From:	Peter Houston
Sent:	Thursday, November 07, 2002 10:09 AM
To:	Kevin Johnson
Subject:	RE: Please review RE Linux Compete

To summarize:

1) I can have the MSFT name removed from the report. I remain concerned that it will get out that we sponsored so I don't know how much advantage we will get out of removing the name. Note that we will also have to talk to the press about the report at some point (we should assume word gets out – and we may want to proactively get it out to some MSFT 'friendlies' in the press – if there are such people!) and they will ask what our role was, and it will become clear that we sponsored.
2) I will ask Paul and Brad to review and give their response.
3) We will have a thorough briefing material set prepared for the field.

Bottom line: you are not opposed to enabling the field to use this as long as Paul & Brad don't raise flags.

> -----Original Message-----
> **From:** Kevin Johnson
> **Sent:** Wednesday, November 06, 2002 6:12 PM
> **To:** Peter Houston
> **Cc:** Sandi Baldock; Andrew Lees; Paul Flessner; Brad Goldberg
> **Subject:** RE: Please review RE Linux Compete
>
> Comments below
>
>> -----Original Message-----
>> **From:** Peter Houston
>> **Sent:** Sunday, November 03, 2002 6:53 PM
>> **To:** Kevin Johnson
>> **Cc:** Sandi Baldock; Andrew Lees
>> **Subject:** RE: Please review RE Linux Compete
>>
>> Below... Thanks again for your attention to this...
>>
>>> -----Original Message-----
>>> **From:** Kevin Johnson
>>> **Sent:** Friday, November 01, 2002 1:14 PM
>>> **To:** Peter Houston
>>> **Cc:** Sandi Baldock; Andrew Lees
>>> **Subject:** RE: Please review RE Linux Compete
>>>
>>> Thx Pete. A few additional questions
>>>
>>> Does the cover page on the report have to mention "funded or sponsored by Msft"?
>>> *[Peter Houston] I am sure we can have this removed, but I think it is unlikely that we could keep customers/competitors from knowing that we sponsored this. Is there an advantage in your mind to having people know we sponsored but not have that called out on the cover?*
>> [Kevin Johnson] I don't like it to be public on the doc that we sponsored it because I don't think the outcome is as favorable as we had hoped. I just don't like competitors using it as ammo against us. It is easier if it doesn't mention that we sponsored it.
>>
>>> What is the BG position (and Flessner in particular) on distributing to field?

1

Below... Thanks again for your attention to this...

-----Original Message-----
From: Kevin Johnson
Sent: Friday, November 01, 2002 1:14 PM
To: Peter Houston
Cc: Sandi Baldock; Andrew Lees
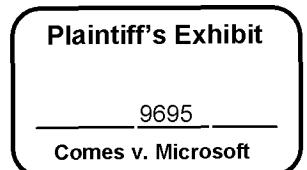Subject: RE: Please review RE Linux Compete

Thx Pete. A few additional questions

Does the cover page on the report have to mention "funded or sponsored by Msft"?
[Peter Houston] I am sure we can have this removed, but I think it is unlikely that we could keep customers/competitors from knowing that we sponsored this. Is there an advantage in your mind to having people know we sponsored but not have that called out on the cover?

What is the BG position (and Flessner in particular) on distributing to field?
[Peter Houston] I have not run this by Paul. Are there a couple of other names you would like me to run this past? Note that BillV, Bob Kelly, and JimAll have all reviewed and I think there position is that (1) This is powerful info with a couple of warts (2) they want to defer to Mich because they are concerned about the PR fallout. They are less concerned about competitor responses – although this is clearly on their list of concerns – as long as we have a good briefing doc prepared for the field if/when we distribute.

Is there an equivalent report from Gartner on TCO of win vs Linux?
[Peter Houston] No. We have been unable to get any major firm (than IDC) to do such a study. And, I am concerned that the same warts are going to show up in any rigorous study – perhaps worse. (Windows .NET Server 2003 will help a lot, but I think we are 18 months out from having the product released and deployed in enough shops to re-execute the study. So we would be leaving the field hanging.) We approached Gartner about doing this study (instead of IDC) and they declined. They said it was because they didn't know that their model for TCO would work well with Linux. I privately wonder if they want to take on this debate. Linux is good for business, you know. IDC, in contrast, seems to relish the thought of defending their study publicly.

Can you create a tool (excel modeling tool) to help field do comparisions of TCO in different situations using this report as a baseline for the metrics.
[Peter Houston] IDC is under contract to product such a tool. I will note that I expect the tool to be somewhat simplistic as their model only uses 15 -20 inputs. IDC emphasized extracting real-world cost data from late adopter customers versus predictive models. That was my direction to them as I was concerned that early adopters always are too optimistic. I wanted late adopters and real numbers. BTW, IDC struggled to find enough actual customers to do the study!

If you only distribute to reps to use at discretion, it will get out to competition at some point. I am less worried about the pr soundbites and more worried about how competitors will use against us with soundbites to customers.
[Peter Houston] This is why I think the ultimate question we need to answer is whether we want customers to read this report. I don't fear competitor responses as long as we fundamentally want customers to read the report. Because any reasonable customer, when faced with a competitor tear down, will want to see the original document.

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From:	Kevin Johnson
Sent:	Wednesday, October 30, 2002 8:14 AM
To:	Peter Houston
Cc:	Andrew Lees
Subject:	RE: Important Request W/R/T Linux Compete

You are right that there are pros/cons.

I like being able to show that a windows solution is lower tco than linux and be able to quantify it. I don't like the fact that the report show us losing on TCO on webservers. I don't like the fact that the report show us losing on availability (windows was down more than linux)). And I don't like the fact that the reports says nothing new is coming with windows .net server. I would not release this report with the "sponsored by msft" on the cover. With that, we will have ibm and many customers pulling out quotes about windows 200 being unreliable compared to linux and being more expensive for web servers. The analysis that linux is great in certain areas and getting stronger with isvs will fuel the fire. If this report came out without our involvement, we would probably write some reponse to defend certina points (ie reliability, the lower web server costs and the enhancements customers will see with .net server). I would worry that having this report out there with a "sponsored by msft" would put us even more in a defensive position.

-----Original Message-----
From: Peter Houston
Sent: Wednesday, October 23, 2002 2:34 PM
To: Kevin Johnson
Subject: Important Request W/R/T Linux Compete
Importance: High

Kevin –

We met with Mich Mathews today (and members of her PR team) to debate the merits of releasing a TCO study that was done for us by IDC.

<< File: Microsoft Draft PDF 1023.pdf >>
I don't want to bias you, so I will withhold most of the details of the discussion (other than to say that there are plusses and minuses). But, we felt that the ultimate decision ought to be based on whether we want customers to see this information. I.E. we'll figure out how to handle the PR issues independently.

All of us who have been working on the report (for about 7 month now!) are now too close to the situation to provide balanced input. So, Mich suggested that I enlist you as someone who could read the report provide an unbiased opinion.

I hate to put it like this, but at this point, IDC is done negotiating with us. We have moved them quite a bit already, but they are now holding the line, saying that if we want the names of their 'big' analysts on the report, this is it. So, what I need most is a 'yes' or a 'no' on whether you would like our customers to see this. That said, if you have caveats that don't affect the report itself, I would appreciate hearing those. Things like 'Yes, as long as we make it clear that we address [X] issues in Windows .NET Server 2003'.

Also, I know you are a busy guy, so if there are other people you would like to enlist, please feel free to forward. Please let them know that time is of the essence (due to a news cycle we are trying to hit if we use the report) and that feedback should come to me.

Thanks for your help!

-Pete

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