

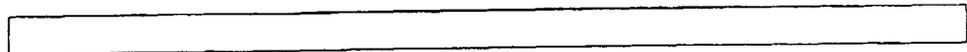
TO: Jim Allchin, Brad Chase, Rob Glaser, Laura Jennings, Jon Lazarus, Paul Maritz, Mike Maples, Bill Miller, Cameron Myhrvold, Daniel Petre, Russ Siegelman, Brad Silverberg, Rich Tong, Dwayne Walker/Microsoft Corporation

FROM: Claire Lematta/Waggener Edstrom

DATE: July 27, 1992

SUBJECT: Proposal to Expand Fall Strategy Day

CC: Gary Gigot, Collins Hemingway, Marty Taucher



In the last two weeks we have met with the senior marketing managers and executives in the Systems division to discuss your objectives and goals for FY '93 public relations. The positive thing is that there is great consistency about the goals and objectives for the division. This will go a long way toward achieving the leverage and synergy you want from PR this year.

In the course of these discussions, one issue emerged over and over again with striking consistency: Novell is after our business and we expect the big push to start this fall. Novell has several things in their arsenal that attack the core of our OS product strategy and our longer term Cairo strategy, which they will undermine with directory services in Netware 4.0.

If 1992 was the year of the IBM attack, clearly 1993 is the year of the Novell attack. The difference is that Novell is a better technical and marketing company and they have broad and strong customers and channel loyalty. Additionally, Novell has a high profile with the editorial community as a successful company without most of the negative baggage Microsoft must carry by dint of being number one. The press will naturally gravitate to the competition between the two companies and will play it up. We believe we must anticipate a rash of Microsoft versus Novell stories this year.

All these factors speak to the development and execution of a strong pre-emptive PR strike against Novell's strategy before they gain too much momentum this fall. We have learned the value of this many times, most recently with the "release day" launch for Windows 3.1 in March this year. Similarly, in February 1987 we had the first Systems strategy day to set the context for the OS/2 announce in April 87.

The goal would be to set the context for our product rollouts this year and to counter Novell's technical story, without directly attacking Novell.

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We believe that September would be the right time to launch the program, and that the way to do this is leverage the Workgroup strategy seminar for the press. We could position our product introductions and lay out the future of technologies that will counter our competition. There are several compelling reasons to have a strategy seminar in lieu of individual attacks:

1. Important interrelationships are described and impact is bigger.
2. Press has all the data at one time, then we can spend time in the fall amplifying and clarifying on individual product basis.
3. Leverages product development and marketing resources.

Topics would include:

- Windows family. Clarify that we are not on a replacement strategy (NT replacing Windows on DOS), but that there will always be a Windows low end, high end etc.
- MS DOS. New version coming out (show some leg) and it's even better than MS DOS 5. Counter the competitive issues that will emerge from Novell with DR DOS.
- Windows and MS DOS: hint about the future. Why this means customers shouldn't get distracted by the non-standard alternatives.
- OLE 2.0 and other core technologies for ISVs.
- WOSA. What is it? What does it mean for corporate customers.
- Directory services -- how we are getting there and why our approach is right.

The tone would be educational, direct, not hype. We would not announce products, but rather show how our products are fitting into the short- and long-term strategy.

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Of course, the plan of record is to do a Workgroup day in September. The key thing to consider is, what is our biggest competitive threat and what are we most worried about. Could we add a Systems strategy segment to this seminar? Extend the seminar by a day or half day? We should consider the possibilities of taking advantage of editorial presence at Microsoft to accomplish the Novell attack in the most optimal time frame.

I look forward to any comments you may have.

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this is leverage the workgroup

We believe that September would be the right time to launch the program, and that the way to do this is a strategy seminar for the press. ~~The seminar would lay out the themes for our year, position our product introductions and lay out the future of technologies that will counter our competition.~~ There are several compelling reasons to have a strategy seminar in lieu of individual attacks:

we could

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* Without most of the negative baggage Microsoft must carry by the ^{point} of being number one. The press will naturally gravitate to the competitor between the two companies and will play it up. We believe we must anticipate a rash of Microsoft versus Novell stories this year that will revisit the LAN Manager debacle.

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2. Press has all the data at one time, then we can spend time in the fall amplifying and clarifying on individual product basis.

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Topics would include:

- Windows family. Clarify that we are not on a replacement strategy (NT replacing Windows on DOS), but that there will always be a Windows low end, high end etc.
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TO: Jim Allchin, Brad Chase, Rob Glaser, Jon Lazarus, Paul Maritz, Mike Maples, Bill Miller, Cameron Myhrvoid, Russ Siegelman, Brad Silverberg, Rich Tong, Dwayne Walker/Microsoft Corporation
Daniel Petre Laura Jennings

FROM: Claire Lematta/Waggener Edstrom

DATE: July 27, 1992

SUBJECT: Proposal to Expand Fall Strategy Day

CC: Gary Gigot, Collins Hemingway, Marty Taucher

[Redacted]

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If 1992 was the year of the IBM attack, clearly 1993 is the year of the Novell attack. The difference is that Novell is both a better technical and marketing company and they have broad and strong customers and channel loyalty. Additionally, Novell has a high profile with the editorial community as a successful company ~~and they are listened to and respected.~~ (A)

All these factors speak to the development and execution of a strong pre-emptive PR strike against Novell's strategy before they gain too much momentum this fall. We have learned the value of this many times, most recently with the "release day" launch for Windows 3.1 in March this year. Similarly, in February 1987 we had the first Systems strategy day to set the context for the OS/2 announce in April 87.

The goal would be to set the context for our product rollouts this year and to counter Novell's technical story, without directly attacking Novell.

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TO: Paul Mantz, Brad Silverberg, Rich Tong, Rob Glaser, Russ Siegelman, Brad Chase, Jim Allchin, Jon Lazarus, Bill Miller, Mike Maples, Dwayne Walker, Cameron Myhrvold

CC: Marty Taucher, Collins Hemingway, Gary Gigot

Subject: Proposal to ~~Hold~~ ^{Expand} Fall Systems Strategy Day

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In the course of these discussions, one issue emerged over and over again with striking consistency: Novell is after our business and we expect the big push to start this fall. Novell has several things in their arsenal that attack the core of our ~~strategic product~~ ^{strategy} ~~announcements for this year~~ and our longer term Cairo strategy, which they will ~~OS~~ undermine with directory services in Netware 4.0.

brand strong

If 1992 was the year of IBM attack, clearly 1993 is the year of Novell attack. The difference is that Novell is both a better technical and marketing company and they have ~~the~~ customers and ~~the~~ channel. Novell has a high profile with the editorial community and they are listened to and respected.

~~as a successful company~~ ^{loyalty} ^{Additionally} All these factors speak to the development and execution of a strong pre-emptive PR strike against Novell's strategy before they gain too much momentum this fall. We have learned the value of this many times, most recently with the "release day" launch for Windows 3.1 in March this year. Similarly, in February 1987 we had the first systems strategy day to set the context for OS/2 ~~without spelling out the exact intent.~~

^{the} ^{Announce in April 87} The goal would be to set the context for our product rollouts this year and to counter ~~the technical story that Novell will tell~~, without directly attacking Novell.

~~Novell's~~ Systems Strategy Seminar:

We believe that September would be the right time to launch the program, and that the way to do this is a strategy seminar for the press. The seminar would lay out the themes for our year, position our product introductions and lay out the future of technologies that will counter our competition. There are several compelling reasons to have a strategy seminar in lieu of individual attacks:

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