR VISIWORD BY 6/30
 - APPROVAL FOR VISISPELL BY 7/30
7. DEVELOP OEM OPPORTUNITIES.
 - DIGITAL EQUIPMENT
 - WANG
 - OTHER MAJOR PLAYERS IN "OFFICE"
8. LARGE ACCOUNT PROGRAM MARKETING SUPPORT PLAN .
(TBD WITH WALKER BY 6/30)

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PRODUCT MARKETING



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COMPETITIVE OVERVIEW

1. CURRENT COMPETITIVE STATUS

- VISIWORD
- VISISPELL
- Q. ORION

2. COMPETITIVE COMPARISONS - MAJORS

- WORDSTAR
- EASYWRITER

3. LONG TERM COMPETITIVE OUTLOOK

- OTHER PC SOFTWARE COMPANIES
- MAJOR "OFFICE" PLAYERS

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PRODUCT MARKETING

Competitive Comparison

<u>Feature</u>	<u>VisiWord</u>	<u>WordStar</u>	<u>EasyWriter II</u>
Price	\$375	\$495	\$350
Memory Size (DOS 2.0)	192K	128K	128K
(DOS 1.1)	192K	64K	64K
Document Limitation	Memory	Disk	Memory
System Orientation	Document	Document	Page
Screen Formatting	Dynamic	Invoked	Invoked
Menu Selection	X	X	X
Mnemonic Commands	Yes	Some*	Some

Menu Driven with Prompts	X	●	●
Help Screens	X	X	X
Ruler	X	X	X
Line # Displayed	X	X	X
Page # Displayed	●	X	X

"Go To" Function	●	X	X
User Definable Function Keys	●	X	X
Undelete	X	●	X*
Window Function	X	●	●
Multiple Text Columns	●	X	●

Hyphenation Prompting	●	X	●
Headers/Footers	X	X	X
Widow/Orphan Line Control	●	X	●
Column Block	X	X	●

Access/Function Modes:			
Character	X	X	X
Word	●	X	X
Line	X	X	X
Paragraph	●	X	X
Documentation	Excellent	Fair	Good
Spelling Program	Excellent	Fair	Good
Dictionary Size	100,000	20,000	88,000
Price	\$225	\$250	\$175



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PROPOSED 1983 PROJECT SCHEDULE

<u>PROJECT</u>	<u>PLAN DATE</u>	<u>CURRENT STATUS</u>
VISIWORD 1.0 - IBM PC	FEBRUARY	APRIL
VISIWORD HARD DISK - IBM PC	APRIL	APRIL
VISIWORD INTERNATIONAL - IBM PC	APRIL	TBD BY 4/30
VISISPELL - IBM PC	APRIL	JUNE
VISIWORD 1.0 - TI PC	JULY	AUGUST
*VISIWORD INTERNATIONAL - TI	----	TBD BY 4/30
Q. ORION - IBM	SEPTEMBER	NOVEMBER
Q. SPELL - IBM	DECEMBER	TBD BY 4/30
VISIWORD 2.0 - IBM	SEPTEMBER	TBD BY 5/30
*VISISPELL 2.0 FIX - IBM (IF NECESSARY)	-----	TBD BY 5/30
VISIWORD 808x (1.0 OR 2.0)	DECEMBER	TBD BY 5/30
*VISISPELL 808x	-----	TBD BY 5/30
*VISIWORD 2.0 - TI	-----	TBD BY 5/30
*VISISPELL 2.0 - TI (IF NECESSARY)	-----	TBD BY 5/30

* NOT IN PLAN 83.0

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VISIWORD UPDATE - VERSION 2.0
(PLANNED FCS: 4TH QUARTER '83)

PROPOSED MAJOR FEATURES:

VIRTUAL PAGING CAPABILITY

INCREASED PERFORMANCE (INSERT, OVERLAYS)

DOS 2.0 DIRECTORY SUPPORT & OTHER DOS FUNCTIONALITY

IMPORTANT "ACCEPT AS IS, FIX IN FUTURE" PROBLEMS FROM
VERSION 1.0

ADDITIONAL CURRENTLY UNSPECIFIED MINOR FUNCTION
ENHANCEMENTS:

(EX. DISPLAY PAGE #, "Go To", ETC.)

TO BE DONE:

- COMPLETE PRODUCT REQUIREMENT DOCUMENT TO DEVELOPMENT BY
APRIL 30. (TAUSKEY)

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POTENTIAL '83 EXPOSURES & CONTINGENCY PLANS

<u>POTENTIAL EXPOSURES</u>	<u>CONTINGENCY PLAN</u>
1. ANNOUNCEMENT OF IBM "PEANUT"	- DEVELOP MARKETING STRATEGY FOR LOW END STANDALONES BY 6/30 (TAUSKEY)
2. VISISPELL AUTHORS	- FIND ANOTHER SOURCE FOR SPELLING PROGRAM
- ABILITY TO DO PLANNED PORTS ON SCHEDULE (CLOUGH BY 4/30)	OR
- COMMITMENT TO WRITING Q. SPELL (COLEMAN BY 4/30)	- BRING DEVELOPMENT OF SPELLING PROGRAM IN-HOUSE
- TECHNICAL FEASIBILITY OF INTERNATIONAL VERSIONS (CLOUGH BY 5/30)	
3. TIMELY ADDITION OF RESOURCE	- ADD ADDITIONAL MANPOWER
- DEVELOPMENT	OR
- MARKETING	- RESCHEDULE PLANNED PROJECTS

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STRATEGIC OUTLOOK 1983-1985

1. ENHANCEMENT OF PRODUCTS TO MAINTAIN COMPETITIVE POSITION
2. FOCUS ON MAJOR PLAYERS IN "OFFICE" WITH VISI^{ON}
 - ACCELERATE VISI^{ON} WITH WANG
 - CONTINUE NEGOTIATIONS WITH IBM
 - PURSUE VISIWORD WITH DIGITAL
 - XEROX - ETHERNET
3. LOW END MARKET STRATEGY
 - DEVELOP PLAN FOR STANDALONE LOW END (EX. IBM "PEANUT")
 - INVESTIGATE LOW END VISI^{ON} APPLICATION OPPORTUNITY
4. DEVELOP MARKET REQUIREMENTS TO IMPLEMENT COMMUNICATION STRATEGY IN "OFFICE" IN SUPPORT OF WP APPLICATIONS.
5. TECHNOLOGICAL OPPORTUNITIES
 - VOICE (APPEND AND INPUT)
 - TI
 - SYDIS
 - NETWORKING/DIGITAL PBX INTERFACE

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SCHEDULE OF MAJOR EVENTS

o	VISIWORD - IBM FCS	APRIL
o	2 ND QUARTER PROMOTION	APRIL
o	VISIWORD 2.0 PRODUCT REQUIREMENT (TAUSKEY)	APRIL 30
o	INTERNATIONAL VISISPELL BUSINESS CASE (CARAES/TAUSKEY)	APRIL 30
o	DEALER VISITS	APRIL
o	IBM ENDORCEMENT - AGREEMENT TO REVIEW (PIRTLE/TAUSKEY)	MAY 15
o	NCC - L.A.	MAY 16-19
o	VISIWORD/VISISPELL 808X DECISION	MAY 30
o	VISISPELL - IBM FCS	JUNE
o	TI DEALER TRAINING SESSION	JUNE
o	MARKET SURVEY - LARGE ACCOUNTS	JUNE
o	SYDIS AGREEMENT - 2 ND INSTALLMENT (\$50K)	JUNE 15
o	MARKETING STRATEGY FOR LOW END STANDALONE (TAUSKEY)	JUNE 30
o	LARGE ACCOUNG MARKET SUPPORT PLAN (TAUSKEY/WALKER)	JUNE 30
o	UPDATED WP AREA BUSINESS PLAN	JUNE 30
o	Q. ORION FCS	NOVEMBER
o	COMDEX	NOVEMBER

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PRODUCT MARKETING

#

SOFTWARE PROTECTION AND DISTRIBUTION

TASK FORCE

CHAIRMAN: SUNEEL KELKAR

MEMBERS: CONNIE CHAPMAN
DAVE CLOUGH
RENO DAVENPORT
JOE DEAL
JACK MacDONALD
JOHN PICKENS
SKID PIRTLE

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MAJOR A.R.'S FROM LAST TIME

1. SCHEDULE FCS DATES FOR EACH HD VERSION FOR EACH P.C.
2. NEED CONSISTENT PRESENTATION OF OUR S/W DISTRIBUTION POLICY THAT RESULTS IN CLEAR TERMS & CONDITIONS TO COVER ALL PURCHASES.
3. NEED MULTICOPY PRICING APPROVED & AVAILABLE A.S.A.P. (YESTERDAY)

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CONTENTS

1. OBJECTIVE
2. PHILOSOPHY
3. MARKET SEGMENTATION DEFINITION
4. POLICY
5. VOLUME PURCHASE CONTRACT
6. SW PROTECTION
7. NETWORK CONSIDERATIONS
8. DEVELOPMENT PLANS
9. ACTION PLAN

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BACKGROUND INFORMATION

1. o FCS/availability of Hard Disks
2. o PC Manufacturers
 - IBM
 - DEC
 - APPLE
 - TANDY
3. o Independent Hard Disk Supplier
 - Davong
 - Corvus
4. o Market Perception, Reality & Trends for HD Support
Copy Protection Alternatives
5. o Networks
 - Usage Model
 - Marketplace (LAN)
 - Revenue Protection
 - SW Protection Alternative
 - Software packaging & Distribution
 - Conclusions and recommendations
6. o Competition - Update

(Pricing, HD Support, OEM/Multicopy license, ...)
(Microsoft, sorcism, Pfs, ...)
7. o U.S. P.C. & HD Market projections by Future
Computing
8. o Major Accounts Volume Discount Plan
9. o Reference Material

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OBJECTIVES

1. Define a consistent, long term (3 years) philosophy to cover VisiCorp software production and distribution.
2. Maximize short term and long term revenue while providing consistent and an effective software distribution and licensing policy.
3. Make it possible and easy for the end-user to buy all VisiCorp software including floppy/H.D./Network/Multicopy/.....versions.
4. Make the volume discount price and terms attractive enough to discourage casual copying and grow market share in large corporations.
5. Price/discount schedule must integrate with dealers, manufacturers and other in distribution chain while maintaining current margins.
6. Plan, prioritize and schedule all the projects to support hard disk.
7. Plan and implement new administrative policies for software distribution.

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PHILOSOPHY (in priority order)

1. Keep products competitive while maintaining acceptable ROI & market share
2. Solutions must be user acceptable
 - competitive
 - simple and useable (non-cumbersome)
 - legitimize multi-copy usage
3. Develop any required new, long term channels of distribution
4. Protect software whenever possible with a user acceptable scheme, e.g. S/W may require special installation but once installed, it must not inconvenience the user nor hinder him from normal use.
5. Policies must be consistent across VisiSeries for a single machine and network but may have minor internal technically necessitated inconsistencies across machine lines and/or networks
6. Policies should be as consistent as possible across machine lines and networks
7. Prevent, whenever possible, standalone software from being operable on networks to protect revenue
8. Minimize line items on the price list

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MARKET_SEGMENTATION_DEFINITION

1. Floppy Based Products

- Today's Product Line
- One P.C., One User at a Time

2. Stand-Alone Hard Disk

- Full Hard Disk Support (SW installed on and loaded from Hard Disk)
- Hard Disk attached to a single P.C.
- One P.C., One User at a time

3. Shared Hard Disk

- Full Hard Disk Support
- Hard Disk Attached to multiple P.C.'s
- One P.C., one Hard Disk, many simultaneous users

4. Networks

- Full Network support (SW installed on and loaded from a remote volume e.g., File Server, Remote Gateway,
- Many P.C.'s, many simultaneous users.

PACKAGING

- o Stand-alone version for (1) and (2)
- o "Shared Disk/Network" version for (3) and (4)

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POLICY

1. Provide two different versions of software
 - a) "standalone" version that supports floppy and single user hard disk
 - b) "shared Disk/Network version

2. Offer a Volume Purchase Discount

<u>Possible Purchase Alternatives</u>		
<u>Version</u>	<u>Single Copy</u>	<u>Volume Purchase Contract</u>
"Stand-Alone"	List Price same as today e.g. \$300	Quantity Discount as per schedule
"Shared Disk/Network"	New List Price e.g. \$450 + \$50/additional user	Quantity Discount as per schedule

3. Back-up Floppy (No change) No free backup
 - Product floppy disk is back-up for HD environment
 - If manufacturer insists, include a back-up floppy
 - If the floppy crashes, customer service will supply a replacement

4. Upgrades
(Defined in the "Bug Fix/Upgrade Policy"

6. User Manuals
 - May be purchased separately only as part of Volume Purchase Contract.

Buy Back Tail Fee

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POLICY (continued)

Example: How policy is consistent across machine lines.

CASE_1: A customer wants to purchase 25 copies of Stand-Alone Version of "VisiProduct" which runs on DEC 350. (Assume S/W is tied to a CPU serial # or #'s.)

CASE_2: A customer wants to purchase 25 copies of Stand-Alone Version of "VisiProduct" which runs on IBM P.C. (Assume no S/W protection.)

In each case, the customer

- signs the Volume Purchase Contract
- gets the same discount & support
- receives ~~50~~²⁵ copies of the product at "50-99" quantity price

²⁵
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VOLUME PURCHASE CONTRACT

- o VisiCorp maintains margins
- o Supports sales by manufacturers, (IBM, DEC,.), dealers, and possible OEM (eg. DRI)
- o Discount structure is uniform to end-users yet protects distribution channels' margins
- o Encourages and allows direct relationships between end-user and VisiCorp. Structure allows VisiCorp to take direct orders later

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VOLUME_PURCHASE_CONTRACT (continued)

EXAMPLE

CUSTOMER: ARTHUR ANDERSON
HAS 6000 P.C.'S; MOSTLY IBM, SOME APPLES
LARGE OFFICES HAVE LAN'S

MED./SMALL OFFICES HAVE STAND-ALONE

WANTS TO ORDER:

- 1000 PACKAGES OF VISISERIES AS OFFERED TODAY OVER THE NEXT 12 MONTHS.

USING THE NEW POLICY:

- FOR 50 LAN'S WITH 10 USERS PER LAN, ORDER 50 SETS (50 X 5 = 250 PRODUCTS) OF "NETWORK" VERSION.
- ORDER 750 STAND-ALONE VERSIONS
- SIGN VOLUME PURCHASE CONTRACT.

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VOLUME PURCHASE CONTRACT (continued)

EXAMPLE

TOTAL PAYMENT TO VISICORP:

(ASSUME STAND-ALONE PRICE OF \$300
& "NETWORK" VERSION PRICE OF \$450)

FOR 750 STAND-ALONE VERSIONS (AT 35% DISCOUNT)

$$750 \times \$300 \times (.65) = \$146,250.00$$

FOR "NETWORK" VERSIONS:

$$\begin{array}{r} \text{(NETWORKS)} \times \text{PRODUCTS} \times \text{"NETWORK PRICE"} \times \text{DISCOUNT} \\ (50) \quad \times (50 \times 5) \times \quad \$450 \quad \times .65 = 73,125 \end{array}$$

$$\begin{array}{r} + \text{(PRODUCTS)} \times \text{USERS/LAN} \times \text{ADDITIONAL CHARGES/} = 125,000 \\ (50 \times 5) \times 10 \quad \times \quad 50 \quad \text{USER} \end{array}$$

$$\text{TOTAL CHARGE UNDER NEW POLICY} = 344,375$$

$$\begin{array}{r} \text{TOTAL CHARGE UNDER TODAYS PRICE} = 975,000 \\ ((750 + (250 \times 10)) \times \$300) \end{array}$$

$$\text{EFFECTIVE DISCOUNT} = 65\%$$

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SW PROTECTION

- o Floppy disks are and always will be copy protected
- o When hardware protection is available, the software can be installed unlimited times on the same hard disk system.
- o Hard disk installation does not prevent use of floppy disk on multiple machines. (Home/Office usage)

<u>Product_Type</u>	<u>Config.</u>	<u>Implementation</u>	<u>Enforceable</u>
1. Standalone with hardware serial no	a) FD	can't copy Floppy; don't check serial number	yes
	b) HD	must bind floppy diskette to only one serial number	yes
2. Standalone without hardware serial number	a) FD	can't copy Floppy	yes
	b) HD	can illegally copy software to multiple hard disks	no
3. Networks with station numbers		software installed to run on specific numbered user stations	yes
4. Network without station numbers		will run on any number of stations. (honor system)	no

Policy re: Licensing & Volume Purchase Contract is identical across machine lines (enforceable or not).

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SW_PROTECTION_(continued)
IBM_HD_PROTECTION

o ALTERNATIVES

- NO HD PROTECTION
- PRODUCT FLOPPY AS KEY
- ONE MASTER FLOPPY KEY

o NO_TASK_FORCE_CONSENSUS

o RECOMMENDATION BY TASK FORCE CHAIRMAN

o FLOPPY KEY UNACCEPTABLE TO USERS AND DEALERS

- USERS WILL FIND IT INCONVENIENT AND UNUSEABLE
- USERS NEED FLOPPY DRIVE FOR DATA
- NOT COMPETITIVE
- DEALERS WILL RESIST SELLING IT
- WILL LOOSE MORE BUSINESS THAN PROTECT

NO HD PROTECTION FOR IBM

- NO MAJOR COMPETITOR PROTECTS SW
(SUPERCALC, WORDSTAR, MULTIPLAN, PEACHTREE, . . .)
- IBM DISAGREES WITH PROTECTION AND REFUSES TO SUPPORT IT
- MARKET RESEARCH (DEALER CALLS, MANUFACTURERS, CUSTOMER
CALLS, LARGE CORPORATION REQUIREMENTS, . . .) SUPPORTS THIS
- WE WILL REMOVE A BIG SALES OBJECTION
- NO SIGNIFICANT REVENUE IMPACT

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NETWORK CONSIDERATIONS

- o "NETWORK" VERSION WILL BE DIFFERENT FROM "STAND-ALONE"
- o POLICY COVERS SHORT-TERM AND LONG-TERM NETWORK REQUIREMENTS
 - IT'S CONSISTENT ACROSS NETWORKS
 - WORKABLE AND COMPETITIVE
- o NO MAJOR NETWORK PRODUCTS EXPECTED IN 1983 (ONLY NESTAR, 3 COM, ...)
- o LONG-TERM PLAYERS (A.T. & T., IBM, ...) WILL BECOME IMPORTANT IN '84 AND BEYOND
- o WE NEED TO DEVELOP LONG-TERM NETWORK PRODUCT STRATEGY AND MODIFY PRICING & LICENSING IF REQUIRED

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DEVELOPMENT PLANS (continued)

FIRST CUSTOMER SHIP

	AII	<i>Will work according to existing plans w/ minor updates</i> AIIE	IBM	AIII	TRSII	DEC
CALC	-	-	4/83	-	12/82*	-
VAV	-	5/83	4/83	4/83**	-	3/83
WORD	-	-	3/83	-	-	-
FILE	-	6/83	3/83	-	-	8/83
<u>HD TOOLS</u>	-	2/83	1/83	2/83	12/83	2/83

* Has floppy key protection
 ** Apple III protection technology

Assumption: Authors will agree to our HD protection scheme

terminal

*No other standards
 hard disk protect*

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ACTION PLAN

HARD_DISK_SUPPORT

- o Document Protection Schemes - D. Clough
BY NOVEMBER 30, 1982
- o Implement HD Support - G. Buechele
- o Evaluate MS-DOS 2.0 Impact - G. Buechele

NETWORK_SUPPORT

- o Test VisiSeries on 3COM Ethernet - G. Wilcox
by 12/15/82
- o Finalize/agree with Nestar on Protection scheme - D. Clough/Suneel
by 12/1/82
- o Based on the experience with these, finalize J. McDonald/Suneel
short-term Network strategy by 12/31/82

MULTICOPY PRICING, LICENSE, DISTRIBUTION

- o Finalize Volume Purchase Contract - Skid
T&C's & get it approved by Dec. Legal
15'82
- o Gain acceptance by Manufacturers by - Skid
December 31, 1982
- o *Had bid accept same as*
Formal Announcement to dealers by Jan. - B. Cushman
'83. (Pre-announced 11/10/82)
- o Define & implement internal order - Skid/Cushman
entry procedures by 12/31/82
- o Market to at least 5 large corporate - Skid
customers by Jan. 31'82 to check administration

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