

Subject: MCC
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I have not signed the papers yet, but will do so. I am out until thursday, so it will take until then. You can reassure MCC if they worry about it.

Nathan

From nathanm Wed Jun 26 22:44:29 1991
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Subject: FW: windows v os/2 2.0 - some observations
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>From paulma Tue Jun 25 09:04:09 1991
>To: billg bobmu mikehal mikenap richta russw sbdirect steveb
>Subject: windows v os/2 2.0 - some observations

Date: Tue Jun 25 09:02:29 1991

These are some thoughts after spending time recently with customers (Cigna, DuPont, IEB in London, Israel, etc.). Some of these observations are obvious, but I thought it worth recording them:

1. Windows vs. OS/2

Right now most corporate accounts are not sure what the long term will hold for them. A lot of them are deploying Windows, but the "rift" between MS and IBM means that now they are not sure what will be their "long term, strategic platform". IBM is being very seductive with OS/2 in corporate accounts with OS/2. I offer some suggestions below of how we should respond to IBM's initiatives, and consider some "secret weapons" that we have.

2. IBM is selling OS/2 on following grounds:

- (i) OS/2 2.0 is "safe" - ie. it is "better DOS than DOS". This is partly a technical statement about MVDM support, partly a marketing statement that encompasses pricing, upgrades, and eventually bundling. I think we are needlessly ceding too much of this ground to OS/2. Somehow people do not think of Windows 3.0 or 3.1 as "better DOS than DOS", whereas it (if not 3.0 than 3.1) can do most everything in this respect that OS/2 can. We should explicitly hit these "better DOS than DOS" points in our Windows communication, if only to deny this ground to OS/2 2.0. We cannot let all of the OS/2 vs Windows debate be in terms of OS/2 2.0 ("here now") vs NT

("vapourware"), which is the way IBM is playing it.

Perhaps even more importantly, we really need to have some marketing/upgrade program for DOS users to get Windows - if only to counter the marketing hype that IBM is going to generate around upgrading from DOS to OS/2 2.0. We really need to look hard at ways we can offer a combined DOS 5 / Win upgrade. Later we should detail an upgrade program for Win 3.x to Win3/NT and/or Win 4.

(ii) OS/2 2.0 is "more" - ie. runs OS/2 and Windows apps. I

think

we have to slowly increase our level of attack on this front; based on: (a) where are the PM apps, (b) where is "better Windows than Windows".

In the case of better Windows than Windows, we should wait until IBM ships that first OS/2 2.0 beta (which will happen in August). This will not have integrated Windows in it - I don't think it will even have DPMI Windows in it. We should use as evidence that OS/2 2.0 will not have it in 1991, and thus get it labelled as "vaporware". IBM will find it hard to counter this, as I genuinely think they do not have a firm schedule for all this and if pressed have been careful to not make it a commitment to have it in the first release of OS/2 2.0.

In the case of the PM apps, this is a little tricky as customers are still expecting us to provide PM apps, and slides that we are using still imply this. We need to get a much clearer position on this. We should say unequivocally that we will support PM if the market demand warrants it, but that for the time being we are focussed on Windows. This is a back down from what we have said before. We need to communicate this inside the organization, as different folks give different answers to questions like "will you have Visual Basic on PM"?

IBM has given up on 16bit PM apps, and is clearly counting on 32bit PM apps. They probably have a deal with Borland to release a 32bit version of Quattro with OS/2 2.0 (this is probably why Phillippe is so annoyed about Win32). However, with Lotus and WP coming out with a big push on Windows apps this fall, it will be hard for IBM to get too much focus on PM apps.

(iii) OS/2 2.0 is a "real operating system"

This is based on more robustness, performance, pre-emptive multitasking, and 32bits.

The first two, robustness and performance, we need to meet head on with Win 3.1. We should start to talk more about the robustness and performance that Win 3.1 will have - we should do our own set of counter benchmarks to IBM's (they do benchmarks that emphasize overlapped I/O) as soon as the OS/2 2.0 beta ships (then it will be their beta s/w vs. our beta s/w which is fine). In order not to get people to stop buying Win 3.0, we should announce now that there will be a "free upgrade" to Win 3.1. The key is that most people do not need pre-emptive multitasking and 32bits per se, but they do relate to performance and robustness. We cannot let IBM seize the high-ground here. I think the Win 3.x marketing team should be much more aggressive here than they appear to be.

The latter two points - pre-emptive multitasking and 32bits - we have to use the "Windows is an architecture" or "NT" card against. The trick is to not get the whole debate shifted into a OS/2 2.0 ("here and now") vs. NT ("vapourware") debate. Instead we need to get OS/2 2.0 sandwiched uncomfortably between Win 3.1 and Win3/NT.

We should attack OS/2 2.0 primarily with Win 3.1 ("everything most people want", "much improved Windows", "the natural upgrade from DOS", etc.). This will force IBM to rely increasingly on the slogans (32bit, pre-emptive multitaskin, etc.)

This then sets us up to attack OS/2 2.0 as not really a "real operating system" - the weak points here are (these are all somewhat irrelevant to most users, but will get attention):

- "lack of security" (we should write a PM app that crashes PM - which is possible to do)
- lack of multiprocessor support
- not completely 32bits
- not portable
- no POSIX support (yes, it IS worth using this, as it shows flexibility and extensibility and resonates with MIS types who spend their time philosophizing - eg. the DuPont MIS staff).

We should make this concrete by having an NT technology demonstration at Comdex to high-light the above deficiencies of OS/2 2.0, and to high-light some of the offensive positions below.

3. Secret Weapons

The above are basically defensive positions. However there are some offensive position that IBM will be hard pressed to match.

(i) Visual Basic

I continue to be amazed by the corporate response to this product. It is in corporations that we are at most risk from OS/2, and here is something that the corporations are drooling about.

(Minor anecdote - in Israel, the defense industries have decided to standardize on Visual Basic as their standard development tool - although they have not standardized yet on Windows!)

We need to "deny" this to OS/2 and to re-inforce it as a Windows asset. Are we doing enough to market this product? Should we consider diverting some of the Windows marketing \$\$' to help VB? Is there something in Win 3.1 that will make VB better? Other ideas?

It also means that VB has to be thought of as a major corporate development tool, and not as a toy. It therefore must correlate with our OS strategy. It should be high on our list to have a native Win32 version of this tool. Bobmu - you/I have to meet with Mikiemap's folks to get this really thought thru and see how we can help.

(ii) RISC

I am always somewhat hesitant about this as we have yet to really taste this pudding. Yet, peering through the oven door, it certainly does look tempting. It now seems fairly likely that we will have high quality R4000 chips in Q4, and that MIPS, NEC, Oli, Acer and others will have Jazz systems to demonstrate. It also seems likely that we will be able to demonstrate in this timeframe (Q4):

- a couple of native Win32 apps - Excel is making good progress, Iris may have something.
- Win16 apps running under Win32 - we should have Winword and Excel (16bit) running at least.

We probably will not have full speed emulation of 16bit apps until Q1'92, but with the raw power of the R4000 we should be able to do some interesting demo's. There is the possibility that we could show some Excel benchmarks that show 3-4x

improvement over equivalent x86 systems (say Excel running under OS/2 2.0).

The key point is that we could "give IBM a lot to deny". The danger is however that we do not lose focus on Win 3.1 - we have to position Win 3.1 as what is needed NOW, and Win/NT as complementary and avoid letting IBM focus all the debate on OS/2 2.0 vs NT schedules, as in the Q4 timeframe OS/2 2.0 will be more widely available than NT.

Summary:

My experience is that corps understand our "Windows everywhere" strategy - it is coherent and credible as a strategy, corps think that we are "telling it like it is at last", but they are sceptical of our ability to carry it off. With IBM's recent moves (eg. hook up with cc Mail and Notes, and with Novell), we are by no means that automatic choice.

Thus I think we need to structure our Q4 push around Win3.1 as the answer to OS/2 2.0, and Win3/NT as a complement (ie. implement the sandwich). I think we have to be prepared to market beta software vs beta software, otherwise IBM will set the agenda. This means being be more public about Win 3.1 than we might have been.

I think we need appoint a czar for the "anti-OS/2 2.0" marketing campaign. We are about to enter a concerted fight in the second half of this year, we need to be organized and aggressive. I get the sense (maybe I am wrong) that our efforts are diffuse, and we still thinking that means being "statesman-like" means sitting back and waiting for the punches. This will not be sufficient, we are going to have to get much more aggressive.