

From: Amy Worth
Sent: Tuesday, March 25, 1997 8:34 AM
To: Bill Gates; Bob Herbold; Jim Allchin (Exchange); Lewis Levin; Michael Rawding
Cc: Christine Turner; Tina Brusca (Exchange); Jackie Emerson; Daniela Constable; Susan Harris; Alexis Chandler (General); Mike Dusche; Kirk Selby; Amy Worth; Wendy McGill; Joe Vetter
Subject: FW: Bank of America March 27 Executive Briefing: Potential Objections Leaked to Us - Heads up
Importance: High

One of our contacts **confidentially** sent us the list BofA is preparing of objections they plan to raise with us. They are also consulting with Meta about any strategic weaknesses and lack of delivery. Most of these will be targeted to Jimall. (We should not let BofA know that we learned of these.) Below is our response to this contact - our plan being to have many of these items removed from the list. Thanks and see you Thursday.

BofA: Don't want NT 5.0 ZAW to screw up their CA Uni deployment.

BofA: No IMAP4 support, delays in Exchange 5.0 shipping
MS: IMAP4 will be available in Q3 per our "executive cheat sheet." In addition, I talked to Mark Ledsome, who works for Brian Valentine, and he said our server is running IMAP today (in house only) with beta preview in May. He and Brian would very much like you to visit our Exchange labs. Maybe it would be interesting to talk to Allchin about the process of (re)architecting Exchange 5.0 from the ground up to support standards (LDAP support, native internet connectivity) and IMAP 4) and why it took the time it did. sooner.

BofA: LDAP support - but no inbound directory service replication
MS: Will be available in Irridium release (beta expected in May) per your discussion with Wendy/Alan. Also, this could be related to limitation of LDAP itself (access, but not synchronization or replication.) Our Dept of Defense standardization means that Exchange is moving in this direction. It also appears that there's still some hot debate on LDAP 3.0.

BofA: Slow to respond to industry need for directories (real slow - years)
MS: Valid point to bring up. Perhaps Allchin can provide an insider's view of our decision making process. We think strategy has been to lay groundwork for directory and that we've delivered two of three components necessary: 1.) DCOM = plumbing; 2.) DFS - aggregate directories/server volumes and 3.) directory itself.

BofA: Upgrades to office suite getting too fat - file formats incompatible
MS: This is a valid point, but here are a couple of datapoints: Office 97 is big, but you can place a lot of the components on the server and the user/IT dept can choose what to install and what not to install in order to reduce the footprint. Also, I don't think it grew from 95 => 97, which is at least a trend in the right direction. Another area of progress: 50-60% of Office 97 is shared code. In the next 90 days, the Zero Admin Windows kit will enable you to run 95% of the bits from the server. I'll have our apps SE, Debbie, send you a summary email of what we recommend (which someone like Bob Miller knows.)

Regarding changing file formats, I think this was one of those tough tradeoff situations. For example, many large customers moaned about large size of PPT files. In order to incorporate compression, we had to change file formats. Or incorporating the native Internet stuff into Word and Excel. We probably need to do a better job communicating IT tools like admin kits and lock down to save in old formats. One of the things we didn't do well was immediately provide a filter for backward compatibility until after Office had been shipping. Apparently, we have to wait for the code to go golden before we can get the filter done.

BofA: Slow to follow industry standards (attempts to stay proprietary):
Delays in DNS support (tried the WINS junk for NetBIOS)
Delays in SMTP support (wanted proprietary Exchange stuff)
Slow to implement IMAP4 - available for a long time (Sun Netscape)
Slow to kill NetBEUI in favor of pure IP (still not done yet)
Lack of cooperation with CORBA/IOP or other object standards
Appears to be elusive in commitment to ICAP (level of cooperation)
Will not make "pull" model for web based calendar access (schedule+)

Plaintiff's Exhibit
5927
Comes V. Microsoft

MS: This could be one for Allchin. I think one of the reasons we've embraced standards so wholeheartedly is that they save us a lot of money. (You know MS likes to make money!) We figure we've saved hundreds of millions of \$\$ because we haven't had to singlehandedly drive standards. For example, in 93, there was no desktop object model, so we moved forward with OLE which enabled info sharing between Windows apps. Also, there might be a lifecycle element to this: once technology becomes so mature (TCP/IP or RPC), promulgators of standards realize there's no value in proprietary extensions. There are still proprietary extensions to Java today because of its immaturity, but this will evolve.
DNS support: good point; one benefit of WINS is that it's dynamic vs manual so reduces TCO. As soon as Dynamic DNS is standard, we'll phase out WINS.
Slow to kill NETBEUI: good point, but we feel we may have enabled faster acceleration of IP by making it free in OS vs

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high prices charged for it.

ICAP - think you covered this with Wendy and Alan. We are committed. Brian Valentine's guys tell us they and IBM are writing the draft RFC.

Pull model: think this is available in 90 days.

BofA: Lack of "real" migration strategy for Win3.1 clients to NT server (FPNW)

MS: I want Mikedre to cover this with Norberg and Maffeo. Other customers told Maffeo and MS National Support Council FPNW scaled well. I think Wendy probably mentioned to you our upcoming UNIX interoperability. Alan should cover SNA Server directions.

BofA: Registry incompatibilities between Win95 and WinNT (no stmt of direction)

BofA: Lack of upgrade path from Win95 to WinNT (again no stmt of direction)

MS: This is good point. We should have provided upgrade path earlier from 95 => NTW. NT 5 will provide ability to do upgrade in place, take care of registries.

BofA: Lack of "real" laptop support (APM, PnP) for WinNT - real corp headache

MS: Committed in NT5. Very hard to do which is why it's taking a while. Today at least NT 4 has autodetect capability, WIN 95 type hw profiling.

BofA: Poor level of "multi-home" support for laptops (different DNS, etc.)

BofA: Failure to provide full desktop vision of NT vs 95 (integration?)

MS: There's a new, good whitepaper on this. I'll have Mike pull from Web and send to you.

BofA: Lack of true software distribution features for SMS (wait for NT5.0!!)

(missing rollback, checkpoint, auto-install, etc.)

MS: The Zero Admin Windows kit which Bob Angrisano is demoing tomorrow and Frankar can talk to you about helps auto update and install, persistent cache, centralize control and provide more application flexibility. Basically, part of SMS is moving into OS as you wisely suggested a long time ago!

Next version of SMS will address another issue, too: no fanout. With fanout vs point: point, we'll be able to reduce net traffic in sw distribution.

BofA: Lack of scaleability on large SMP boxes (greater than 5 CPUs)

MS: We would say performance looks pretty linear to 8 CPUs. (if not, we should discuss with Frank.) We're not sure about increased performance vs price when you get up to high number of processors on UX (like over 30.) Going forward, Wolfpack, Microsoft Transaction Server, Falcon (message queuing and asynch processing) will play a big role.

-----Original Message-----

From: Chuck Dietrick
Sent: Monday, March 17, 1997 12:54 PM
To: Bill Gates; Steve Ballmer; Bob Herbold; Jim Allchin (Exchange); Lewis Levin; Michael Rawling
Cc: Christine Turner; Tina Brusca (Exchange); Jackie Emerson; Debbie Hill; Daniela Constable; Susan Harris; Alexis Chandler (General); Mike Dusche; Kirk Selby; Amy Worth; Wendy McGill; Joe Vetter
Subject: Bank of America March 27 Executive Briefing: Objectives, Agenda
Importance: High

Thanks again for agreeing to help us with Bank of America's CIO and his direct reports. Below are attendees, briefing objectives, and agenda topics, *as well as confirmed times for speakers.*

Date: Thursday, March 27

Location: Building 15, Executive Briefing Center, Room 2

Bank of America attendees:

- Marty Stein, Vice Chairman and CIO
- Isaac Applbaum, CEO, Concorde Solutions, Inc. (a software subsidiary of BankAmerica Corporation) (Careful: this is co-funded by IBM)
- George Cheng, SVP, Interactive Banking Group (head technologist of the Interactive Banking Group)
- Margie Farber, EVP, Commercial Systems Support (head of commercial applications development)
- Bob Hamaguchi, VP, Executive Asst to Marty Stein
- Stan Kubiak, EVP, Capital Market Systems Support (head of Capital Markets applications development)
- Cheryl Kane, EVP, Technical Support Services (head of technical support group - standards/architecture)
- Liam McGee, Group EVP, Support Services (head of bankwide customer services)
- Mary Wikstrom, EVP, Retail Support Services (head of retail banking applications development)
- Ken Viafore, SVP, Seafirst

(Note: we will reinforce NDA at beginning of the session)

MS attendees:

Chuck Dietrick, Kirk Selby, Wendy McGill, Amy Worth, Alan Grose

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Agenda and speaker times:



Bank of America CIO
Briefing M...

Briefing objectives:

This briefing is quite an important milestone/selling opportunity in our relationship with Bank of America. Virtually all of the Bank's senior IT, and IT line of business executives will be in attendance. Although they use, or have paid for a good many of our products, we are facing some very significant challenges moving forward. At a high level, we expect the briefing to advance a few key objectives. They are:

- **Position Exchange as the best "open", scaleable, and standards-based messaging and calendaring solution for their enterprise.**
- **Articulate why the Bank should embrace, and accelerate its movement to a 32-bit platform.** This should be discussed primarily in terms of how a 32-bit desktop will reduce Total Cost of Ownership/enable the full functionality of our product set.
- **Articulate why the Bank should accelerate its migration to Windows NT Server.**
- **Explain why our TCO initiatives, ZAW and NetPC, are a more rational approach to reducing TCO/increasing TVO, than is the NC approach.**
- **Communicate why we believe Microsoft has matured tremendously as a provider of enterprise-class products, support, and services.**
- **Confirm we do not plan to become a bank to allay their fears of our competing with them.**

Underlying Key Themes:

Openness and Standards. It would be a gross understatement to say that openness and standards are important factors. They are the only factors. **The bank is absolutely maniacal about this issue. We have zero opportunity to overwhelm them with functionality and futures if that discussion is not totally wrapped in openness and standards.** The Silicon Valley mentality has completely taken root at the Bank. We continue to battle very strong misperceptions about our commitment to openness and standards. Within the past week, the Bank issued a 50 page RFP (due on 3/28) for a messaging and calendaring solution. The key components are support for (today or very near future) SMTP, POP3, IMAP4, ICAP, S/MIME, LDAP, and X.509. These are unequivocal imperatives; there will be no compromise. To quote their RFP... **"Vendors that lock in proprietary solutions will be rejected... Vendors that clearly adhere to industry standards across all of their suite will be highly regarded and strongly considered"**

Respect their Notes investment/decision. The Bank is extremely sensitive about its investment in Notes. Notes is their standard Groupware solution. They have upwards of 20,000 users, and hundreds of applications deployed. We will do ourselves irreparable harm if we attempt to unseat Notes, or sell Exchange as a groupware solution. We will lose all credibility if we travel down that path. We should emphasize how Exchange can plug into a Notes environment as the messaging/calendaring solution. They may even ask if the groupware components can be disabled.

Drive the scalability message. Scalability is a big issue at the bank. They want to reduce complexity and cost of ownership as much as possible through the deployment of super servers. Emphasize what Microsoft is doing to improve scalability:

- Continually tuning/improving the underlying OS.
- Investing significant R&D dollars to improve linear scalability on multiprocessor boxes. Discuss plans for scalability beyond 8 processors.
- Delivering a new level of scalability via "shared none" clustering (post "fail over" clustering solution).
- Opening up new opportunities for massively scaleable systems with the use of Viper and Falcon.
- Moving to a 64-bit architecture for even greater scalability. Discuss incremental steps (e.g. support for 64-bit (VLM) memory addressing in SQL Server 7.0).

Reference other customers. They will not accept our word alone. They want to know about other large organizations who are deploying these solutions. Scalability references are critical. It is also important to paint a realistic picture. We will gain points by sharing some of the bad. They will want to know what types of problems large customers are experiencing as they deploy tens of thousands of seats. What are some of the migration and scalability issues.

Services and support infrastructure. Highlight the tremendous investments we've made in building a world class services and support organizations. This will certainly help us against Netscape, and it will also help to mitigate some of the perceived advantages of IBM/Lotus.

Legacy interoperability. We should emphasize the excellent work we're doing to provide interoperability with legacy systems. Mention SNA Server and SNA-related interoperability initiatives (e.g. Userid/passowrd sync, Cedar, Thor, Cakewalk, etc.). The Bank has also have made a big commitment to CA Unicenter. They are very concerned about how we'll interoperate. They understand we've partnered with CA on paper; they want to know how that's going to translate

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into real solutions. They are particularly interested in how ZAW is going to fit into Unicenter. This would be a good context in which to discuss ADSI...how it will do for the directory world what ODBC has done for the database world.

Miscellaneous:

There is a good deal of CORBA activity going on within the Bank. In fact, they have a software subsidiary, Concorde Solutions, that is focused quite extensively on CORBA and object-oriented distributed computing. Their increasing commitment certainly represents a threat to our position within the account. We need to tread a bit lightly, but we should definitely position COM/DCOM/ActiveX against CORBA. Tie it to their investments in/commitments to Office and NT Server.

For more on their lines of business and installed base:



EBC Backgrounder
March 27 1997...

Attire: Business

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