

Subject: Re: 6/23 Exec Strategy Mtg - ACTION ITEMS  
 Date: 06/25 11:09 AM  
 Received: 06/25 11:32 AM  
 From: Avadis Tevanian, avie@apple.com  
 To: Mark B. Johnson, mjohnson@apple.com  
 CC: Avadis Tevanian, avie@next.com  
 David Krathwohl, krath@apple.com  
 Gilbert Amelio, amelio.g@apple.com  
 Fred Anderson, f.ander@apple.com  
 Robert Calderoni, calderon@apple.com  
 Guerrino De Luca, deluca@apple.com  
 Jim Gable, gable@apple.com  
 Ellen Hancock, hancock@apple.com  
 David Manovich, manovich@apple.com  
 Jon Rubinstein, ruby@apple.com  
 Phil Schiller, schiller@apple.com  
 Douglas Solomon, solomon@apple.com  
 dudley@apple.com

(F)  
 Rhapsody

Mark,

You are right. We must listen to our developers. However, we must also educate and evangelism them. The reason Yellow Box is not limited to Rhapsody is so that there is a compelling story for developers above and beyond Rhapsody. To forget this and "give up" on convincing developers that this is "the" strategy is a mistake. We have a hard job ahead here, but we must not allow our developers to dismiss the key advantages of our strategy... for if we do we will fail. I know you understand this and are working to make it happen!

Avie

Begin forwarded message:

X-Sender: mjohnson@mail.apple.com  
 In-Reply-To: <9706260309.AA13239@oz.next.com>  
 Date: Thu, 26 Jun 1997 09:44:09 -0400  
 To: "Avadis Tevanian" <avie@next.com>  
 From: "Mark B. Johnson" <mjohnson@apple.com>  
 Subject: Re: 6/23 Exec Strategy Mtg - ACTION ITEMS  
 Cc: David Krathwohl <krath@apple.com>, "Gilbert Amelio" <amelio.g@apple.com>, "Fred Anderson" <f.ander@apple.com>, "Robert Calderoni" <calderon@apple.com>, "Guerrino De Luca" <deluca@apple.com>, "Jim Gable" <gable@apple.com>, "Ellen Hancock" <hancock@apple.com>, "David Manovich" <manovich@apple.com>, "Jon Rubinstein" <ruby@apple.com>, "Phil Schiller" <schiller@apple.com>, "Douglas Solomon" <solomon@apple.com>, <dudley@apple.com>

Avie,

I respectfully disagree with your statements. For developers, the ramp for Rhapsody is not irrelevant. It doesn't matter what we inside Apple feel about this, as many of our current developers are telling us something different. If we are not willing to listen to them, then the best scenario with them is Blue Box, as their continued support of either Mac OS or new support of Rhapsody is at an even greater risk than today.

AP 18 000904

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MS-PCA 1006831

Plaintiff's Exhibit

6057

Comes V. Microsoft

MS-CCPMDL 00000015334

Yellow Box is a good story if you don't already have an abstraction layer for cross-platform deployment, but a large number of the key Mac OS developers who will be required to validate the platform in our current market segments for our current customers already have large investments in such code and are viewing Yellow Box as a third and potentially costly platform they must support...not a way to simplify their development...not yet at least.

The day we can show a commercial-quality product and the viability of Yellow Box for Mac OS, then we'll get attention, but today all we have is promise, and it is not strong enough by itself to buy commitment from the developers who are invested in Apple today.

To current OpenStep developers and others who do not already have large investments in our platform, the Rhapsody ramp is much less relevant as you point out, however, the reality with our current customer base is that the majority of the applications these folks produce are irrelevant to the markets where we sell our hardware today and Apple as a corporation has little credibility in the enterprise markets where we think these developers could help us most--nor do we yet have a compelling case for our hardware when the base of Intel hardware in these markets is already well established.

I think we can and must help make some of the commercial OpenStep developers successful in our mainstream markets and we might have a few super stars if things go well, but I would be surprised if anyone reading this is willing to bet the company on a few small companies being successful enough to topple--Adobe, Quark, and others--anytime soon in our core markets...our willingness to market with them and risk Mac OS revenue and sales of those developers they threaten. And while many of these developers can help us by providing solutions in the enterprise space, until we have a credible corporate strategy and infrastructure to address our major shortcomings in enterprise, the solutions alone will not be enough to carry us.

Mark

At 11:05 PM -0400 6/25/97, Avadia Tevanian wrote:

>>>>  
David,

You must remember something very important. The goal here is to get developers to commit to Yellow Box apps, not to commit to Rhapsody per se. When they commit to Yellow they indirectly commit to Rhapsody as well. When you keep this in mind the important questions you outline below change significantly. For example, the "ramp" for Rhapsody is irrelevant. What is more relevant is that Yellow Box apps will run on MacOS (and Windows).

Avia

Begin forwarded message:

All,

I will be on vacation for the remainder of this week and all of next. In my absence, I have asked Mark Johnson, the Director of the Rhapsody Developer Team to make sure that Dudley and Doug have a copy of the Rhapsody plan draft that he has been working on.

AP 18 000905

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One of the points made in Monday's meeting was that during the PowerPC transition, we had several major developers publicly committed by 1 year from ship. It's important to understand that there are some major differences between that transition and our current transition to Rhapsody. I have asked Mark to document these, since some of them can only be resolved at an EC level. Let me highlight a few:

\* Business proposition: For PowerPC, we were able to tell developers when we would start shipping, how many we would ship, and what the ramp was (both up for PPC and down for 680x0). For Rhapsody, we have not yet decided when to ship Rhapsody in CPUs. We don't have a clear picture of the specific markets we will go after or even know when we will begin to realize a return on Rhapsody ourselves. Many developers will not make the decision to invest millions of dollars rewriting their apps without knowing when their investment will pay off. (Some will, bless 'em, but the big ones generally won't.) In addition, in many cases we are really asking developers to double their investment in Apple, since they will need to keep their Mac OS versions going as they begin work on their Rhapsody versions. This is tough for many developers to justify, given Apple's recent losses.

\* Technical proposition: We have made on time delivery a higher priority than features in our Rhapsody releases - and I agree with this decision. However, it means that we don't really know when we will ship a particular technology. Many developers have products that depend heavily on a specific technology (e.g. real time services, SMP, video/capture), and they are unwilling to commit to a new platform without knowing when they will be able to successfully build their product on it.

\* Technical hurdles: The transition from PowerPC was pretty much a straight port. The transition to Rhapsody is a total rewrite. Though we have given developers OpenStep and tools, we have yet to deliver even the developer release with more complete APIs. Of course, this is the plan, but we have to recognize the implications of the plan. Also, as I mentioned Monday, many of the more successful developers have "plug-in" (Adobe) or "extension" (Quark) models for which no obvious technical bridge exists, but which substantially impact their ability to be successful on Rhapsody. In the publishing market, one of Apple's key strengths is AppleScript, but we have only committed to AppleScript since WWDC, and we still can't tell developers whether existing scripts will run.

\* Company viability: This is the single largest issue that developers confront us with every day. I heard it again today from Bud Colligan at Macromedia when I asked him for the most important thing we could do to get their products on Rhapsody. His response was to return to profitability.

I mention all of this, not to point fingers, but to set the context for the Rhapsody adoption plan. I have asked Mark to document these issues as well as the assumptions he and his team have had to make to pull together the plan. It is my hope that this will help drive the resolution of these issues so that we can push forward in making Rhapsody a success.

Let me end on some good news that not all of you may have heard: we have completed a porting agreement with Parametric Technology to port their Pro-Reflex product to Rhapsody. The beauty of this deal is that Pro-Reflex has few dependencies on other apps, so this solution should be desirable almost as soon as we have a stable Rhapsody release.

AP 18 000906

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I will be in Tokyo July 7-9 for the Japan Developers Conference, but will be on line again at that point.

David

Mark,

You are right. We must listen to our developers. However, we must also educate and evangelism them. The reason Yellow Box is not limited to Rhapsody is so that there is a compelling story for developers above and beyond Rhapsody. To forget this and "give up" on convincing developers that this is "the" strategy is a mistake. We have a hard job ahead here, but we must not allow our developers to dismiss the key advantages of our strategy... for if we do we will fail. I know you understand this and are working to make it happen!

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Cc: David Krathwohl <krath@apple.com>, 'Gilbert Amelio' <amelio.g@apple.com>, 'Fred Anderson' <f.ander@apple.com>, 'Robert Calderon' <calderon@apple.com>, 'Giuseppe De Luca' <daluca@apple.com>, 'Jim Gable' <gable@apple.com>, 'Ellen Hancock' <hancock@apple.com>, 'David Manovich' <manovich@apple.com>, 'Jon Rubinstein' <rubby@apple.com>, 'Phil Schiller' <schiller@apple.com>, 'Douglas Solomon' <solomon@apple.com>, <dudley@apple.com>

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