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UPGRADING from 256 to 512K

In our last (July) issue, under the ATUNC MART section, we published David Rowe's (408-247-6457) offer as follows:

"Two new projects are planned to offer to A/// users: The first is a 512K upgrade, at a price that will make both On Three and SUN ashamed of themselves. The second is an upgrade for 5MB Profile to 10MB".

David did not elaborate what would be his price.

Now I received the following letter from Bob Consoreti, CEO of On Three Inc.(818-701-1355), challenging David Rowe's offer. This debate is instructive and educational to us A/// users. We do like to have cheap + good services. The problem is to have the service, not just promises. I hope David Rowe and Sun Remarketing will have more say on this subject, to keep us the public well informed.(LKS)

Dear Li Kung:

Please send me more information on the price that company says they will have for their 512K memory expansion board for the Apple ///. I don't know how they will beat our price of \$399. The RAM price explosion of the last 6 months has cut our profit margin substantially, even taking into account our price increase from approx. \$299 to \$399. We aren't making that much at all on the 512K, less when taking into account the royalties we pay.

I guess I really do take offense at the suggestion that we should be ashamed at our pricing of the 512K. An Apple II card with 512K by Applied Engineering - the Apple II add-on board leader - costs \$409. That board also comes with memory expansion software, just like the 512K. However, it doesn't have the expensive non-standard connectors and prom chips that are required on the A///. All in all, our A/// 512K board is less expensive and because of our additional costs, we're making less than our Apple II counterparts. I'm only ashamed that the A/// market doesn't realize the deal they are getting.

The A/// will not recognize the additional memory provided for by the 512K memory expansion without our memory expander software. This upgrades all programs so they 'see' the extra memory in a 512K machine. Without it, the 3-EZ Pieces, AppleWriter, Basic, Pascal, Visicalc, MultiPlan and all the others will never use more than 256K.

Now I'm not doubting the ability of those people. But it literally took months of work just to get the various software updates working properly. Our update utility is not a public domain product, so they will have to recreate the expander software. This takes time and money. For every 512K that's sold, we pay royalties for the various software expansions on the 512K upgrade disk.

If they can produce a lower cost 512K memory expansion for the A///, that's great! But over the last 4 years I've heard about 5 different people this close from releasing a 512K for the A///. None of them made it to market and all seemed to have been market feelers more than anything else.

The fixed RAM prices and royalties now consume about 75% of our cost of the 512K memory. Take into account the manufacture of the 512K boards and the costs of the special parts, I'd be amazed if someone could come out with a 512K for less than \$350 and make any money.

We are sensitive to the 512K price increases brought on by the RAM price increases and we've been figuring a way around it, so the 512K becomes more affordable again. The August "ON THREE" issue will announce 2 new options for the 512K. The first is a zero-K board. The second is a 512K with 256K memory. The zero-K board will cost \$160 and the 256K board will run \$300.

Our 512K design splits the memory into two parts: 1/2 being made of 256K chips, the other 1/2 made of 64K chips. With our new zero-K board, the user can remove the memory from their existing 256K board and populate half of the 512K. Then they can purchase the additional 256K from a memory vendor (we provide a list). With our new 256K populated 512K board, they can add the 64K chips from their existing 256K board to get a total of 512K memory.

Both new configurations will also come with our memory test, expander and ramdisk software. We feel that this makes a 512K upgrade within the reach of everyone now. Over the last 4 years we've met the challenge of all those who are "coming out with a 512K", I can't see how things will change now.

By the way, please note our new address and phone number for technical support. Our new order address is 11235 80th Avenue, Kirkland, WA 98034. The order line remains unchanged at (800) 443-8877. The California order line will be discontinued at the end of July.

Sincerely,
Bob Consorti
President - CEO
ON THREE, Inc.

Dear Li Kung:

As a postscript to the previous letter, I called up the place that is supposedly making the new 512K and talked with the person responsible. He said that it would use all 256K ram chips (16) and cost under \$200. Well, the best price that I can get for (16) 256K ram chips is \$232. That's \$232 for the ram alone. Misc. other parts like the memory board and all of the non-standard components will cost a minimum of \$40 more. That's \$272 without software nor documentation. Let's say they can do that for \$3. A total of 275 in cost and they are going to sell it for under \$200?

Let's get serious. A board with that type of configuration would never be sold for less than it costs to make. After talking with that person, I came away feeling that it was indeed just another market feeler. (Bob Consorti).