
From: Nevet Basker
Sent: Tuesday, October 15, 1996 3:37 PM
To: Jim Durkin
Cc: JimD Direct Reports; Network Multimedia Marketing
Subject: RE: Beating Rob

Here are some more thoughts, including some others that we're already doing or that others have proposed:

- Hold a design review for NetShow with key ISVs and infrastructure partners. Build an event around this, maybe after Internet World and the IETF meeting in mid-December. Invite press to see how open and standards-friendly and cooperative we are. Take specific, actionable product feedback for NetShow v.2.0 as well as the ASF file format and other proposed standards.
- Make a big splash with IIS 3.0 launch. This positions NetShow as an integral part of our server offering, rather than a separate multimedia-specific story.
- Get a third party (could be a small software publisher, fulfillment house, mail-order company or Internet-based software reseller) to create a "Plus Pack" bundle with third-party components (tools, codecs, samples) that build on NetShow, with a retail price point around \$100-\$200. This could be a good business for a small company (but probably not for Microsoft). Provide marketing support to this company (links from our Web page, access to mailing list, etc.).
- [From Dave:] Embrace and extend. Announce vaporware, raise the bar. That's the quickest thing we can do. Take RTSP, say we like it, specify how we're going to "fix it" so it really works, and announce RTSP++ or something. Hell, Apple was always doing this to us during the object wars. We would announce something and the next day they would announce the same thing, but a little better. No one knew what to believe. Their hope was that they could deliver on their promises while they delayed us. Of course, Apple never did. But we can. Raise the bar, sign up the faithful and deliver.
- [From Ben:] Tools and other stuff for Web sites (just a few ideas that will facilitate markets that would eventually happen anyway):
 1. Simulate broadcast from a list of files including options for commercial insertions. User can't have option to skip any files. Should let author set rotation levels for each file in list. Allows WEB sites to have virtual radio stations.
 2. Tool to allow users to affect rotation level in play list
 3. Professional audio distribution system to radio stations and other broadcasters. Get content producers started here then leverage this into the consumer and Internet market space. Requires password protected sites and tracking by Radio station.
 4. On line music library distribution/purchase systems. Requires ties to commerce system.
 5. Radio programming system. Build a tool to allow Radio stations to run a complete station by scheduling a mix of local and remote content playback from the Internet at ISDN speeds. Might let listeners set rotation levels through the Internet or try to get new programming added through Internet interactivity.
 6. Build in store play systems that let labels leverage their Web sites into vehicles for sales at the point of sale. We can make a serious killer system here. The key is to link NetShow to profits for content producers (labels) as closely as possible! Do this and they will support us.
 7. Organize solutions providers to offer NetShow solutions for festivals and other live events. This last years festival circuit broadcast 10% of the major shows at one stop or another. Next year will be much higher. Live events like this are the single best way to expose huge crowds to our technology and to the WEB sites that use it.
- [From Ben:] Commerce Systems: Build transaction objects designed for selling content through the Internet. We can link into the Deutsch Telecom and Bertelsman Music Group (BMG) trial and Liquid Audio with this kind of system. Selling content over the Internet will be big. Let's get in early even if it means just designing the architecture and announcing intent to develop this tool. We should link to CD authoring systems to form a complete package.

More comments from Ben embedded below:

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Plaintiff's Exhibit

5808

Comes V. Microsoft

MS-CC-RN 00000063029
HIGHLY CONFIDENTIAL

From: Jim Durkin
Sent: Monday, October 14, 1996 10:54 PM
To: JimD Direct Reports
Subject: Beating Rob

Alright, Rob has declared himself in the platform business that we are in. So I thought I'd start a trail of email to discuss how we can win. I suggest six strategies below, designed to help us win (several of them are not new--either I've mentioned them, or you/someone on your team has--but I think they need to be articulated). I'd like your comments and additions REALLY quickly. It would be good to have this for the leadership day on Friday, but I plan to use these strategies tomorrow with Paulma if asked.

I also know that several of them are already underway. So the most valuable feedback will be additions to this list rather than "we're already doing this" comments.

thanks,

jim

Turn Competitors Into ISV's

Turn VDO, Vivo, Vxtreme, Xing, Precept, Starburst, and Starlight, etc. into ISV's building value added tools on top of the platform. The way we do this is by shifting them up the value chain and focusing them on building codecs, content creation tools, content management tools, network utilities, and codecs.

To do this, we need to do a really good job of defining more than just the client SDK for the Active X controls of NetShow. We need to define ASF read/write libraries, admin and content management API's, and open the heck out of as many pieces of our platform as we can. We should do some radical things: give away our current source for WinASE and our converters as "sample code", target key areas that WE WON'T MOVE INTO and allow specific ISV's to do that instead, and even consider delivering a vehicle to make these ISV's successful (like a "Plus Pack" that we can charge and share revenue for). These guys are all small and will jump at anything that smells like a marketing vehicle.

Codecs

Rally the codec vendors to the NetShow platform with a two pronged strategy: Fill the sweetspots in our system with limited encode, full decode versions of their codecs. Allow them to aggressively sell the full encode versions of their codecs to our customers and help them market these versions. The codec industry is ripe for this strategy, as evidenced by our recent meetings with FHG/Thompson, Dolby, VDO, and others. Again, if we can provide a platform for making revenue to the codec vendors, they will be ours.

[Ben:] We have to be sure that we leave a compelling reason for people to buy these codecs. We must be very careful to leave specific needed encode areas out of our package. We will only be successful as a platform if we can point to partners who are successful because of their support for our platform.

Make ASF the format standard

Separate the ASF file format from the MMS wire protocol. Define and document the ASF file format and submit it to the IETF as a standard file format for multiple media types and archival storage of RTP. Make it wire protocol independent so that it can work equally well with RTP, RTSP, as well as MMS. Discussions with our content provider partners (NBC, MSNBC, etc), tools vendors (Macromedia, Adobe, etc), and our streaming ISV's (VDO, Vivo, Xing, etc) prove that we can do this with substantial support. Attempt to coopt PN to support this as well with a "fair exchange" of our support for RTSP--probably won't work and may tip our hand and allow them to come up with an alternate standard--so we should evaluate the risk.

[Ben:] ASF must go beyond streaming and be pitched as the replacement for AVI and WAV. We can also position it as the only real route to the next generation Microsoft multimedia subsystem (Filters). Convince people this is the new OS standard and that streaming is now an OS feature first seen in NT. If we do this well, the large content houses will be willing to bet their archives on ASF.

Bundle At The Source

A lot of what we've talked about so far is how to bundle our client with Microsoft clients and our server with Microsoft servers. I think we can go a step further and bundle our client, servers, and tools with the hardware peripheral vendors who are producing the digital devices that produce content. Imagine if you're webmaster who gets a brand new Kodak digital camera, and you find a CD containing our client, server, and tools in it? What are you likely to do? You're likely to use our software. I'd like to bundle with every digital peripheral that can create content for a web page, whether it's camera, scanner, sound card, or even a tool.

Get To The Content Providers

Similar to what should be doing with the digital peripheral vendors, we should be going to the source for content. What is Rob doing? He's going to radio stations. Who supplies radio stations? Record companies. We should see if we can make any progress getting Capitol Records, Sony, etc. to agree to put their promo's and internet content automatically in ASF format and provide them to radio stations. A few high profile deals may cause a domino effect. If we can get a content engine fueled by the people who create it going, there will be no stopping us.

[Ben:] One step further. Start a distribution mechanism that delivers monthly or quarterly content to WEB sites that subscribe or use NetShow. Facilitate moving ASF content into the WEB developer community. This is not a huge task. We can literally flood the market with ASF content. This should be a very high priority.

Our friends at Telos will be making many of the broadcaster deals. We should look for other broadcast partners and start speaking and participating in the Broadcast and Audio engineering conferences. Telos is a good partner for this as they already have a good presence at these shows.

Sow And Reap The Field

Last but not least, we have the field. Or four fields, actually, that are relevant to us. We have the Large Account Sales force. These are the folks who sell to corporate accounts. We have the Public Network Sales force. These folks sell to the net ops. We have the SP sales force, who are working with solution providers to build on our platforms and resell them. And we have the OEM sales force, who are working with our hardware providers.

We need to leverage this machine. We need to get the corporate field encouraging intranet deployments, get the PN Sales force selling us everywhere they sell Normandy, get the SP force to get their companies to build LOTS of solutions on top of NetShow, and get the OEM's to bundle NetShow with every platform that is intended for inter or intranets.

To do this, I think we need a major blitz of the field. At the very least, we need to provide them all with training, presentations, demos, and we need to try to hit every Systems Engineer in the field within the next three months. We also need to enable the staffs of the EBC and every product group that fits with our stuff to do our demos and give our pitches.