



Mar 5, 1994

December 2, 1990

Jerry Kaplan notes for meeting with Jim Cannavino

Executive Summary

- * GO has excellent technology, lead time, visibility, and is well received by industry
- * GO + IBM licensing has not proved enough to win over other companies to date
- * Microsoft strong competitive threat has stalled progress, put financial pressure on GO

GO Status

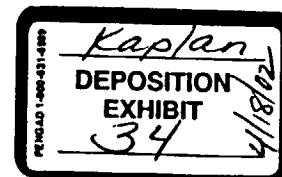
- * Completing "developer release" of 286 hardware and software
excellent reception of development environment by ISVs
200 people trained
Tens of application development projects
good press, visibility, book series
- * Penpoint unveiling and developer product announcement Jan 91
- * Starting on 386 version
software promised to IBM end of 3Q91
- * Customers excited about product
IBM special accounts signed up and ready to go
Many VARs interested, seeking credible hardware vendor
- * \$15M raised - will last for the next year

GO's Plans

- * Establish "clean" 32-bit 386 version as market standard
- * Limit 286 to developers and pilot testing
- * Complete and license 386 hardware version, then
- * Spin out hardware/system's business

January Announcement

- * Full day of press and developer activities, San Fran 1/22
- * Boston Computer Society meeting 1/23



CONFIDENTIAL

KAP0500

- * Third party application products announcements
- * With luck, possible additional Penpoint licensees
- * Expect VERY heavy press coverage

What will it take for us to succeed?

- * Multiple manufacturers with Penpoint machines
- * ISV support
- * Staying power to fight competition during market development

What are we finding?

- * "Wait and see" attitude among manufacturers
IBM support is not effectively communicated
Unlike the PC, no IBM machines as example
Unlike the PC, no proven market need
- * Good developer support, but concern about when machines will be available. General availability in 1991 is essential.
- * Microsoft is stalling our progress, hoping to starve us out

Microsoft - our only serious competition

- * Their strengths -
Perceived as a standard setter.
Financial staying power.
Relationships with ISVs, OEMs.
- * What they are doing -
Copying us.
Creating confusion.
Promising everything to everyone.
Trying to unhook our ISVs, licensees.
Nearly giving product away.
- * Their basic pitch -
Microsoft is standard setter, not IBM/GO.
They will do whatever GO does in time.
Their system will be compatible with Windows.
IBM will be forced to work with them eventually.

GO's strategic advantages

- * Great technology - only system really designed for a pen
- * Two year lead over Microsoft
- * Outstanding development staff - 60 of 90 people
- * Attracting the creative talents of the developer community
- * IBM "design win" and public support

What we need from IBM

- * Increase visibility of IBM commitment
- * Clear messages
 1. IBM sees a major market for pen-based computers.
 2. IBM has evaluated Microsoft and GO, and has chosen to work exclusively with GO.
 3. IBM is supporting GO to make Penpoint an open industry standard.
 4. IBM will bring a product to market running Penpoint in 1991.
 5. IBM is now working with major customers on pilot projects.
- * Promotion of GO licensing efforts
 - Active support from IBM Japan executives
 - Direct high level contacts: NCR, Toshiba, others?
- * Ship a Penpoint machine to general distribution as soon as possible
- * ISV support
 - Assign advocacy/technical support resources
 - Seeding/"scholarship" program for universities
 - Multi-city road show support
 - Internal applications development - ASD?
 - Outside applications support - Easel?
 - Internal Territory Management Systems effort?
 - "Venture fund" for Penpoint ISVs

CONFIDENTIAL

What can you do personally?

- * Strong video endorsement for January announcement
Personal appearance at Boston Computer Society?
Authorize a WSJ ad congratulating GO?
- * A few interviews - Fortune Magazine (by 12/10), some dailies
- * Improve and expand executive focus on helping GO to succeed
Promote GO/IBM relationship inside and outside
Clear roadblocks, reduce bureaucracy, control PR
Centralize and coordinate negotiations
- * Allocate some discretionary budget for non-development
Penpoint promotional activities
- * Do NOT cooperate with Microsoft in this area at this time!

Summary

- * We've got the right technology, the lead time, and the hearts of the ISVs.
- * We need to turn up the heat on Microsoft.
- * We need to expand IBM standard setting support.
- * We need to increase overall investment in Penpoint.

**Give us air cover and runway, and we'll
create a new (non-Microsoft) systems software
standard for pen-based computers!**