

From steveb Thu Jan 14 23:39:41 1993
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X-MSMail-WiseRemark: Microsoft Mail -- 3.0.623
From: Steve Ballmer <steveb@microsoft.com>
To: microsoft!billg microsoft!bradsi microsoft!collinsh microsoft!jeffr
microsoft!jonl microsoft!martyta microsoft!mikemap microsoft!paulma
microsoft!steveb wagged!wa.wagged.com!claire
Date: Thu, 14 Jan 93 14:18:00 PST
Subject: RE: OS/2
Cc: CLAIRE@wa.wagged.com microsoft!debbieh microsoft!julieg
PAMED@or.wagged.com

we should go ahead with the attempts at this effort for pr unless we
think it will make us look bad to the press we should not try to get
quoted ourselves so much let tohers tell the story sorry kelly I
think this will be ok

From: <CLAIRE@wa.wagged.com>
To: <microsoft!billg>; <microsoft!bradsi>; <microsoft!collinsh>;
<microsoft!jeffr>; <microsoft!jonl>; <microsoft!martyta>;
<microsoft!mikemap>; <microsoft!paulma>; <microsoft!steveb>
Cc: <PAMED@or.wagged.com>; <CLAIRE@wa.wagged.com>;
<microsoft!debbieh>; <microsoft!julieg>
Subject: FW: OS/2
Date: Wednesday, January 13, 1993 5:32PM

We have been given the objective by MS executives to get press coverage of
the deinstallation of OS/2. This week we developed enough of a story (that
is, independently verifiable source of info on the deinstallation procedure
IBM has in place, a help desk number and some "maverick" resellers) that we
have called PC Week, Infoworld, CRN and Computerworld. A separate piece of
mail is coming on editorial response so far.

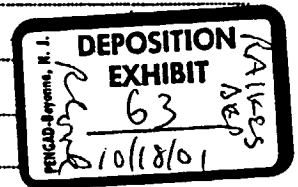
Separately Richard Barton sent mail (see below) that refers to internal
strife at IBM over OS/2 and suggesting that this might constitute additional
fodder for our PR effort to FUD OS/2. Kelly Wood replied that MS committed
not to make a lot of PR hay out of IBM's internal problems, in order not to
jeopardize future potential opportunities to sell Windows to IBM's PC
organization.

At this point I believe we need additional guidance before we go futher down
the road of discrediting IBM's OS/2 organization. Could we keep up the
pressure on the editorial community? How far do we go?
Have we considered the downside? What is the consensus out there.

Claire

From: Kelly Wood
To: richba; w-clairl
Cc: bradc; jefft; josephk; richt; scottsan; tonya; w-pama
Subject: RE: Paul Gillan and Brent Williams on Windows and OS/2
Date: 13 of January, 1993 10:17

very good perceptive observations by Richard and Claire. I would
encourage extreme caution however in how we publicly drive what Richard
points out as a real and growing wedge between Corrigan's charter to
move a lot of iron and Reiswig's desire to use him as a trojan horse.



Corrigan and BillG met at Comdex and there was a very clear understanding between the two of a ground rule that once the handcuffs were off between the PC Company and Microsoft, in terms of freely and openly talking to each other, that Microsoft would jeopardize the relationship if they made lots of PR hay. The handcuffs are finally off and we are at the beginning of some potentially fruitful talks. Hopefully those talks will produce tangible results (greater penetration of Windows and MS-DOS 6) on all the Brands.

If we use Corrigan to 'get at' Reiswig, the handcuffs will probably be put back on. We should probably be best to leave the press to make their own observations and stay on the PR high road.

From: Richard Barton
To: Claire Lematta
Cc: Brad Chase; Jeff Thiel; Joseph Krawczak; Kelly Wood; Richard Barton; Richard Tong; scottsan; Tony Audino; Pamela Austin (Waggener)
Subject: RE: Paul Gillan and Brent Williams on Windows and OS/2
Date: Tue, Jan 12, 1993 10:12PM

Claire,

I have no direct contacts at IBM. However, many people in MS do, and can help us support the argument (Tonya, Kellyw, Robcu [corp rep for PS/VP formerly ESD], ...). Also, there are several analysts that follow IBM's organization very closely including: Lee Levitt (IDC), Andrew Baul-Lewis (IDC), and Julie Schwartz (DQ/Ledgeway). Below are the 2nd hand signs that lead me to believe that the political tension is real and increasing. Crux issues:

- * Is OS/2 pre-install a hot issue at the Corrigan/Reiswig/Cannavino level?
 - Robcu had a "done deal" with IBM ESD (became PS/VP, now headed by Ozzy Osborne) for 100K+ units of Windows to be sold with the new PS/VP line. This got squashed "from above" just prior to the PS/VP's launch and the announcement of IBM's big reorg back in August. My assumption is that this came from Cannavino and Reiswig. This likely angered some.
 - We know from the above deal that Corrigan pays a royalty to Reiswig for PC-DOS and OS/2.

- * Does Corrigan feel pressure from customers, channel, and mgrs to lessen OS/2 support?

- Personnel from IBM's top resellers (BJ contractees) have told me that they de-install OS/2 on 50% or more of pre-installed machines (InaCom, MicroAge, ComputerLand, GTSI)
- We have had several accts either buy BJ or ask us how to get OS/2 off of IBM PCs: Diamler Benz (1700), Army (500), Hess (500 PS/VPs—"DOS Exchanged"), Arco (300), "law firm in boca" (200), Goodyear via Eggs (1K-2K), IDS Fin Svcs (bought 3K compaq prolineas instead of PS/2)
- Existence of "DOS Exchange" and "DOS & Windows Conversion" Kits
- Existence of "OS2DELETE" command on all pre-installed IBM systems

Let me know if you'd like me to give more detail. thanks,
Rich

From: <CLAIRE@wa.wagged.com>

do you have sources at IBM telling you these things or is this your surmise.

Its a good story.

From: Richard Barton
To: w-clairl
Cc: bradc; jefft; josephk; richba; richt; scottsan; w-pama
Subject: RE: Paul Gillan and Brent Williams on Windows and OS/2

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Date: 12 of January, 1993 17:36

Claire,

I believe that one powerful way to avoid this win vs. os/2 "religious" issue" and still help accomplish our counter-OS/2 PR goal, is to exploit and encourage the political tensions that exist at IBM between Corrigan's PC Co. and Reiswig's S/W Co. In the middle of a Hurricane of press on IBM's market value and the stability of Akers job, I'd think that the press would be hungry to print IBM politics stories. IBM is better news now than any other company in the world.

By far the best channel of distribution that IBM has for OS/2 is pre-installed on its PCs. This channel relies upon Corrigan's decision to "OEM" OS/2 from Reiswig (for which he pays a royalty). Corrigan is no doubt getting a lot of pressure from customers and mgrs to ship PCDOS (& Windows) on more than the c. 50% of its line that it does currently. This is evidenced by the existence of and demand for the "DOS exchange kit" and the "Dos & Windows Conversion Kit". The people that are pressuring Corrigan to keep shipping OS/2 are Reiswig and Cannavino (who've got a lot of political stock invested in OS/2. FYI: Cannavino recently got passed over for promotion to the sacred "Management Committee"). At some point, theoretically, Corrigan will say to the board, "If you've really given me power to own my own bottom line, and you really want me to increase shareholder value, I've got to make the OS decision, not Reiswig."

The more we can do from a PR perspective to raise the level of awareness of the DOS exchange kit and the Win & DOS conversion kit, the sooner Corrigan puts his foot down. I also think we're pressed for time here. If OS/2 2.1 is reviewed very well in May, Corrigan might start liking it. Thanks,
Rich

From: <CLAIRE@wa.wagged.com>

Both these guys are at MS today. Thought I'd pass on some comments made to me:

Had dinner with Paul Gillan Exec editor of Computerworld last night. He said he's grown weary of the insular nature of the computer industry in general—he thinks the industry has no sense of humor and gets too wrapped up in the "religious wars" like Windows vs OS/2. He commented that "Windows has won hands down, clearly. In terms of applications there is absolutely no comparison." He went on to ask me if I used OS/2. He said he has it on his machine and characterized it as "more powerful than Windows because it doesn't have the MS DOS heritage that hampers Windows." I brought up the point that we hear users are deinstalling OS/2 from their machines. Paul's viewpoint on this was it doesn't really matter because IBM provides the software for free, so it's up to the customer.

On a related front, Paul said that client/server computing is the hottest buzzword in MIS/IS corridors these days, but actual customer experience designing and setting up c/s systems has been horrific. We should explore how to get C/S implementations by our customers profiled in Computerworld. Additionally, our effort to describe C/S under Windows NT is important for this publication.

This morning I met with Brent Williams, the new PC software analyst for IDC,

replacing Nancy McSharry. He's formerly with Ingress where he was a C programmer for 8 years and then migrated to marketing, spent a brief time with a start up and then got the job at IDC. He prides himself on coming from a technical viewpoint. He said getting to valid OS numbers has gotten

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a
lot more complicated in the last year or so. PC shipments don't equate directly to the MS DOS number any longer. He said several interesting things:

1. The Unix analysts at IDC are really bullish on Windows NT. He himself is taking a much more skeptical, wait and see if they ship stable product, approach.

2. He brought up the 2 million OS/2 units shipped number and I mentioned deinstallation. He acknowledged that is happening, but said that he thinks that even if absolute OS/2 numbers don't go up that actual implementation will. He said IBM has strong account control still in many companies and they are actively pushing OS/2 on them. Also, the number of "rabid" OS/2 developers astounds him. He can't believe that there are developers this excited about the technology of an IBM product.

3. He is really taking a very wait and see attitude toward Windows NT.

Seems

convinced that the number of Windows NT SDKs is not that relevant because the actual number of companies doing development is less than the SDK ship rate. He thinks the system has potential to not be ready for prime time in the first release.

Some action items:

1. Get Paul Gillan and his reporters Windows based C/S solutions our customers have developed.

2. Consider conducting a survey of the Windows NT SDK purchasers to see what they are doing, plan to do, commercial vs. inhouse development and publish the results.

3. What was the history of VMS just after it shipped in the first release? Could this be a point to favor Windows NT being stable in the first release?

4. Think about doing a release on early NT adopters talking about their experience with the OS to help convince press/analysts that NT will be ready when it ships.

5. Do a really good job of announcing Windows 32s availability in the context of what this means for customers and Windows progress. Focus on customer benefit, not technical wizziness.

6. Do we have record of how many OS/2 applications were actually shipping when OS/2 1.0 shipped? When OS/2 2.0 shipped? It would be helpful to remind the press the scale of the pre-Windows NT enthusiasm and commitment. Memories are short.

I'll follow up on above.

Claire