

From: Eric Rudder
 Sent: Monday, October 27, 1997 7:54 PM
 To: Steve Ballmer
 Cc: Bill Gates
 Subject: FW: steveb partner conference address 10/27

i thought you did really well today. yes, they were brutal, but not more so than i expected. the only thing that really surprised me wasn't technical -- it was how eager they were to start the biz. relationship; i expected them to sense an opportunity, but these guys are clearly beyond that point.

here are some quick comments:

- i thought the digital nervous system as a response to the "what is your intellectual framework, a la the three C's?" question was great. back when we had IAYF, *many* people could basically give this spiel to customers. i think less folks can clearly articulate what we mean by DNS. if this is a phrase we really want to sell, it's worth making sure more people understand the key elements.
- the idea on having a special designation for "collaborative specialist" has some appeal. i understand not wanting to create new programs, etc. but it would be nice if we can find some way to make these guys feel special.
- i think that MS Foo should just be what exchange is when you buy it standalone. the idea of more SKU's really bugs me, since i think we have too many already.
- i wonder if as part of the "Win64 cleanup" effort (or whatever we call this), we should take a hard look at notes' api set and figure out how our API's really map. (heck, i don't wonder abt this ... i think it's the only way we can really clear up some of the complexity we have for 6 ways of doing the same thing.) [btw, i really like some of the ideas that notes has for making all of their api's available as URL's ... we should think abt how we can use some of this along w. XML to unify some of the ASP vs. Business object stuff.]
- we should think hard abt "collaborating" with these guys -- by this i mean that we should do some sort of touchy/feely thing where we can collaborate as we keep in touch. we could set up a web site, or a news group or maybe even try to do some sort of exchange thing ... but i think these guys will respect us more if we use our collaboration technology to communicate with them. (notes made a strong initial push to set up relationships like this initially.) we need to get product group members to join this collaboration.
- the corba interop question still gets asked a lot; i wish we could be more definitive on this.
- i think we can make both the "IE is the hub" and "Outlook is the hub" camps happy. we should explain this w. pictures. it's always an HTML form that gets routed, but if you use outlook as the shell to view, you get a richer experience. (i have no idea what the richer experience really is, but i really do believe in the vision of "Outlook is the version of IE that you pay for." some possible things we don't offer for IE-only: the pivot abilities (IE only gets simple sorting), natl language interaction (IE is menus only), journaling (IE only gets simple history.)

i do think it's valuable for billg to see the videotape of this session, unless you're going to cover this in your 1:1 w. him tomorrow.

-eric

-----Original Message-----

From: Kavi Singh
 Sent: Monday, October 27, 1997 6:51 PM
 To: Rosa Garcia; Patrick Carroll; Mary Fenton-Lee; Peter Loforte; Brian Arbogast; Mark Ledson (Exchange); Jim Reitz (Exchange)
 Cc: Russell Stockdale; Rob Shurtleff (Exchange)
 Subject: steveb partner conference address 10/27

Attached below is a free form dump of notes i took in the front row as steveb fielded the notes partner audience today.
 Topline items:

- Steveb announced a new product tonite - MS FOO
- Exchange and Office are the strategic collaboration solution, with emphasis on Outlook as the client and broader/deeper office integration as the next step.
- Core technologies to integrate: DHTML, Datapages, OLEDB, SQL technologies, Easy biz object development
- Steveb talked about a "customer" business object in some detail, how that'd help a lot of ISVs if it were standardized
- Steveb positioned OWS as Office server extensions, as a component of the strategic collaboration solution
- Steveb committed to another session with the partners who sign up in 6 months

- Steveb committed to monthly training classes on exchange and office starting december, also promised that this training will count towards relevant certification (MS collab developer certification)
- We will never do interop work to make the notes client talk to the exchange store
- Steveb announced a school server SKU (or something like that)

objectives:

interactive, next steps for us and them, training, marketing investments for partners

Why Microsoft is the title/theme

Outlook and Office are strategic clients for collabn on win32 specifically

hydra for w31 mac etc.

office is importnt 'coz it contains of as well as by itself

exchg has done very well as an enterprise messaging system, med orgs, not too well yet as smaller bizs but we have a strategy there.

sometimes we loose to notes due to collaboration but then the issue is more complex, usage of collab with notes is suspect

goal is to open your eyes to the possibilities of exchange apps

how partners are made - field has the final say

SBS is a finest product of late, very upbeat on potential

what does the runtime envmt in not stand on mail accs look lke? - used slide on pc mkt segmenttion to address this

School server in next 12 mth - announced pdt

Is MS committed to the collab space?

we've not been straightforward on this issue, so we need to explain ourselves.

Part of the reson is that we as a company like to revel in complexity as a company, acronyms, options, etc...to some extent that's great but in this case it hurts us, we have confused partners and potential partners. What should I pick to train my people in? Want to straighten that out by the time this speech is done (yeah?)

We'll use lotus's definition for collab and thank them for it, no point confusing the issue. Used the lotus app taxonomy slide to say this. followed by bunch of case studies (rosamag slide)

Core collab products: office/outlook (not just outlook), nt server/exchange, stronger integration. Lots of airtime to office, office, office, word, excel, etc. outlook and access for tracking, different parts of office are impoirtant for different collab apps. Client of choice is OUTLOOK. On the server side, the answer is really EXCHANGE. We need to make sure that people can do deptt apps and deployments of exchange. **Office Server Extensions** to improve this collab environment, part of improving integration between exchange and office.

Q>> Lotus provides a good intellectual framework for groupware, what does Microsoft define as groupware. But you are just giving acronym soup.

A>> We want to take an independent view on collaboration, we want to take the fine work that lotus has done in defining groupware and relate our products to that vision. We don't need (probably) a new vision of this stuff, we perhaps need a better implementation, there are things we don't do as well as lotus in the old lotus defn of groupware itself. Rather we want to try and stay on point with the kinds of things that people do today (as defined by lotus more or less).

Q>> we actually want to ensure that ms understands collab issues

A>> why don't i present the product gaps presentation?

Q>> love your enthusiasm, but lotus talks about customer payoff, business problems, not hearing that.

A>> best way to start is digital nervous system, very important conceptual rallying point, samjad explained this, see, understand, react in addition to take action. computers grew up around production processes, but now we need to understand the value of companies absorbing info, track progress, make decisions, etc. That digital nervous system vision is what i would talk about to people who were not brainwashed by lotus. Communication, data analysis, tracking (projects, customers...), knowledge delivery includes training, line of business applications (execute these plans at the end of day), important databases = customers, pdt feedback, customer service, etc. these are all important components of the digital nervous system. We did this woth the cio summit and 10 of them wanted to get one rightaway. Sounds like lotus vision but its actually more than that. Sometimes it is unstructured, sometimes it is structured, sometimes it is files, sometimes it is mail, etc etc so forget about technology, focus on biz problems, talk about digital nervous systems and have it as

umbrella term for all this, incl. ecommerce and direct customer contact. Maybe we should have focused in this stuff with this set of people. What stands between you and us is not biz problems, any cust problems is solvable by ms technology, the crux is how do you do this in a low cost way and fast? That is why i am technology focused today. Not that you can't do exciting stuff, the issue is how to start with exchange and office and do certain kinds of apps, what is the integration strategy? will my investment last? can i expand out with my skill set? etc etc So agian - what are we doing to integrate and enhance exchange, office, etc.

Q>> makes sense, hear your focus, but the focus is on ms technology, the right q is whether this technology is the right one to fit that customer. Most poeple here are not notes devotees but feel that notes solve cust problems better. What scares me is that if i choose notes your enthusiasm will hurt me.....

A>> we know and admit to technology gaps in our pdt line, we know you will not be 100% ms when you leave this room, we want to help you understand how to best use our pdts, don't worry about enthusiaism turning on you, it will turn on the pdt development orgs..will admit that there are some apps that are better done on notes today...went on the discuss customer tracking, outlined how the eval process of exchg vs notes might look like.

Q>> collab is about listening, we are looking at ms solution for all sorts of things but not groups working with each other.

A>> give me a couple of cases

Q>> we can start there but we seem not to have communicated at the philosophy level

A>> what specific thing do you want me to do (words to that effect)

Q>> let's just use the framework; collab, commn, coordn. What pdts fit into what category?

Q>> what we need is a degree of honesty, you admitted to at least 1 app, on the other hand our solutions always integrate and use your pdts, understand and support the 3C's, but also understand txn procs and reporting, have to commend this co. for doing a good job in these, want ms to address specific weaknesses.

A>> We haven't done as much to improve our pdts and that is a problem, now that exchange is selling well, tensions has only gone up. Real issue is how to take next steps together...

Q>> uh, your DNS sounded like a miniature SAP, doing groupware apps as though they were infrastructure not apps...

A>> key is to provide a framework to get biz people more excited, folks don't understand why their companies own so many pcs, sense of value from pc is some cases is not that high, why does everyone need a computer? the dns concept helps explain the value of pc everywhere.

Q>> but our focus is on orgs which already understand pcs

A>> plenty of companies exist where they do not understand value of groupware despite having pcs etc. Ditzzy apps get all the attention, we re trying to make them more credible

Q>> forget the (words to this effect) groupware philosophy stuff, want to see my company grow, every client we do biz with mentions your pdt, you own the desktop, and i want to know how to grow my revenues on that fact.

A>> give me 4 slides and i will make that clear for you

Core technologies to integrate: DHTML, Datapages, OLEDB, SQL technologies, Easy biz object development. Gotta get these guys!

office and exchange are not fixed products, huge r&d pdts behind them.

DHTML is incredibly important, native file format for offc docs, forms, data binding from office

OLEDB, we are schizophrenic about databases, we will rally all storage behind oledb, crazy to have 2 data stores, over time we will have same store, but the api integration is important first.

biz objects - help standardize a few core objects - customer, get tht standardized across isvs

good ol' ODE slide, common forms and storage models,

Visual tools slide

Enhanced exchange store slide - focus on standalone deptt server, tech and mktg problem, content indexing in exchange store, document management has to work in exchange store,

key timeframes - exchg 5.5/ol98 || NT5, Off 9X, Exchg

our unique ability to add value is integration, offc, exchg, sql...

our goal is that office is it, ui of choice for collab apps, not very well integrated today, even if you use outlook.

Q>> don't like 3Cs etc. customers have specific problems, prefer to think of this all as just apps. Real pnlm is cost of development, customers think it is cheaper and easier to build solutions with notes, gateway guy gave 4 different ways to build apps, that's too complex managing a dev group. Need a MS solution developer that has a small set of tools and integrates all this functionality, want to use just one tool please, it is cheaper that wy, folks don't want to build big apps any more. folks want quick cheap apps

Q>> one of the beauties of notes is RAD, can get upto speed really fast, what we saw today is a steep learning curve.

A>> we perhapes erred in shwiing you too much. Our recommednation is narrow however. Message is to invest in OFFICE as a development platform. Show of hands - 40% people have developed to office

Q>> there are 100s of objects and complex and weird and no one tool. We need ONE tool to deal with all this

A>> 2 things about next verion of office - we lack vba in office, we need consistency of object models, forms envmt is different. We will fix all this and standardize forms envmt around dhtml/datapages, access does not talk to exchange, we need to fix that. Server extensions of office provide integration between office and exchange and nts doc management paradigms. Again, reco is OFFICE and EXCHANGE. Don't run off and train people on SQL, there are apps however which you cannot do with exchg and notes, so use SQL there

Q>> pushback - we always end up using SQL in real situations, exchg is weak...why sell exchange and office? why not just tell us to do SQL?

A>> ok ok ok , but over time exchange and office are the enhancement path, that IS the lightweight dev message, we are going to have to rev exchange and office for this. That is just a fact. Still cheap and dirty app means exchg/offc today and

we will keep enhancing the combo.

Q>> we have 2 camps here - 1600 consultants in the field, biz side loves you, but the groupware tech guys are religious about notes, they love the tools etc. The groupware market is driven by zealots (lots of debate whether this view is true). Some comment that the training message is not clear either.

Q>> want slide - 2 overlapping slides - one's notes, one's ms pdts, want to see overlap and non overlap, then decide where to go

Q>> ms has a lot of influence on IT technology, lotus was positioned a few years ago as the answer for smaller cos to do good IT, ms responded with exchange, 3 years have gone by, but exchange still doesn't do as good as notes, the ignorant believe in exchange, so....is this about ms selling more pdt or ms contributing to people collaborating.

A>> in my shoes that's got to be about both. There's got to be a higher moral calling....

Q>> there's got to be a win win with us and customer

A>> certainly true for you, but if they don't buy any of our pdt to do that.....office sells anyway, so we are asking whether we contribute to cusomer value? We measure contribution by whether you use our pdt. Your reco is for us to be quiet and get out of the way of other pdts, that's not a strategy reco we will take :-)) when customers choose notes we're sad because our pdt is not good enough, i am not going to quiet down on this, we're going to blow past notes on email seats i guarantee you and then help you use that infrastructure to do groupware with your help not injuroius to your customers, but in a way that helps us engage feedback into the exchange pdts...we know partners are not virgins, they use everybody's pdts, problem with you guys is that we are not engaged much.

Q>> so...what if your strategy was to allow notes clients to access exchg servers?

A>> NOT GONNA HAPPEN, (a) can't do it w/o lotus coop (b) hard work for both lotus and us (c) at the end of the day nobody will buy it...interop semantics are not guaranteed...it is a very hard problem, even lotus finds doing this bad for them,,,,,just don't see it in the cards.

Q>> hate "framing things", let's get back to biz, ms is a great ms orgn, and a great r&d group. will not challenge you, want to part of your wagon. Inconsistency i see is that I don't see how the hell I become a collab specialist for MS - how to navigate all the certification and training complexity? How to quickly ramp up training and skill base and make some money on it?

A>> BottomLine - specific call to action - (a) specialized training on office+exchange dev, will invite your people to take this training and prep them for office & exchange futures (b) let's go win biz together, we will share knowledge of people who are active on exchange and engage you with them, custs feel they get more mileage out of their infrastructure, and you make some money. don't want you to go sell greenfield exchange, want you to go add value in existing accounts.

Q>> WHEN is all this happening?

A>> first training week 1 and 2 in december (maryfl)

Q>> will that training contribute to certification?

A>> yes, we don't have certification figured out but promise that will happen

Q>> cute shot - we have seen how ms pdts collab together, how about focusing on the user? richt should talk about user problems, hw scheduling helps, just talk in a way that we understand, describe the process, we know how to choose and implement technologies, so...is MS looking for a notes killer? If so announce it, if not it is hard to sell collab based on ms technology cobbeware. I will keep selling notes integrated with exchange.

Q>> packaging, mktg, training should be around a biz need...not technology

A>> ANNOUNCED FOO - (WHAT THE HELL) - ELEMENTS OF EXCHANGE, SITE SERVER, SBS, OFFICE, etc. FOO looks a lot like exchange++, upgrade to exchange, new accounts will buy foo, ideal for deptt apps, not abandon exchange, just evolve it, and get over the positioning issues

Q>> If you certify 50 partners on foo today we will sell as much pdt as you ship

A>> done!!!!!!!!!!!!!!

Q>> want to be high status partners, not a second level creature, IBM treats us differently thn notes does

A>> member vs. partner is the only consistent distinction, defines the level of relationship, you make the training investment, we will comit the field to engage with you. But if you engage with you and you flip over to notes we will not deal with you again. But I just want to get started with training and go win some biz together.

Q>> how will we work with MS - what mechanism exists to hook us into ms mktg and pdt dev machines?

A>> this is well defined, conferences, meetings, email, visits....etc. are a stable proces today. ANOTHER SUCH SESSION IN 6 MONTHS, MORE TIME FOR NETWORKING WITH PDT DEV PEOPLE, MORE IN-DEPTH, ETC. ETC.

We will do this with people who have signed up really.

Q>> when we come back after 6 months you will try and cut us off from other companies

A>> if you worry too much don't engage, we live in a world where people don't do one thing only, we will of course try and get you deeper in with us, but if you think we are going to be nasty, (a) give me one more chance to talk you out of it (b) don't engage. we'll be sad but will respect your decisions

Q>> SHOW ME THE MONEY STEVEB

A>> Concrete commitment I will make is that we will do some marketing together, will pick some accounts in your geograph yand app specialty, and introduce you into that account, help you market your services into that account. We are reasonably good at doing co-marketing together. We will write that down if that makes you feel better. You get yourself trained we will put our time and money into marketing effort with you. Maryfl to remap tomorrow agenda to deal more with biz issues.

Q>> Notes is not going to go away, so want to talk about integration, esp. with JAVA, CORBA, we want to see MS support that

A>> Specific session tomrrow about interop in a notes envmt. Legacy data interop is already an understood product with our and others' pdts. COM and CORBA are hot issues, not on agenda tomorrw, but we know people want to invoke objects in space Y from space X. JAVA - we love the language not the platform, JAVA as a great language on windows and windows systems services, we are not supporting however, the middleware OS, we won't break it, but we won't support it. SUN is trying to pu twindows out of business and it'd be insane for us to help them. You should understand our behavior, we are here to popularize windows but won't get in your way if you want to do unix. we will interop but will not do sun's work for them, we will not be the freight for shipping sun's OS.

Final slides - Encourage Office and Exchange training as paths forward - as first points of engagement

COMMITMENT - WE WILL HOLD TRAINING MONTHLY, DEC, JAN, FEB...

Q>> ie4 ???

A>> just part of windows...but no local storage for example, outlook is where the high value is, browser is a lower level client, base OS services. Local storage, pre-packaged objects are extra in OL.

Q>> custs are saying i want this browser based

A>> yep, agree, sometimes reasons are less optimal but that's fine, we have done offline replication to some extent with ie4 and we will improve that, make it intelligent enough for scheduling etc is work for the future. Will improve integration between OL and ie4 to do all this.

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