

From: KAMERER --AUSVM1
To: PVW --BCRVMS

Date and time 01/26/90 00:45:5

From the desk of: Richard A. Kameron T/L 793-2262
Software Market Requirements, FS LQB
IBM Confidential

Subject: NO SUBJECT

FYI

Regards,

Dick Kameron
11400 Burnet Road (Zip 3008)
Austin, Texas 78758

*** Forwarding note from JAWLIK --WEST1VM 01/23/90 16:21 ***
To: KAMERER --AUSVM1 KIRKPAT --AUSVM1

FROM: A. A. Jawlik Industry Consultant
Somers 3 2J-35 Personal Systems Line of Business
Somers, NY 10589 (914) 766-3237 8/826-3237

Subject: NO SUBJECT

FYI.

Andy

*** Forwarding note from FMORRIS --RHQVM01 01/23/90 16:07 ***
To: JAWLIK --WEST1VM

From: Fred H. Morris
Publishing Systems
Market Development Manager

Subject: NO SUBJECT

More and recent input. I strongly support the pleas for attention in this area. Emphasis on Windows Ver. 3 is not only important from an emulator and LAN standpoint but also from a device driver standpoint. Would an end user have an easier time with his applications on Compact or IBM? Too many times we have come up with the wrong answer.

Fred

72/B7Y/1E59 Valhalla, NY PROFS ID: RHQVM01 (FMORRIS)
(914) 749-3402, T/L 777 DEPT ID: RHQVM01 (MBASS)
*** Forwarding note from SKSHUCK --RHQVM01 01/22/90 12:14 ***
To: FMORRIS --RHQVM01

*** Resending note of 12/20/89 21:10

Fred, FYI. No action required.

Susan

To: ABINERY --SIAMIPS GPSS --RHQVM04
REISWID --RHQVM01

CLASSIFICATION: IBM Confidential

Subject: Microsoft Windows, Windows Ver. 3, and IBM Windows Connection

Interested Parties.

I address this note to you as a plea. This may get a little long and/or detailed but IBM must get the issues on the table and respond. This is not an operating system problem. This is not a communication systems problem. And, this is not a hardware (PSLOB) problem. IT IS AN IBM Solution problem.

First a brief background into the problem:

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TRM 7510007402

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DEFENDANT'S
EXHIBIT

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- 1) #1 on IBM's mind is to focus on OS/2 -- rightfully so
- 2) We announced at COMDEX that Microsoft Windows is OK on <2 Meg. machines with 20 Megabytes of hard disk. I recommended we make that <4 Meg. machines with 70 Megabytes of hard disk.
- 3) IBM's communications offerings on DOS are a PATCHWORK quilt. Windows Version 3 enables an opportunity to make communications seem,

to our customers. Our competitors in communications like DynaComm, AttachMate, Wall Data (RUMBA), NOVELL, and others will be capitalizing on this new release. Will we continue to push our quilt?

- 4) Our customers, including our top 10, have chosen Microsoft Windows as a migration path to OS/2, even though we continue to enforce the IBM vision that OS/2 is the only thing they should choose. In some respects they know that DOS/Windows is a better migration path; probably with Microsoft's help.

Our customer's decisions are based on function required and the cost of the systems required. They can not afford to upgrade immediately to PS/2's that are OS/2 communications compatible. DOS/Windows gives them an entry position on old hardware as well as low cost PS/2 entry solutions.

- 5) We (IBM) can not seem to get a complete story together. Our thrust to OS/2 and OS/2 products has clouded our ability to respond to customer needs and wants. Although our customers are using DOS/Windows as a migration step we continue to try to sell OS/2. I might call this OS/2 Mania. What is wrong with selling DOS and "Windows" based solutions as well? Maybe we could make \$\$ at it as well?
- 6) Contract negotiations for Microsoft Windows in IBM is still an open issue. There are basically three contracts with Microsoft that IBM could conceivably negotiate with Microsoft. They are in ESD Boca, ASD Boulder, and Dayton.. One contract or one contract focus would be a super idea.

I have written numerous dissertations regarding Windows and positioning with OS/2 to over 20 PROFS ID's (ASD, ESD Boca, ESD Raleigh, HQ).

In many respects I have not received any response.

If you want complementary copies of these notes please let me know. PROFS allows me to catalog them very nicely.

IBM must solve this problem. It is a cross-divisional problem. It is a cross-functional problem. ESD, in my opinion, choses to focus on OS/2. What the customer wants is a more broad based solution; as witnessed in this attached memo from Exxon. There are more instances of this from other major accounts including the GTSI bid to the Airforce, NYNEX, LA Power and Water, Texas Air, Boeing, Ford Motor, etc. But we have to be willing to listen. Microsoft has indicated a substantial interest in solving communications in DOS/Windows. The call on may large accounts that we may also call on, have indicated interest in making Windows Connection the communication interface for all LAN based communications. This includes all competitive network

To date, finding the resource to respond has been difficult.

This is what is happening in IBM with respect to DOS and communications.

I will reiterate..... This is a solution question and not a product question.

Communication products have been transfered from ESD Austin to ESD planning in Raleigh and development in Yamato, Japan. IBM DOS plans

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include supporting new hardware platforms for ESD but that is about it. OS/2 is the thrust in ESD. NO-ONE (ESD, ASD, etc.) is responsible to make sure that DOS, Microsoft Windows, LAN, & communications products work well, superb or at all on IBM PS/2's. Our competitors (HP and Compaq) are focusing significant resources to make sure Microsoft Windows Version 3 works superb on their hardware platforms. No one in IBM (that I can find) has this focus. Do we want to give in to this thrust and attempt to push OS/2 and OS/2 EE as our focus? And this is our ONLY focus?

I think we need at least a Director level forum to address these issues in the January or February timeframe. It is clear to me that we need to put a plan together with an IBM position and force for our marketing team. We need a DDS solution as well as a OS/2 solution. DDS/Windows with a Windows Connection interface will provide IBM with a migration path to OS/2. But we need focus... We need resource... AND We need commitment from all.

The market opportunity for a DDS/Windows effort is not small potatoes. Let me tickle you with at least a 1990 revenue opportunity for communications at greater than \$80 Million and an IBM opportunity for an IBM Windows at at least \$32 Million. Doesn't this warrant a little investment in development?

The alternative is to allow our communications competitors to gain inroads in our business.

I would be happy to respond with complete details, pitches, or down home guesses to any questions you may have. Please help me resolve this very complex issue.

We must solve the contractual focus, requirements, functional testing, and overall DOS/Windows focus question. Can you help?

Regards, Dale A. Heuer Mgr. Personal Publishing
Windows Connection
Microsoft Windows Contract
Aldus PageMaker Contract
Preferred Environments for Publishing

*** Forwarding note from HEUER
To: MDEFREI --DALVMCS

CLASSIFICATION: IBM Confidential
Subject: Windows based 3270 emulation
Max,

Unknown management on Windows Connection KNOWS that Exxon is an important account and that we need to respond. Thanks to Dave Lection I received a copy of your note. Let me see if I can get focus to this question from a development point of view. I will.

Back to basics. I will forward your statements to who I think needs to see them and will commit to you that I will do whatever I can to get visibility to your description. I don't know how much Dave has told you about what we would "like" to do but it reads RIGHT ON to what you describe.

What can I say? Watch this space. I, Dave, his management, and my management, and ESD are tuned into this problem and hopefully will resolve it.

As an aside. I talked to our contacts at Microsoft and they assured me that Windows Connection would get at least equal billing to other Windows based products. If you need any assistance or additional "not for sale" copies please let us know.

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IRM 7510007404

Regards and thanks, Dale

*** Forwarding note from LECTION --MSNVM1 12/20/89 14:20 ***

Date: 20 December 89, 15:16:46 CT

From: David B. Lection 8/250-2876 : LECTION at MSNVM1
Advanced Development Systems
Democracy-II Room 9060
6903 Rockledge Drive
Bethesda, Md 20817

To: Mike Kaiser KAISER at RALVMG
cc: David Eldredge 8/250-2918 ELDRED at MSNVM1
Dale Heuer HEUER at BLDVM2
Hudson Philips 8/263-0318 HPHILIPS at BLDVM2

Subject: 3270 terminal emulation under Windows

Re: Note from De Freitas, M.J.

Mike,

I thought you should see this note from Max Defreitas. Max is on the Exxon account team. From speaking with Exxon about Windows I can say first hand that they are serious about Windows now, and will be serious about OS/2 in a few years. 4,000 licenses of anything is hard to sneeze at!

----- Referenced Note -----

MSG:FROM: MDEFREI --DALVMIC5 TO: LECTION --MSNVM1

12/20/89 15:01:

To: GPS --RHQVM04 Schreiber, P.G. KAISER --RALVMG Kaiser, E.M.
LECTION --MSNVM1

From: Max J. de Freitas

SWMD Exxon Team TL-345-1335

Two Riverway, Houston, Texas 77056

Subject: 3270 terminal emulation under Windows

The popularity of Windows has generated demand for host connectivity in that environment. I would like to offer an IBM solution but, right now we do not have an adequate product. We have an immediate market of 4000 users at Exxon next year if we can bring a good product to market quickly.

Why bother? At \$400 "street price" per copy, the revenue is significant. Moreover, the vendor that captures the Windows market has an advantage when users migrate to OS/2. Here is, very briefly, where we are and what needs to be done. Please let me know if you can help IBM win.

SINGLE HOST SESSION: CUT MODE is a small market in our company set but large elsewhere. IBM can offer Entry emulation with Windows running under it. Under

Windows in turn we offer Windows Connection for the user interface. Other vendors offer both the user interface and the emulation under Windows. They therefore, use memory more efficiently.

MULTI-HOST DFT MODE is required by our customers. PC3270 sets the standard for file transfer performance but requires so much real memory that Windows cannot be loaded. An upcoming version which pages inactive modules to expanded memory may offer some memory relief. Windows Connection would then have to be modified to run under Windows 3.

Other vendors already have multi-host products that run completely under

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Windows 3 in protected mode. They are very user friendly. They are having difficulty maintaining the host connection and delivering good file transfer performance. The reason for the difficulty is that Windows has no task scheduler.

SHORT TERM SOLUTION (complete before 1/15/90 to win Exxon)

- 1) Demonstrate that PC3270 with EMS memory relief can run with Windows 3.
- 2) Modify Windows Connection to run under Windows 3.
- 3) Test the whole solution at IBM and at Exxon.
- 4) Disclose our strategic solution.

LONG TERM SOLUTION

- 1) Work with Microsoft to incorporate the Myte TD task scheduler into Windows 3

since it is small and efficient. Myte was the basis for PC3270 and OS/2 Comm. Mgr. This would allow IBM to offer a premier host connectivity extension to Microsoft Windows. Synergy with our mainframes is important enough to justify cooperation with Microsoft.

- 2) Bureaucrats will prevent the above. Alternatively, port Myte to Windows 3 but keep a small TSR in real mode to maintain the host connection. Note that PC3270 has far more function than is necessary. The core requirements

are: Multi-host, DFT sessions, including a host printer LU;
HLLAPI verbs and IND\$FILE file transfer;
Token-ring and coax device drivers;
The Windows Connection user interface
Myte would, therefore, be an easier starting point.

A small project team of programmers could easily accomplish this in record time. The traditional IBM assembly line approach will fail. Armies of planners, designers, administrators with layers of management will run up the cost and generate millions of lines of useless code. Please do not make this a "strategic" product.

Sincerely,
Max

cc: MARTIN --AUSVM1
TSTIGLE --DALVMICS
VANLOK --BLDVM2

MGRANBE --DALVMICS
JRECTOR --DALVMICS

|| | +3270 terminal emulation under Windows

cc: HEDBERG --BLDVM2
HPHILIPS --BLDVM2
ELDRED --MSNVM1
GPS --RHQVMO1

LECTION --MSNVM1
VANLOK --BLDVM2
KAISER --RALVM6
ALTHUSER --BLDVM2

cc: SKSHUCK --RHQVMO1
EICH --BLDVM2

HEDBERG --BLDVM2
BOYCE --BCRVMP1

cc: PHYL --RHQVMO1 Phyllis Arduino
BOBMCKI --RHQVMO1 Robert McKinney

KATHYV --RHQVMO1 Kathy Vonesh

cc: CHERI --AUSVM1
CAMERON --AUSVM1

DVORAK --AUSVM1
FLORIAN --AUSVM1

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