Windows Launch Review

November 21, 1997

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GOVERNMENT
EXHIBIT
1371

Agenda

- Windows 98 Launch
  - Positioning, Pricing, Launch Options
- NTW 4.0 Push
  - NTW 4.0 Rolling Thunder Plan
- NTW 5.0 Pre-launch
  - Product feedback from key accounts
  - Block and tackle prep to get the market ready for NT 5
- NC Update
  - Intel "lean client" spec
  - NC is Dead Tour

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Windows 98 Launch Objectives

- Upgrade 5% of the Win98 capable WW installed base within 12 months = 4.4M units FG (vs. 15% penetration w/Win 95 or 8.3M units)
  - Get 30%+ attach with new generation peripherals
  - Must RTM by end of May to ensure W98 is on 80% of the fall consumer PC lines WW
  - Penetrate 16% of W98 capable US home computers (486/16) = 2.1M units (compares to 25% for W95=2.7M units, capable defined as 486/8)
- Position Win98 as an exciting upgrade for consumers, and a smart upgrade for businesses that cannot go to NT.
  - Move creative emphasis for Win98 to CONSUMER, as NTW moves over even *stronger* emphasis on BUSINESS.
- Prepare the market and customers for a June/July launch and a major fall promotion by educating 250K IEUs on the benefits of upgrading to Win 98.
  - Consumer Preview (n=100k); PC User Group Tour/MS Extreme (15-20k); Reviewers Workshop, channel training.
  - Drive a January "Win98 Marketing Day" for 500 OEMs, IHVs, ISVs, & Resellers

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Windows 98

Consumer Messaging

"Works better, Plays better"

	Works better	Plays better	
'Tune in'	Internet	Entertainment	'Time out'
'Tune up'	Upgrades	Accessories	'Plug in'

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Windows 98

Corporate Messaging

"A smart upgrade if you CAN'T go to NTW"

- Allows corporate customers to standardize on a single version of Windows 9x
- Reduces IT technical support effort significantly (up to 35% compared to Win95)*
- Cut deployment costs over Win95 (up to 22%)*
- In addition Windows 98 offers
  - Support for latest hardware innovations (USB, ACPI, DVD, etc)
  - Fastest version of Windows running IE4
  - Performance improvements over Windows 95 (app launch/shutdown)

* Preliminary figures from PSS & Mktg. Will validate with 3rd party analyst.

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Win98 Pricing Proposal:
$86 to disti, MFR at $89 (no change from Win95)

- Pros:
  - Protects OEM business
  - Optimizes revenue vs. penetration: ($310 M delta)
    - We risk losing $210M in DSP if we price at $49
    - FG Revenue increases by $100M if we charge $89: ($400M @ $89 vs. $300M $49)
  - Easier to support today's NTW 4 street price of $289 (versus $49).
  - A $49 price-point could set new expectations about the value of an OS, and decrease our ability to charge a premium for NT-C.
  - Simplest channel execution with 1 box and 1 price
- Cons:
  - Analysts/press may ding us for a bad value proposition
- Final decision based on Beta 3 feedback (1/15)

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Windows 98 Launch Options

- Standard Trade Show Event (Windows World, PC Expo, etc.)
  - Bill/Paul Keynote, $250k.
  - Probably under delivering given consumer impact.
- Standalone Event
  - Bill/Paul Keynote + Partner support, $500k+.
  - May get reviewed against Win95 and obviously pail in comparison.
- Creative, "Consumerish" Launch
  - Possibilities:
    - Launch on Daytime Talk Show (Rosie, Oprah) or Primetime Sitcom (Home Improvement, Frasier, Friends, etc) or MTV/VH1.
    - Launch at a school or university highlighting the "Web Lifestyle"
    - Launch in a home environment (ie, run a contest, pick a family), focusing on how Win98 makes your life easier. Can combine with MTV/VH1 idea above.
  - In any scenario, we can:
    - Announce RTM at Windows World with great partner support on floor.
    - Follow up with Channel events focusing on IHV/ISV co-marketing
- Recommend: Move forward with spec'ing out option 3

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NTW 4.0 Push

Go from 8% to >15% FY 98

- OEM Drive
  - NTW shipments: 1% of OS mix in Q1FY97 to 8% in Q1FY98
  - OEM product introductions signaling shift - Compaq, DEC, Dell, HP, IBM
  - System Builder focus started
  - Joachim/Bengt OEM Executive Blitz
- Corporate Push
  - EBC, Keynotes, Comdex, TSBs, District Tours
- PR Rolling Thunder
  - Ongoing OEM press announcements
  - Comdex Momentum Release - Over 11 Million units shipped
- Joint Ad Blitz
  - Ad campaign kicked off to drive demand
  - Multiply advertising reach through OEMs
- Stepping stone to NTW 5.0
  - Full Client "Push"

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NTW 4.0 Rolling Thunder

- Drive NTW 4.0 shift:
  - Reinforcing NTW 4.0 business proposition
  - Highlighting OEM momentum and business adoption
  - Addressing barriers and preparing market for NTW 5.0
- **January** - Address barriers, reinforce business proposition, highlight momentum
  - NTW Analyst Tour
  - Full Client "Push", Announce PC Buyer's Program
  - NTW System Builder Event
  - Zona Press Release - NTW support for +80% of legacy LOB apps
- **February** - Highlight broad business adoption
  - NTW Spring Ad Campaign
- **March** - Address Barriers, prepare market for NTW 5.0
  - CEBIT, March 19-25th
  - WinHEC, March 25-27
- **April** - Reinforce business proposition at Windows World
- **May** - Reinforce business proposition, prepare market for NTW 5 migration
  - PC Buyer's Conference,. Buy Big (TBD - standalone event or at PC Expo in June)
- **June** - Highlight OEM momentum and business adoption, prepare market for NTW 5.0 migration
  - PC Expo, June 17th - Own the show

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Full Client Push

- Objective: Accelerate market readiness for full client NTW 5.0 ready machines
- Communicate
  - Powerful NTW 4.0 ready machines are the right choice today - Thin is niche, full is mainstream
  - Highlight operating system and software technology roadmap and need for powerful machines
    - Showcase Microsoft Research (Speech Recognition), Office 9
  - Memory and microprocessor costs dropping - buy for the sweet spot
- Influence and empower PC purchasing decision makers to make the right decision by:
  - Press and industry analyst tour - January/February
  - Windows Partner Series "Business class PC" - February
  - Delivering PC Buyer's Program
    - Web site, white paper, advisory council, conference

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NTW 5.0 Pre-Launch Objectives

- Lay the foundation to grow NTW to a $2B business.
  - Upgrade 20% of NTW4 base & 10% of the capable (P32+) Win9x base within 12 months = 6.5M units FG WW.
    - Ensure top 20 OEMs ship NTW5 as default OS on their business line w/in 90 days of launch
    - Drive aggressive pricing and licensing programs to shift the platform to NTW 5.0
  - Stretch goal = $2.3B if OEM reaches 60% mix on business PCs.
- Significantly condense the evaluation and deployment cycle for corps
  - Provide customers with effective evaluation, deployment, and management tools via RDP
    - Begin driving momentum to "Get Ready for NT5" with a Deployment Design Review (RDP) in February, followed by NT5 Deployment Conference in May/June.
  - Generate huge industry momentum and allow wide-scale (500,000 customers) evaluation of Windows NTW 5.0 prior to launch via the Corporate Preview Program
  - Do early education and prepare our channel and partners to drive their customers through the evaluation and migration process
- Ensure NTW 5.0 is the default corporate desktop
  - Work with development to address the top product issues found in Barriers and Bridges

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NTW 5.0 Barriers and Bridges

- What we did:
  - Visited 15 enterprise accounts, representing over 700,000 desktops including Ford, 3M, GTE, Kmart.
    - "What are barriers to NTW being the default desktop in your organization?"
  - Queried Analysts (Gartner, Forester, Zona, Meta) for Barriers to NTW
    - "What do we have to do to make NTW 5 the default business desktop OS?"
  - Conducted Competitive Satisfaction Survey
    - "What are the two or three things you like least about Windows NT Workstation 4.x?"
  - Engaged Field/PSS/MCS to augment data.
- What we found:
  - Top 4 Barriers to NTW
    1. Cost of installation is too high

       "We've given up on upgrades"-3M
    2. RAM requirements too high for mass installed base upgrade

       "Windows NTW 4.0 is a 64MB OS with your office suite" -Blue Cross/Blue Shield
    3. Inability to run legacy 16-bit applications

       "16-bit apps will be around for the foreseeable future. NTW-4 does not do well" -GM
    4. Poor Integration in a non-NTS environment

       "If your products don;t integrate with non-MS software, then we won't roll them out" -Amoco

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NTW 5.0 Corporate Evaluation and Migration

- Prepare our Field and Channel to drive customers thru the evaluation process
  - "Why" Move to NTW5 (Beta 1) and "How" to Evaluate and Deploy NTW5 (Beta 2) Technical Solutions Briefings and District Tours
  - Partner and VAP Technical Briefings, Tech-Fusion, Tech-Ed (Beta 1, 2, RTM)
  - ATEC 2-day NTW5 "Train the Trainer" class (Beta 2-RTM)
  - SE/MCS Swap, Airlift, Tech Briefings, Global Summit, District Champs
- Prepare our Customers to evaluate and deploy prior to launch
  - Wide-scale (500K) Corporate Preview Program (Beta 2)
  - Corporate-based Windows NT 5.0 Migration Team (Beta 2)
  - Windows Technical Workshops Series (Beta 2)
  - Windows NT 5.0 Deployment Conferences (Beta 2, RC)
  - Aggressive Upgrade Advantage promotion to lock Win9x customers into NTW 5.0
- Develop a complete and effective set of deployment guidelines and tools
  - "Get Ready for NT5" Verification Tools (H/W and S/W) (Beta 2)
  - Rapid Deployment Program (pre-Beta 2-RTM)
  - Structured Evaluation Guide (Beta 2)
  - Deployment Guide and Migration Tools (Beta 2-RTM)
  - TCO and Business Justification Tools/Studies (Beta 2-RTM)

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Updated NC Attack Plan

- Intel Update
  - "Lean Client" specification announcement planned for December 2nd
    - Spec includes references to both a Network Terminal (WBT like device) and Network Computers - clear departure from what we agreed to with Intel in LOI
  - We're working with Swope to return to original agnostic Network Terminal positioning.
- "NC is Dead" Tours
  - Adamt with Trade Press week of 12/8.
  - Jonro with Biz Press mid-December or January, pending Waged recommendation.
- Highlight
  - Talk about our TCO progress over the last year (NetPC, WBT, ZAW, IntelliMirror)
  - NC 1 year later: not cheap, not compatible, no choice, & no customers
    - Nearly all "NC" wins are Windows terminals.
  - NC Trial Rejectors; Positive NetPC, WBT customers.
  - Updated Gartner Group TCO numbers.
- Continue NTW 4.0 ad campaign with strong TCO message

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Key Mktg Milestones

- Windows 98
  - Marketing Day in late January
  - IEU Preview Program launches in late January
  - Reviewers Workshop in February
  - Launch Ads drop in (tent) early July
  - Launch in late June-early July
- NTW 4.0
  - Extend current ad campaign Jan - June
  - NTW/IE4 bundle hits street at Feb/March
  - PC Buyers Conference in April/May
- NTW 5.0
  - Corporate Preview with Beta 2
  - Win Tech Workshop May - June
  - Reviewers Workshop with Beta 2
  - Deployment Conference in September
- NC Attack
  - NC is dead (or wounded) in Feb/Mar business press
  - Windows-based Terminal branding (TBD)

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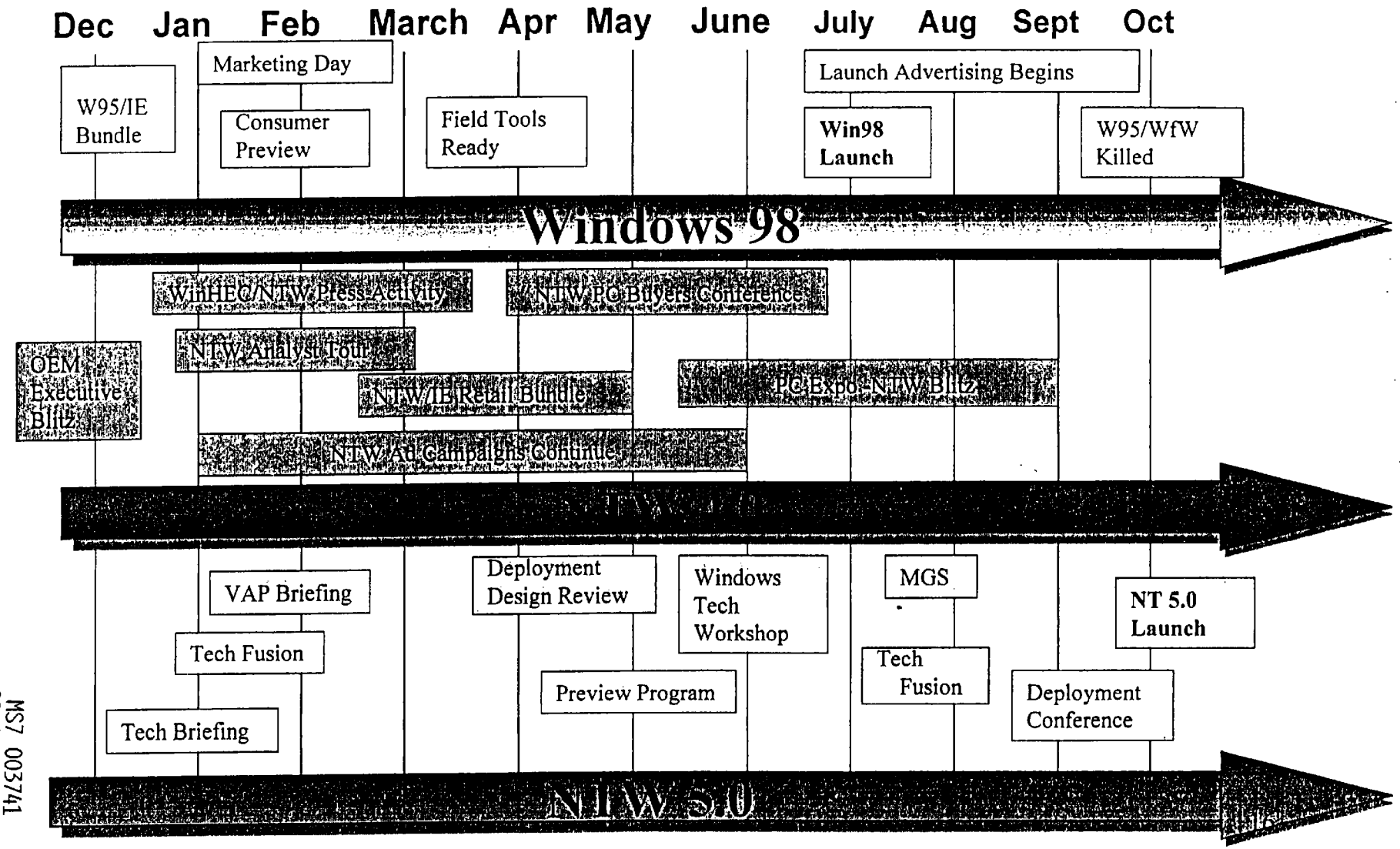
Windows Timeline



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Appendix

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FY98 Windows Marketing Budget

Core Budget

Win95 Sustain	$4.6M
Win98 Launch	$5.9M
NTW4 Sustain	$4.1M
NTW5 Pre-Launch	$2.4M
Windows Platform	$6.6M
TCO/NC	$2.4M
PR/Analyst	$4.5M
Web, Research, Agency Fees	$1.6M
Direct Mktg, Packaging, Other	$ 350k

TOTAL: $32.5

- **Windows 95 Sustain**
  - Print advertising
  - Online promotions
- **Windows 98 Launch**
  - Launch activities
  - Push/Pull marketing
  - Print advertising
- **NTW4 Sustain**
  - Print advertising
  - Internet marketing
- **NTW5 Pre-Launch**
  - Corporate Preview program
  - District Tours
  - Rapid Deployment program
- **Windows Platform**
  - Marketing Communications
  - Print/Internet/Web
- **TCO/NC**
  - Tools and Development
- **PR/Analyst**
  - $3M PR budget + Analyst Studies

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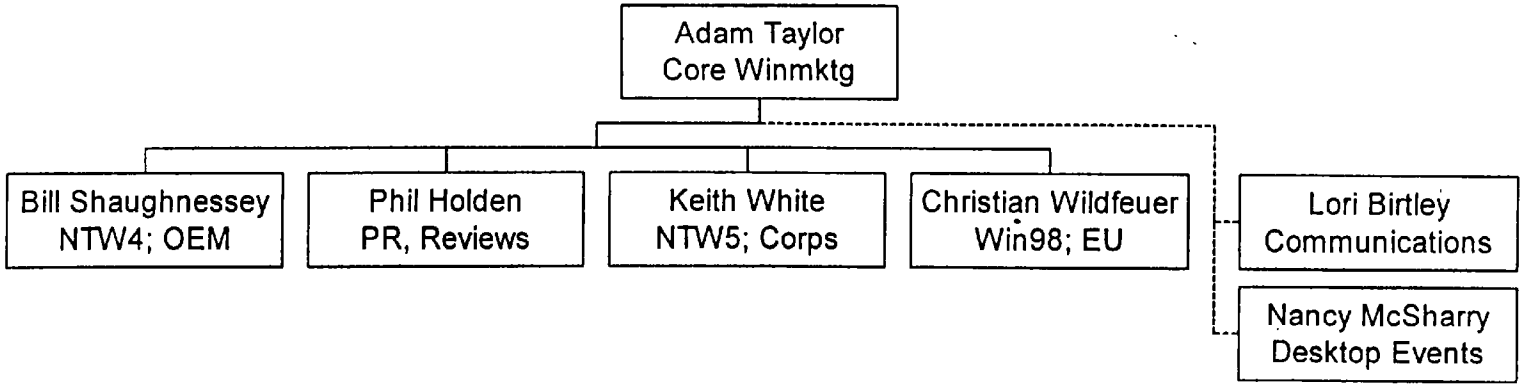
Windows Marketing

• Adamt:	31 heads	(Win98, NTW4/5, NC Attack)
• Andreasb:	2	(International)
• Patfox:	5	(Cross Divisional)
• Robscho:	5	(Communications)
• Total:	43	



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Works better, Plays better: Benefits map

	Works better	Plays better	
Internet	Easier to use and connect Complete Internet integration w/cable access Dynamic, more comprehensive help&support	High-performance graphics for games Full movie on one CD with surround sound (DVD) Immersive sound and video	Entertainment
Quality	Faster and more capacity More reliable with fewer support calls Increased productivity w/multiple monitors	Easier to add and remove add-on devices (USB, 1394) Easier to find out what is playing on TV Interactive Shows enriched with on-screen graphics and videos	Accessories

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Works better, Plays better: Feature map

	Works better	Plays better	
Internet	Webview, Connection Wizard URL access through out the system Outlook Express Online Help and Windows Update	DirectX games DVD support Fully MMX-enabled AGP and VPE support	Entertainment
Quality	Tune-up Wizard, Apps load up to 40% faster FAT32: HD capacity increases up to 35% System File Checker & other utilities Multiple monitor support	Hot Plug and Play (USB, 1394): Scanners, cameras, mice, etc TV Data Service (Wavetop) Program Guide Enhanced Shows	Accessories

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Other pricing options

- No MFR (issue: might not hit optimal $89 price point)
- 3-month temporary mail-in rebate for Windows 95 upgraders
  - $20: exposure up to $9M
  - $40: exposure up to $23M
  - 'Insurance strategy' in case of negative value perception in the public
  - Rebate could deflect analyst feedback and at the same time protect the DSP channel and the $89 price point going forward
- 3-month temporary mail-in rebate from Microsoft when consumer purchases Win 98 and a peripheral that takes advantage of Win 98 features (e.g., USB devices, TV tuners, DVD kits etc.)
  - Same exposure as above
  - Would help attach business for IHVs

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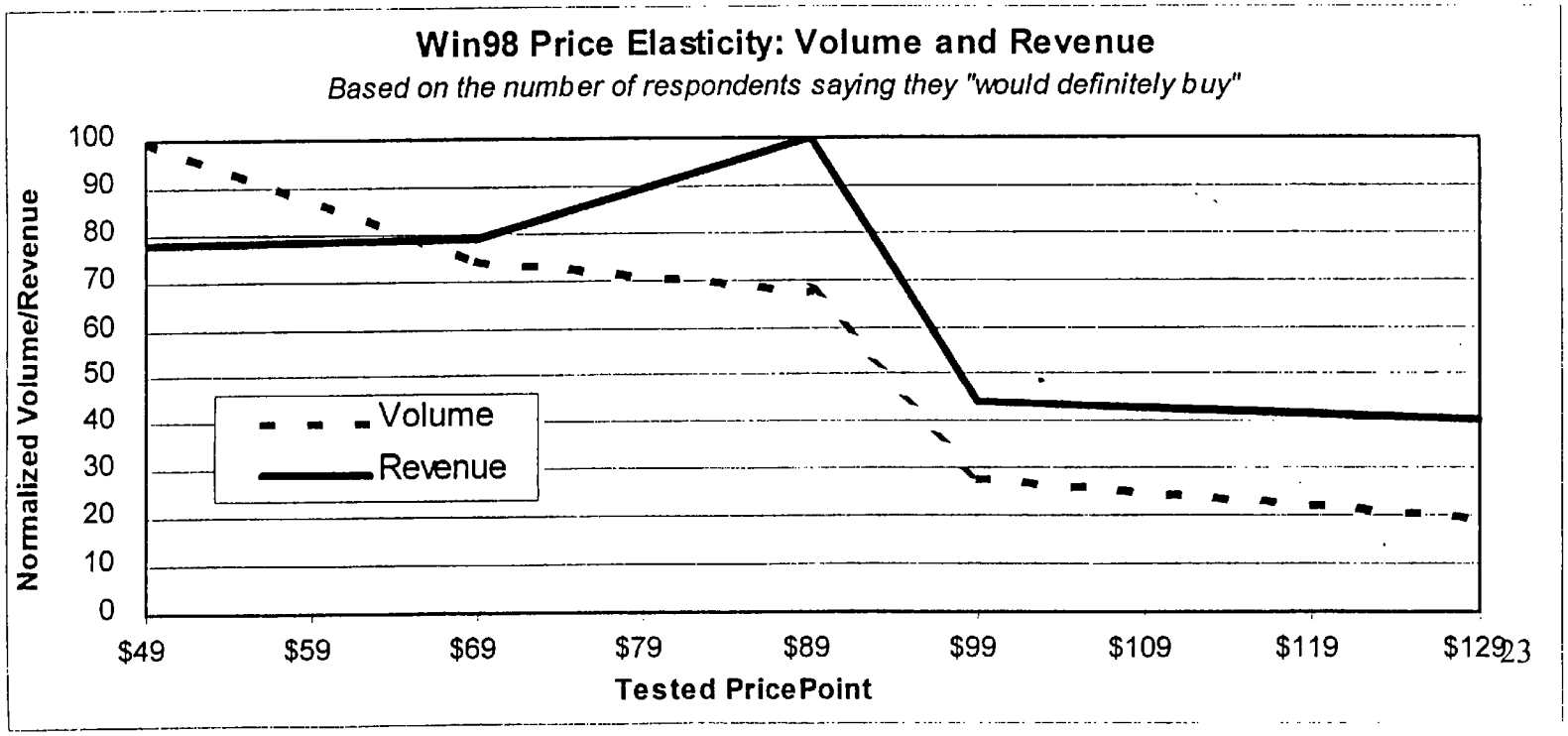
Value proposition analysis

- Some reviews editors and analysts saying Win 98 not worth more than $50.
  But:
- Price elasticity research indicates that $89 street is optimal price point.
- DSP product exposed to $200M in annually lost revenue at $49 price point.



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DSP exposure analysis if Win98 $49

- DSP channel normally pays $85/unit for Win95. If we sell RUP for $49 (and they "cheat" by purchasing this RUP):
  - DSP saves $36/unit cost and $35/unit for support they don't provide, a total savings of $71/unit. This will be HIGHLY attractive (despite compliance check built into product).
- Impact of DSP leakage to retail estimated at 3M units per year
  - 30% of 10M annual shipments
- MS net revenue loss: $129M ((3M x $85)-(3M x $42))

PSS hit: 3M x $20	= $60 M
COGS: 3M x $7	= $21 M
Net P&L impact:	$210M

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Win98 Pricing Research Update

Latest research provides further validation of $89 price-point.

- Interviewed customers who had actually *installed and used* Win98 in their homes, an average of 6 weeks.
- Measured Willingness to Recommend Win98 at $89 and $69.

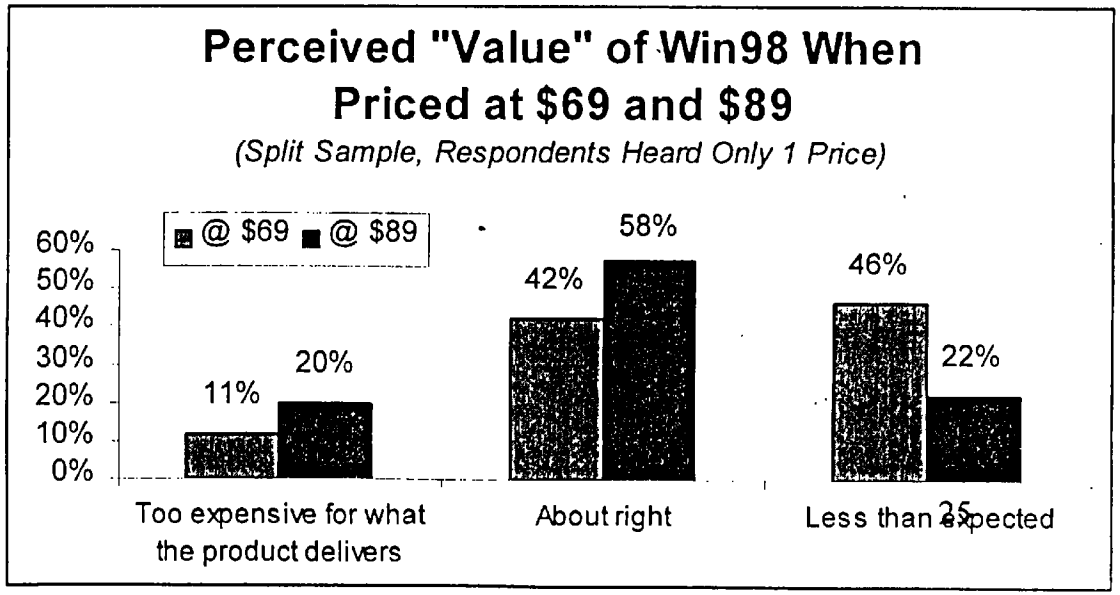
1) Revenue Maximization:

- $89 price point yields 21% more retail revenue, compared to $69 price-point. Despite 12% drop in volume.

	Retail Price Point		
	$69	$89	Delta
Normalized Unit Volume	100	88	-12%
Normalized Revenue	$100	$121	21%
Revenue per License	$63	$86	37%

2) Value Perception:

- $89 price point is the balance point
- $69 is a "bargain"



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Windows 98 IHV Partner Program

- Vast majority of HW and OS business overlap in retail
- Potential of getting 30% + hw attach to retail upgrade sales (TV-tuners, monitors, DVD, USB, 3D graphics accelerators)
- **Launch partner program:**
  - Enlist IHVs to co-promote Win 98
    - Must meet PC97 and Win 98 logo req's
    - Must buy incremental in-store merchandising space for their relevant products during the 98 launch
    - Must incorporate "Upgrade to Win 98" messages in their POP/adv
  - MS will provide:
    - Artwork concepts and share launch plans
    - Endorse partners publicly as official partners
    - Use their products in demos, tours etc.

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	Attach	Units (K) off US home installed base	Value/Unit	Total Street $K	IHV Mktg $ (K) at 1%
3D Hardware accelerators	20%	420	$ 99	$ 41,580.00	$ 4,158
TV Tuners	4%	84	$ 299	$ 25,116.00	$ 2,512
2nd Monitors	10%	210	$ 499	$ 104,790.00	$ 10,479
DVD Drives	5%	105	$ 499	$ 52,395.00	$ 5,240
USB Devices	6%	126	$ 99	$ 12,474.00	$ 1,247
Total		945		$ 236,355.00	$ 23,636

Accessory Partners

Feature	Peripherals	Partners
IE 4.0/Channels	Modems, Large HDs	USR, Rockwell, Megahertz, Seagate
USB	Scanners, Digital Cameras Speakers, Joysticks, Mice Keyboards Hubs	MS, Logitech, Altec Lansing, Phillips, Intel, Compaq, Kodak, HP
TV/EPG/Data, DVD	TV Tuners, DVD Player, board	ATI, Creative, Diamond, Rockwell
DirectX 5.0	3D accelerators, DX5 Games	nVidia, Diamond, MS, CUC, Lucas
Multiple Monitors	Monitors, Video cards	Sony, Packard Bell, Samsung, STB
Market Leaders	Memory, CD Drives, Tape Bkup, Printers, etc	Kingston, Iomega, HP

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'Value Meal' Pricing Examples

Value Meal	Street Price	Discount $	Value Price	Value Discount %
Next Generation Internet	$ 517	$ (86)	$ 431	17%
Next Generation TV	$ 383	$ (95)	$ 288	25%
Next Generation DVD	$ 468	$ (76)	$ 392	16%
Next Generation Games	$ 308	$ (51)	$ 257	17%

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Value Meals

Windows 98 + H/W + S/W + Discount

- **Next Generation Internet:** **$86 discount**
  - Win98 + USR 56K USB Modem + Seagate 4Gb HD
- **Next Generation TV:** **$95 discount**
  - Win98 + ATI All-in-Wonder TV Card
- **Next Generation DVD:** **$76 discount**
  - Win98 + Creative Labs DVD player & board
- **Next Generation Games:** **$51 discount**
  - Win98 + MS USB Sidewinder Pro + Diamond 3D accel. + Age of Empires + Lucas Arts Jedi Knight
- **Home Imaging Upgrade:** **$210 discount**
  - Win98 + HP USB Scanner, Camera, Printer + MS Picture It
- **Multi-monitor Kit:** **$98 discount**
  - Win98 + Samsung USB Monitor + STB Video card

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A La Carte Options

Windows 98 + hw attach opportunities

- **USB**
  - **MS** Sidewinder
  - **MS** GamePad
  - **MS** Natural Keyboard
  - **MS** IntelliMouse
  - **Logitech** Scanner
  - **Kodak** Digital camera
  - **Intel** Digital camera
  - **Compaq** Digital camera
  - **Altec Lansing** Speakers
  - **Phillips** speakers
  - **CMD** PCI to USB board
  - **Norhtstar** Parallel to USB converter

- **Standard**
  - **Seagate** 4Gb drive
  - **Kingston** 16Mg memory
  - **Iomega** 2 Gig Zip drive
  - **Seagate** 12x CD-ROM drive
  - **MS** Forcefeedback Joystick
  - **nVidia** 3d accel card
  - **IDG** Windows 98 for Dummies
  - **CompUSA** board installation

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Win98 12 Month FG Forecast

Win98 12 Month FG Forecast

- WW: $394 Million
- US $230 Million

Win95 12 Month Comparison:

- WW: $741 Million
- US: $329 Million

World-Wide 12 Month Forecast

	Units	Revenue	Price/Unit
Pkg Product Upgrade	3.75 M	$322 M	$88
Pkg Product Full	0.26 M	$44 M	$155
License	0.26 M	$21 M	$80
Academic	0.13 M	$7 M	$54
Total	4.41 M	$394 M	$89

US 12 Month Forecast

	Units	Revenue	Price/Unit
Pkg Product Upgrade	2.14 M	$184 M	$86
Pkg Product Full	0.11 M	$18 M	$165
License	0.26 M	$21 M	$80
Academic	0.13 M	$7 M	$54
Total	2.65 M	$230 M	$87

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US Package Product Forecast

12 Month Win98 Forecast

- 2.1 Million Units
- 16% Win98 penetration into US *capable* HOME installed base.

Win95 12 Month Comparison

- 2.7 Million Units
- 25% Win95 penetration into US *capable* HOME installed base.

WIN98 FORECAST: US

Capable Install Base, 6/98 (486DX / 16MB)

Home	13.5 M

US Pkg Product Upgrade Sell-Thru

	Home Penetration	Units	Percent of 12 Month Total
90 Days	8%	1.1 M	50%
6 Months	11%	1.5 M	70%
12 Months	16%	2.1 M	100%

WIN95 HISTORICAL DATA: US

Win 95 Capable Install Base, 7/31/95 (486 /8 MB)

Total US	23.6 M
Home	10.8 M

US Pkg Product Upgrade Sell-Thru

	Home Penetration	Units	Percent of 12 Month Total
90 Days	14%	1.6 M	57%
6 Months	18%	2.0 M	72%
12 Months	25%	2.7 M	100%

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Win98 Corporate *Upgrade* Feature Summary[1]

- System Information Utility
  - System File Checker
  - New Dr Watson utility
  - System Configuration Utility
  - Version Conflict Manager
  - WinRep bug reporting tool
  - ScanReg
- Improved device driver support
  - Over 1200 new drivers on Win98 CD [3]
  - Windows Update Wizard
  - Improved .inf installer for new drivers
  - Improved setup process/device detection
  - Win32 Driver Model
- New troubleshooting wizards
  - 12 troubleshooters in Win98
- Fixed server-based-setup issues
  - New Batch98 tool
  - Tools to deploy pre-configured desktops
  - Full uninstall ability
- Improved performance
  - Applications load up to 40% faster
- Improved reliability
  - Thousands of bug fixes
  - Improved Memory Management
  - Improved Registry
  - 150+ QFEs (Quick Fix Engineering)
  - Virus scan (boot sector)
  - Boot from CD with Emergency Startup Disk
- Consolidation of all Win95 updates
  - Consistent code base
  - Includes all Win 95 updates, service packs, and OSR1/OSR2/OSR2.1/OSR2.5 code [3]
- Other "power" features
  - FAT32 [2]
  - Windows Scripting Host
  - Improved backup with SCSI tape support
  - Multiple display support
  - Modem aggregation
  - Improved Dial Up Networking
  - WMI Infrastructure
  - Support for ATM and PPTP
  - New TCP/IP stack

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[1] Excluding features related to IE4, new hardware, and entertainment. [2] Included in OSR2. [3] Partly included in OSR2.

Windows 9x Deployment Costs

- We have made estimates of the person-hours required to migrate 2500 desktops from Windows 3.1 to Windows 98 compared to Windows 95, based upon the new corporate deployment tools provided in Windows 98
- Conclusion: Win98 deployment costs will be 22.5% less than Win95 (from Win 3.1)

Migrating 2500 desktops from Win3.1 to:	**Win95 Hours**	**Win98 Est. Hours**	**Comment**
Planning/Coordination	625	438	Reduced 30% due to improved deployment tools and deployment guide
Software acquisition	200	200	No change
IS Preparation	1050	525	Reduced 50% due to increased KB of Win9x, improved Help Desk tools/RK/training courses, and better deployment tools.
OS Installation	4500	2,000	Reduced to 0.8 hr (from 1.8 hr per desktop, due to hands-free installation.
Training End Users	5400	5,400	No change
Additional Technical Support Burden	7500	6,375	Reduced 15% due to improved reliability, help desk tools, and self-help tools to minimize support spike after OS migration
Total Person-Hours for Migration	**19275**	**14,938**	**Improvement of 22.5%**

* Windows 95 data came from feedback from our business customers

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Windows expected reduction in support costs

- Windows 98 is expected to reduce Total Help Desk calls by 7.3% (compared with Win 95)
- Windows 98 is expected to reduce OS-specific Help Desk calls by 35%
- Assumes all calls are same length
- Assumes users and help desk staff are trained to use the tools provided in Windows 98

Windows 98 Support Improvements	**Expected Support Savings**	
System Information Utility	12%	
Improved Device Driver Support	6%	(low end of 6-11% range)
Troubleshooting Wizards	12%	
Improved reliability	5%	(low end of 5-9% range)
Total reductions in Windows calls	**35%**	

OS accounts for approx 23% of Help Desk calls (see below)
On 1000 calls, Windows 95 reduces this from 230 calls to 180 calls
Windows 98 reduces this further by 35% to 117 calls

	H/W	Printing	Network	App'n	OS	Other	Total Calls
	17%	8%	15%	30%	23%	6%	
Windows 3.x *	170	80	150	300	230	60	1000
Windows 95	170	50	100	300	180	60	860
Windows 98	**170**	**50**	**100**	**300**	**117**	**60**	797

	Total Calls	Savings over previous OS
Windows 3.x	1000	
Windows 95	860	14.0%
Windows 98	797	**7.3%**

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* Source: Rescue for the HelpDesk (Workgroup Technologies, Inc) April 25, 1995

Plus for Windows 98

- Historical data:
  - Plus! for Windows 95 earned $146M WW
  - 29% attach with Win 95 finished goods after 12 months
  - Over 80% in five countries
  - 50% of first year revenue earned in first 90 days
- Recommendation:
  - Do Plus! for Windows 98
  - Pare feature list to hit 98 ship date
  - Great way to lower infrastructure risk of Windows Update
- Options:
  - Windows Update only
  - Windows Update enhanced with system utilities
  - IMD products collection (Expedia, Age of Empires, PictureIt)

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Historical Plus FG units first 12 months

	Win 95	*Plus!*	Attach
July, 1995	4,508,969	266,986	6%
August	4,380,896	927,413	21%
September	914,258	411,349	45%
October	-563,928	131,006	
November	-3,707	106,594	
December	-475,544	136,999	
January	-311,221	78,424	
February	-12,117	90,109	
March	-510,001	15,193	
April	238,275	124,794	
May	199,773	88,676	
June	29,528	36,348	
Grand Total	**8,395,181**	**2,413,891**	**29%**

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Top 20 Needs Uncovered in Research

(Ranked in Priority Order)

Identified Needs	Potential Feature to Address Need
1. Way to keep computer free of viruses	Anti-Virus Software
2. Reduce probability of Crashes 3. Way to save data in event of a Crash 4. Early warning of potential hard drive problems	Crash Protection Software
5. Way to keep data from being used by other users of PC	Data Encryption, Modified Multiple User Logon
6. Way to secure files so that no one on the internet can see personal data	PC Firewall, Data Encryption
7. Way to use computer as a fax machine	Fax Utility
8. Way to find files more easily.	User File Viewer
9. Way to keep other users from PC from breaking PC (especially with Kids)	Modified Multiple User Logon
10. Way to more easily discover and perform common tasks	Task Center, Customization Wizard
11. Way to scan computer and the download updated drivers	Updating -- CDM
12. Remove and/or store old unused programs and files	More thorough Uninstaller
13. Way to automatically move all files and programs not used recently to a storage area	Auto Archive, Visual ZIP
14. Have large files use less space -- especially for use on floppy disks	Visual ZIP
15. Get help when trying to discover new features or find information	Smart Helper/Genie
16. Allow user to easily create shortcuts and modify desktop for greater functionality	Customization Wizard
17. Way to Clean Out all unused and remnant pieces of software	CleanSweep/Remove-It Type utility
18. Way to stop task already begun but not yet completed	Stop Button
19. Get rid of stuff on Start Menu which is not used -- reduce clutter	Customization Wizard
20. Allow user to customize the way the desktop looks -- pictures, themes, etc.	Customization Wizard, Themes, Screen Savers

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Plus Concerns

- Revenue impact of schedule
  - 30 days late, only 3/4 of 1st yr revenue
  - 90 days late, only 1/2 of 1st yr revenue
- Schedule risk
  - 6 weeks required between RTM and channel availability
  - May 1 channel availability, RTM March 15.
  - Windows 98 team features close to code complete, need test
  - Windows Update features will not be test complete by Mar 15
- Resources
  - Must have help from Win98 team
  - Must have commitment from management
- Strategy
  - Plus Pack great way to lower infrastructure risk of Windows Update
    - Channel sku, don't need to take money over net

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Do we have a Windows NTW 4.1 Release?

- What we have:
  - Enhanced OPK install to chain Service Pack and IE 4.0 together, so the OEM has one image to throw on the NTW 4.0 hard-disk.
  - This is not a slipstream, no changes to set-up code, OEM deliverable only
  - Working with OEMs and 3rd parties power mgmt vendors to provide guidance for APM/ACPI based support in NTW 5.0.
- What is needed to call it NTW 4.1:
  - A truly integrated slipstream release with changes to set-up code
  - Retail release, localized versions
  - Features?
- Implications of doing release:
  - Expect negative press
    - Initial feedback from industry analysts is that this is not a version release
  - Opportunity costs
    - Spending resources and time on an incremental release, rather than focusing on "Big Bang" and preparing market for NTW 5.0 transition
  - Potential to stall NTW 4.0 sales
  - Raises further questions for NTW 5.0 availability
  - Cause unnecessary confusion during NTW 5.0 beta deployment and rollout
- Recommendation: **<u>No NTW 4.1 release</u>**

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OEM Push Tactics

Make it easier to ship higher % of NTW

- MDA incentive delivered
- Multi-OS pre-installation kit available in December

Evangelize and provide marketing support

- Executive Blitz Completed in North American and Japan
- Sales and support training, messaging, "train the trainer" events
- Focused efforts with DSP channel to drive NTW into small biz

Address Product Barriers

- Fix Service Pack, IE 4 release process for OEMs
- Educate OEMs on real drivers and Win16/DOS compatibility
- Provide technical guidance to ensure current NTW 4.0 notebooks provide power management in NTW 5.0

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NTW "PC Buyers" Program
Make NTW the "right choice" for all new HW

Objective

- Motivate IT PC buyers to increase NTW 4.0 consideration, implementation and purchase on new business PCs today with an ongoing program and standalone event highlighting future PC buying strategies.

Strategy

- Empower IT PC buyers with the HW/SW information they need to make buying decisions for the next 1-3 years
- Position **NTW 4.0** as the obvious choice today, and NTW 5.0 as the obvious choice in the future
- Accelerate market readiness for full client NTW 5.0 ready machines. Buy Big .

Overview

- Ongoing commitment and program that recognizes the importance of "PC Buyers" in the process of setting business directions and making technology decisions
- Web site with tools, Whitepapers, partner participation, conferences, advisory council (ECU IT Pro program)
- PC Buyer's Conference = "Business-ize" WinHEC content. Have strong partner involvement and focus on PC buying strategies. Net: Get businesses to purchase full client NTW 5.0 ready machines today.

Rollout

- Press release announcing program and conference - January
- Use WinHEC, March 25-27 to provide details on PC Buyer's Conference
- PC Buyer's Conference, May-June timeframe

Key Messages

- Simplicity = logo program, PC98
- Full clients = buy for the future, sweet spot
- NTS-NTW Synergy = better manageability, lower TCO

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Microsoft Customer Map

Customer	Size	# of PC installed	OEM Channel	NTW Share
Enterprise	8,500	33M	Multinational	Medium
Corporate	1M	48M	Multinational	Low
Small business	75M	70M	DSP/Named	Very Low
Education	2M	15M	NA	
Students	40M	12M	NA	
Enthusiasts	10M	14M	NA	
Home	520M	56M	NA	

	NTW Q4FY98 Goals	Total OS Units
Multinational	20%	43M
Named	8%	13.4M
DSP	10%	9.9M

*MS OS installed base

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NTW 4.0 Support Policy

- Objective: To synch Win9x and NTW support policies
- Current Support Policies:
  - Win95: 90 days no-charge support from date of first call
  - NTW: 2 no-charge incidents
- Market Study:
  - Businesses: 65% prefer 4 incidents, and 60% preferred 3 incidents over 90-day support.
  - Consumers: 60% prefer either 3 or 4 incidents over 90-days free
- **Option 1:** ***Moving both to 3 or 4 no-charge incidents***
  - Pros:
    - 4 incidents for Win9x will accommodate ~97% of the current Win9x callers (97% call us 4 times or less).
    - 3 incidents will meet the needs of 93% of Win9x callers.
    - With either option we are increasing NTW per incident allocation.
    - Net Savings of ~$1M
    - Incidents are more flexible: scale up or down, bundle with promotions, etc.
  - Cons:
    - Perceived huge change to existing Win95 base, broad communication necessary
- **Option 2:** ***Moving NTW to 90-days no-charge support from date of first call***
  - Pros:
    - Synchs with existing Windows 95 support policy
    - No changes to communicate to large existing Win95 base
    - Makes NTW support policy more mainstream, reduce barrier to adoption with direct help from MS
    - Expected increase in customer satisfaction (55% vs. 71% Win95)
  - Cons:
    - Cost increase ~$2M
- Timing: Decision needed prior to Win98 launch, logical opportunity to do a change of support policies

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NTW 5.0 Naming

- Objective: To create a more mainstream product identity
  - Current "Workstation" naming represents techie, high-end, powerful OS, not default business OS
  - Need to create a more common, mainstream name, while still building on equity in Windows NT (80% awareness in corps., 83% satisfaction in LORGs)
  - Opportunity to begin separating business and consumer in preparation for WinNT 6.0
  - Data currently shows NT means Server, however customers perceive integration, symmetry with NTS as goodness
- Options:
  - **Windows NT Workstation 5.0**
    - Pros: Existing equity in name, promotes most powerful to differentiate from Win9x
    - Cons: Techie, high-end w/s naming doesn't promote mainstream, standard biz desktop
  - **Windows NT Client 5.0**
    - Pros: Synergy with Client/Server, Descriptive for Business, Network
    - Cons: May associate client w/ CAL, May associate with NT-C
  - **Windows NT Desktop 5.0**
    - Pros: Synergy with Server and Desktop, Descriptive
    - Cons: May not associate desktop with mobile/laptops
  - **Windows NT 5.0**
    - Pros: Reference to NTW today is simply NT
    - Cons: No differentiator with NT Server
  - **Windows 99/2000**
    - Pros: Truly latest technology (IE5, DX6), Simplify product line
    - Cons: Confusion w/ Win98, is this the upgrade?
- Next steps:
  - Naming focus groups, Legal search

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Current NTW Pricing

- Standard Pricing (Retail)

	ERP	Disti
FPP CD	$319	$255
FPP MLP	$269	$217
VUP CD	$149	$120
VUP MLP	$129	$102

- Open Pricing (>10-1K desktops)

Version Upgrade	$120	$102
Competitive Upgrade (Win3x, WFW, Win95, OS/2)		
Open A (20)	$238	$202
Open B (200)	$230	$196
Open C (1K)	$216	$183
Upgrade Advantage (2yr. Get current, stay current)	$180	$153

- Select Pricing (>1K desktops)

Version Upgrade	$114	$94
Competitive Upgrade		
Select A (2K)	$232	$188
Select B (8K)	$213	$188
Select C (20K)	$195	$188
Select D (50K)	$181	$149
Upgrade Advantage	$157	$129

- Academic Pricing (Education)

FPP CD	$139	$97
FPP MLP	$69.95	$48
Competitive Upgrade		
Open A (2K)	$54	$44
Open B (8K)	$50	$41
Upgrade Advantage	$62	$50

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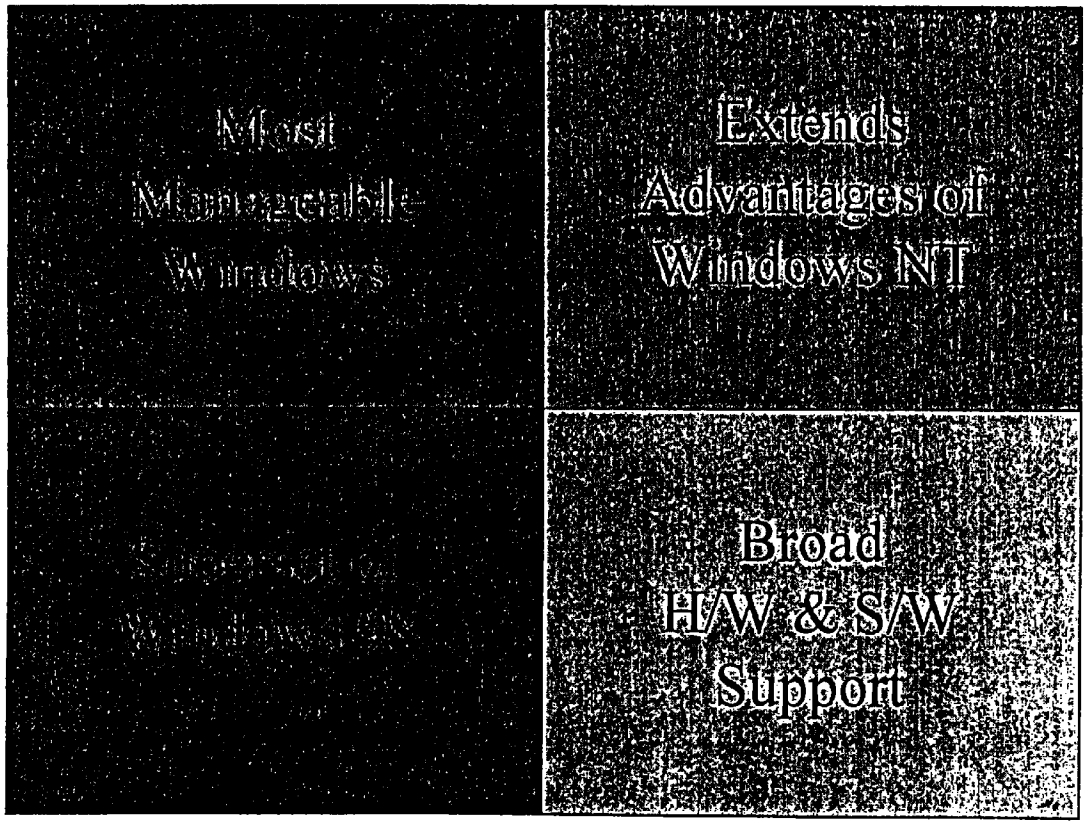
Windows NT Workstation 5.0

The Premier Business Desktop OS



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Windows NTW 5.0 Features Map

Most Manageable Windows	Extends Benefits of NT
-Intel Mirror -Application Install Service -Remote Boot -Client Side Caching -Single Binary for 26 languages -Windows Sampling Host -Microsoft Management Console	-NTFS -Kerberos 5 -WMI, WBEM -Disk Defragmenter -System File Checker -NDIS 5.0 w/ ATM support -DFS Support -True 32-bit multitasking
[illegible]	-ACPI -DVD -Multi-Monitor -Universal Serial Bus -Windows Driver Model -Scanner support
Subset of Win98	Broader H/W Support

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Planned NTW 5.0 Migration Tools

Hardware compatibility tool-Tool that verifies that the PC to be upgraded and it's hardware components are supported in NTW 5.0, based on the HCL, linked to a web site for constant updates

Application compatibility tool-Tool that verifies that the software on the PC is compatible with NTW 5.0. Based on the S/W Compatibility List and known issues, linked to web site for constant updates

Application certification tool- Tool and process to assist corps in certifying their many applications run on NTW 5.0. This can be a set of processes, best practices and test scripts that allows an organization to identify internal applications that may cause problems in their environment

Migration DLL Tool- Translation tool to migrate application information from the Windows 9x registry to NTW 5.0. DLLs need to be created by vendors, will ship top DLLs in box, others available via Web.

Deployment Guide- Building on Win95 and NTW4 deployment guides, this step by step process takes customers through technical evaluation and deployment using existing and to be created tools, project plans with milestones

Wizards:

- **Batch setup-** to walk administrators thru creating an unattended install
- **Application packages**-to walk administrators thru creating an application package for Darwin install
- **Group Policy creation**-to walk administrators thru setting up groups policies templates
- **Desktop configuration profile-** to walk an administrator thru creating a user profile and desktop configuration
- **Imaging for duplication**: Walks the admin thru creating and image of NTW5 to easily deploy new PCs

Others: Based on RDP and beta discovery/feedback

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#1 Cost of installation is too high

- Today customers are re-manufacturing, not upgrading
  - Not upgrading from Win 3.x to NTW 4.0. Taking opportunity to start clean, eliminate existing mess
  - Not upgrading from 3.5x to 4.0. Less than 80% success rate makes process too expensive. Failures due to:
    - 3rd party network providers (Banyan, Hummingbird NFS, PC-NFS, Netmanage Chameleon NFS, Netware Client 32)
    - 3rd part drivers not in the box: Video, NIC
    - 3rd party software: PCAnyWhere, Executive Soft Diskkeeper
  - Re-manufacturing process is slow, expensive, and ineffective.
- Accounts have very high expectations for NTW 5 setup
  - Win95 upgrade expected to be "no-brainer." Run setup and NTW 5 is there, no prompts, no compromises.
  - NTW 3.51 & 4.0 Upgrade expected to just work
  - Low interest in Win3.x upgrade capability
- Current development plan of record:
  - Image installation of fully installed NTW 5; NTW 3.51 & 4 upgrade without customizations; Win95 OS upgrade; Promotion of migration dll authoring; Win 3.x upgrade code in maintenance mode only
- Next Steps:
  - Examine resources needed to develop a unified GUI deployment tool to address scripted setup and upgrade cases. Setup script creation
    - Add features that address common tasks
  - Own responsibility for development of migration DLLs. 1 PM to own status and drive aggressively. Migration DLL workshops, develop DLLs if necessary.
  - Investigating feasibility of web-based "NT-ready" sw/hw compatibility tool
- If we don't:
  - Migration from NTW 3.5x & 4.x to NTW 5 slow
  - 95 to NTW upgrade at risk, Windows 98 plays much bigger role.

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#2 RAM Requirements too high for installed base upgrade

- Corp customers do not typically upgrade hardware for the OS, they depreciate and replace
- NTW 4 + typical suite of corp applications is 64 meg RAM system today
- How much RAM necessary to minimize paging? (data from David Fields):

FootPrint (in MB) - Footprint is defined as pages referenced during a time period plus all non-pageable pages.

	IE 3.0	IE 4.0
App Exec footprint in MB	32.9	45.6

App Exec - footprint while doing the following in order

- Read 2 web site on IE (CNN Sports and MSN)
- Open one word doc (size: 32KB)
- Open one excel doc (size: 132KB)
- Read one message (Pst size: 240KB)

- NTW 5 is 2-3 megs bigger than NTW 4 today
- Corp accounts project about 40% w/32 MB, yet only 3% w/64 MB in 2H CY '98.
  - PC Shipments: 5% w/64 MB in Q4 '97, 25% w/64 MB in Q2 '98. Mercury Research.
- Development plan of record:
  - Target 32 meg system
  - Add test scenario to more accurately measure typical corp desktop scenario: Multiple Application Response Scenario (MARS).
- Next Steps:
  - Do we need to reset customer expectations to 64 meg for NTW based biz system?

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#3 Inability To Run Legacy 16-bit LOB Applications

- Customer Perception: large # of in-house developed 16-bit applications not compatible with NTW
  - LOB apps developed on 3rd party 16-bit middleware
    - IBM ODBC, Sysbase, CAE, SQLNet
    - Compatibility between 16-bit and 32-bit versions problematic
  - LOB apps developed with 4th Generation 16-bit Windows or DOS packages
    - PowerBuilder, VB, Peoplesoft, Oracle FORMS, IRMA 16-bit
      - 32-bit versions may exist but existing solutions not compatible
    - In-house DOS applications
      - Clipper, Paradox, Dbase
- Accounts have high expectations for existing 32-bit applications, very low awareness of any 32-bit app compatibility problems
- Current development plan of record:
  - Test same 16-bit Windows and DOS applications tested for NTW 4
- Next Steps:
  - Resource swat team to go onsite to test corp LOB applications
- If we don't:
  - Risk NTW being relegated to niche, Windows 98 plays much bigger role in Win16 and Win9x upgrades

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#4 Poor Integration with non-NTS environments

- NTW perceived as poor client due to low quality code, lack of single logon, not easy to upgrade:
  - Netware 4.x NDS environment
    - No integrated logon, no ZAW in NDS environment; Group policies do not operate in a NetWare only environment, NTW checks for NTS groups only
  - UNIX/NFS environment
    - No integrated logon, No ZAW, expensive add-on
  - Banyan Vines
- Current Development Plan of Record:
  - Investigating setting up a development center in India that focuses on interop issues with NT with non NT environments
  - Insure upgrade to NTW or Win95 with 3rd party client will work
  - Investigate ways to do integrated logon better
  - Migration tools for Netware 4.1 shops
- If we don't
  - Risk slow migration of NTW 5 in non-NTS accounts, Win98 plays bigger role in these corps

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Why was the NC so alluring?

One year ago...	Today...
• Initial TCO numbers made the NC appear to be dramatically cheaper.	• Well managed PC proves to offer lower TCO and a rich user environment.
• Original promise was a $500 NC vs.. "expensive" PCs.	• Average NC price actually entering market at $900. PC prices rapidly dropping to $500-$1000.
• Original NC promise was a new wave of write once, run anywhere Java apps.	• NC's are used primarily to access Windows applications. Ironically, Windows offers best Java performance.
• NC vendors openly stated NCs will replace PCs by year 2000.	• NC vendors now openly repositioning as terminal replacements.
• The NC thin client will be IT's new choice in distributed computing.	• Only about 15% of IT mgrs now showing interest in thin devices. The bulk are most interested in Windows-based Terminals.

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The market has responded: the NC is a flop.

It's Not Cheap, It's Not Compatible & Offers No Choice.

- Accounts are evaluating and rejecting.
  - **Norwest** - Chose Net PC because of backend server costs with NC
  - **Bose** - Chose Net PC because it provided better manageability with mature PC technologies.
  - **Steelcase** - Rejected NC's because of poor application performance
  - **Pennzoil** - NC never even received consideration. Positive on WBT's for their Jiffy Lube locations.
  - **Westpac** - "The NC is a crock." Has already drastically reduced TCO with Windows
  - **World Bank** - Rejected because NC's are proprietary and didn't fit the needs of their knowledge workers.
- Analysts are dropping NC projections.
  - Dataquest projects less than 2% share by year 2000
  - Zona survey shows only 15 of 139 IT managers interested in thin clients (although still need Windows app support)

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NC "Reference" Accounts

Account	Hype	Reality
Federal Express (Sun)	"Federal Express will deploy 50-75,000 NC's"	Actually deploying Windows based terminals and is enrolled in the Hydra beta
1-800-FLOWERS (NCI)	"1-800-FLOWERS was an early adopter of NC technogies"	Just entering first pilot phase. Involved in the Hydra beta
Scottish Telecom (Sun)	Replacing PC's with JavaStations	Article was misleading and an apology is being drafted.
Dutch Ministry of Education (Sun)	"JavaStations are being deployed throughout Amsterdam and the rest of the Netherlands.	NC implementation as not progressed past test phase. The ministry opened up tender process to 19 companies, only 3 are bidding NC's.
Burlington Coat Factory (Neoware)	"Burlington Coat Factory plans to roll out three to four NCs in each of its 250 stores"	Account needed to replace terminals so they could run Windows applications. Delays in delivery of Java based NC's caused them to choose Neoware.
Retired Persons Services (Neoware)	"AARP-PS has deployed 1000 Network Computers to provide remote order processing, claims, customer service, and prescription fulfillment applications"	No applications have been migrated to Java. NC's use NTRIGUE to run Windows apps.
American Eagle (IBM)	"The Network Stations will run all typical counter transactions — from reservations and check-in procedures to preparing boarding passes"	Currently evaluating NC's in a controlled test in a training lab.
Hannaford Bros. (IBM)	"Hannaford Bros. stores will see their green-screen terminals disappear, replaced by (IBM NC's"	Netstations are only used as terminal replacement in stores to access email, web browsing, Lotus Notes, and X-windows apps from server
E.D. Smith (IBM)	"within the next two to three years, should replace every one of Smith's fixed-function terminals and some of its PCs with new IBM Network Stations."	Netstations currently in use replaced green screen terminals. Few PC's, if any expected to be replaced
Shambaugh & Sons (IBM)	"The Network Station makes people's jobs easier, without the cost or maintenance of a PC,"	Many users in the company need to access Windows applications. The Netstation replaces a solution where terminal users who needed Windows apps had shared PC on a cart wheeled to their desk

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Update on the NC

- Gartner has recently updated their TCO model.
  - Well managed PC has *lower* total cost of ownership.
  - NC not functionally comparable to a PC.
- Windows offers the best of both worlds.
  - The choice and flexibility of a rich Windows experience, and
  - The lowest TCO in the industry.

Single function device running 1 applicatio		
WIN 95	JavaStation	NetPC/ZAK E
Base	34%	35%

Total Cost of PC running 9 applications				
WIN 95	WIN NT	Windows-based terminal	NetPC ZAK A	NetPC/NT5.0
Base	1%	22%	21%	25%

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NC's are…Not Cheap

- Average cost of NC with 16mb of RAM = $900

Sun Javastation	$862
Neoware @workstation	$874
Neoware Supra 66	$1,024
IBM Netstation	$823
Affinity Vissera	$898
Average Price	**$900**

- UNIX servers cost 2x - 5x more than PC servers
  - Server supporting 50 typical JavaStation users - $20,000
    - Comparable NT Server costs $10,000
  - UNIX server supporting 1K NCI NC Users - $90-100,000
    - Comparable NT Server costs $20k
- Additonal costs for NC management tools
  - Sun - $1295 per server
  - NCI - $190/user

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Windows communications

Windows Family Campaigns									
Windows brand *Windows defines the computing experience, no matter what it becomes*									
$8,330,000									
1/98 - 5/98									
Look for the Windows logo *The Windows logo is your assurance that the software or hardware device will deliver an excellent Windows experience*									
$0									
1/98 - 5/98									
Windows for business					**Windows for personal use**				
Microsoft Windows is the best platform for business					*Microsoft Windows is the best platform for personal use*				
TVO	Windows NTW 4.0		Windows NT 5.0		Windows 95		Windows 98		Windows CE and Web TV
Windows provides business with flexibility and choice	*Windows NTW is the emerging standard for business computing*		*Windows NT 5.0 is the best corporate desktop operating system*		*Motivate laggard 3.x users to adopt Windows 95*		*Windows 98 is the best Windows upgrade for home users who want to get the most out of their PC*		*Windows extends beyond PC's*
Windows offers flexibility and choice while lowering TCO	Windows NTW 4 Not Just for the Chosen Few	Windows NTW 4 wins on TCO and continuing NTW campaign	Windows NT 5.0 Corporate Preview Program	Windows NT 5.0 product launch	Get Current Campaign	Windows 95/IE4 holiday promotion	Windows 98 Consumer Preview Program	Windows 98 product launch	
$1,974,000	$2,885,900	$2,460,000	$125,000	tdb (FY 99)	$3,018,000	$320,000	$230,000	$2,510,000	
6/97 - 8/97	9/97-1/98	2/98 - 7/98	3/98 - 6/98	9/98 - 12/98	8/97-9/97	12/97 - 1/98	1/98 - 4/98	5/98 - 10/98	

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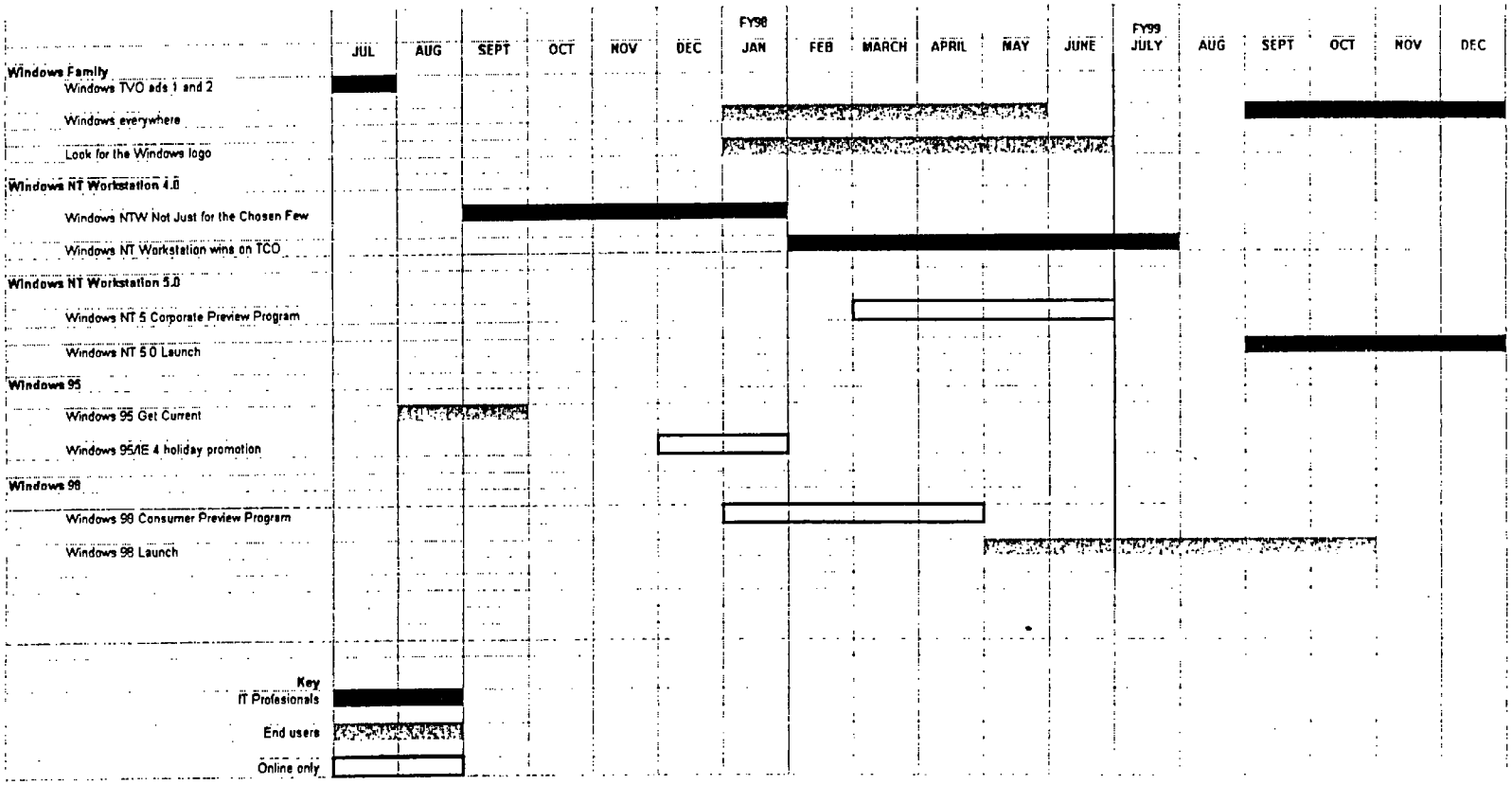
Windows desktop ad calendar



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Windows desktop ad details

Audience	Product	Strategy	Tactic	Timing	Print ad budget	Online media budget	Online production budget	Total online	Direct Mail	Total campaign budget
IT/BDM	Windows family	Explain how Windows reduces TCO while maintaining flexibility and choice	Windows TVO ads 1 and 2	6/97 - 8/97	$ 1,737,000	$ 237,000		$ 237,000		$ 1,974,000
General users	Windows 95	Motivate inert Win95-capable base to move now.	Windows 95 Get Current	8/97-9/97	$ 2,700,000	$ 300,000	$ 18,000	$ 318,000		$ 3,018,000
IT	Windows NT Workstation 4.0	Clarify that NTW is no longer a niche product used exclusively in the high-end workstation space.	Windows NTW Not Just for the Chosen Few	9/97-1/98	$ 2,600,000	$ 225,900	$ 60,000	$ 285,900		$ 2,885,900
IT	Windows NT Workstation 4.0	Explain how 32 bit Windows reduces TCO while maintaining flexibility and choice	Windows NT Workstation wins on TCO	2/98 - 7/98	$ 2,200,000	$ 210,000	$ 50,000	$ 260,000		$ 2,460,000
General users	Windows 95	Promote Windows 95 updated with IE 4 to Internet-connected laggard end users of Windows 3.X with targeted online banners and web site interception of 16-bit browsers	Windows 95/IE 4 holiday promotion	12/97 - 1/98	$ -	$ 300,000	$ 20,000	$ 320,000		$ 320,000
General users	Windows family	Reinvigorate the Windows brand prior to the launch of Windows brand extension (Windows CE 2.0) and major product releases (Windows 98, Windows NTW 5.0)	Windows everywhere	1/98 - 5/98	$ 6,000,000	$ 300,000	$ 30,000	$ 330,000		$ 6,330,000
Super Users	Windows 98	Encourage preview of Windows 98 Operating System to 100,000 end users to help drive adoption at product launch	Windows 98 Consumer Preview Program	1/98 - 4/98		$ 105,000	$ 25,000	$ 130,000	$ 100,000	$ 230,000
IT/BDM/Super Users	Windows family	Establish the Windows logo as a measure of tested software and hardware that delivers a good Windows experience. Encourage customers to look for the Windows logo.	Look for the Windows logo	1/98 - 5/98	$ -	$ -	$ -	$ -		$ -
IT	Windows NT Workstation 5.0	Encourage preview of Windows NT 5 Operating System to 100,000 corporate users to help drive adoption at product launch	Windows NT 5 Corporate Preview Program	3/98 - 6/98		$ 100,000	$ 25,000	$ 125,000		$ 125,000
Super Users/General Users		Launch Windows 98 as the version of Windows that works better and plays better	Windows 98 Launch	5/98 - 10/98	$ 2,000,000	$ 450,000	$ 60,000	$ 510,000		$ 2,510,000
IT/BDM	Windows NT Workstation 5.0	Launch Windows 98 as the best version of Windows ever	Windows NT 5.0 Launch	9/98 - 12/98	$ -	$ -	$ -	$ -	$ -	$ -
				Total	$ 17,237,000	$ 2,227,900	$ 288,000	$ 2,515,900	$ 100,000	$ 19,852,900
				Budget *(not including agency fees)*	$ 15,032,000			$ 2,150,000	$ -	$ 17,182,000

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