

**COOPERATIVE ADVERTISING WITH  
POINT 4 DATA CORPORATION**

## **I. Introduction**

The following describes POINT 4 Data Corporation's Cooperative Advertising Program (CAP). The CAP is intended to be a cooperative venture between POINT 4 and its Dealers and Distributors for the purpose of stimulating advertising. As described herein the CAP is simple and easy to administer, provides additional incentive to advertise for its participants and offers to offset costs according to generally accepted industry guidelines. It is hoped that the widest possible use will be made of the CAP for the mutual benefit of all.

## II. Objectives

- A. To increase the advertising exposure of POINT 4 customers, their products and their services.
- B. To increase POINT 4's name recognition through additional advertising exposure.
- C. To promote the partnership between POINT 4 and its customers as the total solution to the end-user's needs.
- D. To increase sales leads.
- E. To increase new dealer inquiries.

### III. Overview

#### A. Eligibility

All POINT 4 customers (in the U.S.) are eligible for participation in the CAP.

#### B. Control

Procedures are designed so that POINT 4 retains prior approval over content, media and trade show choice. POINT 4 will continually assess the results of this program so that, if and when refinements are necessary, they will be made in a timely fashion.

#### C. Materials

Participation in the plan will automatically entitle the customer to a co-op advertising packet, which contains the materials necessary to execute the CAP campaign.

#### D. Participation

POINT 4 will help defray the costs of advertising and trade shows on the part of its customers who participate in the CAP. The amount of POINT 4's contribution is determined on a per-customer basis and based on net dollar sales volume. POINT 4 will contribute an amount of 2.0% of a participant's volume, to match a like amount spent by participant. The net sales volume is determined by the value of paid invoices to POINT 4 for eligible products. At the time a customer elects to participate, this value is calculated for the preceeding six calendar months and must be spent within the following six calendar months. There is no carry-over from one period to another.

#### E. Termination

POINT 4 reserves the right to modify or terminate the program at any time.

#### F. Repayment

POINT 4 will issue a check to the participants who fulfill all agreed obligations.

## IV.

### Implementation

#### A. Dollar Amount Available to Participant

The participant will receive 2% of the dollar sales amount in matching funds for use during the immediately following six-months. Any unspent or unclaimed amount is not recoverable after its applicable six-month spending period.

#### B. Advertising Kit

The kit includes instructions about participation, including how to get information, how to assemble ads, how to place media buys, how to have POINT 4 approve the ads and media and how to receive co-op money re-payment.

Also included:

1. Samples showing proper use of POINT 4 logo.
2. Recent press announcements.
3. Recent ad slicks.
4. Individual elements for ads:
  - product photos
  - POINT 4 logo sheets
  - sample copy and layouts for reference

- prepared ads with space for participant's name
- media recommendations, if any.

C. What POINT 4's Co-op Dollars Cover

1. Broadcast and print media time and space in general circulation and trade media.
2. Yellow pages ads.
3. Trade show space.
4. Other selected programs may be considered with prior approval from POINT 4.

D. Requirements

1. Prior written approval must be obtained from POINT 4's Marketing Department for content, media and individual trade show.
2. POINT 4 logo must appear prominently in print ads, equalling approximately 8-10% of total space.
3. POINT 4 name must be mentioned at least twice in broadcast spots.

4. POINT 4 logo must be prominently displayed in trade show booth.
5. No other competitive manufacturer's products may be featured along with POINT 4.
6. All advertising must meet the Federal Trade Commission guidelines and/or state and federal regulations governing truth in advertising.
7. For print ads, paid media invoice and tear sheet are required.
8. For radio, paid media invoice, affidavit of performance and script are required.
9. For yellow pages ads, one tear sheet with paid invoice is required.



The following advertisements are currently being run in the below listed publications:

Computer System News

Data Base Monthly

INC.

## HOW TO MAKE YOUR OWN ADS

### I. Introduction

This kit is designed to help you plan and create your own advertisements which will feature POINT 4 products. It is hoped that with these materials available, you'll find use of POINT 4's Co-op Advertising Plan more convenient, efficient and effective.

If you should need additional help with your advertising program, please call Luann Dawson at POINT 4 Data Corporation, 714/863-1111.

## II. HOW TO BEGIN

First you may find it helpful to review the Co-op Advertising Plan. A copy has been enclosed within this kit. It details how the Co-op Plan works.

If you haven't yet applied for your co-op funds, you'll want to do that right away so that you'll know the amount POINT 4 will contribute to your advertising. Your application will need to be completed and approved before you begin. POINT 4 will notify you of the amount for which you are eligible, based on your total dollar volume of POINT 4 products. This amount may be used as MATCHING funds against any approved advertising and trade show expenses. Keep in mind however, that POINT 4's portion is only up to 50% of the cost.

### III. HOW TO CREATE YOUR OWN ADS

Review all the materials in this kit. You'll find the following:

- A. LINE ART of various POINT 4 products.
- B. PHOTOS of POINT 4 products.
- C. LOGO SHEETS of POINT 4's logo design.
- D. SAMPLE ADS with alternate headlines.

You may use an ad we have created or create you own. If you're using an ad we've created, select the one you like best and add your logo/address/phone. Change the headline if you prefer an alternate. If you are creating your own, you may select either a photo or line art, write your own copy to go with it, select a headline or write your own and select the appropriate size POINT 4 logo.

#### IV. HOW TO PLACE AN AD IN A PUBLICATION

Call the publication you're interested in and ask to speak with a sales representative. Have the representative come your location to discuss the ad with you. The things you'll want to know include:

- the circulation and target audience of the publication, (how many & how?)
- the physical position within the publication you can expect for your ad. (right-hand pages are better than left-hand ones)
- the cost of the ad and what discounts are available to you. (a regularly scheduled series of ads is almost always eligible for a discount)
- the editorial policy, i.e., will they give you editorial space with placement of the ad, and what information do they need from you?
- whether there is a readership response service\* and the details of using it.

\* Reader-response services ("bingo-cards") can be notoriously slow, averaging six weeks to return sales leads to the advertiser. A coupon for mailing direct to you and including your phone number should be given strong consideration for inclusion in your ad.

## V. THE APPROVAL PROCESS

Once you know how much you want to spend, where, and have designed your ad, here's how to get that ad approved:

--Send ad (or radio script) to POINT 4, MARKETING DEPARTMENT, 2569 McCABE WAY, IRVINE, CA 92714. If the few simple requirements have been met, the ad will be approved and returned. Be sure you've left enough time for this. It will only take a day or two at POINT 4, but perhaps longer in the mail.

--After the ad has run, send a copy of the ad (tear sheet) and a copy of the invoice to POINT 4. In the case of radio, send a script, affidavit of performance and a copy of the invoice. For trade show space, send a copy of the invoice.

Your co-op payment will be sent once a month and will include any claims you have made that have been approved by the end of that month.

## VI. CONCLUSION

Be sure you review the Co-op Advertising Plan before preparing or placing your ads so that the requirements are met. That will insure reimbursement for our portion of your advertising and speed the approval process.

Call POINT 4 with any questions that arise or for advice about your advertising. We are always glad to help.

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION

**POINT**  
DATA CORPORATION



Required evidence is:

1. For broadcast - script
  - affidavit of performance from station
  - invoice, indicating it was paid, from station.
2. For print - tear sheet from publication, showing date
  - invoice, indicating it was paid, from publication.

Please submit separate form for broadcast and print. You may list print ads together, and broadcast spots together, but not one medium with another.

POINT 4 DATA CORPORATION  
COOPERATIVE ADVERTISING CLAIM FORM

DATE \_\_\_\_\_  
COMPANY NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY, STATE, ZIP \_\_\_\_\_

This request for cooperative advertising funds is based upon use of previously approved ad materials and approved media as described in the POINT 4 Data Advertising Partnership Program.

I have attached the required evidence to verify this claim:

- PRINT ADS: Copies of ads (tear sheets) and paid invoices to verify cost.
- RADIO/TV: Scripts or reference to recorded material and affidavits of performance; copies of paid invoices to verify cost.

Please be specific, even though information is on attached invoices.

	Date Ad Ran	Media	Dealer Cost
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
8.	_____	_____	_____
9.	_____	_____	_____
10.	_____	_____	_____

Approved - POINT 4 Marketing Dept \_\_\_\_\_ Dealer's Signature \_\_\_\_\_  
Date \_\_\_\_\_ Date \_\_\_\_\_

# BULLETIN

Number 52

June 24, 1987

SUBJECT: COOPERATIVE ADVERTISING PROGRAM

POINT 4 Data Corporation is pleased to announce its Cooperative Advertising Program for fiscal year 1988. Those of you who used the program last year know how valuable it can be. For those of you who have recently joined the POINT 4 community or were eligible but did not use it last year, the Cooperative Advertising Program represents an excellent cost-effective opportunity to augment your sales and marketing efforts.

The Cooperative Advertising Plan is designed to help provide you with both the materials you need to mount an effective promotional program as well as the money you need to conduct it. POINT 4's program is extremely comprehensive in the types of activities it will cover. Full details are provided in the following paragraphs.

Remember, no matter how good the program is, unless you use it, we both lose!!

## A. ELIGIBILITY

All POINT 4 Value Added Resellers with a valid Agreement in effect and all Associate Dealers are eligible to participate in the POINT 4 Cooperative Advertising Program. To register, simply complete the POINT 4 VAR COOPERATIVE ADVERTISING PROGRAM ACKNOWLEDGEMENT FORM and return it to Matt Stein.

## B. BUILDING THE CO-OP FUND

One percent (1%) of the net value of all POINT 4 INTEGRATED SYSTEM shipments made to you during POINT 4's Fiscal Year 1988 (April 1, 1987, through March 31, 1988) will be accumulated and will form the basis for your co-op fund. Each month, 1% of the net value OF YOUR INTEGRATED SYSTEM SHIPMENTS will be added to the fund. The funds are accumulative and may be applied as described in the following paragraphs. However, any funds not spent, or approved by POINT 4 for expenditure, within 30 days after the end of fiscal year 1988 (i.e., by April 30, 1988) will be lost.

Associate Dealers must submit proof of purchase of Integrated Systems from their authorized POINT 4 Distributor as grounds for eligibility.

### C. WHAT THE FUND WILL COVER

- o Seventy-five percent (75%) of the cost of approved media charges (magazine/newspaper space, radio/TV time), up to the limit of the accrued funds in the individual's account (agency commissions are not included).
- o Fifty percent (50%) of the actual production charges, including printing, for print ads, flyers, direct mail materials, product briefs, brochures, and other collateral materials.
- o Seventy five percent (75%) of the exhibit space charges for approved trade shows, up to the limit of the account.
- o One hundred percent (100%) of the rental charge of \$250 for use of POINT 4's 10-foot portable exhibit booths (see detailed description in Section H of this Bulletin).

#### NOTE

Prior approval of all materials and all media charges by POINT 4 is required. You will be provided forms for obtaining the required prior approvals upon our receipt of your CAP Acknowledgement.

### D. APPROVED USES OF CO-OP FUNDS

POINT 4 Co-op funds can be applied towards the following media space/time charges (agency commissions not included), and related areas. All media must be approved in advance.

- o Recognized Newspapers (no throw-aways such as Penny-Saver)
- o Radio Stations (10, 15, 30 and 60 second spots)
- o Television/Cable Stations (10, 15, 30 and 60 second spots)
- o Local, Regional and National Magazines
- o Telephone Yellow Pages
- o Trade Show Floor Space
- o POINT 4 Trade Show Booth Rental
- o Advertisement Production
- o Direct Mail Materials Production
- o Collateral Materials Production

#### E. USING THE POINT 4 NAME/LOGO

Qualification for reimbursement under the guidelines of the program requires that the POINT 4 name or Logo be prominently featured. In print ads, this would typically take the form of the POINT 4 Logo used with "Authorized POINT 4 Dealer". In broadcast ads, the name POINT 4 must be mentioned at least twice. **Prior approval of the ad layout or script must be obtained.**

#### F. CLAIMING YOUR CO-OP ALLOWANCE

POINT 4 will approve for reimbursement only those items which, in its sole discretion, POINT 4 deems to satisfy the guidelines cited in this document. Thus, it is desirable that you obtain prior approval of all materials and media charges from POINT 4.

Please remember that POINT 4 will credit co-op allowances for media space or time billed at the publisher's or broadcaster's local rates. (Agency commissions are not included.) Make sure that your media invoices are based on local rates.

To file a claim for newspaper or magazine ads, simply send a "tearsheet" of the ad, along with a copy of the paid invoice from the publisher, a copy of the publisher's local rates and a copy of the prior approval form.

Reimbursement for radio or TV spots will require a "Proof of Performance Statement" form (provided) from the station verifying that the spot ran as per the approved script (or that the proper tape or film was used) at the times and rates shown on the invoice. Such verification is standard practice at all stations. Make sure that the station's invoice is based on local rates and states this.

Other forms of claims, such as ad production, brochures, etc., will require a paid invoice and five copies of the finished product.

#### G. REIMBURSEMENT

Upon receipt and approval of your paid invoices, rate cards, tear sheets, broadcast statement or other proof of performance, POINT 4 will issue a credit memo to your account for future purchases of POINT 4 products. Associate Dealers will be directly reimbursed by check.

#### H. POINT 4 TRADE SHOW RENTAL BOOTH

As part of the Co-op Program, POINT 4 has portable trade show display booths that can be rented for a 2-week period for \$250. The program will cover up to one-hundred percent (100%) of this cost. The VAR will be responsible for transportation costs to and from the booth's point of origin.

POINT 4 can also arrange to have logo and feature panels customized, installed in the appropriate frames and delivered to the specified trade show. Minimum turn-around time from receipt of camera-ready artwork is two weeks.

The demand for these booths is quite high. At the present time, booth rental must be limited to a **maximum of two weeks** (including shipping). Any VAR who keeps the booth longer than two weeks will be assessed a late charge of \$50 per day (for purposes of calculating the standard two-week period, the days the booth leaves from and arrives back at POINT 4 will not be counted). It is recommended that reservations be made as early as possible. Please include a check for the \$250 rental fee or submit a credit request so that the \$250 rental fee can be deducted from your co-op fund. Please indicate if you would like to have a quote on producing your graphics for header and feature panels. All graphics prepared by POINT 4 will require 100% prepayment.

#### I. SUMMARY

AT POINT 4 OUR POWER IS VAR POWER!!

More than just a slogan, every POINT 4 employee is dedicated to helping YOU achieve record-breaking sales. The Cooperative Advertising Program is one of the powerful tools in your VARSenal ... USE IT and FY '88 can be a winner.

Remember, I'm here to help.

Here's to an exciting and super successful year.

Matt Stein  
Marketing Communications



## I. POINT 4 TRADE SHOW RENTAL BOOTH

As part of the Co-op Program, POINT 4 has portable trade show display booths that can be rented for a 2-week period for \$250. The program will cover up to one-hundred percent (100%) of this cost. The VAR will be responsible for transportation costs to and from the booth's point of origin.

POINT 4 can also arrange to have logo and feature panels customized, installed in the appropriate frames and delivered to the specified trade show. Minimum turn-around time from receipt of camera-ready artwork is two weeks.

The demand for these booths is quite high. At the present time, booth rental must be limited to a **maximum of two weeks** (including shipping). Any VAR who keeps the booth longer than two weeks will be assessed a late charge of \$50 per day (for purposes of calculating the standard two-week period, the days the booth leaves from and arrives back at POINT 4 will not be counted). A reservation form, enclosed with this bulletin, is needed to reserve a booth for a specific date. It is recommended that reservations be made as early as possible. Please include a check for the \$250 rental fee or submit a credit request so that the \$250 rental fee can be deducted from your co-op fund. Please indicate if you would like to have a quote on producing your graphics for header and feature panels. All graphics prepared by POINT 4 will require 100% prepayment. An illustration of the booth is also included with this bulletin.

Matt Stein  
Marketing Communications

weighs 80 lbs - wood  
4 lights carrying  
literature shelf case  
counter

Only these panels  
avail now  
white velcro - for  
our graphics  
top - 3 panels can  
change  
header 27 5/8 wide  
18 1/4 high  
3/16" art core - header

Price book - color prints  
May Ann or Gerald

11/11/86

**OBJECTIONS AND RESPONSES WORKSHOP  
POINT 4'S SECOND ANNUAL NATIONAL CONFERENCE  
DALLAS, TX . . . APRIL 10, 1986**

**1) WHO IS POINT 4?**

- Handle up front before it becomes an objection; explain POINT 4's background, quality, power and low per-user cost.
- Explain the reasons why we (the Dealer) chose POINT 4.
- 30,000 IRIS installations in businesses around the world.
- Data Pro survey; #1 twice; #2 once.
- Let's call a few satisfied users now.
- Provide testimonials.
- Who are you?
- What is your reason for asking?
- Resell the total solution.

**2) IS POINT 4 IBM COMPATIBLE?**

- The PC can be used as a workstation to POINT 4.
- No one is 100% compatible, not even IBM.
- Explain why we chose POINT 4.
- Why is this important to you?



**3) DON'T HAVE TIME TO SEE YOU**

- I want to show you how to save time.
- Do you eat lunch?
- Come to seminar/trade show.
- When will you have time to see me?
- Use POINT 4 and have more time.

**4) I DON'T NEED A COMPUTER**

- Why wouldn't a computer be right for you?
- Do you need the money that a computer can save you?
- Is Floyd (in the back room) going to die?
- Your competitor has a computer.
- My last 25 customers said the same thing at first.

**5) WILL YOU BE IN BUSINESS NEXT YEAR?**

- Explain company history, growth, track record, users, etc.
- If I go out of business, service is available from GE and from hundreds of other POINT 4 Dealers.

**6) CAN'T JUSTIFY THE EXPENSE**

- Will you allow us to prove the cost savings which will accrue to you?
- The longer you wait the more it will cost you.
- Can you justify not acquiring a computer?

**7) HAPPY WHERE I AM**

- Uncover strength and weakness of current system: do a survey; go in thru the "back door"; investigate; etc.
- Point out a problem which he may not be aware of.

**8) I NEED IT, BUT MY PROBLEMS ARE UNIQUE**

- Here is a list of users who had problems similar to yours; let's call a few now.
- I will tailor my software to your unique needs.
- What do you think it will take to solve the problems?
- I have a flexible S/W design.
- Identify the "uniqueness" and apply flexibility.

**9) WHY SHOULD I BUY TODAY? I'M AFRAID OF OBSOLESCENCE.**

- Your POINT 4 system will not become obsolete until it stops doing your job.
- My system will provide you with an upward path.
- The cost of delaying is high.
- Let's review how much money you will save and how much new information you will obtain by implementing a new system now.

**10) MY BROTHER-IN-LAW TOLD ME A PC WILL DO THE JOB**

- Have you ever seen a micro provide a total solution for a company like yours?
- Baloney!
- Let me tell you of some examples of micro failures.

**11) IF I'M WRONG, MY JOB IS JEOPARDIZED**

- Speak to my users; they will tell you how their decisions to buy were rewarded.

**12) YOU DON'T HAVE LOCAL SUPPORT**

- A local POINT 4 Dealer or GE will provide local service.
- Our mature, turnkey system will need only occasional software support; we will provide this support via modem.
- Speak to my other "remotely located" users and discover how little support they need and how satisfied they are.

**13) I WANT IBM (OR A BIG NAME)**

- We could have chosen IBM, but let me tell you why we selected POINT 4 hardware to complement our software: high quality, high performance, fully featured, expandable, low cost.

**14) YOUR DEALERSHIP IS TOO SMALL**

- That is an advantage. We specialize only in your line of business.
- We function as expert consultants like your CPA, Attorney or Insurance Specialist.
- We function as a custom shop, not a Macy's.

**15) WE CAN'T BE INTERRUPTED NOW BY A NEW INSTALLATION**

- If I can prove to you how quickly and smoothly your system can be installed, would you consider changing your mind?

## HOW TO FIND NEW PROSPECTS

- .. Know your market
- .. Specialize in your market
- .. Monitor your market strategy and revise when necessary
- .. Compile a "high-quality" suspect list
- .. Send out high-quality direct mail every sixty days
- .. Follow-up direct mail with telephone canvassing
- .. Use part-timers (college students, etc.) for telemarketing
- .. Conduct "one-on-one" or group seminars in conjunction with direct mail
- .. Make cold calls in person to key accounts
- .. Before advertising, determine your objective, i.e. image, leads, etc.
- .. Advertise in trade journals and/or local media
- .. Submit articles to trade journals
- .. Become involved in trade association(s), chair a committee or provide management consulting
- .. Send quarterly newsletter to customers and prospects
- .. Conduct annual customer conference; invite key prospects
- .. Exploit changes in Federal and local laws
- .. Exhibit in trade shows
- .. Indirect methods:
  - Solicit referrals from customers, CPAs, consultants, bonding agents, friends, Tipper's Clubs, forms companies, etc.
  - Reward customer base and other third parties for leads
  - Use select customers as independent sales reps
- .. Work hard, smart and in a well-disciplined fashion
- .. Most of your competitors do not prospect effectively

Follow this recipe and you'll generate more qualified prospects!

Moderated by Ted Cooper

## HOW TO BEAT THE WELL-KNOWN COMPETITORS

- .. Sell solutions, not hardware
- .. Deal with "POINT 4 who" early in the sales cycle:
  - POINT 4 is the 6th largest mini-maker; 150,000+ IRIS users
  - POINT 4 is 16 years old; established, experienced and respected
  - In the distinguished Datapro Report, POINT 4 was ranked #1 twice and #2 once in the past four years
  - POINT 4 sells business computers to over 300 VARs throughout the world
  - You can't buy a POINT 4 from every retailer on every street corner; it's a special product sold by industry specialists
  - POINT 4 and IRIS are high-quality, powerful and cost-effective
  - A user and his software can grow from a MARK 2 to a MARK 9
  - POINT 4 doesn't become obsolete over night like many PCs
  - Utilize "Point 4 Corporate brochure" and "Point 4 Story"
  - There are hundreds of POINT 4 service centers in the U.S.
  - POINT 4 has national service contracts with General Electric in the U.S., TRW in Canada, and regional service specialists throughout the U.S.
- .. Emphasize your expertise and your software
- .. Discuss solutions, benefits and support -- not bits and bytes
- .. "Teach" prospects how to buy a computer; prepare a computer guide, be their "consultant", etc.
- .. Prepare your own corporate brochure; sell your stability
- .. Sell your human element and that of your staff
- .. Sell benefits of turnkey system; "one call does it all"
- .. Take prospects to your happy users; users are your best sales reps
- .. Terminals are very inexpensive; sell the importance, cost-effectiveness, convenience and benefits of large, multi-user systems; Larger system = lower cost per user; Larger system = fewer competitors
- .. Key in on competitors' weaknesses by high-lighting your strengths
- .. Sell the horror stories of buying the wrong computer and installing inadequate software
- .. Continually qualify your prospect - before & after each call
- .. Give a good, well-planned demo; use prospect's data
- .. Promote the PC Connection as the prospect's "comfort link" to IBM; use IBM PC as terminal in your demo if necessary
- .. Sell "customization" or "personalization" of software-carefully!
- .. Never "burn bridges"; a lost prospect may return!
- .. Plan your day, every day
- .. Work hard
- .. Work smart; be creative
- .. Most of your competitors are lazy and undisciplined

Follow this recipe and you'll close more sales!

**POINT 4 NATIONAL CONFERENCE**

**IRIS FORUM**

**ON AUDIO-TAPE**

The IRIS Forum at POINT 4's 1985 National Conference in Dallas provided an opportunity for IRIS experts from all over the country to share their ideas on "How to Optimize IRIS Configuration and Use". Panelists included IRIS Consultant Don Kelly of Simple Systems, Inc., IRIS Consultant Noah Hart, Joe Sykora of Omni Computer Services and POINT 4's Steve Moritsugu.

Now, on audio-tape, Steve presents a consolidation of the material from the Dallas IRIS Forum, covering such topics as job priorities, minimizing disk seek time, and optimizing the printer's locked return delay.

This seminar, on two one-hour tapes with supporting documentation, is available from the POINT 4 Training Department at a price of \$70.00. Please place your order with Ann Johnson at (714) 863-1111.

## POINT 4 NATIONAL CONFERENCE

### NOTES FROM THE HARDWARE MAINTENANCE FORUM

#### "HOW TO MAXIMIZE PROFITS"

PREPARED FROM THE NOTES OF THE MODERATOR

MARK J. BALOG, MARKETING SUPPORT

In the Monet room of the cavernous hotel Anatole, a continuous hubbub was heard during the two days of exhibit operations. Fueling the conversations were the morning and afternoon panel discussions in the Governor's room.

Since many of you have asked for summaries of what the various panels had discussed, the following should accomplish this for the maintenance panel discussion; its content and format was shaped by your comments.

The subject of the panel discussion, "... how to maximize profits in the running of a hardware maintenance organization ...", was divided into two categories. "REDUCING COSTS" (I) was covered first, and "EXPANDING REVENUES" (II) followed. These categories will be covered and expanded into major points with explanations. This allows those who want to skim the text, to absorb the salient points and for those who expressed the need to have the "why for's", there will be a paragraph for the points explanation.

There were many opinions and everyone had a definite point of view on how to accomplish cost-reduction and revenue-expansion. Two main trains of thought did seem to run through the panel members' presentations. The very tight, close watch on the cracker barrel approach - your basic Yankee store-keep type.

The other, a more relaxed way of doing business, that relied on people sharing a greater responsibility in the lowering of costs and raising of profit. Again, both practices can and are found to be successful in the real world.

The important lesson to be learned was that there was a commonality of practices among the panel members.



## I. REDUCING COSTS

### A. CONTROLLING COSTS THROUGH RESOURCE TRACKING

- Tracking Resources

Tracking resources was a common theme. The detail to which this was carried out varied widely. Manual and automated tracking systems were in use by the members of the panel. Everyone gave the impression that they knew what was going on at all times in their business.

- Review and Act Upon Reports from Tracking System

There was also a conscious effort to tinker with their operations based on information generated by the tracking system. The panel reviews its operations performance through the tracking system as well.

### B. MANAGING PHYSICAL COSTS

- Keep Only the Spares on Hand you will Need

Managing physical costs fell mostly to philosophies on managing the spares investment. You are obviously limited by the amount needed to cover your responsibilities toward your customer. Having a smaller stock was offset in most cases by being able to get parts by air. The cost of shipping being probably less than the cost of the parts on the shelf.

- Buy Used Spares

One idea was to save on boards by carefully buying used equipment in good working condition whenever possible.

- Burn-in Spares

Another had the spares performing double duty. A system was patched together from spares and did batch-type jobs. This got the utility of getting work out of normally idle spares and also facilitated burn-in of parts under the factory warranty.

- Train Personnel in the Use of Spares

Stressing the need to instill a concern in the personnel who deal with the spare parts issue to use them efficiently. This could be a place for tying into an employee incentive plan.

C. MANAGING LABOR COSTS

- Tailor Operations for Efficiency

Being efficient was stressed repeatedly by the panel when it came to the use of service personnel. All the members had different service situations, but all had tailored their procedures so that their personnel were put to the best use.

- Prioritize Task Assignments

One had his office set up so that the work to be done was scheduled by priority daily in "to do" lists. This came off his system to be picked up daily. If something came up during the day of a higher priority, it would displace lower priority tasks, making important task completion more automatic. Yet the lower priority task will still be on the system and not lost to the bottom of a heap of paper.

- Maintain a Good Dispatch System

Having a good dispatch system was the key point. The scheduling of tasks and recording of communications with customers and personnel were stressed. The information that the dispatcher can gather is excellent feed back for managing costs.

- Hold on to Personnel through Job Satisfaction

Small companies have to depend on a smaller staff. The loss of one person can mean a 30 percent loss of work force. Making their personnel become personally involved in improving their performance, their job efficiency, and giving them a real say in the carrying out of their jobs with an eye to increasing that person's job satisfaction were suggested as ways of heading-off turnover at little cost.

- Reward Innovation and Productivity

Rewarding of innovation and tying raises to productivity are all old saws, but were discussed as something to do, not just talk about, since they work.

- Train Personnel by on the Job Training

Training personnel is an expense often put off. Send one "teacher" to a class and have him field-train others. This could be handled as a bonus to deserving personnel.

- Watch Inter-Personnel Relations

Care in blending of personalities should be practiced whenever possible. A highly competent service person may also not be the type of person to deal with customers.

- Use Third Party Maintenance where Necessary

Use third parties to help fill in those areas where your service may be thin. Some people look on this as letting the fox in the chicken coop, but it can be done successfully if handled with up-front understandings.

- Multi - Faceted Service Personnel

Having a dual service rep. was one of the more interesting discussions. Here again were two widely differing points of view. Hardware and software service reps are usually two different types of persons. With the rapidly shrinking need for difficult hardware servicing in the field, justifying a highly trained individual for simple repairs is uneconomical.

The idea is to have this person able to do low level software maintenance. The main objections seemed to be that the bright hardware types are lost to software and the others are not interested or competent enough. The fact is that the good field engineer has seen his need to deal with software increase by leaps and bounds anyway.

- Good Managerial Staff

All the panel members mentioned that having good managers will help keep good personnel. I second that. A bad manager can clear out your personnel in a year's time. No one gave any specific hints on how to go about getting a good manager, but time spent on filling a manager's position should be considerable.

D. WHAT TO SUPPORT

- Select and Limit Product Lines Supported

Some of the panel members were willing to consider servicing products outside of their normal business. Others were very careful to pick and choose. Supporting a limited number of product lines would definitely be less of a problem and is to be recommended. On the other hand, being more flexible might get you a service contract for a hybrid system.

- Spares on Site for Remote Installations

Servicing remote locations brings with it some choices to reducing the tying-up of personnel. Keep spares on site if possible. Train the operators to work over the phone with service personnel. Leave all the diagnostics on site. The main idea is to buy time until service people need to be on site.

- Control Site Environment

It is not unusual for a new service organization to take over a service contract and demand sweeping reforms in the system environment. The need to have control over the environment of the system to be serviced will also control costs. Is it too hot, humid, dirty? Or is it crowded or too busy?

## II. EXPANDING REVENUES

### A. SALES OF SERVICES

- Review Pricing

All of the panel members were highly conscious of the "for what", how much, and in what manner their customers were charged for service. Nothing is free; the question is how much is the charge.

- Charge for Everything

The key is to maintain a healthy profit margin while at the same time not killing the goose that lays the golden egg. Two basic ways were proposed. The first was to charge the customer a little for every service provided. To do this successfully requires a lot of service activity and billing.

- Charge More for Normal Services

The second way is to write-off the smaller service charges and lump them in with the major service charges. Be sure to make the customer aware that your charge may seem a little high, but that he is not getting billed for the incidental service you deliver.

### B. UPGRADE CUSTOMER

One of the most accessible ways to increase revenues, is to expand the customer base's use of your services. The panel discussed the virtues and ways to implement such an increase.

- Upgrade Time and Material (T&M) Customers

The traditional way is to upgrade a T&M customer to a service contract. Having tried this myself numerous times with limited success, your pitch to the T&M customer must work to justify in his eyes, his paying for "nothing".

- Offer Upgradeable Service Contracts

Having service contracts with varying levels of support also gives you a chance to upgrade a customer in the future. This comes in handy on an expanding hardware situation. As the customer invests more into his system, its importance will increase, and so will its need for reliable, prompt service that an extended service agreement provides.

### C. SALES

The consensus of the panel was that selling their service business was a full time job in itself. Sales were entrusted to service people in one panel member's organization, while another felt that the service people should be referring leads to a sales person for follow up.

- Training Personnel in Sales

Training a service rep. in customer relations should also include training in recognizing sales opportunities and lead development. After a particularly expensive repair, selling a service contract may be possible where as when there is no pressing need, the customer is content with a T&M relationship. A reduced T&M bill might cinch the deal.

- Advertising

Getting your name in the mind of the system user when he thinks of service is paramount to success. The majority of the panel members seem to have most of their business through their business contacts. Being aware of who does business with the systems you service and seeking referrals is the norm also.

Use of mailings, newsletters, technical updates, etc. were used occasionally, but mainly for established customers. The use of publications such as DATA BASE MONTHLY or LIBR @ are used by the larger national service outfits, but the regional service businesses are advertising to catch the eye of OEM's looking for local services outfit.

Radio and TV were not discussed, though radio might work during the rush hours in metropolitan areas.

- **Prospecting for New Business**

Prospecting for new clients is a fact of life. The panel split on this point sharply. One half was especially narrow in the type of equipment supported and type of client/installation they would take on.

The other side was more free-wheeling, being adaptable to various vendors' equipment and the type of clients they serviced. This resulted in some surprising ventures, some profitable. Care in not underestimating difficulties must be taken.

Where to develop business? Schools, clinics, hospitals, banks, auto parts stores, in short, any place where there is an automated application. About every third business has some form of computer. They can't all be having a perfect relationship with their present service firm.

- **Expanding Services for Sale**

A few of the panel members were expanding what their organizations had to offer the customer. Training of operators for OEM/VAR clients was suggested.

Software field maintenance is going to creep into the hardware service business with possibilities for increasing revenues as hardware's reliability curve goes ever higher and malfunction-derived revenue's curve goes in the negative direction.

Offering your planning and consulting services to implement a service program for OEM/VARs as well as major accounts is a good way to get in on the ground floor as well as promote good system hardware practices.

### III. SUMMARY

Hardware maintenance is a thriving business whose prospects for future growth are limited to the adaptability of the individual service organization. The hell-bent-for-leather speed of change in computer systems means that the old days of a few years of relative calm between major changes in the services offered by the business are as gone as the dinosaurs.

POINT 4 hardware's maintenance scene reflects this in the explosion in the use of sealed media disks and streamer tapes, which totally wiped out an eighth to a quarter of maintenance revenue.

With the widespread introduction of the Tower and Lo-boy systems, the capacity and features of a 1970's room full of mini-computer hardware is now surpassed by a box the size of just the OLD CPU that saves the cost of the service contract on it in savings on the air-conditioning and electric power alone.

The good news is that the quantity of customers is an ever-growing factor. Getting them on your customer list and delivering quality hardware service at maximized profits is the real art of being successful in hardware service.

POINT 4 NATIONAL CONFERENCE

APRIL 17 - 19, 1985

COMMENTS AND REMARKS

1. What did you like most about the conference?

---

---

2. What did you like the least?

---

---

3. Would you be interested in a second conference? \_\_\_\_\_

4. Where would you like the conference to be held?

---

---

5. What would you like to see at the next conference?

---

---

---

6. General Comments \_\_\_\_\_

---

---

---

---

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Telephone No: \_\_\_\_\_





**POINT 4  
VALUE ADDED RESELLER  
CO-OPERATIVE ADVERTISING PROGRAM**

**ACKNOWLEDGEMENT**

Date : \_\_\_\_\_

Name : \_\_\_\_\_

Company Name : \_\_\_\_\_

Address : \_\_\_\_\_

City, State, Zip : \_\_\_\_\_

Telephone : \_\_\_\_\_

I have received and read the POINT 4 VAR Co-Operative Advertising Program. I wish to participate in the program and agree to abide by the guidelines. I understand that POINT 4 may cancel or modify this Co-Operative Advertising Program at their discretion upon 15 days written notice.

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

The name and address as shown above will be the one used on your VAR Co-Operative Advertising Program Accrual and Credit Statement. If it is incorrect, please provide us with the correct address in the space provided below:

Attention : \_\_\_\_\_

Company Name : \_\_\_\_\_

Address : \_\_\_\_\_

City, State, Zip : \_\_\_\_\_

Telephone : \_\_\_\_\_

---

RETURN THE COMPLETED FORM TO : Matt Stein  
POINT 4 Data Corporation  
15442 Del Amo Avenue  
Tustin, Ca 92680



# EXHIBIT BOOTH RESERVATION FORM

DATE \_\_\_\_\_

NAME : \_\_\_\_\_

COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY, STATE, ZIP : \_\_\_\_\_

PHONE : \_\_\_\_\_

VERTICAL MARKET : \_\_\_\_\_

TRADE SHOW : \_\_\_\_\_ STATE : \_\_\_\_\_

ADDRESS : \_\_\_\_\_

CITY, STATE, ZIP : \_\_\_\_\_

BOOTH NUMBER : \_\_\_\_\_ BOOTH SIZE : \_\_\_\_\_

PRODUCT (S) SHOWN: \_\_\_\_\_

I hereby reserve \_\_\_\_\_ POINT 4 Exhibit Booth (s) at \$ 250.00 each.

Enclosed is my check       Charge my Co-Op Fund

Please contact me regarding custom graphics

SIGNATURE : \_\_\_\_\_

## **LEAD GENERATION**

Horizontal Advertising  
Vertical Advertising  
Installed Base List

## **LEAD GENERATION**

### **POINT 4 will**

- Purchase end-user installation lists**
- Rent vertical subscription lists**
- Conduct direct mail campaign**
- Distribute mailing lists to VARs**
- Distribute leads to VARs**
- National End-User Oriented Ads**
  - Horizontal journals**
  - Vertical journals**

**ADVERTISING**

**ADVERTISING**

Horizontal

Vertical

Direct Response

## **OBJECTIVES**

**Generate leads for our VARs**

**Clearly differentiate POINT 4 from other vendors**

**Demonstrate support for close VAR-POINT 4 alliance**

## **HOW?**

**By selling the POINT 4 VAR  
to the end-user**



## **STRATEGIES**

Sell the system the way YOU do, by positioning

The software application

Your business expertise

as the key to the hardware/software purchase decision

Position YOU as an independent DP expert who can help in today's competitive environment.

Capitalize in key markets where YOU have particular strengths

## **TACTICS**

Utilize dramatic key mnemonic visuals to maximize program visibility

Make "our VAR the star"

    Validate your role as a business consultant

    Use your independence to validate choice of

    POINT 4 computer system

Use reply coupons and incentive offers to maximize qualified lead generation

## **MEDIA STRATEGY**

### **HORIZONTAL CAMPAIGN**

**Top business publication**

**Business Week**  
**Circ: 781,810/week**  
**Full-page, 4-color**

### **VERTICAL CAMPAIGN**

**Construction**

**Professional Builder**  
**Circ: 128,344/mo +2**  
**Full-page, 4-color**

**Medical**

**Medical Economics/  
Surgeons**  
**Circ: 218,144/2 wks**  
**Full-page, 4-color**

**Accounting\***

**CPA Journal**  
**Circ: 279,202/mo**  
**Full-page, 4-color**

## **DIRECT RESPONSE**

Solicit qualified direct response  
Reinforce impact of media campaign  
Maintain the "Equalizer" theme  
Target readership previously exposed to ads  
Create multi-use custom collateral piece  
Enhance current direct mail program  
for use with other lists

**ADVERTISING SCHEDULE (1987)**

	M	A	M	J	J	A	S	O
Business Week	2x1P	1x1P	2x1P	1x1P				2x1P
CPA Journal				1x2P	1x2P		1x2P	1x1P
Professional Builder	1x2P	1x2P	1x2P	1x1P	1x1P		1x1P	1x1P
Medical Economics		1x2P	1x2P	1x2P	1x1P		1x1P	1x1P
Direct Response Reinforcement		X		X				X

**ADVERTISING SCHEDULE (1987/1988)**

	N	D	J	F	M
<b>Business Week</b>	1x1P				
<b>CPA Journal</b>	1x1P	1x1P			
<b>Professional Builder</b>	1x1P	1x1P		1x1P	1x1P
<b>Medical Economics</b>	1x1P	1x1P		1x1P	1x1P
<b>Direct Response Reinforcement</b>					

**MERCHANDISING  
PROGRAMS**

## **MERCHANDISING PROGRAMS**

Direct Mail  
Co-op Advertising  
Trade Show Support  
Publicity  
Software Directory  
Promotional Literature  
Gifts/Premiums  
Slide Show  
End-User Success Stories



## **DIRECT MAIL**

It's YOUR piece letting YOUR story sent to YOUR prospects

Four designs to choose from

New lower cost for blanks

POINT 4 will write copy, if desired

POINT 4 will arrange for typesetting/printing

POINT 4 will assist with lists and mailing

Co-op funds apply toward production costs

## **SOFTWARE, MAINTENANCE AND SERVICES DIRECTORY**

Over 200 pages

Handy, 5 1/2 x 8 1/2 size

Over 225 software programs listed

Full color cover

Professionally typeset and produced

Separate listings for application software, IRIS

Consultants and hardware maintenance sources

Great sales aid

**VAR CONFERENCES  
AND WORKSHOPS**

## **VAR CONFERENCES AND WORKSHOPS**

Regional Business Conferences/Tech Expos

BLIS/COBOL National Dealer Meeting

AMDA National Convention

Concept Omega National Dealer Meeting

COMDEX Hospitality Suite

Solution Selling Seminars

POINT 4 National Conference

**VAR ALL-STARS  
CLUB**

## **VAR ALL STARS CLUB**

**ELIGIBILITY:** All North American POINT 4 VARs

**PURCHASES:** Minimum \$250,000 direct from POINT 4

**ALL STAR CLUB:** 30% increase in FY'87 net POINT 4 purchases over FY'86 net POINT 4 purchases

**Ocean Cruise**

June 5 - June 8, 1987

VAR and companion

**PROGRAM  
SUMMARY**

## PRODUCT AVAILABILITY

Mark 2 Price Reduction	NOW!
Mark 2E	1Q 1987
Mark 4 Enhancement	Jan 1st quarter
Mark 4E	2Q 1987
Mark 6	1Q 1987
140MB Disk	NOW!
60MB Streamer	1Q 1987
SMbasic Subsystems	NOW!
IRIS R9.0	1Q 1987
SMbasic R1.8	1Q 1987
SPOOLER	NOW!
PC ANSWER	NOW!
Introductory Spares Discount	1Q 1987



## **PROGRAM AVAILABILITY**

Extended Warranty	NOW!
SMbasic Support	NOW!
Expanded Training	
Video Courses	Feb 1987
Regional Training	Jan 1987
National Advertising	Mar 1987
Lead Generation	
End-user lists	Nov
Advertising Responses	Mar 1987
Direct Mail	Apr 1987
Software & Services Directory	NOW!
Enhanced Direct Mail	NOW!
All Stars Club	NOW!

**AT POINT 4,  
OUR VARS  
ARE THE  
STARS**