

Enrico 5/26/94

F-Dupont

- Dupont →
- printers
  - quote for FIRE (ground quote)
  - pulled in back

Return  
for call  
Cinda  
Hallman

Cinda Hallman

John Taylor

no tech renewal

no probs @ tech - ready for alpha C ready to spend

Bus practices ~~not~~ alpha then

printers - more in inventory

for practice - for decisions

*- Printers (withheld)  
 - Refurb equip for major  
 slow to respond  
 introduce for allowance  
 control*

Printed by Adriana Stadecker @MLO

**I N T E R O F F I C E M E M O R A N D U M**

**Doc. No:** 011530  
**Date:** 23-May-1994 11:06pm EDT  
**From:** JERRY GREEN @CHO  
 GREEN.JERRY AT A1 at GRANPA at  
**Dept:** DuPont GAM  
**Tel No:** 609-273-2096

DCO

**TO:** ADRIANA STADECKER @ MLO

*DTP 336-*

*FAX 264-0864*

**Subject:** POSSIBLE CALL FROM CINDA HALLMAN

Adriana,

As I mentioned on Friday, you may be receiving a call from Cinda Hallman regarding the ramifications our new allowance policy has had for DuPont.

DuPont has received several proposals from us that are now under review (please see attachment). Because we cannot as yet verify that the pricing contained in these proposals will be valid, the customer's purchasing plans have become disrupted.

I have tried to convey to DuPont Digital's need to closely oversee the amount of allowance we are granting on our products. The customer is also aware, and supports our need to return to profitability. Unfortunately, these new policies came at a time when DuPont was about to commit to a significant acquisition of equipment, and had just "guidelined" StorageWorks based on a recent proposal.

I hope we can explain Digital's need to support these new policies when we meet with Cinda on June 10th. In the interim, should you receive a call, I wanted to provide you with some background.

Best regards,

Jerry

Estimated Revenue	FY94/Q4	FY95
A. Software Trade-in		\$ .5M
B. Refurbished Hardware	\$1.3M	\$10.0M
C. Storageworks	\$ .3M	\$ 3.0M
D. Already approved (AQS)	\$ .3M	

**I N T E R O F F I C E   M E M O R A N D U M**

**Date:** 20-May-1994 01:06pm EDT  
**From:** LINDA ROBEY @COP  
ROBEY.LINDA AT A1 at GUCCI at  
**Dept:** SALES BUSINESS MANAGEMENT  
**Tel No:** 302-323-5546

DCO

**TO:** See Below**Subject:** U/A:CR DuPont Allowance Policy

All,

As clarification to Digital's Q4 Allowance Policy changes, DuPont has asked for a letter from the appropriate level of Digital management outlining competitive and/or incentive pricing that will be honored through July 2, 1994.

Following is an overview of active offers we have on the table to DuPont dated prior to May 5. With the exception of Item D, all offers listed were submitted to DuPont in a proposal format, and did not include an AQS Quote. Orders are placed against these offers on a U.S. wide basis. Because Digital cancelled the pricing for the printer line items on Schedule A as described below, DuPont will not accept confirmation from Jerry or me that Digital will honor any open competitive offerings.

Please review the attached and let me know if we can honor the offers as described, and direct me to who in Finance can (or will) issue the requested letter to DuPont. If you have questions or need additional information, please contact me at DTN-339-5854 (301-918-5854).

Thanks in advance for your assistance.

Linda

DuPont FY94  
U.S. Allowance Categories  
Agreement # 3905600  
DU # 1315704

A. Idle Asset SW trade-in

For the past two calendar years, we have worked in conjunction with DuPont's Corporate SL&D (Software License and Distribution) organization on a software license compliance project. During the audit of 100+ DuPont U.S. data centers and plant sites we identified a large pool of idle and/or obsolete software licenses. In order to encourage DuPont to acquire new software products that would place them in a position to move to ALPHA technology and to discourage the re-deployment of idle software assets to sites to discourage additional software license purchases, we developed an idle software asset trade-in program. The trade-in allowance per software line item is 50% of the original net price of the software. The total allowance per order can not exceed 50% of the net order.

AVERAGE DISCOUNT PER ORDER - 13%  
AVERAGE ALLOWANCE PER ORDER - 44%

B. Refurbished HW - Schedule A

DuPont issues a monthly RFP ("Schedule A") for 100+ primarily refurbished line items including pre-ALPHA ready processors, upgrade kits, memory, storage, network equipment, peripherals, etc. Business is awarded to low bidder on a line item basis. Allowance % varies by line item. Refurbished competition is Midwest Systems, Computer Clearing House, COMDISCO, Compurex, LCI International, US Leasing, Weitz Corporation, LeaseTech, and NEXL, new product competition is MTI, HP, DATARAM

AVERAGE DISCOUNT PER ORDER - 0%  
AVERAGE ALLOWANCE PER ORDER - 50%

C. StorageWorks

MTI has been DuPont's guided RAID technology provider since the announcement of their Stingray 1 product. Q3 we responded to a competitive storage RFP with our StorageWorks Product. We won the bid based on technology and price. DuPont has guided Digital's StorageWorks product, displacing the guided incumbent MTI.

AVERAGE DISCOUNT PER ORDER - 5%  
AVERAGE ALLOWANCE PER ORDER - 17%

D. AQS QUOTES

All active AQS Quotes dated prior to May 5, 1994.

**Distribution:**

TO: Ken Smith @OFO  
TO: Marty Scarpati @COP  
TO: Jan McCarthy @ACI  
TO: Joe Nadler @MRO

CC: Jerry Green @DWO  
CC: Jerry Green @CHO  
CC: Jan McCarthy @ACI  
CC: Marty Scarpati @COP

Printed by Adriana Stadecker @MLO

**I N T E R O F F I C E   M E M O R A N D U M**

**Doc. No:** 011512  
**Date:** 22-May-1994 11:01pm EDT  
**From:** JERRY GREEN @CHO  
 GREEN.JERRY AT A1 at GRANPA at  
**Dept:** DuPont GAM  
**Tel No:** 609-273-2096

DCO

**TO:** ADRIANA STADECKER @ MLO

**Subject:** DUPONT REACTION TO ALLOWANCE REVIEW

Adriana,

As I mentioned on Friday, you may be receiving a call from Cinda Hallman regarding the ramifications our new allowance policy has had for DuPont.

DuPont has received several proposals from us that are now under review (please see attachment). Because we cannot as yet verify that the pricing contained in these proposals will be valid, the customer's purchasing plans have become disrupted.

I have tried to convey to DuPont Digital's need to closely oversee the amount of allowance we are granting on our products. The customer is also aware, and supports our need to return to profitability. Unfortunately, these new policies came at a time when DuPont was about to make a significant acquisition of equipment, and had just "guided" StorageWorks based on a recent proposal.

I hope we can explain Digital's need to support these new policies when we meet with Cinda on June 10th. In the interim, should you receive a call, I wanted to provide you with some background.

Best regards,

Jerry

**I N T E R O F F I C E   M E M O R A N D U M**

**Date:** 20-May-1994 01:06pm EDT  
**From:** LINDA ROBEY @COP  
 ROBEY.LINDA AT A1 at GUCCI at

DCO

**Dept:** SALES BUSINESS MANAGEMENT  
**Tel No:** 302-323-5546

**TO:** See Below

**Subject:** U/A:CR DuPont Allowance Policy

All,

As clarification to Digital's Q4 Allowance Policy changes, DuPont has asked for a letter from the appropriate level of Digital management outlining competitive and/or incentive pricing that will be honored through July 2, 1994.

Following is an overview of active offers we have on the table to DuPont dated prior to May 5. With the exception of Item D, all offers listed were submitted to DuPont in a proposal format, and did not include an AQS Quote. Orders are placed against these offers on a U.S. wide basis. Because Digital cancelled the pricing for the printer line items on Schedule A as described below, DuPont will not accept confirmation from Jerry or me that Digital will honor any open competitive offerings.

Please review the attached and let me know if we can honor the offers as described, and direct me to who in Finance can (or will) issue the requested letter to DuPont. If you have questions or need additional information, please contact me at DTN-339-5854 (301-918-5854).

Thanks in advance for your assistance.

Linda

DuPont FY94  
U.S. Allowance Categories  
Agreement # 3905600  
DU # 1315704

A. Idle Asset SW trade-in

For the past two calendar years, we have worked in conjunction with DuPont's Corporate SL&D (Software License and Distribution) organization on a software license compliance project. During the audit of 100+ DuPont U.S. data centers and plant sites we identified a large pool of idle and/or obsolete software licenses. In order to encourage DuPont to acquire new software products that would place them in a position to move to ALPHA technology and to discourage the re-deployment of idle software assets to sites to discourage additional software license purchases, we developed an idle software asset trade-in program. The trade-in allowance per software line item is 50% of the original net price of the software. The total allowance per order can not exceed 50% of the net order.

AVERAGE DISCOUNT PER ORDER - 13%  
AVERAGE ALLOWANCE PER ORDER - 44%

B. Refurbished HW - Schedule A

DuPont issues a monthly RFP ("Schedule A") for 100+ primarily refurbished line items including pre-ALPHA ready processors, upgrade kits, memory, storage, network equipment, peripherals, etc. Business is awarded to low bidder on a line item basis. Allowance % varies by line item. Refurbished competition is Midwest Systems, Computer Clearing House, COMDISCO, Compurex, LCI International, US Leasing, Weitz Corporation, LeaseTech, and NEXL, new product competition is MTI, HP, DATARAM

AVERAGE DISCOUNT PER ORDER - 0%  
AVERAGE ALLOWANCE PER ORDER - 50%

C. StorageWorks

MTI has been DuPont's guided RAID technology provider since the announcement of their Stingray 1 product. Q3 we responded to a competitive storage RFP with our StorageWorks Product. We won the bid based on technology and price. DuPont has guided Digital's StorageWorks product, displacing the guided incumbent MTI.



AVERAGE DISCOUNT PER ORDER - 5%  
AVERAGE ALLOWANCE PER ORDER - 17%

D. AQS QUOTES

All active AQS Quotes dated prior to May 5, 1994.

**Distribution:**

TO: Ken Smith @OFO  
TO: Marty Scarpati @COP  
TO: Jan McCarthy @ACI  
TO: Joe Nadler @MRO  
  
CC: Jerry Green @DWO  
CC: Jerry Green @CHO  
CC: Jan McCarthy @ACI  
CC: Marty Scarpati @COP