To: @Distribution_List
CC:
Subj: Microsoft ITG Plans for NT

From: NAME: Roger Douglas
         FUNC: NWAG SALES
         TEL: 206 637-4175
02 @SEO>
To: See Below
CC: See Below

[handwritten: We still owe Neil Evans a call/memo!]

1

<DOUGLAS.ROGER AT A1NWD002 at NWD0

[handwritten: @ forget it (for now) Ron]

Jesse,

Thank you again for taking the time to meet with Neil Evans CIO and David Tagliani Sr. MGR. ITG at Microsoft on Feb. 4th. In the meeting you stated that Digital is planning to support Microsoft's NT operating system on Data Center class Alpha AXP systems, including clustering as a layered product. Both Neil and David were extremely pleased with the plans, but as Neil explained they have a business to run and for now Sequent and Tricord have products that they can plan on for SMP NT, and if we don't get products soon they will gain market share within Microsoft which will make it difficult to continue to dominate the server business at Microsoft.

Last week, Neil was told by Steve Ballmer, Executive Vice President, that Microsoft will not purchase any more proprietary systems. In fact Neil had approved a RAID disk subsystem with 40GB of RA73's and 2HSC95's in a single cab, and Ballmer wouldn't approve. Neil then told his staff no more VAX or VMS proprietary systems. His staff is standing by the edict and doing everything they can to pull any non-mission critical applications off the VAX cluster to free up additional resources.

I recently received a copy of the ITG World-Wide Networks Major Project Update, that was presented at the Microsoft Worldwide IT Group Managers Workshop, last week. One of the major initiatives was NT implementation and the platforms were as follows;
   o   Low Range Servers
        - Dell 486-66 ($4-$12K)
        - Compaq Prosignia ($5-$12K)
        - Compaq Systempro XL ($12-$25k)

   o   Middle Range Servers
        - Tricord ($20-$80k)

   o   High Range Servers
        - Sequent ($50-$250k)

I also received a copy of the Next Generation Business Systems (NGBS), Windows NT based Core System Application presentation. It detailed the NGBS goals and objectives for developing strategic partnerships with ISV's to build Worldclass Business Solutions using Microsoft technology. The plan is to sponsor both Dunn And Bradstreet as primary vendor and SAP as backup. They will invest in both vendors ($ and resources) to identify specific deliverables on pre-determined schedules (proof of concept prototype by 9/93). This creates a win-win-win "Hedged Strategy" situation for Microsoft as they get a good NT based client server solution for their use and have two large vendors with products to market to commercial customers, validating NT, SQL Server, Windows, Visual Basic, C, C++, etc. Replacing the VAX and AS/400's installed at Microsoft. Please note, both presentations were given to me in secret, therefore please do not discuss

with anyone.

Needless to say, I need some definate answers that I can deliver to Microsoft ITG about our NT system plans. In particular;

1. When can we get a Jensen for ITG to test? (I know they have upwards of 20 in development, but possession is 9/10s and I haven't been able to acquire one for them)

2. When will the DEC 4000 Alpha AXP class rackmountable SMP system be available?

3. When will the DEC 7000 class systems be NT ready?

4. When will clustering be available? (Microsoft might be willing to partially fund this project if presented properly to Neil, he has already agreed to fund the DECscheduler port and considering DECnsr)

5. Most urgently, what marketing messages can we give that every VAX VMS cluster site for migration plans? i.e. Alpha ready systems that will eventually support NT, SCSI disks with HSC adapters for now assuming that the drives will be supported later, etc.

Microsoft has been a very valued Northwest Account Group customer, who has relied on Digital for most of their tenure for computing resources for their core business applications. They have purchased $4-$5 Million in each of the past three years, and have always been on the leading edge of Digital products (first commercial multiprocessor 9000) and as Neil stated they would prefer to continue doing business with Digital and even Bill Gates would again support him purchasing from Digital as he is convinced we have the right NT strategy.

I appreciate your anticipated prompt response, as time is money going to the competitors.

Sincerely,
Roger Douglas

To Distribution List:

lipcon @thundr @vmsmail

CC Distribution List:

jeff @jeff @vmsmail,
strecker @milpnd @vmsmail,
dye @cstvax @vmsmail,
schneider @cghub @vmsmail,
gullotti @solvit @vmsmail,
NAME: BOB BAJEMA <BAJEMA.ROBERT AT A1NWD002 at NWD002 @SEO>,
schreiber @decwet @vmsmail,
bob sultemeier @seo

Russell A. Gullotti
Vice President

18 August 1992

Mr. Robert McDowell
Microsoft Corporation
1 Microsoft Way
Redmond, WA 98052

Dear Bob;

A couple of days ago Pat Cataldo showed me the master TAP
agreement between Microsoft and Digital. It certainly
seems to be a comprehensive document representing a
"win-win" for both of our companies.

My congratulations to both the Digital and the Microsoft
teams for having worked so well together to pull this
off. I see this alliance as a continuation of the ever
growing relationship between our two companies.

I should have lunch with you more often! Our meeting in
Seattle a few months back certainly seems to have paid
off.
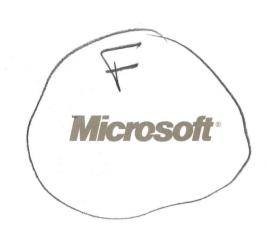
Sincerely,

Russell A. Gullotti
Vice President, Digital Services

CC: Pat Cataldo
      David Stone

Microsoft Corporation   Tel 206 882 8080
One Microsoft Way   Telex 160520
Redmond, WA 98052-6399   Fax 206 93MSFAX

RECEIVED

MAR 1 7 1992

RUSS GULLOTTI

F

Microsoft®

March 9, 1992

Mr. Russ Gullotti
Vice President
Digital Equipment Corporation
Digital Drive
P.O. Box 9501
Merrimack, NH 03054-9501

Dear Russ:

It was great having a chance to meet with you in Seattle a few weeks ago. I am very excited about the potential for our two companies working together. It sounds like you and I have very similar beliefs as to what makes strategic partnerships of this sort successful.

Since you and I met, I have met with Pat Cataldo and we are currently working on putting together an agreement that should result in our announcing a relatively specific services relationship between Microsoft and Digital at DECWorld. It is already clear that the relationship should encompass a relationship between both our education organizations, as well as our consulting organization.

I will look forward to having a chance to meet with you again in the near future.

Best regards,

Robert L. McDowell
Vice President,
Education & Consulting Services

C.C. Pat Cataldo
David Stone
Bud Strecker
FYI
Russ Gullotti

RLM:lc