From: nathanm
To: mikehal
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Subject: Top 10 Objectives
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Here is my list, in no particular order:

1. Continue to be the dominant mainstream PC operating system standard. Note that I did NOT say "desktop" standard, because notebooks and handhelds will be increasingly important and we will not be able to hold the desk if we lose the briefcases and pockets to Go or somebody else. The specific subgoals I think we have to do to achieve this are:

   - Continue to improve Windows - 32 bit, network client support, Windows server... This is critical to keeping ISVs involved in tracking our improvements rather than working on platform neutrality.

   - Beat UNIX on the PC industry MIPS platform to become the dominant operating system on that platform. This is a critical goal for the future of our systems business. It is similar to battling DRI in the early days of Dos, or battling GEM and VisiOn in the early days of Windows.

   - Beat Go on the notebook and handheld machines.

   - Make sure that there are no significant beachheads in which we lose to DRI with Dos (embedded market, etc).

2. Create the internal organization and policies needed to foster real technical innovation in new areas. We have long neglected research, because we had our plates full executing on obvious opportunities, but we cannot continue this approach. The subgoals include:

   - More internal research, both in product groups and in a central research lab.

   - Increased investment in external companies developing critical technology. We cannot develop everything ourselves, and we must have a way to use our financial resources (with high leverage) to get us access to key technology.

   - More willingness to buy technology from outside, including deals like Lotus Notes, or the many successful Borland acquisitions. Again, we will not be able to develop everything new internally, so we have to be able to draw on the outside world for more products.

3. Become a leader in electronic software distribution. This is a very new area so it is difficult to say at present whether the percentage of our business in this form will be 10% or 90% within five years, but we must have a goal of being a leader in the development and deployment of the technology so that it cannot be used against us.

4. Position ourselves for the collision between the telecommunications business and the computer industry. This is a long term technology trend which will happen as communication becomes increasingly digital. As digital, and eventually fiber optics cables link the world, the "telephone" or "communications appliance" at the end of the cable becomes a personal
computer. We could either champion such machines and let this be a key market for our systems and application software, or we could lose control of the software standards for such machines. The Efax and document distribution project is one example of establishing a strategic beachhead in this market. Digital cellular may be another opportunity.

5. Position ourselves for the collision between the consumer electronics business and the computer industry. This is already brewing in our competition with Philips and CD-I, and will only intensify as computers increasingly become a consumer device. Nintendo, Sony and a variety of others are likely to either be our partners or our new strategic competitors. A key ingredient in this battle will be a successful multimedia strategy, but that alone is insufficient.

6. Find a way to be less of an obvious target. Today we have a huge list of people who consider themselves our enemies. Some of this is an unavoidable consequence of our success, but we must try to find ways to blunt the edge of the criticism, and prevent our enemies from uniting to crush us. One approach might be to build business ties with competitors — perhaps there is a way we could work with Lotus or WordPerfect in a joint venture in a new opportunity. Another approach might simply be better PR — focusing lots of effort on foreign relations with our competitors. We could continue to "tough it out", but it is far from clear that this is the smartest way to approach the problem.

7. Create a process for the review, communication and management of technology in the company. There are a set of problems which we have historically neglected: How do we review future product plans at an early enough stage that serious errors in direction can be easily corrected? How do we get people to communicate technical knowledge and experience within the company? How do we take advantage of synergy, code sharing etc without drowning in bureaucracy? In the past we have handled these topics either with informal hallway discussions, or reviews with Bill, but as the company increases to grow we need to formalize this. Proposals along these lines have been made in the past, but never were adopted. We need to do something about this inorder to continue to do as well as we have in the past with the much larger organization we will soon have.

That is less than 10, but you could always subdivide a couple of them!

Nathan
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