From joachim mar Apr 22 10:48:52 1991
To: tony
CC: billy brodaj jeffl joni nikanhe peluma richards ron steveb
Subject: PM: IBM briefings
Date: Mon Apr 22 10:30:11 1991

OCC MALL TONY, PLS SEE MY COMMENTS;
I SUPPORT THEIR PERSUASIVE EFFORTS TO COUNTER THEIR EFFORTS.
WE ARE AT THE CONCISE POINT BEFORE WE HAVE A CONCISE PLAN WE MAY KEEP
THESE THOUGHTS TO OURSELVES;
From tony Sat Apr 20 14:44:34 1991
To: billy brodaj joachim mar jonin nikanhe peluma steveb
Cc: tony
Subject: PM: IBM briefings
Date: Sat Apr 20 13:47:08 PDT 1991

By now most, if not all of you, have received summaries about the
briefings so I won't cover this. If you want more info let me know. I
will add 2 other comments. IBM basically jim C and joe G were as
rude as I've ever seen them toward us.

(1) They gave basically no credit for MS work on

(2) our 386/sx's in the GEM

these are some thoughts from the flight home.
1) Clearly communicate our OS strategy and specifically tell OEMs, ISVs and
customers what they should do. IBM's positioning of OS/2 2.0 as
'different' than Windows' should be made clear. Write for Windows.
We need to tell them our position about 2.0. ISVs were confused after
yesterday.

2) We need to decide how to position OS/2 2.0 vs Windows. IBM made a
very compelling case for 2.0. We can argue nothing has changed but it
has; the price has dropped significantly and they are offering it as a
no lose proposition since it has everything you are currently using and
more. We know that this product is not what Jim is talking it as but
the rest of the world doesn't and they are buying IBM's line. This may
change once they actually get the product and start playing with it but
we may have a lot of people in the meantime. I don't think we need to
worry about IBM doping a deal with IR DDS.
REDACED BY AGREEMENT

IF IBM PAYS $320 TO US OEMS CAN'T BE DONE ATTRACTIVELY ON THEIR OWN SYSTEMS. IBM WILL SHOW THEMSELVES IN THE FACT.

IBM said they were interested in pursuing this and any other ideas they had. This wasn't the who who of

IBM but there was a fairly good representation. I saw MR. ART, ventura, spinakler and odell (I think.

there was a lot of men I hadn't heard of especially AD/Cycle guys. we shouldn't underestimate IBM's ability to win hearts and minds of these guys with their FUD. IBM will lie to these guys. they did yesterday.

mode. both bobmo and I had asked them about this and he definitely said they didn't have the win 3.1 DMS code working yet. he was sitting with lee when the question was asked.

3) we should shut royce down immediately in a discrete way so we can use him to the extent he can be effective. but we should give him only info we absolutely have to so he shouldn't be involved in any of our key projects.

4) we should really push to have small web teams to help ISVs do 32 bit win apps to counter IBM's M4 offensive. we need to get as much info out on the win 12 spec as possible to ISVs and customers. IBM is really painting this is paperware and 2.0 as here and now.

5) we should discredit IBM's ability to do PC OSS. they are using their experience in mainframe/main world as a real plus. we have to be careful how we do this but we should give the "facts" to our people in the field and at HQ who meet with customers, OEMS and ISVs.

LET A JOURNALIST WRITE AN ARTICLE OF HOW THEY HAVE FAILED OVER THE YEARS TO DELIVER ON TIME AT RIGHT PERFORMANCE. LET THEIR CUSTOMERS QUOTE ON THEIR PAST PERFORMANCE. THIS IS EASILY DONE.

6) we really need to build our support organization more rapidly. in the past the model has been that MS develops the product and IBM distributes and supports it with their customers. this model is broken. customers want to know how MS will support them. one fairly radical thought I had was to acquire someone like andersen consulting. I know there are cultural differences and other problems out thought I would throw it out. alternatively we could expand the relationship we already have with them to broaden the services we can offer customers and relate the perception of us as a service provider. this one of IBM's trump cards and we have to respond to it. bobmo probably has other interesting ideas along this line.

7) we need a spokesperson for our css strategy that can go head to head with joe g. he is single mindedly focused on making CS/2 succeed in the process I really think he wants to take MS down a few notches. we need someone with this same level of attention. billy and staveb need to stay focused on the development of our products. bobmo and I think Michael makes the most sense. he would work closely with nine and joni but he would be the spokesman. his experience and credibility with large corporates will help immensely. this will be crucial up to and even after the time we get NT out at least for awhile.

8) we need to aggressively pursue oems with doe/windows bundle deals as a preemptive strike against IBM.

THIS REMAINS OUR MAIN GOAL.

we obviously need to carefully think thru the pricing. if they have per system deals with us on windows now they will be hard pressed to do deals with us on 2.0. IBM will bundle on their systems and they will try to get us to bundle. this will be painful to us but we at least have the opportunity to recoup some of the lost reve thru win apps sales. IBM doesn't, at least today. IBM will have to pay us $235/system if they bundle CS/2 with windows on IBM systems ($1 + $204 of SRP) and $9 on their systems. this is whether or not we have delivered MAB. I don't think they figured this out yet based on the pricing they have supposedly offer before. we may want to consider a royalty free/cheap upgrade to 2.0 from win 2.0/CS if its as great as IBM says it is at ruining windows and the oems want it for their customers.

this would help keep oems and customers from going to 1.3 today to get
9. We really have to hype the benefits of 3.1 to counter IBM's "better windows than windows" since they will be running 1.0 married up to the 3.1 BDMI code. I'm not saying add more features because we really need to have this product ship as close to when they ship 2.0 as possible. I assume we will have some apps available to show off ON fairly soon after we ship 3.1.

Let us put on a roadmap and explain to CEOs what is coming and why they made the right decision. We can keep them excited!

I will schedule a viewing of Lee's demo and Bobbi will narrate. I also plan to invite Russ and systems product marketing people. Please feel free to invite anybody else from your groups you think appropriate. I will also have distributed to all of you the handouts from the meeting on Monday am.

We should have a meeting to decide exactly how we want to proceed on some/all of these/other issues. I will start to get one scheduled on your calendars unless I hear differently from you.