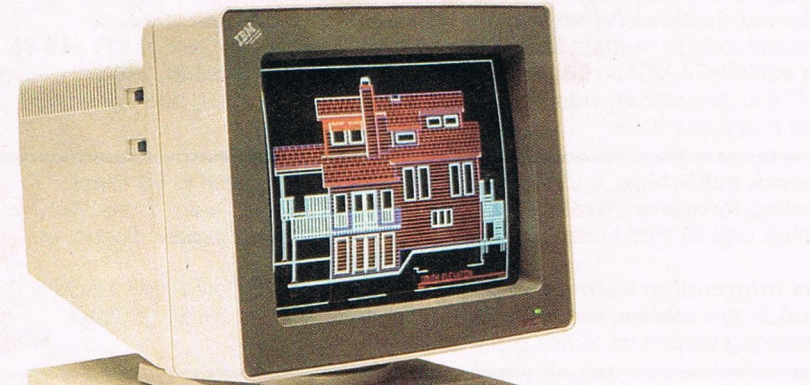
IBM POWERS UP TH



The IBM PS/2 Model 70 386 is the fastest microsystem, but Compaq says it is limited

IBM served up more speed and power for the company's PS/2 product line last week, but company executives acknowledge that the new hardware offerings are only part of the platform corporate customers will need to make the PS/2 an integral part of their Systems Application Architecture strategies. The important elements of those strategies are scheduled to come next month and this fall with the release of the OS/2 Extended Edition and Presentation Manager software.

While acknowledging that the speed and power would find applications ranging from technical operations to more productive executive computing, users and analysts think the additions are only part of the groundwork IBM will need to make its SAA a reality among corporate customers. "I don't see what they are doing with hardware having a big effect right now. We're looking for software for communications and connectivity," says Tom Nutter, corporate microcomputer coordinator for Carnation Inc. He suggests that other vendors like Compaq Computer Corp. and Tandy Inc. have been offering better performance at lower prices in 386 personal computing.

THE ISSUES

- ▶ IBM is trying to boost the performance of its PS/2 product line, and cut prices, in the face of strong 386-chip machine competition from such firms as Compaq and Tandy.
- ▶ Users downplay the importance of new hardware, saying they need software and the promised Silverlake midrange to make the PS/2 an integral part of their SAA plans.
- ▶ Compaq plans to counter IBM's blitz with new-product announcements on June 20.

Such user response is evider
recent microcomputer market s
ies by such firms as Computer I
ligence, La Jolla, Calif., and St
board Inc., Richardson, Texas.
survey found that only 5% of *For*
1,000 sites planning to buy PS/2s
pected to purchase IBM's prev
386 chip entry, the Model 80, w
another showed IBM with a
share of the 386 market while C
paq claimed 65%. IBM has cor
tently supplied just over 70% of
overall PC market over the past
years, says Computer Intelligen

Seven new desktop compu
were announced in a more lim
round of introductions than s
analysts had expected. Among
new offerings were a Model
packing the Intel 80386 micropro
sor in a desktop configuration
as much as 25 megahertz of po
for up to 150% more through
and a Model 50 Z that boasts a
wait state with faster memory
storage for 35% better performa
Also introduced were a low-pr
local-area network station based
the Model 25, hard-disk config
tions for the Model 25, electr
publishing products, and 5% to
price reductions on several vers
of the Model 60 and 80, dropping
prices to between $5,795 and $6,

The Competition

Analysts say Compaq is expe
to knock some of the wind ou
IBM's announcement later
month with additions to the Te
based company's 386 line. This
cludes a model featuring Intel's
version of the 386 chip. The P
slower 16-bit version of the 3
386, is expected to cut the price
future microcomputers. Compac
ficials declined to confirm any de
of the June 20 announcement.

"We will be extending our lea
delivering the highest performa
personal computer products in
industry," says Jim D'Arezzo, C
paq's vice president of corpo
marketing. He notes that the

PS/2

will continue to make immediate volume shipments of new products, in contrast to IBM's delay, possibly until September, in shipping the 25 megahertz version of the Model 70. D'Arezzo also points out that the Model 70 is still limited in such areas as its three expansion slots, in contrast to the six available slots on Compaq's desktop 386.

Fitting In With SAA

IBM officials dispute the performance claims, noting that more than two million PS/2 units have been sold in the past year, but acknowledge that more elements will be needed to make the PS/2 an integral part of the SAA strategy. "PS/2 with OS/2 is a key player in IBM's Systems Application Architecture," says William C. Lowe, a corporate vice president and president of the IBM Entry Systems Division, adding that the Extended Edition of OS/2 with communications and database management is still on schedule for shipment next month, and a version with presentation management should ship in November.

"OS/2 is the cornerstone of our Systems Application Architecture," adds George C. Conrades, IBM senior vice president and general manager of personal systems. "OS/2 is a key element in our cooperative processing strategy—allowing customers to harness the full potential of both the workstation and IBM's network computing options."

Carnation's Nutter notes that the network communications element of SAA also requires more development. "The SAA and program communications are basically there already, but I don't pretend to understand how it is going to work through the network," he says. "It's a matter of building the software that will handle it. They have to build a network controller for the Silverlake and System 36 for PC-to-host communication."

Stephen Randesi, chairman of the board of Gen2, agrees, noting that the two biggest SAA milestones will be the new Silverlake minicomputer and OS/2 Extended Edition. "The Presentation Manager has the look and feel of SAA," he says. "The whole point of SAA is to provide more consistency across an inconsistent range of systems." He points out that the basic elements of SAA, like the presentation management and SQL interface, already exist in mainframes but are only now being moved to midrange computers and PCs. "SAA is targeted at IBM's largest customers. It is intended to allow management to better leverage the installed base of IBM products."

—Philip Burgert with Michael Puttre'

Planned PS/2 Installations

PS/2 models planned for installation by *Fortune* 1,000 companies

Model 30	13%
Model 50	26%
Model 60	28%
Model 80	5%
Unspecified	28%

Source: Computer Intelligence

IBM's PS/2 Line

	Model 25	Model 30	Model 50	Model 50Z	Model 60	Model 70 386	Model 80 386
Microprocessor	8086	8086	80286	80286	80286	80386	80386
Clock speed	8 MHz	8MHz	10 MHz	10 MHz (0 wait state)	10 MHz	16, 20, 25 MHz	16, 20 MHz
Potential system throughput[1]	More than 2 times PC	Up to 2½ times PC/XT	Up to 2 times PC/AT	Up to 3½ times PC/AT	Up to 2 times PC/AT	More than 8 times PC/AT	More than 5 times PC/AT
Standard memory	512, 640KB	640KB	1MB	1MB	1MB	Up to 2MB	Up to 2MB
Expandable to	640KB		16MB	16MB	16MB	16MB	16MB
Diskette size and Capacity	3.5-inch 720KB	3.5-inch 720KB	3.5-inch 1.44MB	3.5-inch 1.44MB	3.5-inch 1.44MB	3.5-inch 1.44MB	3.5-inch 1.44MB
Fixed disk[2]		20MB	20MB	30, 60MB	44, 70MB	60, 120, 120MB	44, 70, 115, 314MB
Additional options[5]	3.5-in. 720KB drive or 20MB fixed disk		60MB fixed disk	60MB fixed disk for 031 version	44, 70, 115MB		44, 70, 115, 314MB
Maximum configuration[6]	20MB w/option	20MB	60MB	60MB	185MB	120MB	628MB
Expansion slots[3]	2[4]	3	3	3	7	3	7
Operating System(s)	DOS 3.3	DOS 3.3	DOS 3.3 and OS/2	DOS 3.3 and OS/2	DOS 3.3 and OS/2	DOS 3.3 OS/2 AIX PS/2	DOS 3.3 OS/2 AIX PS/2

1. Based on testing of the most powerful configuration, as described in the IBM Personal System/2 Performance Guide. Your results may vary.
2. Model 30 also comes in a diskette-based configuration.
3. Model 25 and 30 accept most IBM PC and IBM PC XT option cards. Model 50, 60, 70 386, and 80 386 accept new IBM Micro Channel option cards.
4. One slot is 8 inches.
5. Model 25 version with an IBM Token-Ring Adapter Card also is available.
6. The IBM 3363 Optical Disk Drive can provide an additional 200MB to 1.6GB of online storage, depending on the model.

Source: IBM