Anh Hoang (LCA)

From: Jim Durkin
Sent: Wednesday, June 11, 1997 10:03 AM
To: Anthony Bay
Subject: FW: NetShow/NAB, etc.

Looks like Paulma's message is that we have a mandate to win-but only if we buy Vxtreme. That seems kind of backwards, by my thinking. It seems like you should decide whether you want to win or not and then figure out alternatives to get there.

—Original Message—
From: **Tod Nielsen**
Sent: Wednesday, June 11, 1997 8:33 AM
To: Jim Durkin; David Britton; Morris Beton
Cc: Cornelius Willis; Anthony Bay
Subject: RE: NetShow/NAB, etc.

We didn't get into a bunch of tactics with Paul. What I asked him was if we should make a concerted and significant effort to make Netshow win. I told him this would mean more focused evangelism, tradeshow presence, and 1:Many marketing activities. Since Paul is pushing DRG to triage everything that is not core to our platform battle, I asked him whether this should be on the DRG radar screen or not.

His response was that things are still evolving in this arena with respect to this "potential acquisition". So, he said not to focus on this area until we hear back from him. Net/Net, he didn't say this stuff isn't important, he just said that our strategy/technology is still cooking, so we shouldn't focus on it until we know more.

- Tod

—Original Message—
From: Jim Durkin
Sent: Tuesday, June 10, 1997 11:32 PM
To: Tod Nielsen; David Britton; Morris Beton
Cc: Cornelius Willis; Anthony Bay
Subject: RE: NetShow/NAB, etc.

Okay, I understand where we stand and thanks for the update. We believe we are 80%+ on the side of getting the "potential acquisition". We'll know more at the end of this week.

Abay or I will likely raise this to Paulma tomorrow, because I think, whether or not the acquisition goes through, we've decided that this area is key and we must win it. (Abay, you should chime in if I read Billg's "we've got to go win this area for strategic reasons" comment wrong).

I'd be interested in hearing exactly what you proposed to Paulma and more details on what he said in response. Did you propose doing something along the lines of the below David Britton email? More info on how the meeting went and the comments will help us in raising this to Paul. I don't want to send mail to paul saying "hey, DRG is proposing a bunch of aggressive streaming media stuff, why are you not approving these things?" if that's not the case. I need to know a bit more on what you proposed and what he rejected here.

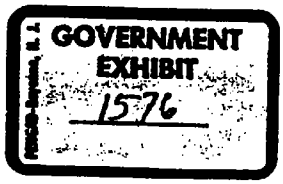
Thanks, guys, I appreciate the help,

Jim

—Original Message—
From: Tod Nielsen
Sent: Tuesday, June 10, 1997 6:47 PM
To: David Britton; Jim Durkin; Morris Beton
Cc: Cornelius Willis
Subject: RE: NetShow/NAB, etc.

Paul did not commit to this. I am going to discuss with him further, but he is unwilling to do this until the issue over a "potential acquisition" is resolved. His feedback was that DRG should not do anything with broadcast until we hear more from him.

—Original Message—
From: David Britton
Sent: Monday, June 09, 1997 12:45 PM
To: Tod Nielsen; Jim Durkin; Morris Beton
Cc: Cornelius Willis; David Britton
Subject: RE: NetShow/NAB, etc.



MS8 007878
CONFIDENTIAL

Thanks...

Here's what I'd like to see Paulma approve:

Award DRG incremental budget for funding platform marketing and evangelism for broadcast technologies; this makes sense given the increasingly strategic nature of our iniatives in NetShow, DirectShow, WebTV, and DTV.

The pertinent FY98 objective and focus would be on establishing ASF and NetShow as streaming media standards. FY99 would see an expansion in mission to include work on Memphis/Broadband/DTV work.

Why DRG...this is the logical place for strategic cohesive messages to be developed, presented, and evangelised. Without this in DRG, we will have 4 product groups doing random and at times conflicting work targetting the same audience...broadcast oriented content developers.

On the marketing front, I would like to see two big ticket items and a number of smaller items targetting ICP's and partnering with ISV's.

1) a fall conference targeting broadcast media developers.
2) a major presense at NAB spring

The above would likely involve abt $500K for NAB, and $500-$1M for marketing.

On the evangelism front, short term, we need three people, one focusing on tools co's, one on Infrastructure (ASF/Codecs/Rob), and one serving as a specialist serving the ICP account teams. We currently have one.

—Original Message—
From: Tod Nielsen
Sent: Thursday, June 05, 1997 10:22 PM
To: Jim Durkin; Morris Beton
Cc: David Britton
Subject: RE: NetShow/NAB, etc.

I'm meeting with Paul on Monday and will bring this up with him. I'll let you know what he says.

—Original Message—
From: Jim Durkin
Sent: Thursday, June 05, 1997 9:59 AM
To: Tod Nielsen; Morris Beton
Cc: David Britton
Subject: NetShow/NAB, etc.
Importance: High

Guys, just had a conversation with David about NAB. From what I understand, there is some doubt about DRG planning/funding NAB.

Obviously, this concerns me for two reason. 1) NAB is a key event for me, 2) I'm wondering if this portends an overall lack of DRG focus on NetShow-related activities.

#1 is a problem and #2 is a disaster.

I'd like to bring you up to speed on what happened in this last Friday's Billg/paulma/bobmu meeting. Basically, Billg and Paulma made the decision that 1) we need to win the streaming battle against progressive networks, 2) gave the approval for me to go buy a $65 million company (5th largest microsoft acquisition ever) in order to win the battle, 3) Winning the streaming battle means three things-winning the file format war, winning the client architecture war, and winning the server wars.

Bill's comment was "this is a strategic area and we need to win it". Muglia's comment was "PN is like Netscape, the only difference is we have a chance to start this battle earlier in the game.

Sooo, given that our company has decided this is a critical area and we need to win it, I think we've got to talk seriously about how we turn the dial up. NAB is critical to doing that. However, we've got to do A LOT more than just that (ASF needs to be seriously evangelized and we need to get a plan to get the top ICP's and tools vendors on board).

I'll set up a meeting with us and probably Abay to discuss this.

jim

MS8 007879
CONFIDENTIAL