
From: Kevin Johnson
Sent: Thursday, May 27, 2004 2:19 PM
To: Rick Devenuti; Gerri Elliott; Bill Veghte
Cc: Brian Boruff; Susan Hauser; Paul Houghton; Alain Crozier
Subject: RE: Kevin Volpe/Gartner

Gerri, you and rick should decide how to handle

I agree that we cannot have them order naked PCs. That won't work.

You might decide to have them order the PCs with windows pre-installed and then rebate them back some money or credit for other software.

I was not aware of the deal mike made. This is really bad. I hope it is documented somewhere so that it is clear both to us and to the customer what the commitment was.

We do need to honor the spirit of the commitment but be careful in how that is done. Rodrigo can also help out if you need oem advice.

thx

From: Rick Devenuti
Sent: Wednesday, May 26, 2004 8:10 PM
To: Gerri Elliott; Kevin Johnson; Bill Veghte
Cc: Brian Boruff; Susan Hauser; Paul Houghton
Subject: RE: Kevin Volpe/Gartner

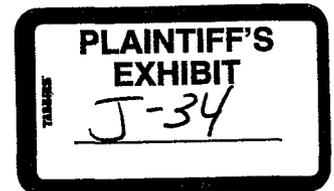
Thanks seems clear, BTW I am carrying about \$500K in my budget for next year to pay for this as one of 4 deals mike made that we need to work out of over the next 3 years.

Do we want to wait for the call, or is one of us on point to get back to him? You want me to do this as Mike's replacement?

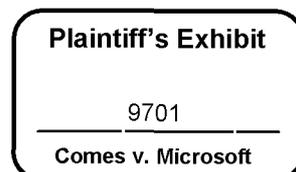
From: Gerri Elliott
Sent: Wed 5/26/2004 6:23 PM
To: Kevin Johnson; Bill Veghte; Rick Devenuti
Cc: Brian Boruff; Susan Hauser; Paul Houghton
Subject: FW: Kevin Volpe/Gartner

You may be getting a complaint phone call from Kevin Volpe, CIO of Gartner. Here is the issue. Last November, as part of working an Exchange critsit, Mike Sinneck granted Gartner the following:

- o Upgrade of licenses for Windows XP on 3,700 machines
- o Exchange 2003 CALs for 3,700 machines
- o \$1 Million of MCS Services



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- o Several Hundred Thousand Dollars of Premier Services
- o Exchange 2003 Server Licenses
- o Relinquished the title to hardware/servers to Gartner for them to use to construct a lab

The issue is the first concession, the granting of 3,700 Windows XP Professional Upgrade OS Licenses. Gartner is refreshing a portion of their desktops with IBM as the installer/SI.

Gartner wants to use the upgrade license on these new Desktops without buying an underlying OS/license from the OEM, which we have never conceded to a customer. Our Windows Upgrade license requires an underlying OS from an OEM. Kevin has tried to position that he has Windows 2000 on the original desktops and wants to transfer the OS. We do not allow transfer of OS.

Kevin's position is that this is not what Sinneck told him or the spirit of our agreement. His position is that he understood that he wouldn't have to pay for the environment and that it should not matter that these are replacement desktops. Kevin believes they are entitled to the ability to acquire naked PC with no underlying Operating System.

We have been very flexible with this refresh, confirming in an email (attached) that Gartner can purchase a very inexpensive OS, such as Home Edition and use these upgrade rights. IBM is holding very firm with Gartner that shipping naked PCs would violate the OEM agreement with MS.

My position is we need to stay firm on this issue given the extent of our concessions above and the exposure to other customers and OEMs if we concede this point with Gartner. Please let me know if you have a differing view. Thanks all.

Regards,

Gerri

Office: (425) 707-2042

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