

From paulma Thu Jan 2 09:28:48 1992
 To: jonl mikemap
 Cc: jimall
 Subject: FW: thoughts about OSF
 Date: Sat Feb 10 23:22:09 PDT 1990
 Status: RO

Fwd at request of jimall...

>From jimall Fri Dec 27 18:28:39 1991
 To: billy paulma steveb
 Subject: thoughts about OSF

Date: Fri Dec 27 18:27:07 PDT 1991

Early this year we had talked about using DCE as our weapon against Novell. As we have discussed the problems with this are many. We don't control the technology, it is very costly to license the technology, and the technology is behind what Novell will have anyway shortly. I've concluded that our path to win is the open client architecture and embracing DCE, Novell, Artisoft, etc. while at the same time slowly dropping in integrated functionality as fast as possible. Further, we can raise the game to a new level through win4. Of course, this is in addition to hitting Novell from below with Sparta and making NT the competitor that OS/2 never was.

Given this strategy and OSF's position on pricing, etc. I do not think there is anything that can be done.

Getting people to port DCE server-side functionality to NT will also be problematic long term, but I think we should not discourage it now and use whatever carrots we have to get people to adopt NT. We should all be aware however that we will conflict with our partners eventually with win4. Through service providers on the client side and gateways on the server side we can potential work with anyone. However, the marketplace message will end up being confusing (For example, MS will end up promoting OSF with integrated DS support. We will want our partners to pick that up no different than any other piece of software from us.) The sad point is that if Novell delivers a quality 3.2, then DCE will matter much less than it does today.

Below is some old mail about OSF that details one conversation that I had with Tory on the subject.

jim

>From jimall Wed Oct 2 10:12:19 1991
 To: billy bobkr mikenash paulma steveb stevem
 Cc: jimall mikemur

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Subject: phone call with dave tory

Date: Wed Oct 02 10:12:10 PDT 1991

I had a long phone call with david on Monday. The purpose of the call was to clearly present the MS position on DCE licensing and our relationship with them on DCE. The highlights follow:

- I discussed our current plans: open client with plug in modules for components of DCE that we didn't support natively. Native support was RPC and Kerberos.
- Either we would work with another vendor to ensure that the other client pieces are developed for DCE interoperability or we will ship the client support ourselves. Even though not fully the truth, I told him that the decision on what we do depended on the price they give us for the client components. In reality I want DEC to do it no matter what -- doing it ourselves is the last fall back position.
- Their current price of \$6M/year reduced! to \$1M/year is silly. I told him that they weren't going to have enough market to make it without us and that they should be begging us to ship the client in our boxes. That way, they would have seeded demand in the marketplace for their server side components. He said that if they did this it would prevent Gradient, etc. from making a business in the PC space and that would be bad. My response was that no one was going to make a business out of the client support without demand on the server side using this approach and that no one was going to create that demand. In short, OSF was going to lose. It was a catch-22.
- We agreed that I was presenting a completely new business model to him than what they had planned for. He also told me how concerned he was about how they were doing. They need significant

dollars to keep going.

- He said he had to go away and think about it and we would talk again. He wanted me to tell him what price MS considered reasonable. I told him that it would be fixed -- not for a year but forever. He said... what do you mean... a couple hundred thousand dollars and I said that we would brainstorm about it. He really wanted a firm number. In order for a reasonable price they would want us to commit to ship DCE client support with most all systems. (I told him that would end up being a COGS issue.)

The next step should be for us to get on with the relationship with DEC and get it cemented. I am concerned that we're not making any progress on this.

Dave should be getting back to me about the concept I suggested. I don't hold much hope for it however.

We should also brainstorm about the price for DCE client support. For the right price I would license it even with DEC doing the work. It would help our RPC and Kerberos work.

jim

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