

From jimall Mon Sep 9 11:09:33 1991
To: billg steveb
Cc: bradsi jonl mikemur paulma
Subject: winball
Date: Mon Sep 09 11:08:44 PDT 1991

The news on the street continues to confirm the IBM and Novell announcements this week. DRDOS 6, Novell bundling, SLRP, and IBM reselling DRDOS are the words. Still no real data on the details.

MS Response:

1. repackage DOS for PS/2's.
2. integrate Windows with DOS. Common install. Make it so that there is no reason to try DRDOS to get Windows. This is much more important than 1, given the OEM deals that Novell will try to do for DRDOS on the clone machines.
3. integrate winball with Windows 3.1.

I expect that you have already bought into 1 & 2. I want to discuss 3.

We must slow down Novell. The strongest action that we could take would be to include networking with Windows for essentially a zero uplift in price (maybe minor COGS uplift). As you said Bill, it has to be dramatic.

There is no secret that I think we should do this.

Now there's a new possibility being discussed. Since first conceived, Winball has turned into WinPlus with lots of other stuff dumped in. As I've told Steve I think that's a great idea. If you put in enough stuff then adding \$100 isn't too bad. Essentially, networking still is for zero. Customers are buying the "other stuff".

My concerns are time. Winball must be the critical path. It's very easy to say that nothing else will impact the shipment, but I don't buy it. Once you commit to this path, then documentation, testing, etc. gets moving and the probability of the integration time growing much larger is very real. (Nothing is for free.)

I wonder if we're still not trying to have our cake and eat it to. (Nothing wrong with trying...) We want a higher priced Windows package and see networking as one of the "other stuff" items we're throwing into it. This is a mistake I believe.

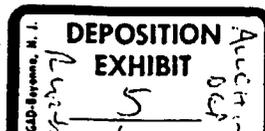
Another approach is to decouple networking from the "other stuff". If we want a WinPlus package, then let's create it -- but not have it tied to networking. Windows simply includes networking.

Perhaps, it's because I feel so strongly that we need to slow down Novell as soon as possible, that I'm willing to give up the "potential" revenue. (We do need to size the COGS for this.)

Net net: We must sell *lots* of Windows.

And we should not charge (much, if anything) for low end networking. We need to slaughter Novell before they get stronger.

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