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COUGAR PROPOSAL
AREAS OF IBM MARKETING CONCERN

IBM 866K 3231

- * CUSTOMER REACTION
- * MARKETING/COMPENSATION/REVENUE OPPORTUNITY
- * LAN SYSTEMS
- * OS/2
- * COUGAR PRODUCT
- * OEM
- * ISV
- * NOVELL DISTRIBUTION

Plaintiff's Exhibit
9350
Comes V. Microsoft

901974

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COUGAR PROPOSAL
IBM MARKETING CONCERNS

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CUSTOMER REACTION:

- * DOS = MICROSOFT. NO COMPELLING REASON TO CHANGE. WILL BE VERY UNSURE OF COMPATIBILITY. WINDOWS IS CRITICAL. CAN'T AFFORD TO RISK COMPATIBILITY WITH ANOTHER DOS. MICROSOFT PERCEIVED AS STANDARD; LARGE OEM BASE; LEADING COMPATIBLE APPLICATIONS; BEST MARKETING.
- * VINDICTIVE MOVE ON IBM'S PART TO PAY MICROSOFT BACK FOR NOT COOPERATING ON OS/2. WILL CAUSE MANY TO CHOOSE MICROSOFT-ONLY PATH.
- * MOST PLAN TO GET 386 EXPLOITATION FROM OS/2.
- * UNNECESSARY RISK:
 - SOME FEEL OS/2 IS RISKY; DON'T WANT ADDITIONAL RISK. SOME ALREADY BURNED WITH IBM APPLICATIONS.
 - DON'T WANT TO INVEST IN WHAT IS PERCEIVED AS NON-STANDARD PRODUCT, ESPECIALLY AT THIS PRICE POINT.
 - MANY RELUCTANT TO MOVE TO DOS 5.0 FROM 3.3, MORE SO TO COUGAR.
 - MANY USERS UPGRADE ONLY WHEN ABSOLUTELY NECESSARY (EG, NEW HARDWARE SUPPORT).
- * THOSE WHO FEEL MS/DOS IS INDUSTRY STANDARD WILL NOT WANT PS/2 WITH COUGAR PRELOADED. WE MUST BE ABLE TO RESPOND TO CUSTOMER OBJECTIONS.

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IBM MARKETING CONCERNS

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MARKETING/COMPENSATION/REVENUE OPPORTUNITY:

- * PC/DOS SUCCESS CURRENTLY ACHIEVED WITHOUT AGGRESSIVE MARKETING. BELIEVE AGGRESSIVE MARKETING WOULD BE REQUIRED TO "RETRAIN" CUSTOMERS EVEN CONSIDERING PRELOAD. DIRECT MARKETING IS NOW FOCUSED ON OS/2.

- * COUNTRIES WILL NOT PROMOTE A PRODUCT THEY DO NOT MAKE PROFIT FROM. BECAUSE OF PRELOAD AND NOVELL DISTRIBUTION, MARKETING UNITS SEE NO NEED TO INVEST IN MARKETING COUGAR. REVENUE IS CURRENTLY MADE THROUGH THE DEALER CHANNEL. MARKETING UNITS MUST HAVE THE OPPORTUNITY TO MARKET TO EXISTING AND NEW CHANNELS TO REALIZE REVENUE OPPORTUNITY (INC. DEM).

- * TIMING OF ANNOUNCEMENT. STATEMENT OF A RELATIONSHIP WITHOUT ACCEPTABLE PRODUCT POSITIONING COULD HARM OS/2. WE COULD LOSE SIGNIFICANT PC/DOS SALES IN '92 TO MICROSOFT ALSO.

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COUGAR PROPOSAL
IBM MARKETING CONCERNS

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LAN SYSTEMS:

- * EXISTING POINTS OF DIFFERENCE BETWEEN EACH COMPANIES VIEW OF THE FUTURE CREATES SKEPTICISM REGARDING A JOINT PORTRAYAL OF A CONSISTENT FAMILY OF OPERATING SYSTEMS.

OS/2:

- * ACCEPTABLE POSITIONING OF COUGAR WITH OS/2. 386SX+ = OS/2. 286, 386 WITH A MAXIMUM OF 3 MB = COUGAR. EXPLAINABLE IN THE CURRENT CONTEXT OF OUR OPERATING SYSTEM POSITIONING. EXPANDING TO NEW MARKETS: ROM, PALMTOP, PEN, ETC.
- * OS/2 2.0 SUPPORT FOR COUGAR ALA "DOS BETTER THAN DOS" - BECOMES PART OF THE "INTEGRATING PLATFORM".
- * LONGER TERM AFFINITY BETWEEN COUGAR AND OS/2. WHAT FUNCTIONALITY/WHEN? HOW DOES THIS BENEFIT OS/2?

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COUGAR PROPOSAL
IBM MARKETING CONCERNS

COUGAR:

- * PROVIDING AND CONTINUING COMPATIBILITY WHEN MICROSOFT WILL CONTINUE TO ASSERT OTHERWISE.
- * SERVICE AND SUPPORT MEETS CUSTOMER EXPECTATIONS?
- * MIGRATION REQUIREMENTS FROM PC/MS DOS TO COUGAR. EASY AND TRANSPARENT TO THE END USER? WOULD LARGE CUSTOMERS LIVE WITH 2 ENVIRONMENTS?
- * SUPPORT FOR PS 55, BOTH ATLAS AND XGA? YAMATO MUST VERIFY COMPATIBILITY.
- * WHAT IS OVERALL COMPATIBILITY VERIFICATION TEST PLAN?
- * NLS AND ISO CODE FOR DOS 5.X? COUGAR COULD BE INTO 1993 WHICH WOULD MAKE US NON-COMPETITIVE IN EMEA.
- * IMPACT TO SPECIFIC COUNTRY CONTRACTS WITH MICROSOFT? (EG, JAPAN)
- * WITHOUT RUP WITH A "SNIFFER" HOW CAN YOU EASILY GET MAJORITY OF INSTALLED MS/PC DOS LICENSES?

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COUGAR PROPSAL
IBM MARKETING CONCERNS

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OEM:

- * VENDORS PRESENTLY PRE-LOADING, SHIPPING DR/DOS UNKNOWN.

ISV:

- * ENDORSEMENTS, COMPATIBILITY STATEMENTS UNKNOWN.

NOVELL DISTRIBUTION:

- * COVERAGE FOR IBM CURRENT AND PLANNED DEALERS/DISTRIBUTORS WORLDWIDE?
- * WHAT IS DR/DOS (COUGAR) DISTRIBUTION PLAN?

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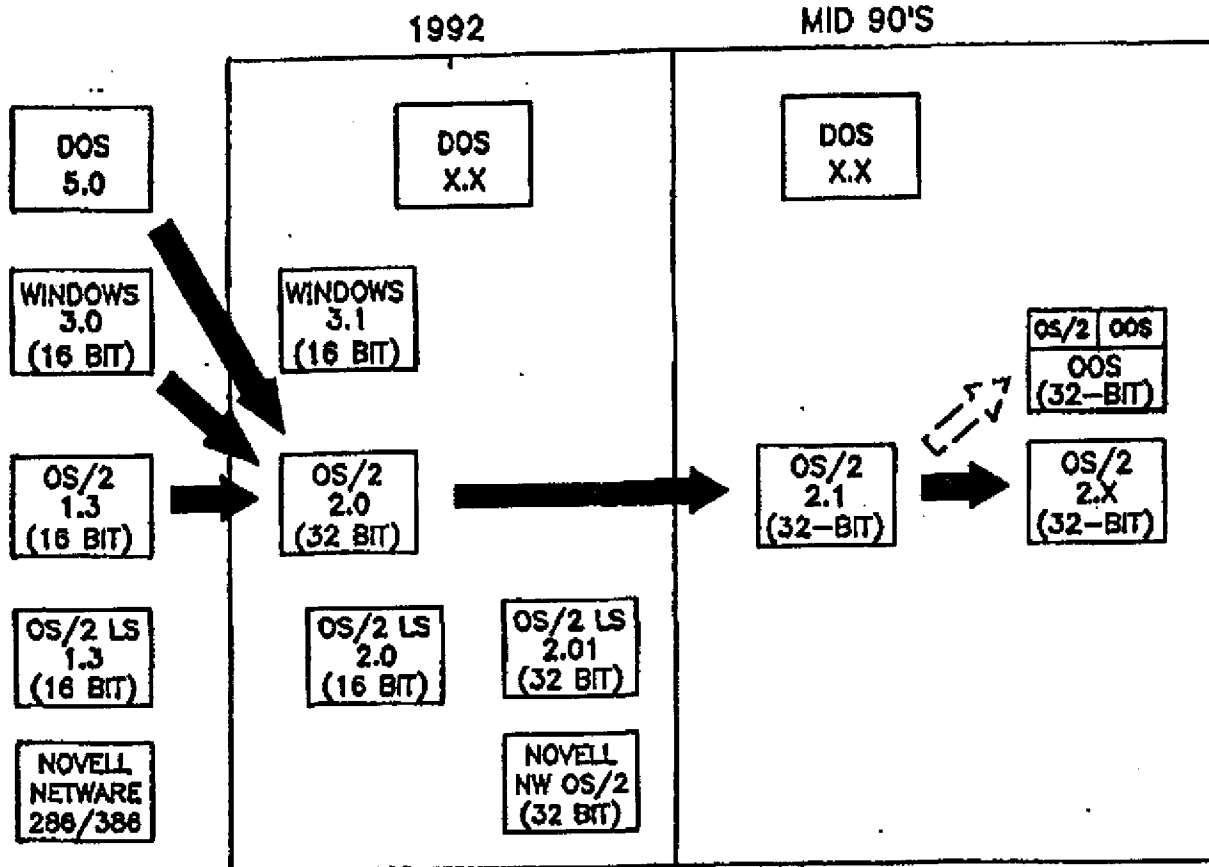
COUGAR PROPOSAL
SUMMARY OF KEY IBM MARKETING CONCERNS

IBM066K 3271

- * CUSTOMER REACTION
- * COUGAR COMPATIBILITY WITH MS/PC DOS, WINDOWS, DOS APPS, OS/2
- * COUGAR POSITIONING WITH OS/2
- * MARKETING COMPENSATION/CHANNEL REVENUE
- * TIMING/POSITIONING OF ANNOUNCEMENT
- * ABILITY TO ACHIEVE CONSISTENT FAMILY OF OPERATING SYSTEMS WITH CURRENT CONFLICTING VIEWS OF THE EVOLUTION OF LAN SYSTEMS

PERSONAL SYSTEMS

OPERATING SYSTEM DIRECTION



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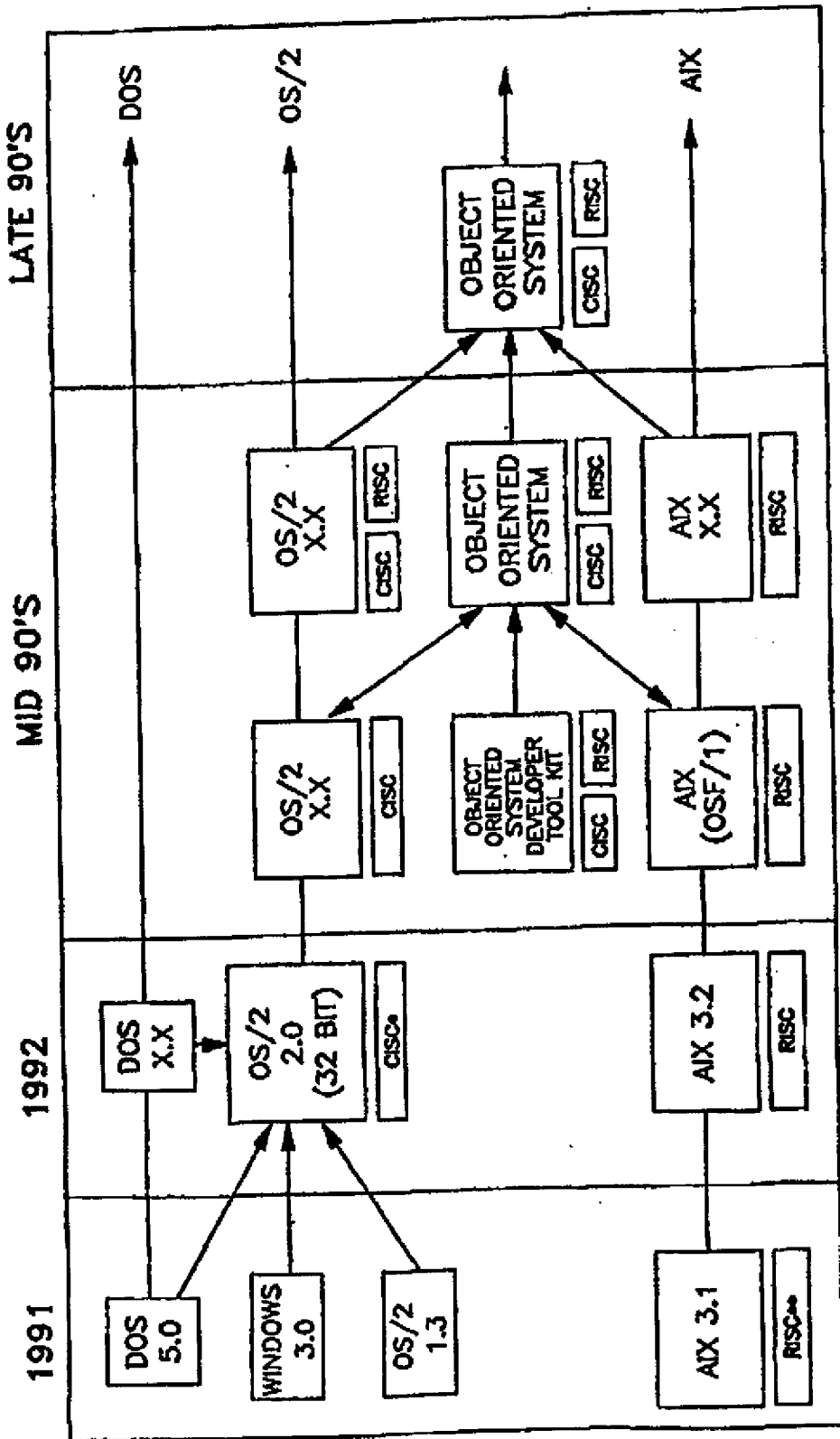
KEY ELEMENTS

- OS/2 2.X - " THE INTEGRATION PLATFORM "
 - RUN DOS APPLICATIONS BETTER THAN DOS
 - RUN WINDOWS APPLICATIONS BETTER THAN WINDOWS
 - RUN OS/2 APPLICATIONS BETTER THAN OS/2 1.3
- PROVIDE A SUPERIOR NETWORK PLATFORM

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PERSONAL SYSTEMS

OPERATING SYSTEM DIRECTION



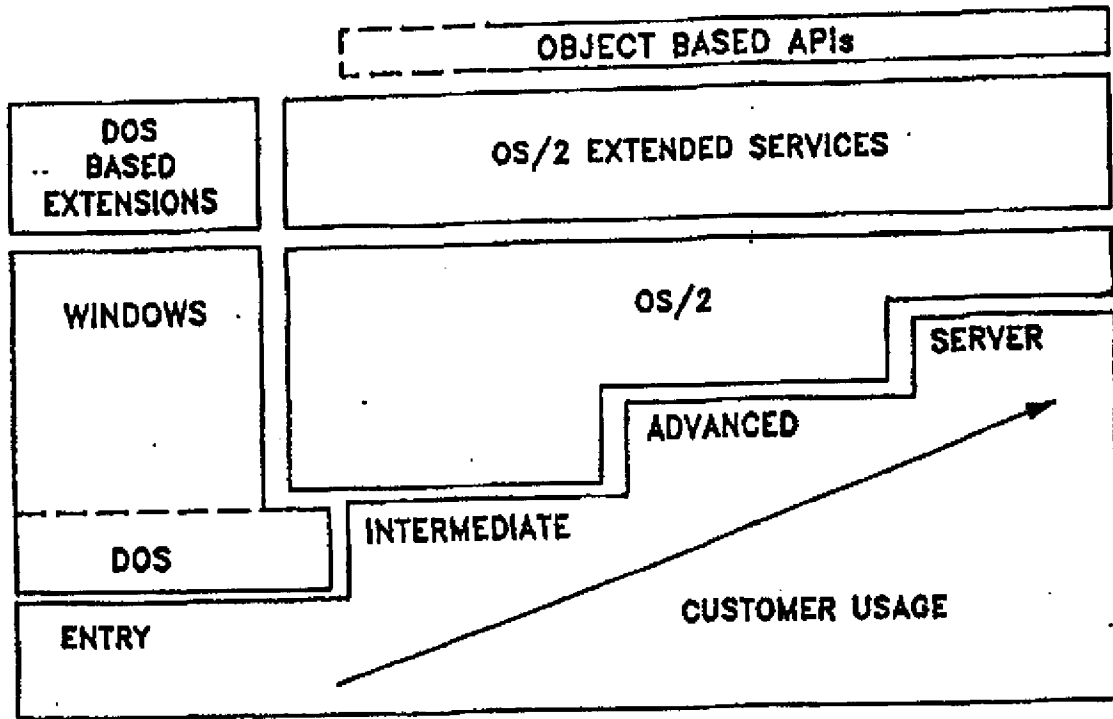
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FS/LOS

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PERSONAL SYSTEMS OS/2 STRATEGY

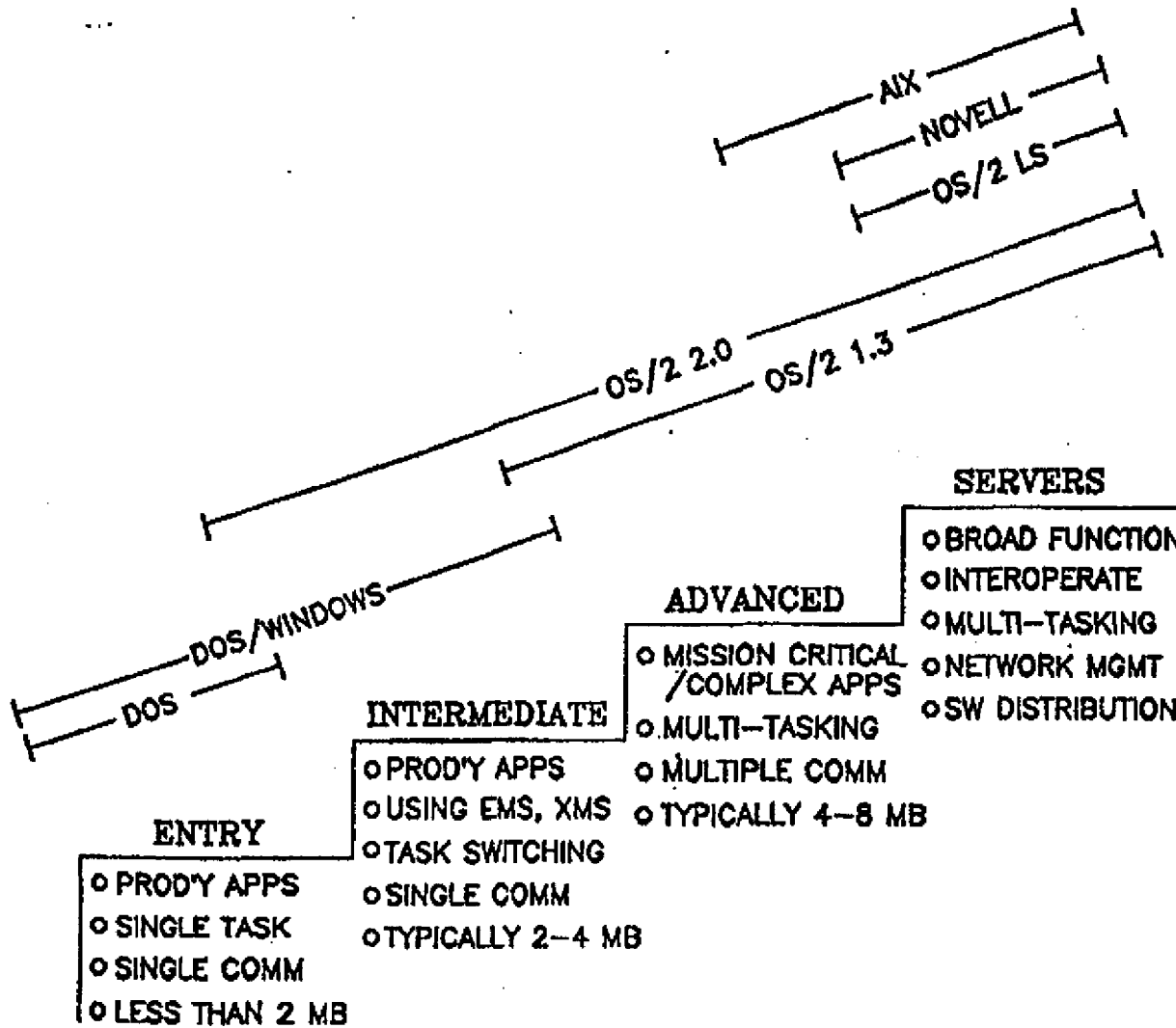


KEY ELEMENTS

- MAKE OS/2 AVAILABLE ON BROADBASE
 - AST
 - COMPAQ
 - COMPUADD
 - GRID
 - NCR
 - OLIVETTI
 - SIEMENS NIXDORF
 - TANDY
- ● ● PLUS ● ● ●
 - PROVIDED TEST KITS & SUPPORT TO ADDITIONAL VENDORS
- EXPAND COMMITMENT TO OS/2 APPLICATION DEVELOPMENT
 - CUSTOMERS
 - ISVs
 - IBM INTERNAL
- ENHANCED WW TECHNICAL SUPPORT INFRASTRUCTURE
- WORLDCLASS MERCHANDISING CAMPAIGN
 - COMMUNICATE/EDUCATE/EVANGELIZE
 - COMPREHENSIVE MARKETING PLANS

PERSONAL SYSTEMS

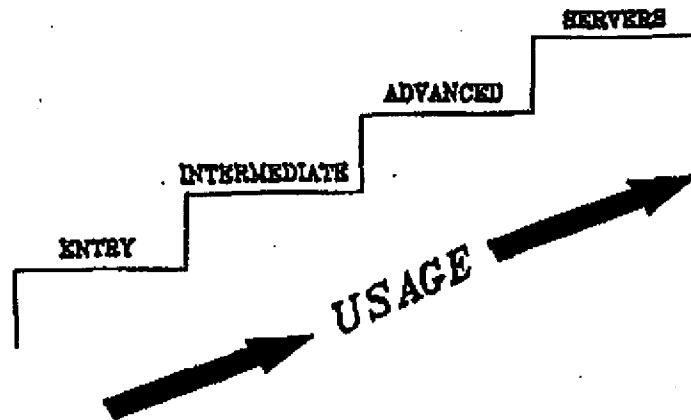
OPERATING SYSTEMS POSITIONING



IRM 966 8564 WJ/Or.L.Y 3021

PERSONAL SYSTEMS

OPERATING SYSTEMS POSITIONING



IRM 866 R564 JANUARY 1992

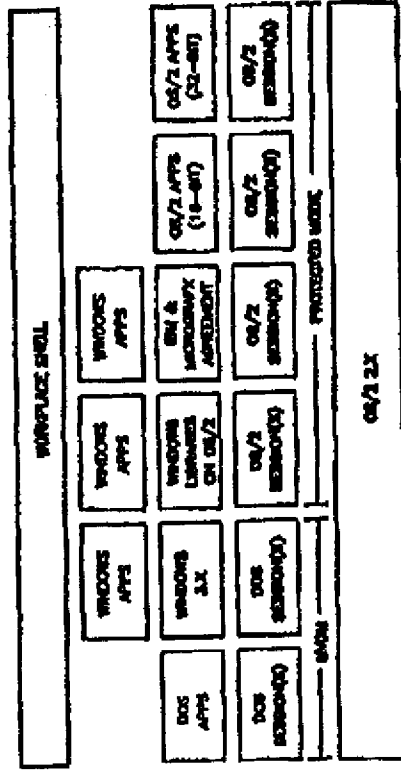
TARGET MARKETS

- DOS/WINDOWS - ENTRY USAGE
 - ALL BEG, HOME
- OS/2 1.3 - ADVANCED & SERVER USAGE (ALL MKTS)
 - INTERMEDIATE (MEDIUM / LARGE ACCTS)
- OS/2 2.0 - ADVANCED, INTERMEDIATE, AND SERVER
 USAGE (ALL MKTS)
- AIX - ADVANCED TECHNICAL, SERVER USAGE
 & SHARED LOGIC

PERSONAL SYSTEMS

WORKPLACE MODEL

- SINGLE INTERFACE TO MANAGE MULTIPLE TYPES OF OBJECTS
 - DEVICES (PRINTERS & DRIVES)
 - FILES
 - PROGRAMS
- DRAG AND DROP OBJECT SUPPORT
- OBJECTS RESPOND VIA A DYNAMIC LINK
- SAA WORKPLACE MODEL (CUA)
- EASY TO TAILOR
- READY TO RUN
- DESKTOP SAVED AT SHUTDOWN AND RESTORED AT START-UP



... WORKS THE WAY YOU WANT TO

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