

OS/2 attack

November 20, 1991

OS/2 2.0 Attack Plan -Draft Only-

To: -- DRAFT --
From: Joseph Krawczak
Re: OS/2 2.0 Attack Plan
Cc: Attached List

OVERVIEW

Windows has sold nearly 7MM units world-wide, and is the most popular operating system in the world after MS DOS. However, IBM is poised for a competitive assault with OS/2 2.0. In spite of our success, there are still areas, especially in large corporate accounts, where we will be under strong competitive pressure from IBM. Any success with OS/2 2.0 will greatly strengthen IBM's position as a major competitor in the operating system business.

It is therefore critical that we prevent OS/2 2.0 from eroding Windows momentum and defeat IBM's attempt at gaining a foothold on the desktop with OS/2. To do this we must:

- Pursue a product development strategy that prevents IBM from claiming Windows compatibility. Prevent Windows applications from running correctly on OS/2.
- Redefine what Windows is with Windows 3.1. Set a new bar for Windows functionality and requirements for compatibility.
- Reposition OS/2 as impractical and incompatible in the minds of customers.
- Design and execute a competitive response to OS/2 2.0 in every arena we compete in- corporate accounts, resellers, ISV's, OEMs, Press, etc.

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IBM'S ATTACK PLAN

Product Positioning

"OS/2 2.0 is the integration platform, offering better DOS than DOS, better Windows than Windows, and better OS/2 than OS/2".

Support Points

Better DOS than DOS

Run every DOS application you have better.

- Better protection- multiple virtual DOS machines.
- More memory available- 633K conventional, 16MB XMS, 32MB EMS, 512MB DPMI.
- Background DOS application execution.

Better Windows than Windows

- Runs Windows 2.X and 3.0 apps
- Better protection via MVDMS
- Cut/Paste and DDE to OS/2 PM apps.
- Benefit from OS/2's HPFS, pre-emptive multitasking, 4K demand paging.

Better OS/2 than OS/2

Easy to Use

- Workplace Shell- drag and drop, object oriented, applets, graphical install, server install.
- Better integration- combine data from DOS, Windows, and OS/2 apps.

Powerful OS

- 32 Bit Architecture- exploits 386, 486, flat memory model, 4K demand paging.
- Protect mode- MVDMS, apps run in protected memory.
- Pre-emptive multitasking. Multiple threads.
- HPFS and enhanced FAT
- Adobe Type Manager built-in.

Reliable

- Better architecture- as above.
- Reliability, Service and Support- Built in and backed up by IBM.

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IBM's Repositioning of MS DOS and Windows

Repositioning

"DOS and Windows are only appropriate for simple applications on lower-end hardware. For higher-end hardware, sophisticated apps, mission critical development, connectivity, or full support for IBM hardware, you need the advanced features of OS/2 2.0."

Support Points

DOS is a weak foundation

- Primitive memory management, not protected, not multitasking, not GUI.

Windows is just a DOS extender

- Adds a GUI "shell" to DOS, but not protected, not pre-emptive, not 32 bit, not reliable, doesn't connect to IBM hardware.

IBM Attack Plans by Channel

Corporate Accounts/Corporate Developers

Traditionally IBM's strongest area. They will market OS/2 into corporate account segments by:

MIS

- Build on years of MIS direction setting power to make OS/2 the corporate standard. A full court press by IBM account reps.
- Use the Early Experience beta program to promote early trial and evaluations.
- Show how OS/2 becomes the strategic foundation for enterprise computing- SAA, CUA, connectivity, etc.
- Position OS/2 as a requirement for connecting with IBM hardware.
- Introduce FUD that not going with OS/2 will threaten IBM support for IBM hardware and big-iron systems.

Corporate Developers

- Position OS/2 as the strategic foundation for enterprise computing- SAA, CUA, connectivity, etc.
- Position OS/2 as THE choice for stability, protection, multitasking, and 32 bit benefits for mission critical application development.
- Promise developer support with IBM sponsored and third party development tools, conferences, and developer seminars.

Corporate End Users

IBM traditionally not focused or skilled at directly reaching end users. But they will make a bigger push at this than ever before by:

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- Reaching end users through a broad advertising and PR campaign on OS/2.
- Rolling out a Windows to OS/2 upgrade program.
- Using OS/2 mission critical apps to drive OS/2 onto organization desktops.

Advertising

Ads

- Huge advertising campaigns for OS/2. Big ongoing presence now in trade press, and business trade campaign at product ship. Currently executions likely to be continued product awareness/positioning campaign as currently running. Launch ads likely to focus on big announcement campaign at ship with direct response upgrade ads. Post ship likely to be a momentum/testimonial campaign. Also, currently running some TV spots as part of the 10 year anniversary of the PC, focusing on PS/2's. Likely that these will shift to highlighting OS/2 2.0 at ship.

Press/PR

Tradeshows

Increase presence at major tradeshows and vertical MIS related shows and make OS/2 their central message.

Press Editors

- The OS/2 vs. Windows issue naturally takes on bigger proportion with the press as an IBM vs. Microsoft story. This may tend to increase overall coverage of OS/2 vs. Windows issues.
- Unprecedented (for an IBM software product) press tour schedule. Will meet with editors regularly, and supply with white papers, videos, demos, etc. Key PR messages will be 1) OS/2 is leading OS technology, and 2) IBM is customer driven and committed to meeting its promises.

ISVs

- Recruit and buy key development tools for OS/2 PM as needed- Borland, Micrografix, etc.
- Use every leverage point they have to get major ISV's to commit to PM apps- offer "partnerships" with IBM, co-marketing deals, official IBM endorsement of their apps and sales force backing. Even outright payment for PM apps.
- Promote OS/2 as the leading technology platform for developers.
- Highlight unique advantages over Windows
- Position OS/2 as the safe future direction.

OEMs

IBM's goal is to

- Make sure OS/2 works on key OEM hardware.

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- Prevent Microsoft from offering MS OS/2 2.0 to OEMs, so that OEMs are forced to go to IBM to be able to provide it to their customers who want it. (Rich Fade- is this accurate?)
- Offer low-price royalty deals with OEMs. Try to get OS/2 bundled/pre-installed to the exclusion of Windows.

Resellers

IBM's goal will be to get wide distribution for the first time. A key challenge will be moving out from PS/2 resellers into broader channels. IBM will likely:

- Launch a retail SKU for SRP of \$149.
- Offer a retail OS/2 upgrade SKU for all MS DOS users for \$49.
- Create aggressive programs for bundling OS/2 with PS/2 machines.
- Do a major reseller tour 2-3 months before launch, highlighting OS/2 end user and corp. account demand generating programs, then offering big stocking program incentives to get sell-in.
- Use an array of marketing funds, stocking credits, display incentives, and SPIFFs to promote OS/2 display, local promotions, and RSP awareness.

End Users

IBM's goal is to broaden awareness of OS/2 beyond corporate accounts and into the broader market.

- Big ad campaign, as above.
- Use the Early Experience beta program to encourage early trial.
- OS/2 end-user upgrade program, including direct upgrade sales and direct response upgrade advertising.
- Stronger retail presence for OS/2.

International

IBM has an even stronger hold on corporate accounts internationally than in the U.S. Also, they have greater OS/2 penetration and adoption, and relatively more large corporate organizations that have committed to OS/2 development. IBM's basic strategy will be to:

- Ship localized versions of OS/2 ASAP.
- Roll out full marketing efforts as in U.S.
- Bring even stronger pressure to bear on corporate accounts and MIS decision makers. Be even blunter about tying OS/2 to IBM hardware for connectivity and continued IBM support.

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COMPARING WINDOWS 3.1 AND OS/2 2.0

Windows 3.1 vs. OS/2 2.0

See the Attachment 2 draft of a "Fast facts" comparison card which lists Windows advantages and parity features with OS/2. We can list over 100 items in which OS/2 does not offer equal functionality, support, or compatibility in areas such as user interface, hardware support, application support, performance, and industry support.

Critical Issues for customers comparing Windows 3.1 and OS/2 2.0

However, for the broadest end user market, a critical insight is that much of this detail will not be meaningful. When comparing Windows and OS/2, there are 2 major customer segments that have different information needs to determine what operating system to choose.

Intensive Evaluators

MIS decision makers, corporate developers, OEMs, and press reviewers are the most "intensive" evaluators who will make the most thorough and product-oriented comparison. For these groups we need to muster an array of information- quick comparisons, detailed evaluation guides, white papers on key topics, performance benchmarks, developer migration guides, etc.

End Users

The end-users and resellers representing the broadest market will be less "intensive" evaluators, who will make decisions primarily on net impressions and recommendations of others. For these groups we must boil down our key competitive messages vs. OS/2 into a simple repositioning that gives them a compelling reason to stay away from OS/2.

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ATTACK PLAN - REPOSITIONING OS/2

We need simple, compelling message for the broad market, and a detailed, product-focused message for sophisticated evaluators and developers.

Repositioning OS/2

"OS/2 is too impractical and incompatible for most PC users."

Support Points for the Broad Market

Incompatible

- OS/2 doesn't support Windows 3.1, so is incompatible with my Windows needs.
- OS/2 doesn't run a lot of Windows applications correctly.
- OS/2 doesn't support many non-PS/2 machines.
- OS/2 doesn't support many popular peripherals- printers, video displays, etc.

Impractical

- OS/2 2.0 only runs on 386 4MB machines or greater.
- OS/2 is big and complicated, and will be a training challenge and a support headache.
- OS/2 doesn't really let you use your installed base of Windows applications.
- OS/2 doesn't really let you leverage your Windows skills and knowledge. The Workplace shell has its own new rules, and will take a lot of retraining.

Additional Support Points for the Evaluator

In addition to the above support points, we will add the following for the more sophisticated evaluator customer:

Incompatible

- More detail on how OS/2 does and does not support Windows and Windows applications.
- Cut/Paste metafiles
- DDE problems
- TrueType support?
- OLE support?
- Performance comparisons of Windows apps on Windows vs. OS/2.
- Code page handling problems

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Confused Product Strategy

- What is OS/2 3.0 going to be? What about Nextstep, GO, Pink?
- IBM does not have a clear OS product strategy.

A Compromised Development Platform

- Doesn't have the acceptance and support that Windows does.
- Not really 32 bit. Move towards Win 32.
- Not really protected- MVDMs can bring down system, no local reboot, etc.
- Performance hit for PM apps.
- Problems with device support.

Windows works today and tomorrow

- 3.1 offers reliability and complete Windows application support.
- Windows connects in your environment. Robust connectivity solutions today.
- Windows has a clear product strategy moving toward a modern, protected, non-compromised OS with Windows NT.
- Your investment in Windows will be protected 100%- from customer end user training to your current Windows code.

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ATTACK PLAN - FUTURE DEVELOPMENT STRATEGY

Development Strategy for Incompatibility

Short Term - Deny IBM's "Better Windows than Windows" Positioning

Preventing the customer perception that OS/2 delivers real Windows support, while at the same time increasing the penetration and adoption of Windows 3.1, will remove OS/2 from the consideration set for most customers. We must use every Windows-related development activity as an opportunity to destroy this claim, both in terms of actual product compatibility and then in terms of customer perception.

Longer-Term - Development Opportunities

TBD based on analysis by Brain Moran.

Will focus on fundamental development issues that would prevent OS/2 from claiming Windows compatibility, or from running Windows applications correctly. Some possible areas for investigation- problems for API mapping, Metafile extension problems, problems handling different codepages, driver design, patenting unidriver, etc.

Product Opportunities

Windows 3.1

Raises the bar with TrueType, OLE. Need to quickly drive market acceptance of Windows 3.1 so that it redefines what it means to be Windows, and so makes OS/2 2.0 obsolete the day it ships.

Multimedia Extensions to Windows

Windows supporting the latest multimedia technology, and is leading the industry toward a common standard. OS/2's multimedia efforts do not support Windows.

Windows for Pen Computing

Windows again leads the industry in implementing and standardizing leading edge technology. OS/2 again is incompatible, and IBM's pen efforts are confused and non-standard.

WinBall

Networking for Windows, not Windows under OS/2. Raises the bar again for what Windows is and brings to customers.

Win 32

A 32 bit operating system that OS/2 does not offer or support.

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Windows NT

A modern, protected OS that fulfills the promise of a powerful OS with full Windows compatibility.

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ATTACK PLANS BY CHANNEL

Corporate Accounts/Corporate Developers

Windows Situation

High awareness and trial. Increasing adoption and penetration. Little awareness of value of 3.1. MIS "on-hold" for long-term strategy decisions.

OS/2 Situation

Heavy IBM shoe leather in large accounts. High awareness with MIS, mixed outside MIS. Beta trial in MIS. Low trail and use outside of MIS. MIS-driven adoption in a few accounts. Little E/U adoption.

For accounts/corporate developers that have committed to OS/2- varying degrees of uncertainty and confusion over OS directions and futures. Current commitment makes migrating to Windows difficult politically and technically.

Pre-launch

For corporate evaluators/MIS:

- Maximize beta opportunity to build awareness of 3.1 and set the criteria to be used for evaluations.
- Ship evaluation guide, white papers to beta sites.
- Have field follow up on beta.

For corporate developers:

- Make sure they they have an opportunity to begin using 3.1 beta 3.
- Provide with evaluation guides.
- Produce a "heapwalker" utility that shows how OS/2 is not fully protected.
- Produce a migration guide for moving from OS/2 development to Windows development.
- Provide a set of development migration aids and tools.

Launch

- Field to kick off large scale evaluation of Win 3.1 and OS/2 2.0.
- Force IBM into the open on issues- Win support, hardware support, training, application support, TT, OLE.
- For developers, make sure that our development migration kit gets wide distribution.

Post-launch

- Field to follow up with info, and close the decision for Windows. Continue forcing evaluations, decisions for Windows, and shut out OS/2.
- Keep developers up to date on latest Windows developments- Win 32, Win NT.

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Resellers

Windows Situation

Huge awareness. Win + Win apps increasing as % of sales. Most hot new apps are Win apps.

OS/2 Situation

Uneven awareness. Very limited distribution. Little customer demand.

Pre-launch

Sell in huge launch program to use up a large share of reseller awareness, resources, and dollars with broad Windows 3.1 training, stocking incentives, marketing dollars for local promotion, and display incentives. IBM will be rolling out their channel promotions, but resellers will be betting on Windows for volume.

Launch

Roll out launch program. Build huge traffic and demand for 3.1. Use our high volume to command high % of reseller resources and so shut out OS/2 distribution and channel promotions.

Post-launch

Use 3.1 launch success to build reseller focus on broadening Windows and Windows-related sales. Pursue increasing Windows bundles on new hardware, train RSPs to follow up with Win application sales, encourage top outbound resellers to provide value added Win services and support. Redefine the Windows business to be much more than the Windows SKU itself, so as Windows grows, reseller business does with it, to the relative exclusion of OS/2.

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Press

Windows Situation

100% awareness. High adoption. Broad support.

OS/2 Situation

High interest in MS vs. IBM story, Win vs. OS/2 story. Skeptical of IBM claims. Will hold IBM to promises.

Pre-launch

- Reinforce our customer focus.
- Make sure reviewers understand significance of 3.1.
- Ship evaluation guide for use when looking at betas.
- Set the criteria for what makes a great OS.
- Set a high bar for Windows compatibility claims on OS/2 with the press.

Launch

- Saturate press with Win 3.1 info, momentum.
- Ensure all editors, reviewers equipped with info for evaluation.
- Compare shipping OS/2 against IBM promises.
- Encourage evaluations.

Post-launch

Shut out OS/2 from winning endorsements. Reaffirm Windows as the people's choice and the path to future. Focus on Win 3.1 success and momentum with customers and in the industry.

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End Users

Windows Situation

High awareness. Broad trial. Increasing adoption and usage.

OS/2 Situation

Uneven awareness. Very limited trial.

No broad end user adoption.

Pre-launch

Increasing Windows satisfaction- Focus newsletter, WTW's, Resource Kit.

Show broad Win adoption and support- ads, PR, apps.

Launch

Touch 50X the number of people IBM can touch through Focus upgrade mailings to IMM+, Introductory WTWs at launch to 50K+, and broad press coverage.

Drive Win 3.1 awareness and adoption on an unprecedented scale

Reposition OS/2 as impractical, incompatible, and obsolete in minds of customers through PR messages, evaluation materials, and comparison guides.

Post-launch

Continue driving Win 3.1 awareness and adoption.

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OEMs

Windows Situation

OEM support growing in breadth and depth. Increasing customer demand for Windows is clear to OEMs. OEM Windows shipments growing in US and Intl.

OS/2 Situation

Little internal OEM support for OS/2. However, OEMs must be able to address the needs of their corporate customers who have committed to OS/2. Critical insight is that OEM needs for responding to OS/2 are the same as corporate account/corp. account developer needs, since these are the customers OEMs service.

Pre-launch

Use upcoming 3.1 launch as opportunity to increase overall Windows OEM sales.

Develop corporate account materials for distribution by OEM sales forces- evaluation guides, product comparisons, OS/2 to Windows development migration guides and tools.

Train top OEM support staff on Windows 3.1.

Launch

Announce new Windows 3.1 OEM deals.

Post-launch

Follow up with additional support and evaluation materials as needed.

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ISVs

Windows Situation

Very broad ISV support. ISVs are market driven, so are focused on Windows as the hottest platform in the market.

OS/2 Situation

Uneven support among commercial ISVs. A few pockets of ISVs support OS/2 if tied to IBM in some way, or for vertical apps for OS/2 accounts. The best and largest ISV development efforts are all focused on Windows.

(From CameronM's perspective, commercial ISV's are not a real issue given market focus. The hard problem is corporate developers who are not affected by market, and may already be committed to OS/2 development. See Corporate Developers.)

Pre-launch

Encourage ISV development requiring/supporting Windows 3.1 functionality.
Adopt internal longer-term development strategy to make OS/2 incompatible.

Launch

Highlight applications that take advantage of 3.1.

Post-launch

Ongoing evangelism for development for new Windows products- Win 32, Win NT.

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International

Windows Situation

High awareness and trial. Adoption slightly trailing U.S.

OS/2 Situation

High awareness. High trial among developers and evaluators. Many corporate accounts heavily influenced by IBM, and already committed to OS/2.

Pre-launch

Follow U.S. program for leveraging the Windows 3.1 beta for increasing awareness and evaluations.

Localize and distribute evaluation guides, white papers, and competitive information.

Encourage subs to follow launch activities with same goals as U.S. programs for resellers, corp. developers, and OEM's.

Launch

Simultaneous launch as U.S.

Post-launch

Roll out Intl Champions program to drive adoption. Localize Resource Kit, Focus, and WTW's.

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MS Field Sales Force

Windows Situation

Big Share Drive focus on Excel-Word. Don't really sell Windows. Perception problem with 3.1 as minor rev.

OS/2 Situation

IBM in some of their accounts. A few alarms and fires. Need more tools and info to combat.

Pre-launch

Win 3.1 product training for entire field at RKO's. Provide competitive tools and info.

Roll out beta evaluation program with wide field support- find 2,000 evaluators for the evaluation beta kit, with field follow-up on key evaluators in corporate accounts.

District rollouts in Feb-March to train on selling Windows, competition.

Broad CPP in March, tied to evaluation materials.

Launch

Launch events in 20 districts with top Corp. Account decision makers and top resellers.

A week of WTW for corporate account support professionals, consultants, and resellers.

Post-launch

Upgrade promotions in accounts.

Close evaluation decisions in favor of Windows.

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TOOL NEEDS

Development Strategy

Review products and product strategy for opportunities to prevent OS/2 claims for Windows compatibility.

Competitive Tools

Fast Facts comparison card

The quick comparison on why Windows 3.1 is a better choice for customers than OS/2 2.0. For use by Field, Resellers, Corp. Accounts.

Evaluation Guide

A detailed operating system reviews guide. Designed for corporate account evaluator and press reviewer. Sets up criteria for a great OS, and details why Windows is the best choice. Detailed technical product comparison on key issues, and comparison of future product strategies.

Migration Guides

Migration aids and development tools are need for corporate developers using OS/2 but migrating to Windows.

Product Information Tools

White Papers

OLE

An overview of our OLE integration strategy and implementation in 3.1.

TrueType and fonts

Overview of our TrueType technology and benefits for users. Also compatibility with other font packages.

Reliability

Windows 3.1's built-in crash protection- parameter checking, recoverable application errors, global state cleanup after fault, Dr. Watson.

Connectivity

A overview of the connectivity solutions available for Windows.

Windows disk caching

Overview of our new disk caching technology. Performance increase benchmarks.

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