From: Jim Allchin (Exchange)
Sent: Thursday, January 02, 1997 3:04 PM
To: Paul Maritz
Subject: RE: IE and Windows

I agree with the syncing plan. It is the only thing that makes sense even if OEMs suffer.

The "platform" issue and how we're going to win with IE is very confusing. We are risking Windows future here in a serious way. We are letting people think about whether they should choose Nav/Communicator vs. IE. We should move the argument to Windows (Memphis and NT 5.) and drive it because of ZAW, etc. as the reason to use IE.

jim

From: Paul Maritz
Sent: Thursday, January 2, 1997 2:54 PM
To: Jim Allchin (Exchange)
Subject: RE: IE and Windows

I agree that we have to make Windows integration our basic strategy. I met with Davidcol & Chrisjo week before Xmas and went over this basic fact. The pain of this strategy is that we have to subordinate other OEM Windows objectives (eg. h/w support) to this. However, I see little option but to declare that we will sync IE4 and Memphis, even if it means missing the 6/97 OEM window with Memphis. I will send some mail to emphasize this.

The next step (for Davidcol) was to be review in 2nd half of January with you/I to close on the IE4/Memphis strategy. Davidcol though that he needed this amount of time to have schedule & feature set that he believed in. This will need pre-mtg's with Moshed & co.

Once we have basic release & product strategy in place, then that will allow issues like talk of a Plus Pack to be put to bed.

-----Original Message-----
From: **Jim Allchin (Exchange)**
Sent: Thursday, January 02, 1997 2:39 PM
To: Paul Maritz
Subject: IE and Windows

PENGAD-Bayonne, N.J.
GOVERNMENT EXHIBIT
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You see browser share as job 1. The real issue deals with not losing control of the APIs on the client and not losing control of the end-user experience. For Netscape this is synonymous with winning the browser battle. That is because they don't have Windows. We have an asset which has APIs and control the end-user experience: Windows.

I do not feel we are going to win on our current path. We are not leveraging Windows from a marketing perspective and we are trying to copy Netscape and make IE into a platform. We do not use our strength -- which is that we have an installed base of Windows and we have a strong OEM shipment channel for Windows. Pitting browser against browser is hard since Netscape has 80% marketshare and we have <20%. I am especially worried that we don't have a long term winning strategy. I feel we are street fighting. Even if we get IE to be totally competitive with Nav/Communicator, why would be chosen? They have 80% marketshare. I am convinced we have to use Windows -- this is the one thing they don't have. For some reason we are in heavy copy mode against Netscape. I saw a trip report on how our booth should be changed and how we should name the components of "our client", etc. to be competitive with Netscape. This reminds me of the Novell battles. It is not a long term winning strategy. We have to be competitive with features, but we need something more -- Windows integration.

If you agree that Windows is a huge asset, then it follows quickly that we are not investing sufficiently in finding ways to tie IE and Windows together. This must come from you. Unless you do this I do not feel the groups will put significant effort in it. It is not happening today. The more we have a compelling Windows story at Memphis (and NT 5), then the more Netscape will be cut off. While I know there is a balance of ensuring we have good browser support on win 3.1 and other platforms, our strength will be strongest if we convince people that the operating system (windows) has everything

and more than what they can get elsewhere. Memphis must be a simple upgrade, but most importantly it must be killer on OEM shipments so that Netscape never gets a chance on these systems

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This isn't an academic discussion. Because of the confusion over what IE vs. Windows is, we have confusion in the field. At the WW product manager's meeting I was killed over this topic. The messages from the marketing organizations are not in sync. Furthermore, we are potentially going to disrupt the Memphis upgrade if we allow a IE Plus Pack to be sold. Should a customer buy a IE plus pack for win95 (or Memphis) or should they buy the Memphis upgrade? I have heard a reasonable bit about there being a plus pack for IE at around the time of Memphis. This would be a bad mistake. They would be around the same price. We shouldn't do this. The platform is Windows. Our upgrade is Memphis. And included in the upgrade should be everything we can possibly think of to make it compelling -- every drop of new IE features we can get.

I do not think you can let this sit. I'm sure you're going to hear an earful of this from jonro and others. It is a serious problem.

jim

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