

From dwayne Tue May 12 01:11:19 1992
To: jonl
Subject: FW: LAN Server Upgrading to Windows and Windows Networking/LM
Date: Tue May 12 00:24:35 PDT 1992
Status: RO

FYI

>From dwayne Tue May 12 01:05:47 1992
To: bobkr ruthw
Cc: dwayne paulma perttir
Subject: LAN Server Upgrading to Windows and Windows Networking/LM

Date: Tue May 12 00:19:03 PDT 1992

Its time to rock and roll ! - Rollout IBM and roll-in LM and
Windows and soon Windows NT.

Let's get temporary resources from Paul/Perttir and move on
this. We have Bill's and Paul's support !

This is even bigger than 3COM opportunity and clearly
leverage to Windows NT. We can also protect existing
Windows 3.0/3.1 desktops from becoming OS/2 desktops
connected to IBM LAN Server.

My original mail to Paul and Bill is below along
with Billg's response.

>From billg Sat May 9 08:09:06 1992
To: dwayne
Cc: paulma
Subject: RE: Lan server royalties

Date: Sat, 9 May 92 8:08:54 PDT

I think this plan is great.

Date: Fri May 08 19:42:24 PDT 1992

Bill

We're already on the case. The MS LAN Upgrade
for PCLP/LAN SERVER could be on its way very quickly.
This is a "great opportunity" (see the data below).

Please read to the end.

Our Current Network Business Revenue

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(Note: Through March 92 - Our April was second best month
ever and is NOT include in these numbers)

	Actual	Budget
us retail	\$13.6 m	\$13.9m
oem - us	\$17.1m	\$9.3m
oem - euro	\$4.2m	\$3.5m
oem -row	\$3.6m	\$3.3m
euro - retail	\$15m	\$21.2m
row - retail	\$7.2m	\$6.7m
total	\$60.9m	\$57.9m

IBM Revenue to MS

My estimate (should be close) is that IBM represents about \$6 million. However, the runrate is slowing as IBM starts to shift accounts to Netware (away from LS) and to OS/2 2.0 desktops (away from MS DOS/Windows) - Thus IBM represents double negative going forward.

MS Response - MS Upgrade Program for IBM PCLP/LAN SERVER

We need to move NOW to start converting IBM PC Network Program and IBM LAN Server users to "MS Networked Office" which is LM + Mail + SS 10 User + Comm. We should also look at bundle Windows clients in the upgrade (get them off IBM nets and IBM clients - wouldn't that be a terrible thing to do - smile)

Why do this ? - See key data below.

THE OPPORTUNITY

1. There are 90,000 3Com 3+/3+Open servers (30,000 of these are 3Servers - this is why we launch hardware + LM bundle replacement with Compaq this week)
2. There are 240,000 LAN Server + IBM PC LAN Program servers in the market.
3. There are over 1,000,000 (lm) Pathworks "nodes"
4. There are "MORE" IBM LS/PCLP nodes than PATHWORKS nodes

So, there is a high opportunity for upgrades to 3COM "and" IBM networks to our MS Networking Environment.

WHY GO AFTER IBM PCLP AND LAN SERVER ACCOUNTS

1. The numbers look good

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- we can make money
- we gain marketshare
- we gain (retain) thousand of servers and multiple thousands of desktops under our umbrella

Note: Remember IBM PC network base is bigger than ours "and" DEC's (Pathworks). We must go after this hard or risks loosing to Novell.

2. Because IBM is switching these users to Netware and to OS/2 2.0 clients (a double lost for us)
3. Because Banyan and Novell are rumored to be targetting these users in the near future

THE POTENTIAL MS OFFERING TO IBM PC/LAN SERVER ACCOUNTS

1. Moderate Approach - Little BLUE SWITCH

- same deal that we give 3COM users
- \$1495 for LM 2.1, \$195 for Mac Services, etc.
- savings of \$6000. + off SRPs

2. Aggressive Approach - The Big Blue Switch

- \$2495 Upgrade called "MS Networked Office Upgrade"
- LM + SS 10 User + Mail Start System + Comm Workstation

Note: They would come back later to buy more mail gateways, SQL Server unlimited upgrade and Comm Server and MOST OF ALL more Windows desktops (OS and Winapps).

Give them the razor and sell the hell out of the MS blades.

3. Super Aggressive - The Blue Bomb

- \$2995 - maybe a little more
- We secure the network, the desktop and the desktop apps
- We offer : LM + SQL 10 User + Mail Starter Kit + Comm Workstation + one box of MS Windows Office

Note: We take IBM totally out and don't leave room for Lotus or anyone else at the desktop.

WHAT ARE THE BENEFITS TO IBM CUSTOMERS

1. We have the best LM
2. Our Mac support - not in LS
3. Our TCP/IP - better than IBM
4. Our remote dial-up (RAS) - better especially for Windows users
5. Better Windows Support on MS LM
6. We have better Database Server and Better SNA Services
7. We give them a future (path to Windows NT)

WHAT WE NEED TO PULL THIS OFF

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1. Sign off

2. Three technical people for 90 days

- develop some simple utilities (we can launch without them initially, like we did for 3COM)
- testing
- writing some straight forward technical migration papers

Note: Same can of things we did for 3COM

3. Then two technical people ongoing

- one in development (always more little things)
- one in xteam/technical resource group

4. One marketing contractor for 30-60 days

5. \$300k - 500k in marketing dollars (we have about \$150k)

I would love to go at IBM on this one. Not only to we take over their networks, we prevent desktops from going to OS/2 2.0 and we stop nets from going to Netware. Overall, this seems like a win win. All we need is sign off and small amount of incremental resource.

Bill, what do you and Paul think ?

Dwayne

B.S.

Ruth Warren, my Sr. Product Manager for LAN Manager has put a great deal of thought into this. Also Megan has executed similar successful program for 3COM to LM migration.

>From: billg Fri May 8 18:17:28 1992
To: dwaynew
Cc: paulma
Subject: Lan server royalties

Date: Fri, 8 May 92 18:17:01 PDT

I know there is a time lag on this but what is the latest data? Are they still selling much of this product? Are they shipping the version that works with Os/2 client and server? What are they saying to customers who use the product - will they give them a path out of it that is seamless - seems pretty hard. Maybe we should target this group like we did 3com (slowly but over time a good job).

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