



MAC FACTS

from

Mac Help Desk

SUPPORT, SALES, TRAINING & SERVICE

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A Message from Dru

Welcome to the dog days of summer...Hot dog, that is! ☺

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Do you need an extremely secure system? Just use a Mac and then use your favorite password but hold down the Option key and/or Option + Shift keys.

For example “Password” becomes “πÅßÍΣØ@Î” if you alternate Option and Option + Shift on every other character. Even if someone quickly saw it, they'd have a difficult time replicating it!

Now use this technique with a mixed sentence like “1502JenniferSt75082” (street address and zip) becomes “;fi°αΔ ~~~^Ï%oÏ†‡∞'•α”

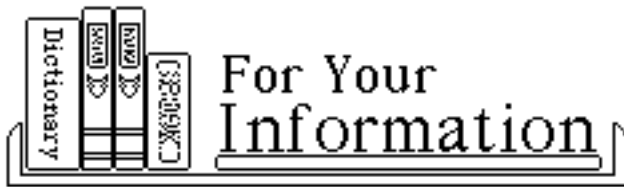
It is very easy to remember and with Apple's 128-bit encryption, would take years to decrypt, assuming you don't change it. If you do, it becomes impossible to decode.

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Login Message? - Have you ever wanted to put a message in the Login menu to either give instructions, identify the computer or provide some anal “unauthorized use” company warning? If so, use TextEdit to edit Library/Preferences/com.apple.loginwindow.plist (just drag the file and drop it on TextEdit). Somewhere between the <dict> and </dict> tags, insert the following lines:

```
<key>LoginwindowText</key>
<string>Whatever Message you want</string>
```

Save the file (it will probably ask you to Overwrite a protected file - just click the “overwrite” button). Then log off and back in and your text will be at the Login Prompt menu! [My new Login message reads: This System is protected by a level 5 force field, any attempt to login without the proper password will cause a warp core breach.] :^D



Reasons For NOT Switching To OS X

By Charles W. Moore

MacFixIt has posted an assessment, based on hundreds of reader submissions, of why millions of users are sticking with Mac OS 9, and what Apple needs to do to get larger numbers of Mac users to switch to Mac OS X.

It's a topic worth pondering, and I decided to borrow the general categories of reasons they cited for not switching as an outline and fill in my own observations and comments. Personally, I've switched, and I haven't done more than a few days' work in OS 9 in the past four months, and virtually none in the past six weeks (although I do spend a couple of hours in OS 8.6 on my old PowerBook 1400 most days). My iBook isn't even set up for production work in OS 9, but I'm still glad I can boot into it if I need to.

But why not make the switch if you're still running OS 9? Here are some potential reasons to hold off:

• Troubleshooting

Many users have built up a frame of reference for troubleshooting OS 9 and are reluctant to start from scratch climbing the learning curve with a completely new system.

The fact that OS X is basically pretty solid mitigates this objection somewhat, but it can't be denied that one needs to develop a whole new set of maintenance and troubleshooting skills. Happily, if you own a machine that can still boot OS 9, you can use your familiar old tools like Norton Utilities and Disk Warrior for a while yet. (*Both are available in OS X, now – Ed*)

• Publishing And Printing

The lack of an OS X native version of QuarkXpress was a major roadblock until recently for many professionals in the prepress and publishing industries. OS X printing support is cumbersome and mediocre compared with the Classic OS. Graphics and page layout software is astronomically expensive, representing a massive cost outlay for large operations with many computers. Older high-end machines that perform well for particular tasks using contemporary software aren't supported by OS X, making the cost of switching even higher if system upgrades are necessary.

• Performance/Resource requirements

Despite some improvement with Jaguar, and reported substantial speed gains with Jaguar, OS X interface performance is still poky compared with OS 9, which runs like lightning on even moderately powerful Macs. As I've personally observed even with the relatively undemanding applications I use, one takes a significant productivity knock when switching to OS X. I don't doubt that it looms even larger for those who run more power-hungry applications.

You also need less RAM and hard drive capacity with OS 9 setups than for OS X, and OS 9 system configurations can be backed up to removable media.

There seems to be a sizable consensus that while OS X is a cool OS for hobbyists and home computer users, when you really want to get your work done efficiently, it's still tough to beat OS 9.

- **Resentment of Apple's forcing the switch**

I have long argued that despite Apple's anxiety about getting users to upgrade to OS X, putting the proverbial gun to their heads by arbitrarily terminating OS 9 boot capability was counterproductive. Apple has backtracked substantially from the plan announced last September to end OS 9 booting by January, 2003. New iBooks, Titanium PowerBooks, eMacs, and G4 towers can all still boot into OS 9. However, the bad taste of threatened coercion lingers, and for many the iMacs' and AIBooks' inability to boot into Classic is an annoyance and an inconvenience for a verity of reasons, even for those who would have run mainly in OS X anyway.

- **Apps Getting Worse?**

There are complaints that performance in some of the high-profile OS X native applications is inferior to that of their Classic Mac OS analogs. Personally, for most of the applications I use I've found the opposite is true. Browsers are a salutary example. However, if your main production application is slower and buggier in OS X than OS 9, it's a definite disincentive to switch.

- **Inertia, or "It's all I need"**

As noted, OS 9 works pretty darned well. I've gradually come to like OS X, but I would find it no real hardship to go back to OS 9, which I also like a lot, and I would get my work done faster. OS 9 is a wonderful performer on the faster 604e machines and any G3 or G4. I consider a 700 MHz G3 with Quartz Extreme support the minimum system for running OS X without a lot of frustration. If you have a more modest system that's doing a good job for you in OS 9, and will have to buy a new computer in order to run OS X satisfactorily, why be in a rush?

- **Missing Applications/Functionality/drivers**

There are still a bunch of OS 9 applications and peripheral drivers for which there are no adequate substitutes in OS X. Personally, the handful of OS 9 applications I would really find it a pain to try and get along without work well in OS X Classic mode, but that isn't the case for all programs, and certainly not for peripheral interfaces.

So there you have it. I like OS X despite its myriad aggravations and angularities, and I won't be switching back, but I certainly don't fault anyone for sticking with OS 9 as long it's doing the job for them satisfactorily. There's a law of diminishing returns that applies, however. OS X is the future, and there will be increasing frustration for those who resist the switch as they are locked out of more and more state of the art features and programs.

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NEWSLINE

Chill Out on the Marketshare, Already!

by Del Miller

No matter how brilliant Apple's products may be, how profitable the company is or how successful its efforts are in a number of different directions, you still can't read a mainstream news story that doesn't toss in some sideways slur about the company's low market share and the ominous

implication that Apple will die within a fortnight because of it. This pervasive focus on marketshare paints Apple in a dingy shade of failure that contrasts sharply with the image of Apple that I see - that of a powerful, influential and profitable company - and one with a helluva future.

So how do I square these dire warnings of the Wall Street analysts and career industry observers with what I see with my own two eyes? Either I'm missing something about the significance of the marketshare numbers or else all these knowledgeable and experienced folks are deluding themselves and us along the way. Can it be that I am smarter and clearer thinking than all the experts?

Well, maybe.

The Unbearable Lightness of Bean Counting

Now admittedly, when Apple's marketshare numbers hover in the three to five percent range, you have to recognize that a bigger number would certainly be better and that declining marketshare is pretty much a bad thing however you look at it. And in a stagnant market, you can't grow revenue unless your share of that market increases - that's just how the algebra works.

But precisely which market are we talking about here? To measure Apple's unit computer sales against all other PC makers in the world strikes me as a bit arbitrary. Apple has already sold about a million iPods and leads by far in the portable music player market. While the company likely makes as much profit from an iPod as it does from a PowerBook, iPod sales don't even show up in the PC unit share figures. What is Hewlett-Packard's share of the iPod market? Zero, that's what - but the industry doesn't obsess over H-P's MP3 marketshare numbers.

The same thing can be said about Apple's growing software business. With several best selling titles in the very lucrative video and audio production markets, not to mention a nice revenue stream from operating systems, upgrades and add-ons, Apple has a very nice contribution to its bottom line. But again, this doesn't reflect a whit upon Apple's PC market share numbers. What is Dell Computer's share of the video software market? Zero, but you never read an industry analyst damning Dell for its poor market showing there.

While the iTunes Music Store is a new offering and has yet to contribute significantly to Apple's revenue, it is already the leader in the music industry. Sony, which owns the copyright to more music than any other company on the planet and which by all rights should be the digital downloading king, has a negligible share of this market. Yet Sony's failing does not reflect in the sacred and oft quoted PC marketshare numbers.

The point here is that there is no such thing as a pure, PC market to have a share in. The diversified nature of the players, the interlocking relationships between them and the shifting ground in consumer buying habits makes it all but meaningless to compare Apple against any other PC maker in a market share analysis. Rather than speak of Apple's share of the PC market, it would make more sense to speak of two distinct markets - Apple's market versus the PC market. A semantic difference perhaps, but one that is quite relevant.

The fact is that Apple's hardware market and the PC hardware market are very different arenas and the respective players do not play in both. Viewed this way, Apple has zero share of the PC market; but it has a *100% share of the Macintosh market*. If market share is all that matters then Apple should be the darling of the Wall Street crowd. So why do we insist on defining the marketshare so that Apple must always lose?

Follow the Money

The tales of woe regarding Apple's mythical share of the PC market, or lack thereof, arise mainly from three sources: Wall Street analysts, computer industry journalists and the developer community. Each group has a different viewpoint and a different interest in Apple's performance and each of these viewpoints leads to conclusions that are sometimes quite valid and sometimes not.

Why do market analysts even care about marketshare? It isn't something you can take to the bank and you can't pay dividends with it, why is it so all-fired important? At the end of the day, what really matters is how much money the company has earned and Apple has accumulated four and a half billion dollars, despite its famously small market. Surely that counts for something.

Marketshare is important to analysts primarily because they need some kind of metric with which to predict future value for a company's stock; and marketshare, to be candid, is about the only measurable quantity that they have at hand. Historically speaking, *marketshare is a terrible predictor of future earnings* : Packard-Bell, anyone? but if your only tool is a hammer every problem looks like a nail, and analysts obsess on marketshare mainly because they have little else to go on. In the absence of better methods it is comforting if you can estimate how fast an industry will grow and, knowing a company's marketshare, derive an estimate of the company's future revenue.

But this only works when the industry is growing, and the PC industry is maturing; the days of rapid growth have passed. Companies like Compaq were so involved in gaining market share to ensure its cut in the PC pie (and to thus please stockholders) that they cut prices too heavily and ended up becoming irrelevant. These days PC makers are pulling in only about \$40 per computer in profit in order to maintain their market share - which is ok, I guess, if you sell a heck of a lot of computers. But to sell enough computers to pay the bills with these margins you need a big marketshare - Catch-22. Companies are competing so hard for marketshare in order to keep their earnings up that they are killing their profitability - and you have to have profitable products if you want earnings. Weird.

Analysts look at a box maker and see poor earnings and instead of suggesting that margins are too small, they frame the problem as one of insufficient marketshare. It's just expected of them. Based on the analyst's dismal marketshare pronouncements the stock price tanks and the company fights back by *cutting prices to jack up marketshare* , which only hurts earnings that much more. The PC industry is caught in this vicious cycle where improving stock prices means hurting profitability which hurts stock prices which...

On the other hand, Apple has kept its profits up through the market downturn largely by keeping clear of the PC market's profit squeeze and instead developing its own market through new products and services for its own customer base. Apple has earnings to report as a result, in spite of a small market compared to the PC industry.

Unfortunately, Apple gets very little respect for this. Over the last few years, the company's stock price has hovered just a hair over what it would take to cover cash in the bank - as if Apple's to-die-for brand, loyal customer base, advanced technology, intellectual property, skilled workforce and international distribution network are somehow worth nothing. Why? Because Wall Street is stuck in the '90's growth boom where marketshare became essentially the only metric that mattered and because it fails to see that Apple's marketshare should not be compared to that of the rest of the PC industry.

With marketshare solely driving analyst recommendations, which in turn guide investment trends, Apple's good numbers, relative to much of the rest of the industry, have typically not translated into stock appreciation - and that bums out stockholders and sends Mac fans into transports of dejection.

So, short of somehow convincing the stock market to *Think Different* about marketshare, Apple is left with three choices to satisfy its stockholders: By capturing PC marketshare; by growing the Macintosh market with new, non-computer products and services; or else by sharing profits with investors. Apple might very well do all three.

The point is, the long-running drag on Apple's share price is mostly due to a big misunderstanding about marketshare, and the Company can actually grow and profit far better if it doesn't play in the PC industry's marketshare sandbox.

Forests, Trees and Journalists

But perceptions are everything and as long as the PC industry's pundits continue to tar Apple as a bit player in someone else's market rather than as a giant in its own, then Apple's market value will remain crippled.

Journalists in the PC market cannot see Apple's market as separate from the PC market because that is the industry they grew up in and it is the only one they recognize. They see Apple as a marginal player in the *real* computer market rather than as the dominant force in an entirely different arena.

Viewed in this light it is easy to see why Apple's marketing programs avoid direct competition with the PC world. The *Switch* campaign doesn't ask the customer to choose a Macintosh from *among* other PCs, rather it suggests you buy the Mac *instead* of a PC. Apple Retail Stores are located and furnished to be as different as possible from a typical PC buying experience and iPods and iTunes are marketed less as consumer products than as a means of differentiating the Macintosh from your standard PC. By distancing itself from the PC makers, Apple is sending the message to the industry that it isn't simply another PC company and that it should be measured by its own yardstick.

It's a good approach. Apple has been able to maintain its margins through a terrible industry downturn, without slugging it out in the PC price wars, and if you look at the company's stock history you'll see that the biggest single jump in Apple's share price in over a year followed the announcement of the iTunes music store - a most un-PC thing to do.

Apple is banking that the message will eventually get through to the mainstream press that Apple is a different kind of company, operating in a different kind of market. Apple's image, and its stock price, would soar if the public wasn't constantly deluged under the "tiny marketshare" publicity.

Situation Developing

If there is one stick with which Apple is regularly and severely beaten, it is the "no software for the Macintosh" litany. While there are plenty of good titles for the Macintosh, perhaps the biggest obstacle facing the prospective PC to Mac switcher is the unavailability of many popular games or the lack of a Mac version of a particular PC program.

The only solution is to convince developers to make their products for the Mac as well as the PC. But software publishers have been avoiding the Macintosh in droves based upon the infamous, low marketshare numbers. Why devote effort to such a small audience when the massive PC market stands waiting?

Developers have a point here; when faced with making a choice between platforms, the sheer number of PC users compared to the Macintosh crowd is a powerful disincentive to the expense and distraction of making a Mac port.

But this reasoning need not be the nail in the coffin that it has been if software developers plan accordingly. Applications that are architected from the beginning to be cross platform consist of

code that is probably 90% platform independent and reasonably portable. Thus, a relatively small amount of additional effort can leverage the bulk of the programming effort into a Macintosh market with millions of potential buyers. This is a much different proposition than rewriting an entire application from scratch.

Do a little Googling on "Qt/Mac" and look at the buzz regarding TrollTech's brand new development environment. It allows a developer to take a single code source, say from a Windows app, and simply recompile it to either Linux or MacOS X - or vice versa. The testimonials say that you can take a heavy duty Windows program and convert it to MacOS X in just HOURS - complete with Aqua interface, multi-threading, byte ordering conversion...the works. From there, the developers can maintain a single source for ALL platforms, compiling as necessary for whichever desktop they wish.

This is HUGE. Any Windows or Linux developer would be a fool to not devote an extra man-day to preparing a Macintosh port. Apple needs to evangelize hard to show developers that the Macintosh represents an excellent opportunity for *significant* revenue gains from *minimal* additional expense. That ain't a bad formula, folks. Getting a thirty million desktop market for an extra day's work is a no-brainer and means that there will soon be a Mac version for most programs now only on Windows.

If developers begin to take advantage of software portability and exert the extra few percent required to produce Macintosh software, it will bring more users to the Macintosh side and simply reinforce the profitability of further Macintosh software. A major impediment to market share will fade away.

Marketshare for the rest of us

I'm not saying in this column that marketshare is unimportant to Apple or to Macintosh users: It most certainly is. Converting even a small portion of the PC market into Macintosh users would translate into an immense benefit to Apple.

But as long as Apple's current market doesn't continue to contract the current situation is neither fatal to Apple nor does it spell the end of the Macintosh platform. Apple has been able to turn a profit during a tech downturn that has nearly killed other computer companies and it has even managed to dramatically expand and improve its product line in the process. Further, it has accomplished this while the size of its market relative to the PC industry has actually decreased.

By concentrating on building up the Apple market, instead of leaping headlong into the cutthroat PC marketshare, Apple has built a stable foundation for future growth; growth based upon value instead of arbitrary marketshare figures. The company hasn't panicked and dashed into unprofitable competition with low end box makers and it hasn't downsized at the expense of future success. Apple has built an ecosystem, buffered from the chaos of the PC world, in which it can survive and its customers can be happy.

And the prospects for stockholders are improving as well. Luring just a tiny percentage of PC users to the Macintosh fold would kick Apple's bottom line well over breakeven, its earnings would soar and stock prices would naturally follow. Apple doesn't have to perform the impossible - incremental gains will serve the company's finances quite well.

Apple certainly seems poised to do just that. MacOS X is finally taking off, new processors from IBM will soon make Mac performance more than competitive with high-end PCs, Apple's marketing muscle is getting stronger and stronger and the company is turning into a recognized vendor of non-computer products that are all leaders in their respective markets. There isn't a loser in the entire lineup.

But As for the Future

Right now we should all just relax about Apple's share of the PC marketplace: We've got it pretty good right here in ours. But the future is a pretty complicated place and what happens there is another story.

Stay tuned.

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Thanks for taking the time to read this month's newsletter. Hope you enjoyed it. If you have any comments or suggestions for stories (or would even like to write a story - hint, hint, hint), please send them to me at machelpdesk@comcast.net Feel free to share this newsletter with a friend. The newsletter archives are located at <http://www.machelpdesk.com/page6a.html>. Y'all come back now, y'hear!