Subject: Fwd: Microsoft Multimedia Delays
Sent: 1/24/97 5:27 PM
Received: 1/24/97 11:50 AM
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Subject: Fwd: Microsoft Multimedia Delays
Sent: 1/24/97 11:04 AM
Received: 1/24/97 10:18 AM
From: Fiona Lee, flee@apple.com
To   Apl Mitchell Weinstock, weinstoc@apple.com

Subject   Microsoft Multimedia Delays
Sent: 1/23/97 2:43 PM
Received   1/23/97 6:06 PM
From: Richard *Doherty, RDoherty@aol.com
To   Fiona *Lee, flee@apple.com

To: Competitive Analysis Team
From: Richard Doherty, The Envisioneering Group
Subject: Microsoft Delays Multimedia Day Yet Again; Developers Heeding Apple,
Intel Value Messages

The Situation:
Microsoft has postponed its key Fall/Winter Multimedia Developer event -
recently slated for next Tuesday in Redmond - for the third time in as
many
months

Microsoft initially set November 29th as their Judgment Day II (Judgment
Day
was the release of Active X) for IHVs, ISVs and content publishers. It
was
subsequently postponed to sometime in December. For three weeks now,
renamed

ActiveX day, it had been changed to January 28th in Redmond, WA. Now, it
has
been changed once again to an indeterminate date. It has been said that it
will be rescheduled within days, and certainly before the key Windows
hardware Engineering Conference (WinHEC) in April.

This slippage has angered many developers whose plans for demoing (and
getting internal budgeting and external financing/distribution) is based
upon
showing and being in the Microsoft limelight and media spotlight.

Behind the scenes, Microsoft's lofty ambitions for ActiveMovie 2.0 (a
fabrication conceived to attract DVD-ROM partners and co-engineering
financing) and NetShow streaming media are creating a massive internal
indecision chain at Microsoft.

For example, Microsoft pushes Windows NT 4.0 for multimedia authoring
despite
just one developer in three having device drivers for it. Indeed, all the
demonstrations we saw this winter at the CES involved NT 3.51 release, an
eighteen month old release which officially is dead. Microsoft has a
crisis
in device drivers for NT. They are counting on IHVs to do this and yet
IHVs
are not convinced NT 4.0 will ever fly in volume. This favors the QTML
architecture and MMX drivers for NT. That also gives Intel increasing
influence on title developers for Christmas 1997 and 1998 systems, and
Microsoft less influence.

In short, until Microsoft knows how much technology it will control from
DVD-ROM (ne: DVD-interactive) it is leery of opening up the architecture
of
ActiveMovie 1.X or 2.0 too much, lest Microsoft start losing control of
the
ActiveX/ActiveMovie architecture to clever third party ISVs and IHVs.

Envisioneering is not on the planning committee for WinHEC this year (as
we
have enjoyed in years past from our OEM Magazine relationship) but it
appears
that the "Designed for Windows 95" hardware certification program is also
lagging due to low and untalented resources. Certification fees pay for
underwriting the program, but developers such as Number Nine Computer (a
Mac
and Wintel hi-res graphics card maker) call the Microsoft test process
"lame."

Talisman developer messages are similarly delayed. It appears from
conversations we have had with key silicon vendors, that they are still
awaiting a demonstration that the Talisman whole delivers greater value
than
merely the sum of its silicon parts. The role of Talisman for broadband
and
physical media delivery has not been well enough defined: another reason
Microsoft keeps delaying its Multimedia Day.

The big picture: Microsoft wants to open its Kimono as little as possible

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to
developers until it knows what intellectual property it can secure from
DVD-ROM and DVD-interactive efforts as pillars of opportunity. Only then
can
Microsoft decide and articulate what it is willing to share with
developers
regarding its proprietary control of the "open" ActiveX effort. In
reality,
Microsoft senior management knows it has so little secured patent and
copyright proprietary intellectual property.ownership that it is at risk
for
losing architectural control over ActiveMovie technologies for physical,
broadband and IP delivered multimedia content generation, delivery and
playback.

Crisis/Opportunity:
Envisioneering's analysis suggests that developers want to have
demonstrable
titles and hardware for demonstration at Multimedia World, CeBit, the
Computer Game Developers Conference and finally, WinHEC. Deliverable cross
platform Apple multimedia, DVD and internet authoring benefit will count
here, not promises. Let   Microsoft deal with the developers they are
losing
in their own way: any delays favor Apple and Intel. Apple gains as it
gains
confidence with its own Mac OS/Apple Technologies roadmaps for Multimedia
and
Internet content generation, delivery and playback.

Developers are paying more attention to Apple Computer QuickTime and Intel
MMX messages than ever before. This is getting to be a hedge rather than a
revolt against Redmond.

Towards that end, a critical Achilles heel for Microsoft right now is
interoperability of multimedia hardware and device drivers in general.MMX
device driver leadership. Microsoft's mismanagement of device drivers for
Windows 95/97 and NT 4.X may be solved by third parties within the year.
Until then, the breadth of multimedia tools and cards for Apple solutions
is
a strong solution set to consider evoking.in managerial briefings,
industry
events and customer meetings.

Suggested Actions:
Consider allowing down the public criticism of Microsoft's ActiveX and
Active
Movie developer value propositions (and internal executive decision making
problems) and instead smile (as Intel MMX managers are doing) and continue
with business as usual, with new emphasis for cross platform QuickTime and
other strategic Apple technologies while Microsoft annoys Windows
developers.

Monitor the status of these delays in Microsoft streaming media and
multimedia delivery stratagems for consideration as Apple advantages in
the
messages being developed for MacWorld Tokyo, CeBit Hannover, the CGDC and
the

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WWDC.

Perhaps boldly consider an Apple developer station at WinHEC in April to
offer sanctuary and offer Apple Technologies and Mac OS/Rhapsody support
and
licensing info to developers anxious over Microsoft's ability to deliver
on
its multimedia promises.

Regards,
Rick Doherty