From jimall Fri Jan 3 07:55:55 1992
To: billg carls jeffr kellyw mikemap paulma
Cc: steveb
Subject: Digitial letter
Date: Fri Jan 03 07:54:26 PDT 1992
Mail-Flags: 8000

We are about to send a letter to Digital outlining our
conclusions concerning DEC NAS and WOIA. It will be quite
direct and concrete with the summary being:

1. We will jointly promote one API set for Windows clients,
consisting of Win16, Win32, OLE, and Cairo components.

2. We will use the MS service provider architecture to make
available provider modules that can access NAS services from
Windows clients using the aforementioned APIs.

3. We will, for key applications, agree on file exchange
formats between MS application and NAS applications.

4. We will, for some services, also agree on the protocols to
be used to interoperate betweenMS desktops and Digitial NAS
servers; the client sides for these protocols will be shipped by
MS, the server sides will be shipped by Digital.

We outline precisely the APIs, Service Providers, and protocols
that we believe we should agreed to and any follow up action.

We do not suggest that we "merge CDA and OLE" or any of the
other hundred rat holes that could be entered. So, it may raise
some issues like that.-- After hearing about NAS I would find it
quite surprising if they don't agree to our plan, however.
We're not asking them to change any direction they are currently
on -- just to include our world in theirs. Long term I can't
imagine their current world surviving so I frankly think we are
helping their future.

The letter should leave here early next week. You all will be
copied.

jim

From carls Thu Jan 2 19:23:39 1992
To: billg jeffr jimall kellyw mikemap paulma
Cc: steveb
Subject: Digital Exec Meeting, Dec 13 1991
Date: Thu, 02 Jan 92 19:21:14 PST
Mail-Flags: 0000

Digital Exec Meeting Dec 13 1991

Digital Attendees:	Microsoft Attendees:
Bill Strecker	Bill Gates
David Stone	Paul Maritz
Grant Saviers	Jim Allchin
Jeff Schriesheim	Jeff Raikes
Jeff Rudy	Kelly Wood
Bob Supnik	Carl Stork

Summary

Both MS & Digital presented their key strategies for the
next 3-5 years. We obviously focused on extending Windows
in many areas and introducing the "Windows Open x Architecture".

Digital presently has $14 B in revenue, of which $10 B is
related directly to proprietary hardware, $2.5 B is
"commodity" products and $1.5 B is systems integration.
Dividing it into products vs. service, $8.3 B is products
and an amazing $5.6 B is service, of which $4.7 B is hardware
service revenue. Digital realizes that the revenues related
to proprietary hardware are going to evaporate, or at least
approach commodity pricing/profitability; their key strategic
issue is how to manage this transition. They want to sell
"standard products" profitably, and then to sell solutions
(systems and system integration services) also profitably.

Digital views their key competitive advantage to be
networking competency and technology--they are the people
that can network diverse systems together and they have
the products/technology as well as the knowledge to do it.
They are also trying to build a common software environment
so that all of their tools (applications) will run on any
underlying hardware, including Unix, VMS and Mac as well
as PCs. So their strategy is to be across all platforms.
Stone said he is now doing all his new development in
an OSF environment and then plans to port to other OSs
including VMS.

We proposed that Digital really embrace Windows as the key
client/desktop environment, that they define Windows
as part of NAS, that they position themselves as the
Windows integration company. We also proposed that NAS
somehow fit into the "Windows Open Network/Info ARchitecture."
They really did not respond to any of this.

Digital showed us a system running with the alpha chip.
This was a PC-style system, they claim it can be built
for PC-style prices. I don't recall what frequency it
is running at but I believe it was around 80-100 MHz.
Supnik said that they have had alpha running up to 175 MHz
using only a heat sink and fan for cooling. He says that
in a PC-style system it reaches 100 SPECmarks. It is clear
that there is a lot of corporate pride tied up in alpha;
supporting alpha and working with them will help us to
get a broader commitment from Digital to Microsoft products.
In fact, they pretty much said that VMS is a dead technology,
that will never go to 64-bits. And the next implementation of
VMS will be made on a microkernel--either OSF's or ours.
Digital's plans for alpha are not yet clear or thought
through--they say that they want to make it an open
architecture; we clearly carry a lot of weight in helping
to make it succeed via support by our apps and evangelizing
it to ISVs if we decide that is the right thing to do.
(Alpha announcement is planned for February.)

We made the following chart of follow-ups and designated
people. Digital said that they would refine and fill in
their column in January. Please send me any comments

·on the below, I would like to send it to Strecker early next week. This is clearly a lot of stuff, and I think we need to pick a couple of areas to really follow up.

Item	Microsoft	Digital
1. NT on Alpha	Paul Maritz Carl Stork Kelly Wood	Tech-Schriesheim/Schreiber Bus--Supnik/Demmer Strecker to define
2. Windows & NT on all DEC desktops x86, mips, alpha	Kelly Wood	?
3. Opportunity for Windows Plus and NT on DEC servers (Issue: loss of Pathworks revenue)	Paul Maritz Jim Allchin	?
4. MS Network products and DEC systems/network management	Paul Maritz Jim Allchin	David Stone Hans Guilstrom
5. WONA + NAS -- How to align the 2 architectures, including APIs SPIs, protocols	Paul Maritz Jim Allchin TBD	David Stone Hans Guilstrom ?
6. Announcement and Marketing for WONA + NAS alignment, (also for alpha announcement, DECworld in April)	Jeff Raikes	David Stone Jeff Rudy
7. How to position/sell MS & DEC apps vs. Notes	Carl Stork Kelly Wood	Grant Saviers
8. License for Windows NT	Dwayne Walker	Chuck Rozwat
9. Review of DEC Database	Kelly Wood	?
10. Set up quarterly Exec Review	Kelly Wood	?
11. Develop 3-tier model of sales, support channels, 5-continent support		
12. Set Up Marketing/Business Strategy Team	Kelly Wood	?
13. Establish a direct (secure) net/mail connection	Carl Stork	?
14. Review object-oriented programming environment	Jeff Harberg	?
15. Mail client convergence	Jeff Raikes	Jeff Rudy
16. POSIX/XPG3 Subsystem on NT General NT standards compliance	Carl Stork	?
17. Packaged Pathworks Server on NT	Carl Stork	?
18. VMS Subsystem on NT	Carl Stork	?
19. AFP - Apple File Protocol for NT	who? ?	
20. Post-mortem on lost Navy deal	who?	?
21. Plan for how DEC & MS can cooperate to sell against Novell	Paul Maritz	?

From ronsou Fri Jan 3 15:34:25 1992
To: paulle
Cc: edwardj jeffr jimall mikemap
Subject: RE: FW: Re: Digital letter
Date: Fri, 03 Jan 92 15:31:54 PST
Mail-Flags: 0000

Re: database: I talked to RonSou about the database stuff: he told me DEC is do
>from TDS (Tabular Data Stream, our format) to RDA. Is TJIS another name
for the same thing?

Subject: Re: Far East Excel
Cc: mikemap
Date: Tue Jan 21 10:33:33 1992
Mail-Flags: 0000

I guess we have to decide who to listen. The lead developers
for this project, Barry McCord and (I'm told second hand)
Tomas Paule, feel there is risk. I have checked with Mike Koss
who has the most experience of anyone on this stuff and he
agrees. The guys who will test the .exe file concur. My
inclination is to go with the people who have the most
critical roles. It seems to me that that the development
lead and testing lead are those people.

We can do either. I just have less confidence that we can
meet October with the Japanese versions if we try to do
Korean first. I don't feel the risk makes sense.

Pete

From peteh Thu Jan 30 08:20:26 1992
To: billg mikemap
Subject: DEMO '92 SS Shootout
Date: Thu Jan 30 08:20:22 1992
Mail-Flags: 0000

This is long but pretty complete analysis of what happened.
Bottom line is that Excel and QPro are both good products--each
has some unique strengths. Lotus is way behind.

I sure hate to lose this kind of thing, but I think we achieved
our objective of getting people excited about Excel 4.0.
Rafe Needleman from InfoWorld came up and said he was very
impressed as did the PC Week guy. OThers like Vern Raburn
were quick to come and tell us they thought we should have won.

>From w-maria Thu Jan 30 07:08:06 1992
To: billj joanmo markk pinckney
Subject: Demo '92
Cc: hankv martyta peteh w-maria xlpr
Date: Thu Jan 30 06:55:35 1992

Hankv asked me to send mail on how it went yesterday. As you may know
Excel 4 did *not* win the demo off. Mikecon did an outstanding job
and you should know that there were several points in his demo when
the audience clapped or murmured in appreciation (autoformat, the summary
chart in Scenario Manager, for example). The product showed incredible
polish and depth and many people told us later how great it looks -- a
few said it looks better, you guys have the better product. The method
for collecting audience feedback was this applause-o-meter thing
reminiscnet of those things you pound at carnivals. We realized that
they were sensitive to high frequency and Borland had several whistlers
who were able to influence it upward. I don't think there was a sense
by anyoone that there was a clear winner, but the Quattro demo was very
flashy and the audience appreciated things like the ability to do
wash backgrounds on buttons and back walls of 3-D charts. They have
these slider things that do the same as our graphical goal seek.
Another surprise for us is that they do drag and drop. I know Hank

and Pete will be able to give more detailed notes on what they saw in the demo. We did not show workbooks or crosstabs but Mikecon did end up showign slide show in the rebuttal since Borland made a big deal out of this. We know that Borland was surprised by what they saw and Hankv said Steve Kahn (Borland guy) looked a bit shell-shocked even in the face of winning this.

There is an off chance that Borland will do something obnoxious like publicize that they won this. I think this could backfire since people like Jay Singh of PC Week himself sai d"there was something funny about that meter thing" and people rushed up to us after the demo and said wow. In contrast Lotus just did badly. They came in last on every category; Jeff Beir lamely talked about being the only shipping product but they just looked really really bad. Mikecon really took the wind out of their sales with a great demo of consolidation which positioned 3D as inferior -- and it was really clear. I think this was the one where they thought they would have their best chance.

It was very hard to lose this in that it feels that the better product did not win. However we should be aware that QP/Win is a very very strong product. I believe some editors will like it better than Excel 4 if we are not really vigilant at pointing out features that QP simply doesn't have that show the maturity of the product and its depth and breadth. Mikecon summed up an interesting way to position QP: Wingz without bugs. A product manager told him by the way that Borland is shooting for May. I think their dbms products will be farther behind than that.

We talked about whether this was the right thing to do and we believe it definitely was. Borland skated in feeling that they would just blow this away. They had hats and t-shirts and cardboard megaphones placed at every seat. They hosted a cocktail reception the night before and had banners talking about "Borland being the RIGHT choice" Their entire collective corporate ego is tied up in having better products. However I believe we showed that we had not been leapfrogged. They could no longer own right mouse button, they can't own drag .and drop, they can't really claim technology leadership. They CAN be proud since they are showing an excellent product; it is scary to think that this is version 1.0. And they have a product that demos incredibly well as we definitely witnessed. However we will be out first. And we have features by the. score -- whole capabilities -- that they won't support. I think editors will say that Excel 4 will frustrate Borland's plans to claim ownership of innovation for this category.

If you are asked about this it's important to remember that the same demo-off format produced a winner in WfW. So you have to be careful in saying this is a silly exercise. However it is worth saying that QP is a product that is born to be demoed; even point out that we have lost to Wingz in isolated user group shootouts before and all of us (including our compeittors) know that these aren't hard core evaluations, nor are they designed to necessarily draw out features the way customers would view them. This was a fun way for us to show some of the great stuff coming in Excel 4 (point out that we held back on some key features) and we're looking forward to competing with QP in the market. We'll see -- maybe interest in QP/W is peaking early and by the time it ships Excel 4 will already be out and considered a winner.

Meantime we realize that there are some ways we can compete with the QP demo. It's very clear how they will position their product and we have more info than ever about how to position against them. I will say

that we should make it a point to develop a "can't-lose" demo for these competitive situations. This exercise actually produced some great ideas for demoing Excel 4 features that will be very useful for us as we work with press and analysts.

These are "morning after" thoughts. This format was apparently very successful and I think Stewart will use it again (no guarantee spreadsheets will be the focus again for a while.) We now know that we should all learn to whistle (mikecon can but naturally was disqualified from cheering for his product -- he was of course whistling it up for WfW) and look forwared to a tough -- but winnable -- battle against QP for perceptual leadership. Lotus -- clearly still an issue in the market but with influentials, no way. They did show Chronicle in an earlier demo but we have some ammunition for this around the corner in Scenario Manager (they have some nice features that we do not, but this is not the multi-user technology they are positioning it as).

Monicah may wish to add some thoughts. Marianne

P.S. I shold add that being MS was an issue. We won the WfW thing, Pete/jeffr/hankv/one other non-MS guy even won the GOLF tournament on Sunday (receiving the most tepid applause you can imagine when they picked up their awards) so I think the audience is not necessarily helping us...I am sure if we had won Borland's argument would have been that we had more people planted in the audience...

From chrisgr Mon Jan 27 11:48:33 1992
To: billg
Cc: aarong abumgrs edf mikemap
Subject: RE: Walden
Date: Mon Jan 27 11:48:32 PDT 1992
Mail-Flags: 0000

See comments below on Walden and our future UI.

Regarding Chronicle, I have also included some comments on design of the the Excel 4 Scenario Manager.

- Chris

>From   billg Mon Jan 27 07:36:47 1992
To: peteh
Cc: abumgrs, edf, mikemap, aarong
Subject: Walden

Date: Mon, 27 Jan 92 7:34:44 PST

Walden must be the new rewrite that Manzi mentioned to Sherlund. Based on the PC week dialog boxes I am impressed with the user interface clean up they are doing.

>>> Walden looks a lot like a compilation of ideas taken from Excel 3 & 4 and Quattro Pro/W. Not very original except in the details. We should try to position is as such.

I think we should consider
having the "infobox" turn into a property sheet with all properties for cells, columns, sheets etc. I have always thought this interface was superior - the coexistence issue is tough but Lotus will have that

as much as we do.

>>> I definitely agree. I think one of the key UI areas to focus on for Excel 5 and Pyramid (and Win 4, as well as other products) are property inspectors. In general I think that the popup menu of an object should evolve to containing a Properties command, plus other non-property verbs. I would have liked to do it for Excel 4, but it had to be punted as being too costly both in design time and development. This is a very important part of the future UI that needs to be thought through carefully and thoroughly usability tested.

>>> I think the backward consistencey issues can be handled, and it should not be a problem for users to evolve from our current popup menus to property inspectors.

>>> It may be a good idea at the appropriate time to take the initiative on property inspectors by publicly including them in our discussions with ISVs on the Win 4 UI. We'd have to handle this carefully so that we don't make the Excel 4 UI appear obsolete.

>>> We might say that we didn't include property inspectors in Excel 4 because we knew that they would be a key part of the future standard UI, and we didn't want to set a standard by including it in Excel until the details were worked out. However, by including popup menus containing the normal menu commands for properties we brought users the benefits of popup property inspectors without building to much UI that would have to change. We might even say that we waited on property insectors because we intended to be open about them and consult other ISVs before doing them.

The ideal would be if we get excel recognized for the innovations it has and remind people of the gap between us and Lotus and even Borland. Then we can get focused on excel 5 with capsules (reconcilied with macroman somehow), data pivoting, visual selection (a feature I keep meaning to write up - basicly being able to use a drawing selection to select cells or a cell selection to select or color or do other operations on part of a drawing - most people think about this as "mapping" related but its far more important and powerful than that), and more and get it out in about the same time frame as walden. I would be amazed if they ship it much before mid-93 unless they have had a team secretly working away.

>>> I agree. I doubt if Lotus is very far along on Walden, I doubt they could release anything very good before mid '93. Excel 5 should be out in the same time frame.

>>> I also think Excel 4 can be positioned as having almost the features of Walden, and and yet available more than a year sooner. We should be able to capitalize on that. i.e. We should say that Lotus has endorsed many of Excel 4's features by including them in their grand future vision: but we have them now.

I am anxious to hear about chronicle - I assume it is being shown at Demo this week.

>>> Here are some comments on the status of our Scenario Manager:
>>> I think our Scenario Manager will compare favorably with the first version of Chronicle, if my interpretation of Esther Dyson's description of Chronicle is correct. It seemed like it was coming in two stages: a simple scenario manager that would manage a single user's list of multiple

scenarios in a sheet, and a more advanced version that would manage
scenarios of multiple users, and which would work over a network using
notes.

>>> Our Scenario Manager allows the user to define a set of scenarios on a
single set of "changing cells" on a sheet. We don't support multiple
"scenario sets" as appears to be promised for a future version of
Chronicle. This certainly would be useful and would fit into our
conceptual structure, but there's no way we could have add it in time for
Excel 4.

>>> We recently added the ability to automatically store the user's name
who created each scenario (from Excel.ini) and the creation date of each
scenario. We added this feature at the last minute because it appeared
that Chronicle would do it, although it will also be very useful to
customers. The creator/date information is reported on the scenario
summary table. This is not yet in the version available from the
\\excel\msbeta server.

>>> We thought hard about whether we could change Scenario Manager to be
controlled off a table on a real sheet rather than off a modeless dialog.
However, we decided that we should not try to do it for Excel 4. Our
Scenario manager can produce a nicely formatted scenario summary table on
a sheet.

>>> We investigated whether we could make the summary table have controls
on it, making it an alternative interface for scenario manager. This
certainly could have made it more powerful and flexible, but I think we
would have confused users by presenting two user interfaces for Scenario
manager.

>>> The the on-sheet interface had problems that made it unsuitabe as the
only interface. For example, with a modeless dialog as the scenario UI,
it is possible to flip between scenarios by selecting them in a list and
pressing the "Show" button. The dialog floats above the sheet and can be
moved as necessary. If the main way of selecting scenarios were by
clicking buttons on the "scenario manager table" in a different part of a
sheet, it would not have been easy to view and scroll around the model
sheet while pressing buttons on the scenario table. There were also
problems of managing links between the scenario summary table and the
model sheet. Another problem was the conflicts of appropriate column
widths or row heights that would have resulted if we tried to put the
Scenario Manager summmary sheet on the same sheet as the model. (Putting
it on a different sheet would have caused link tracking problems.) For
these and other reasons including limited time and resources we decided to
reconsider this type of extension for Excel 5.

>>> The current scenario manager design evolved as we developed and
usability tested and it, has proved to be very easily understood and
popular with usability testers. I think we'll get a lot of impact from it
considering it was a low budget "bonus" feature, written as an addin. I
am optimistic that it will be a good answer to Chronicle, even though we
knew nothing about Chronicle when we conceived it, and there are many
enhancements I'd like to make for Excel 5.

- Chris

From hankv Fri Jan 31 15:11:07 1992
To: mikemap peteh
Cc: lewisl

well, like Works, Excel 3 and Windows. the bottom line is:

a) the mission of the FE lab is a bit different from the December proposal. It will continue to localize products for Japan and it will own the DBCS product specification (and work with the business unit on spec and implementation issues)

b) the goal is to have one, worldwide source code base, for SBCS and DBCS products, except for Windows and Wordprocessing.

c) the FE Lab (KK) will release adaptation kits to TC and CH for Windows and Wordprocesssing.

d) i need to establish a development group in TC (in process as we migrate some PBU engineers to the sub itself)

e) there needs to be an increase of program management resources in two places....in the product divisions and in the subs, to make this process really work. (and a decrease in the resource in the Redmond based FE product group)

f) KK needs to become more active in sending engineers to Redmond to work with product teams and to inform/evangelize on DBCS programming.

bill and i discussed having about 3 DBCS program managers in each product division and transitioning some of the existing FEPD program managers to do this.

i would like to present the whole thing to you and to discuss the staffing of DBCS program managers in your divisions soon.

From billg Sat Jun 1 16:22:49 1991
To: jeremybu mikehal mikemap
Subject: Apps pricing to OEMs
Date: Sat Jun 1 16:22:42 1991
Mail-Flags: 0000

I agree with Jeremy on this. For example the DAK deal was a clear win but our guidelines and even a direct appeal to every level below me didnt allow that deal to be done. —

The factors to weigh in these deals are: visibility - advertising, exposure to the product by the customers, length of the bundle, prevention of unbundling and support. If we did a very extensive deal we would have to worry about channel reaction but no 6 month deal with a non-IBM or Compaq manufacturer would create a problem.

I would like to be able to offer office for bundling at $100 and DOS word at $25 and a high end windows application at $70. I would like prices like these to be available on the price list.

I am actually suprised that LOTUS is being so agressive - we wont be able to match their $29 for a high end windows application ever. The opportunity cost and the support cost are just too much to get that low for a flagship application.

From susanb Mon Jun 17 11:51:13 1991
To: mikemap

that we were not "honoring" the agmt we made with him. His
July catalog featured Winword on the cover - so this made him
even more upset (that he invested in promoting winword when
his customers can buy it direct from us at a super cheap price).

The only way we could appease him was to relieve him of the $10
during the time of the promotion. Fade signed off on this amendment
but he wanted me to be sure and let you know why we had to
do this.

Pls let me know if you have any questions. Ill be
back in the office January 2nd.

kathleen

Mail-Flags: 0001
From mikemap Wed Jan 01 14:50:41 1992
To: billg
Cc: aarong chrisp darrylr jeffr julieg nathanm peteh
Subject: Re: Jobs/NEXT
Date: Wed, 01 Jan 92 14:50:40 PST

Peteh and Darrylr are looking at doing the same thing with the
Insignat product. Darrylr and Pete what is the status?

>From billg Thu Jan 2 12:59:51 1992
Subject: Jobs/NEXT
To: julieg, chrisp, mikemap
Date: Thu, 2 Jan 92 12:59:45 PST
Cc: jeffr, peteh, nathanm, aarong

Steve called me today and said that a small developer who is doing
a mac emulator started out by taking one specific application and
making sure they emulate the calls it makes perfectly so they took
mac word (probably version 4) and got it running on the NEXT box.
Steve said he saw it briefly and it looks pretty good. He didnt have
the persons name at hand but said he would call julieg and leave the
name. I said that Chrisp would be the one to follow up with a call
and get a chance to see this stuff.

Its worth a little effort to look into. If it looks good then we would
want to also get at least excel done and have it work with the latest
version. I see this as very similar to our situation with SUN - competitors
are positioning us as not being open and perhaps with a small amount
of effort we can prove we are open minded and trying to accomodate people
who have a minority population of these machines.

My view of NEXTs volume has not changed - I dont think they will do very
well, so this would have to be very low effort for us. We wont really want
someone else selling our SKU though so it might be tricky. Maybe steve jobs
would pay these guys to include their code with his machine or we would
somehow determine the number of people who use this and we would pay them
based on this number.

Is there someone looking into this for the SUN machine? I thought we discussed
having someone followup on that.