

COMPUTERWORLD

MVS bundling to cut S/390 costs

IBM simplifies operating system by building in auxiliary systems

By Craig Stedman
ORLANDO, FLA.

Hoping to make MVS a load-and-go operating system akin to server rivals such as Unix and Microsoft Corp. Windows NT, IBM is moving to bundle the mainframe software with about two dozen supporting products. Until now, users have had to buy and install those products separately.



The bundling strategy should result in lower software costs for System/390 customers, although IBM said last week it hadn't finalized pricing.

The move, which is expected to be announced within 60 days, is also aimed at making it easier to order and install MVS and critical auxiliary software that virtually all mainframe shops must use with the operating system.

IBM officials at last week's Share, Inc. user group conference here wouldn't specify which products will be bundled

MVS, page 109

Win 95 trips 1-2-3

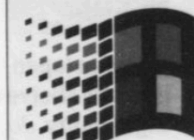
Lotus to ship new SmartSuite with Win 3.1 spreadsheet release

By Lisa Picarille

Don't look for a Windows 95 version of Lotus Development Corp.'s 1-2-3 spreadsheet any time soon.

To quickly push a Windows 95 version of its SmartSuite application set into the market, Lotus will ship SmartSuite with a Windows 3.1 version of 1-2-3, according to sources briefed by the company. The other suite components have been successfully ported to Windows 95.

Lotus will include in the SmartSuite package a coupon that lets users get 1-2-3 for Windows 95 when it is released. The ported spreadsheet is slated to go into beta testing in October. General availability isn't expected until the first quarter of next year, accord-



Microsoft
Windows 95

Under the Windows 95 big top in this issue:

- Product launch roundup, PC maker plans and 32-bit applications. **Pages 14, 15**
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ing to sources close to the Cambridge, Mass., developer.

Lotus declined to comment. Observers said the delay of 1-2-3 for Windows 95 could also adversely affect the Windows 95 release of NotesSuite. This package is supposed to provide workflow links between 1-2-3 and Notes so that users can track sales activi-

ties and revenue forecasts between the two applications. NotesSuite is due this fall.

This isn't the first delay for 1-2-3. Lotus' former cash cow has been plagued by setbacks ever since the firm attempted to move the popular DOS spreadsheet to the Windows platform. This latest snafu is no exception, observers said.

"This is a major embarrassment," said Jeffrey Tarter, editor of "Soft Letter," an industry newsletter in Watertown, Mass. "I would say this is on par with walking down Main Street at high noon wearing no pants. This is not just

Lotus, page 14

Groupware gangbusters

Oracle weaves Web links

By Kim S. Nash

Already more than a year late with its groupware suite, Oracle Corp. is nonetheless hopeful that it can still end-run market leader Notes with a set of workgroup products linked via the World Wide Web.

Specifically, Oracle will announce on Sept. 18, at the opening of its annual user group meet-

Oracle, page 109

DEC to challenge Exchange

By Suruchi Mohan

Digital Equipment Corp. last week confirmed it is working on a multiplatform messaging product that would go head-to-head with ally Microsoft Corp.'s yet-to-be-released Exchange Server.

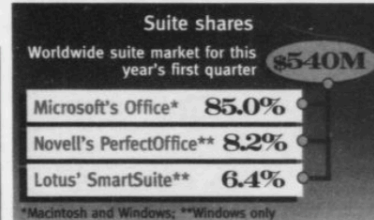
Code-named OfficeServer, the forthcoming messaging platform could be a contender at the large corporations that Microsoft covets and Digital holds sway over. But Digital is shooting for a June 1996 delivery date. Exchange is expected by the end of this year.

Friends or foes?

The timing of the project is especially intriguing because Digital and Microsoft announced earlier this month that they would work together on the messaging front. Digital had said it would offer its MailWorks and All-In-1 users a migration path to Exchange.

OfficeServer will incorporate key features from Digital's mail products, including file cabinet and server-based conversion. The file cabinet feature is similar to the file manager in Windows, except that each document has a

DEC, page 12



Source: Dataquest, Inc., San Jose, Calif.

Voice hitches a free ride on stretched frame relay

By Bob Wallace

A trio of networking equipment vendors are prepping the first group of products that will enable users to send voice traffic and data over public frame-relay networks, adding a new dimension to the carrier service.

Frame relay was designed primarily to support data transmitted in bursts between far-flung LANs, but equipment due from ACT Networks, Inc. and Memotec Corp. will help users squeeze even more traffic onto the carrier service. Micom Communications Corp. announced its gear last week.

Users who generate sporadic

voice traffic stand to save money because frame-relay networks were originally cost-justified for data applications. When they carry voice as well, it gets a free ride.

Users "should take a long, hard look" at this approach because it can save them money, said

Christine Heckart, a broadband consultant at TeleChoice, Inc., a Verona, N.J., consultancy. "You'll see more products soon."

"We've estimated [voice] savings of \$3,000 a month on our nine-office frame-relay network," said Ken Lund, president of Allen Lund Co. in La Canada, Calif. The firm uses products from Micom to run

Frame relay, page 109

Group-wary	
The Oracle Groupware suite is more than a year late, but beta users predict it will be worth the wait	
SUITE COMPONENT	AVAILABILITY
Office E-mail	Now
Calendar scheduling	Now
Document manager	By year's end
Workflow manager	Early 1996

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Computer Industry

Slow PDA sales force Motorola to downsize

By Mindy Blodgett

A slower-than-anticipated market for personal digital assistants (PDA) prompted last week's decision by Motorola, Inc. to downsize its wireless data group staff, industry observers said.

Motorola in Schaumburg, Ill., is expected to cut or reassign 180 workers — about 20% of its staff — from its wireless data group, which makes portable communications products such as Marco and Envoy. Motorola declined to confirm the reported numbers.



Motorola hopes a new advertising campaign for Envoy will help to perk up sales

Strategy overhaul

While the cuts reflect that the PDA market is developing more slowly than expected, Motorola has said from the outset that it was investing for the long haul. Still, it appears to have revamped its strategy. Company officials said they will focus on promoting existing products and veer away from new product development.

But there is a silver lining: Motorola, unlike AT&T Corp., isn't withdrawing from the market. "The good news is that we will be starting a major new advertising campaign for Marco and Envoy," said Mil Ovan, a marketing director at Motorola.

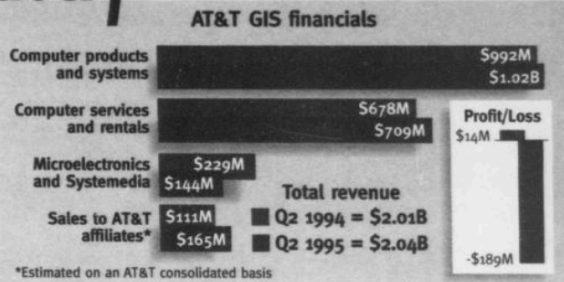
Marco, a clone of Apple Computer, Inc.'s Newton, costs between \$900 and \$1,400 for a personal organizer with built-in messaging. Envoy, which is based on struggling General Magic, Inc.'s Magic CAP operating system, allows data transfer, messaging and access to on-line services. It costs between \$1,000 and \$1,500.

Iain Gillott, an analyst at Link Resources Corp. in Austin, Texas, said Motorola was smart to cut its losses but shouldn't expect miracles. "Marco and Envoy are very nice little computing devices, but users

just aren't convinced, and may never be, that they need them," he said. Price has also been an issue, he added.

"People just don't want to pay \$900 for a PDA when they can get a subnotebook that offers so much more for not all that much more," Gillott said.

Samuel May, an analyst at The Yankee Group in Boston, said Motorola's actions are a reality check. "The PDAs have been a colossal failure when measured against the hype," he said. "They need to get down to the real business of providing real tool sets of solutions."



AT&T GIS to cut jobs

Continued losses force downsizing action

By Neal Weinberg

AT&T Global Information Solutions, under Chief Executive Officer Lars Nyberg, plans to drop a downsizing bomb by the end of next month.

Responding to a \$189 million second-quarter loss, AT&T GIS on July 28 sent a memo to employees notifying them that a major restructuring was in the works.

"That loss continues an unacceptable earnings trend that makes it imperative for us to take decisive action to focus our business and reduce our cost structure," the memo said.

Financial setbacks

The memo, which came to light recently, reflects the unit's struggle to turn a profit in the past several years. Under former CEO Jerre Stead, AT&T GIS was moving slowly toward breaking even. But the loss set back that effort.

A spokesman wouldn't disclose how many jobs will be cut from the

46,000-person workforce, but the memo said department heads are working out the details. Pink slips should go out by the end of next month.

Nyberg, who has kept a low profile since joining the Dayton, Ohio-based company in May, is under orders from parent company AT&T Corp. to return the unit to profitability, said Gene Lee, an analyst at International Data Corp. (IDC) in Mountain View, Calif.

Chris Christiansen, an analyst at IDC in Framingham, Mass., said the company's revenue picture isn't a disaster, but it does have "a profit problem." Lee said revenue has been hurt, in part, because the company is late delivering a high-end replacement for its symmetrical multiprocessors.

Lee said AT&T GIS will focus on its most successful areas: financial, retail and communications. It will de-emphasize, but not eliminate, public sector, transportation and consumer goods manufacturing. AT&T confirmed the plan.

Microwave technology lures new users

By Laura DiDio

Microwave Bypass Systems, Inc. is seeing its niche market rapidly expand as customers rediscover microwave technology, which was first invented in the 1960s.

Ethernet LANs

Microwave Bypass, a 10-year-old wireless microwave pioneer in Hingham, Mass., manufactures full-speed Ethernet microwave LAN devices.

The company has gained a following among hospitals and universities with large campus networks, school districts, military bases and the government.

Bill Mountjoy, director of information services at the Service Employees International Union in Washington, discovered microwave when the labor union needed to link 300 users in two buildings.

The organization originally wanted to go with fiber-optic links but scrapped

that plan because the service cost \$2,000 a month.

At \$15,000 per link, microwave equipment is 50% to 70% cheaper than leased lines, according to Eric Hindin, a program manager at The Yankee Group in Boston.

Despite the low cost, Mountjoy said he was initially skeptical. "I thought the crazy weather patterns in Washington, D.C., would disrupt the microwave signal. That hasn't happened; we've had 100% uptime over the past year," he said. "The microwave links only cost me \$28,000, and unlike leased lines, I own the equipment."

The company's installed base now stands at 1,500 users. A profile of the company by Aberdeen Group, Inc., a Boston consultancy, said Microwave Bypass is "the unchallenged leader" in the Ethernet microwave LAN market.

"Microwave Bypass has solid technology, robust products and a current mar-

ket share of 75% to 80%," said Virginia Brooks, Aberdeen's manager of network access technologies.

Phillips Laboratories at Edwards Air Force Base in the Mojave Desert installed microwave links about three years ago to simultaneously transmit a mix of Ethernet, video and T1 data, said one Air Force network administrator who requested anonymity.

Although the company's installed base seems content, Microwave Bypass can't rest on past laurels. To attract new business, founder and President David Theodore said Microwave Bypass must educate users.

"Many people erroneously lump all

Microwave Bypass Systems

Hingham, Mass.

Users:

About 1,500

Products:

The LAN-Link 1000 Ethernet Bridge, which transmits voice, video or data over microwave links at full 10M bit/sec. for up to 12 miles

Advantage:

No recurring leased-line costs; users own the microwave, and it pays for itself in about 12 months

Price:

Approximately \$30,000

wireless technologies together or confuse microwave with infrared and spread-spectrum devices," Theodore said. "Another great myth is that adverse weather conditions like rain and dense fog will disrupt the signal — and those issues don't impact microwave technology at all."

Users and analysts have praised Microwave Bypass' service and support.

"They're very customer-oriented," Mountjoy said. "They cut their normal installation time from 60 days down to under 30 days to get us fully operational."

Brooks said that for Microwave Bypass to grow, it needs to make technology alliances with large internetworking vendors.