Lesley Halverson (LCA)

From: Yusuf Mehdi
Sent: Tuesday, December 17, 1996 9:45 PM
To: Brad Chase
Subject: RE: IW

we need the suite name and components to communicate this message. i focused on making two key points in the meeting with lynda - much beter html support and UI integration. these came thru. once we have the collaboration story better buttoned up then we can sell the suite vs suite. i think it is in our interests to score technology wins now anyways, as these will stick later when we unveil the suite.

it is probably a good example though of the need to have a single group taking on communicator else we will never get the full message across. i have thought more about our conversation and more firmly believe that you need a single group and product that you market against communicator. it makes sense to me that this use the IE brand and team because of equity, experience, and relevancy in product, team, and marketing. the group would market IE4 which includes: Active Desktop, Browser, Mail, News, Netmeeting, FrontPad, Admin Kit, etc.

the outlook/collaboration team would then own:

- sustain mktg for current outlook (both standalone and as it relates to office)
- standalone mktg for netmeeting because it is a new, growing category
- product planning to rationalize our disparate email strategy
- product planning for a complete collaboration solution (beyond just email) - eg., Notes equivalent of workflow
- eventually, once we have a complete Notes equivalent, market that product to biz

One assumption about Outlook is that overtime it becomes a set of ActiveX components that plug into the Active Desktop to enhance your email, etc. You charge money for these, but the notion of a competing UI, as it is today with AD, goes away. The full collaboration product - with workflow, groupware, etc. - comes later and is packaged as a distinct product from IE (probably after IE4 ships).

So basically you have a single effort behind IE that battles communicator and rallies all constituents behind it - customers, partners, etc. This group markets the base level collaboration features - email, news, etc. as part of the overall suite - and conducts the bulk of pr, advertising, etc. Then you have a single product group that is initially more product planning in nature and focused on the emerging, higher end groupware/collaboration market with a product that beats the real player here which is Notes. This includes the server side product issues, fixes the mail client issue, and develops the netmeeting market.

I am a big fan of being super clear who battles which competitor and distinguishing the work between mainstream product marketing and longer term product planning so that we don't overlap. I would enjoy either job really (they are both super impt), but I feel like i want and need to follow thru on the goal of getting majority share for IE.

Part of what this discussion is driving is a desire to have a Review type meeting with you to map out what i would like to do longer term and to advance my career. I continue to have ambitious career aspirations and would like your feedback on the projects, experience, and accomplishments you think I need to make the next ladder level and position of responsibility. I figured on doing this in the Feb review, but since the current shuffling you are doing impacts this, maybe we should have the conversation before you decide. Let me know.

—Original Message—
From: Brad Chase
Sent: Tuesday, December 17, 1996 10:41 AM
To: Internet Explorer Press Issues
Subject: FW: IW

—Original Message—
From: David Cole
Sent: Tuesday, December 17, 1996 8:57 AM
To: Brad Silverberg; Brad Silverberg's Direct Reports
Subject: RE: IW

MS6 6010327
CONFIDENTIAL

There is still the message here that Internet Explorer is still a browser, where Nav is groupware. No credit for Netmeeting, mail, news, etc. We need to change that perception.

PENGAD-Bayonne, N.J.
GOVERNMENT EXHIBIT
658

-----Original Message-----
From: Brad Silverberg
Sent: Monday, December 16, 1996 9:24 PM
To: Brad Silverberg's Direct Reports
Subject: IW

not bad.

Forthcoming browser upgrades from Netscape, Microsoft demonstrate differences

By Lynda Radosevich
InfoWorld Electric

MS6 6010328
CONFIDENTIAL

Posted at 3:01 PM PT, Dec 16, 1996
Microsoft demonstrated some new features in its Internet Explorer 4.0 at Internet World in New York last week, while Netscape is preparing to launch the public beta version of Communicator 4.0 during the week of Dec. 23, according to one Netscape official.

In the meantime, Netscape has posted a "preview" of Communicator on a segment of its Web site reserved only for subscribed developers.

As both companies used the conference to bring their rival, next-generation Web client plans into focus, significant divisions in their strategies crystallized.

"They're coming at this from vastly different places," said Harry Fenik, an analyst at Zona Research, in Redwood City, Calif.

Explorer's Dynamic HTML object model, formerly code-named Trident, will let IS managers control the browser in several unique ways, according to Yusuf Mehti, group product manager for Microsoft's Internet platforms and developers tools division.

For instance, a data-binding feature will let developers link HTML to relational databases without writing CGI scripts. A scripting feature will let Web authors feed a set of data up to a browser in one connection vs. sending one HTML page at a time as is done today. Users then can manipulate that data offline, Mehti said.

Also, Dynamic HTML will allow workers collaborating on a project to edit text and graphics on Web pages on the spot, as opposed to returning to a Web authoring tool as they must now, Mehti said.

Microsoft has submitted specifications for Dynamic HTML to the World Wide Web Consortium, a vendor-neutral forum for developing Web standards. If the consortium changes the specifications, Microsoft will comply with the changes in Explorer 4.0, Mehti said.

Netscape officials at the conference acknowledged that although these Dynamic HTML capabilities are in the plans, they will not be available in Communicator 4.0.

Also, Microsoft and Netscape are planning different Web client distribution strategies.

Microsoft plans to release Internet Explorer 4.0 as a stand-alone product when it becomes commercially available in the first half of 1997, Mehti said. The public beta version is expected in the first quarter 1997.

As it did with past versions, Microsoft will release Explorer 4.0 for Windows 95 and Windows NT before it does so for other platforms, Mehti said.

In contrast, Netscape will not offer the next major version of Navigator alone, but only in the Communicator bundle, said Daniel Klausson, a Communicator product manager.

Also, Netscape plans to release all platforms simultaneously, Klausson said.

These differences highlight a broader split in strategy, analysts said. Microsoft is treating the browser as an interface component to be used primarily in conjunction with its 32-bit operating system and by any desktop application that needs it.

In contrast, Netscape is treating the browser as one application in an intranet client suite also comprising groupware, calendaring, and e-mail applications.

After viewing product demonstrations, one IS manager in the exhibition hall said his company, a large Midwestern manufacturer, uses Microsoft desktop software but will likely purchase Communicator 4.0 for its groupware functions and Windows 3.1 support.

However, for Microsoft shops that already have groupware, Communicator could be overkill, analysts said.

Netscape said IS managers can "shut off" unneeded features, but that wouldn't change the price, which is $49 for a standard addition and $79 for a professional edition that includes calendaring and an administration pack.

Explorer 4.0 will continue to be available for free.

Netscape Communications Corp., based in Mountain View, Calif., can be reached at http://www.netscape.com/. Microsoft Corp., in Redmond, Wash., can be reached at http://www.microsoft.com/.

MS6 6010329
CONFIDENTIAL