

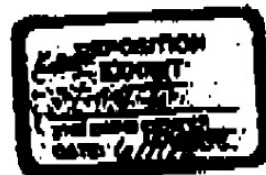
Java Products Business

Strategy

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Draft



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JPB Objectives

- 1. 100 million Java enabled seats**
- 2. New business devoted to developing, selling and supporting Java applications and systems**
- 3. Promote Sun's Image as the leading innovator in the Internet and networking**
- 4. Turn Java into a complete architecture and product franchise for computing**
- 5. Establish a high volume, low margin hardware product line based on Java and breakthrough graphics performance.**

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Strategy Steps

1. Release HotJava
2. Java Ubiquity
3. Application Capture
4. Platform Inversion
5. Hardware Capture

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1. Release HotJava

Internet release of HotJava web browser

Demonstrate the Java language and runtime

Executable content, better than static html

Create the excitement, leverage the WWW interest

Freely distribute

Get everyone thinking Java is an Answer

Barriers: none, don't want any

Risks:

Source and IP readily available on the net

HotJava as an application directly competes with our customers

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2. Java Ubiquity

Get Java everywhere; establish the franchise

Technology licensing

Licensee integrates Java as application feature

- web browsers
- network services
- enterprise solutions
- embedded processors

Keep cost low; nominal revenue

Focus on development tools

Seed the ISV's and OEM's

Consider this step an investment

Sun retains IP and control of the language and runtime

Barriers: high, no other similar technology available

Risks:

- Microsoft response to Java
- Ecias patent
- Royalty buyouts a mistake
- Internal organization problems
- Industry backlash, Sun setting Internet standards

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3. Application Capture

As Java creators, Sun can establish a Java Applet business:

Along with a myriad of other Applet software vendors

Net-centric Applets creates a structural change in the applications industry

components

demo, purchase, distribution and fulfillment

upgrading

per use licensing and fees

security model

Current applications suites are too large, complex

Capture application market with simpler, smaller, throwaway, instantly upgradable Applets

Applets run in licensee platforms (step 2)

Barriers: none, don't want any

Risks:

Internal organization conflicts

Staffing

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4. Platform Inversion

Extend java to be a system rather than an application feature

Language based system with Java

Establish a new Platform

Applications that once ran in the context of a Java enabled applications, can now also run on Java the Platform

Shift ISV's from developing Applets for Netscape-type browsers to developing for the Java Platform

Platform offers greater system facilities:

- net based storage
- distributed computing primitives
- communications
- security

License openly; the DOS model

Barriers: low, leadtime and Sun's market position

Risks:

- Internal organization conflicts
- Netscape Navigator as a platform

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5. Hardware Capture

Implement the Java Platform on bare metal

Low cost, network device; runs Java

\$500 - \$1000 price point;

Portables, desktops and servers

Capture the corporate, home and education desktop

Performance matters

New processor architecture, small die, low cost, low power, optimized for Java

New systems significantly cheaper than current trends

High volume, low margin model

License openly

Barriers: medium, complexity forcing simplification

Risks:

Intel response

New architecture

Time to market

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