

>From peteh Thu Mar 7 08:16:41 1991
To: jeffr
Subject: Strategic Threat--Lotus Office...
Date: Thu Mar 7 08:16:38 1991

>From richt Wed Mar 6 13:19:46 1991
To: hankv lewisl peteh
Subject: Strategic Threat--Lotus Office...
Cc: chrisbro ruthannl
Date: Wed Mar 6 13:17:18 1991

J-h

Just had a conversation with Chrisbro that pretty much confirms a lot of what Hankv told me Lotus was going to do. Apparently, Chris has been working on a deal with Neilf to get all of Intel converted and Steveb just gave an SBT pitch where he said Notes was the greatest thing since sliced bread.

At Intel, we've been pitching the Office. Their exec staff is using our apps. Lotus just came in and said, "well, you love Notes and so does Msft and we can offer you the same office as MS. They're going to offer R3.1 (with /W upgrade), Ami, Freelance (with upgrade to /W) and Notes in one package deal. Intel says they'll evaluate.

Conclusion:

- Their office strategy is rolling out even now in our corporate accounts. For Scottsdale, it seems to me that we have to figure out a way to explain why switching to our apps is much better than upgrading to theirs. Unfortunately, I don't think that price is a big issue with accounts like Intel, so it has to be something like, "trust us, we know the future like OLE"--the problem is that I'm not sure we can deliver this in Cal92.

- We have to make sure not to be too "even handed" with Notes since this is the competitive difference for many people (it's a new enough app and it looks to me like the differences between our vs. their Win apps aren't great enough particularly if you factor in the i.b. of 1-2-3 and Freelance). Is there any way we can get Steveb/Billg, etc. to say nice things about Notes without having it come back to us like this. A suggestion would be to say that it offers some great features, but is a closed system (Chrisbro's suggestion--that is, you can buy pieces that are great like open SQL Server, Toolbook--maybe Thunder whenever it ships).

Thanks,
Rich

From paulma Thu Mar 7 14:29:40 1991
To: bradsi davec fredg jimall mikemap
Subject: official 486 clone
Cc: billg joem neile steveb
Date: Thu Mar 7 14:27:23 1991
Mail-Flags: 0000

too inflexible? What better approach would you recommend?
Remember that a single CBT localization costs us in the order
of \$100,000.

All this should change as we move forward with great tools
for localizing CBTs and automated glossaries and
translations. However these items won't be saving us much
money and effort in the coming 18 months.

List of non-FE Languages For Which CBT will be Localized
(Applies to all products for DOS and OS/2 environments)

1.	A and Z	yes (but not into British English)
2.	Canadian French	yes
3.	Spanish	yes
4.	Portuguese	no
5.	Norway	no
6.	Denmark	no
7.	Finnish	no
8.	Sweden	yes
9.	French	yes
10.	Dutch	yes
11.	German	yes
12.	Italian	yes
13.	Russian	no
14.	All E. Europe	no
15.	Turkish	no
16.	Greek	no
17.	Arabic	no
18.	Hebrew	no
19.	Farsi	no
20.	Bahasa (both)	no
21.	Urdu	no
22.	Bengali	no
23.	Thai	no

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From josephk Wed Mar 13 16:29:43 1991
To: billg bradsi garygi jimmm jonre jonro markk mikehal mikemap mikene
peteh richab ruthannl scotto xlmktg
Cc: appsmktg
Subject: Word upgrade mailing price test
Date: Wed Mar 13 16:18:22 1991
Mail-Flags: 0000

As part of the upgrade mailing we tested \$99, \$129, and \$149
price points for the Word upgrade.

The test was very clean and designed to make price the only variable.
We dropped identical mailings at the same time to three groups of
10,000 each from the same Windows lists. The mail dropped on Feb 13.

The overall response rates through March 12 are:

\$99 6.5%
\$129 2.7%
\$149 2.0%

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There is definitely some magic at \$99...

Joe

From joachim Thu Mar 14 18:03:59 1991
To: jeffr mikemap
Cc: billg jeremybu mikehal richardf
Subject: FW: DAK - Winword Opportunity
Date: Thu Mar 14 18:44:09 1991
Mail-Flags: 0000

I cannot believe we are letting this opportunity slip. I would go for \$50-60/system and laugh all the way to the bank, what are we doing here not being interested in penetration? In particular these guys sell through catalogues, no reseller conflict. Any outside opinion? I am leaving for Europe, I would appreciate if we agree that this is a great deal and go for it. Richard pls follow up.

>From kathyg Thu Mar 14 15:40:42 1991
To: richardf
Cc: davidben joachim melvinh
Subject: DAK - Winword Opportunity

Date: Thu Mar 14 15:39:08 1991

I wanted to let you know that DAK is about to license Legacy (Wordstar) on all of their 386sx systems (50,000 units per year). We have been working with DAK and the apps group for some time now but we have been unable to reach agreement on price.

DAK is EXTREMELY interested in winword over legacy but our pricing is simply too high (\$99 per processor). Richard and I did talk to Mikemap about this a couple of weeks ago and he was willing to go to \$90 - his main concern is retaining the intellectual value of winword (DAK prices their systems super cheap bundled with a variety of software).

I understand Mike's concerns, however, this is a good windows customer and if we get winword on their systems then Excel and a mouse will likely be next (this is being qualified now). We need to decide if we are in the OEM apps business or not. If we are, then we should let DAK license this product for \$50 if they support and bundle with every 386sx system (\$5 million over 2 years - 50K units per year).

Kathleen

From jeffr Thu Mar 14 18:27:13 1991
To: mikemap
Subject: Need your help
Cc: darrenr
Date: Thu Mar 14 18:27:12 1991
Mail-Flags: 0000

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We suffered a set back when NathanM sent out mail saying he didn't want BruceB. (You were copied on the mail, and Darren also sent you mail.) Can you twist his arm? or what other ideas do you have? His replacement has already started.

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Thx. Jeff

From billg Thu Mar 14 19:25:14 1991
To: jeffr joachink mikemap
Subject: FW: DAK - Winword Opportunity
Cc: jeremybu mikehal richardf
Date: Thu Mar 14 19:25:12 1991
Mail-Flags: 0000

With a hard bundle and this type of bundle commitment and a market where we are a distant number 2 it is a mistake not to do the deal -- even at \$50. DAK sells in a special way which includes lots of visibility in their catalogs that get mail to everyone - I am sure you could get them to include a lot about what a great product win word is that would be seen by lots of people who get the catalog who dont buy machines.

If we were number one in this market I would agree that anything less than \$90 is too low but we are not.

From joachink Fri Mar 15 06:24:03 1991
To: billg jeffr mikemap
Cc: jeremybu mikehal richardf
Subject: RE: FW: DAK - Winword Opportunity
Date: Fri Mar 15 07:05:47 1991
Mail-Flags: 0000

Thanks Bill. We will try hard to get it Hope Legacy has not won!
>From billg Thu Mar 14 19:27:54 1991
To: jeffr joachink mikemap
Cc: jeremybu mikehal richardf
Subject: FW: DAK - Winword Opportunity

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Date: Thu Mar 14 19:25:12 1991

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If we were number one in this market I would agree that anything less than \$90 is too low but we are not.

From richardf Fri Mar 15 11:06:43 1991
To: mikemap
Subject: This mail
Date: Fri Mar 15 11:03:24 1991
Mail-Flags: 0000

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came as the result of kathleen sending mail to Joachim explaining that we were unable to sell at \$99, and that we were in effect leaving this business to go to Wordstar, that she wanted everyone to know this was what was going to happen.
We are now back on the phone with the customer today to try to win the business.
richardf

>From billg Thu Mar 14 19:27:54 1991
To: jeffr joachimk mikemap
Subject: FW: DAK - Winword Opportunity
Cc: jeremybu mikehal richardf
Date: Thu Mar 14 19:25:12 1991

With a hard bundle and this type of bundle commitment and a market where we are a distant number 2 it is a mistake not to do the deal -- even at \$50. DAK sells in a special way which includes lots of visibility in their catalogs that get mail to everyone - I am sure you could get them to include a lot about what a great product win word is that would be seen by lots of people who get the catalog who dont buy machines.

If we were number one in this market I would agree that anything less than \$90 is too low but we are not.

From steveb Fri Mar 15 18:13:44 1991
To: billg jeffr mikehal mikemap
Subject: Apps PR
Cc: w-pamed
Date: Fri Mar 15 18:13:41 1991
Mail-Flags: 0000

Have we ever done a press release on the size of our apps business are we the #1 apps company now should we promote might switch our image view off of soem touchy systems questions and on to apps but might be bad in the context of some of the recent bashing

From billg Sat Mar 16 14:36:10 1991
To: chasst nevet tomb --
Subject: Object vision
Cc: mikemap
Date: Sat Mar 16 14:36:09 1991
Mail-Flags: 0000

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Reading this review reminds me of a number of key Thunder issues.

Do we have someone doing the addon that gives us fields with input masks, field borders and help for controls? The best solution is to include these features in the standard controls for V2 but meanwhile we have to use our extensibility to add a field type with these capabilities. It seems to me that if someone has hacked around with something like this it should be easy. Are we shipping the extended controls the systems guys did when they were using visual basic? Are we using extensible controls to deal with our pathetic graphics capabilities? We do a demo with Objectvision of Pen windows that works great -- there is an insurance forms that is quite nice - ask Lloyd to see a copy of it. I dont think Visual basic is usable for most business forms because of its limitations but if it is easy to make that insurance form then I must be wrong.

Data access: You dont describe this feature of Objectvision at all. It is another key reason why they will sell in places we will not. Do they allow you to fetch and store records from Paradox engine on Windows? If we dont have a strong story here we wont be used for business applications. Why dont we make Q&E hooked up to Thunder available as an ehanced version (along with a way to do local storage). I understand steve funded our SQL server group to do something - but I doubt it will be easy to work with.

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3270: I havent heard abything about the followup of my saying to work with the 3270 api guys to have a story at least as strong as toolbook had on building mainframe front end applications. This is easy since all the groups are right here and they have done windows apis - it would be a strong statement to be able to show some 3270 applications that were done using VB along with rumba or attachmate;s apis.

How many Isv's have we given out the extensible control information to and are they doing anything interesting?

The best form building tool (better than our many incompatible approaches - cirrus, VB, case:w, dialog manager, excel dialog manager, word basic, sdm, ...) I have seen recently is this powersoft from powerbuilder. Its expensive (\$2k) but it looked very nice and seems to be getting positive reviews.

From billg Sat Mar 16 14:56:10 1991
To: mikemap
Subject: Text editing in Win draw
Date: Sat Mar 16 14:56:10 1991
Mail-Flags: 0000

Please look at this and see if you agree that it is ridiculous -- not being able to edit in place? This is a real throwback. Please make them change it -- it is a joke.

From lewisl Mon Mar 18 11:43:01 1991
To: hankv jonre
Cc: chrisp jimdu mikemap peteh
Subject: Scottsdale
Date: Mon Mar 18 11:40:20 PDT 1991
Mail-Flags: 0000

After Pete was as close to publicly upbraided by Scotto as you can imagine for not having an aggressive enough market share gain for FY92, the "big idea" or "nuclear option" became Scott's recurring them on the last two work days of the retreat. Scott, disregarding Pete's clear statement that "plan" and goal are not the same thing, argued that if you don't pick the big share number then you don't get the big dollars to spend.

Later in the week, one of the work groups was charted with coming up with ideas for increasing Win Apps market share. This will definitely be SMSD's no. 1 goal for FY92. The work group presented its ideas, none of which were different than what we have considered. Scott embarked on a heated (relatively) discussion of the big idea:

- if awareness is the problem how can we spend to solve it? broadcast?
- if we really think the message won't play in ads then how about 20,000 seminars (not people, 20,000 seminars)
- Martyta threw out the idea that if profitability isn't the goal then let's spend \$200 million on marketing, not the roughly \$100 mil we would otherwise spend

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No specific "nuclear idea" came out. But, I believe that Scott wants one. The good news is that it will be product related and totally behind Word and Excel. The bad news is that the product groups will not be considered capable enough to develop and manage such an idea and that SMSD will lead it.

I think we, specifically Word, XL, Office, need to propose a model-breaking (> 12%) marketing recommendation that could actually work. It is easy to spend lots of money at the push of a button, but much harder to make sure the extra spending produces results. Thinking how to get results should be our contribution. And, to be aggressive and in charge, I think we should look at what we would do with an incremental \$20 to \$30 million across Word, XL, Office. That's about 5% of USSMD Apps revenue (before revisions) for FY92 so it's not totally of line (especially if you delete somewhere else).

Mike hasn't been debriefed on Scottsdale yet so this kind of spending is by no means approved. I think we should take the lead on thinking how to really move market share in a realistic, but big way--with or w/o a magic bullet.

From chrisp Tue Mar 19 10:31:37 1991
To: jeffr mikemap peteh
Cc: bradsi jimpe
Subject: FW: FYI
Date: Tue Mar 19 10:29:44 PDT 1991
Mail-Flags: 0000

>From dawntr Mon Mar 18 14:37:16 1991
To: garygi
Cc: martyta mikede mstaff
Subject: reinforcement of Brand

Date: Mon Mar 18 14:34:29 1991

This is just confirmation of what we heard last week, but its scary that its this noticable to our presenters. Hopefully it can be turned around with resources put towards brand image management.

thanks,
dawn

>From greglev Thu Mar 14 11:18:52 1991
To: mcssteam
Subject: Short trip report(not urgent)
Date: Thu Mar 14 11:14:51 1991

I am wondering if anyone else has been hearing the following on the road recently. During my last 4 seminar weeks, I have never heard harsher feedback about our products, our services, our support, or our strategy.

1. I have had >= 15 peole per seminar complain bitterly about 40 minute waits for support - and then very poor or no answers.

2. Other software vendors with Windows applications

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- * Volume and profitability of the personal and professional segment products
- * Marketing costs associated with each segment
- * Profitability of add-on products
- * Cost and effectiveness of direct mail program
- * Cost of professional product distribution

E. Documentation (12:30-1:00)

- * Cost of documentation
- * Process and timing of documentation creation

F. Product Support

- * Average cost of support per package sold by segment
- * Role of support in product success

G. Financial Projections (1:00-1:30)

- * What products generate the revenue growth in 1992 and what are the underlying assumptions
- * Will increased sales and marketing expense be required
- * What are the category growth and market share assumptions
- * Are product returns a big issue in this category
- * Who are royalties paid to and in what percentages
- * How is G&S cut in half from 1990 to 1992
- * Do you have a projected balance sheet for end of FY1992
- * Do you have any other legal liabilities besides the royalties and notes payable

From adamr Tue Mar 19 18:23:34 1991

To: appsdev appsmktg appspm appstest dabu dotteam lmark pmlintl pslh
seonly syspm systest thc thunder

Cc: adrianw alany alexm alistair andrewk andrewki angelar angusc annmi
anthonys barbbe barryl barryp barts beng bens billbl billg billsm
billva bobal bobatk bobjo bobse bobt bradb bradhi bradsi brandyt
brucej bruceki brucel brucem brucery bryanp byrond cbl chadd
charlesf charlesp charlesr chrisdu chrismc chrissz chuckc chuckca
chucko cindyr clayg cliffs colela colleenl craigh danba dann danq
darrylr daveba davebo davegi davewe davidcol davidgon davidj
davidry davidsmi deanh derekho devindra donh donha dougm ebber-edj
elizd ericda ericpe fordM garthh garye georgemc geraintd gerardba
gregba gregcr gregl gregs gregw griker gshaw hanifaw hansp haraldh
henryb hollys jabez janets jawadk jeanannb jeff jeffbe jeffle
jeffli jeffm jeffw jeffwi jimbr jimfu jimh jimmyd joega joeke joels
johnho johnj johnje johnlu johnm jonl juanhe juliee kalak karenfr
kathrin keithro kenho kevinl kevinru kornelma kurte larrye laurell
leon lewisl lindalu lisacr lisad lisawi lloydfr mannyv marcelas
marjorie markcl markj marshall martind maryr matts melk meloras
michael michm mikaelm mikegal mikeh mikehal mikemap mikemar mikevk
nareng neile neilk nigelt oliviere onnoh paulma peterj philhe
raleighr ralfha randyk reuelr richardv richg richt rickha robg robp
ronso ronsou royb royl russb russellj sanjayk scottbe scottkr
scottla smitch stevealb steveb stevebu stevel stevemmas stevewo
stewc stewk syojin t-robme tandyt terryl thomk timbr toddt toddw
tomar tomcr tonyb tonyw trishmi v-acrs v-cnamc vesas virginia
warrenl winkt wolfm

Subject: Visual Basic internal beta

Date: Tue Mar 19 18:12:13 1991

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Mail-Flags: 0000

As most of you know from the company meeting, using Visual Basic (a.k.a. Thunder) is the fastest, easiest way to create real Windows applications. Visual Basic is now available for general Microsoft distribution -- now is your chance to experience the "Thunder" for yourself!

In return for a sneak preview of the product, we need your help tracking down remaining bugs; see the information about VBUG below.

NOTE: Visual Basic is an unannounced product. As such, all information about it is strictly confidential.

Server information

\\vb\beta (password: easyapps)

Connect to this server and change to the VB directory. Run SETUP.EXE while in standard or enhanced mode Windows. After you install, please disconnect from the server.

You may have difficulty connecting in the next few hours, due to the number of people installing the product. However, if you experience continual problems with the server, let me know.

Learning to use the product

- TUTORIAL The on-line tutorial provides a valuable, interactive introduction to the product. Using it is the fastest way to get you up to speed.
- HELP On-line help contains detailed reference information about all properties, events, methods, error messages, procedures, and keywords in the product. When you need help, simply press <F1>.
- MANUALS Copies of the printed manual are available outside 10S/1118. The manual augments the on-line materials mentioned above. At this time, we are not able to distribute these via I/O mail.
- SUPPORT Official product support for Visual Basic began yesterday morning. If you have any difficulties with the product, call 206/646-5105.

Important aliases

- VBUG Send ALL product, setup, and documentation bugs you find to this alias -- don't assume it's already been found! Please include your hardware configuration, the version number (0902), and the exact steps necessary to reproduce the bug.
- VIDEA Send feature suggestions for future versions to this alias.

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VBUSER Add yourself to this alias, and join the internal Visual Basic users group. This is a forum for asking questions about the product and contacting those who may have already solved the problem you're working on. Mail ACCTREQ directly to be added to VBUSER. (We plan to have a forum on APPSBBS shortly as well).

Feel free to forward this information to other interested employees.

Adam Rauch
Visual Basic program manager

From melindaf Tue Mar 19 18:50:04 1991
To: mikemap
Subject: Plan Changes
Cc: davidpr melindaf susanb
Date: Tue Mar 19 18:49:12 1991
Mail-Flags: 0000

My comments are ** below. Let me know if you still disagree with the forecast after understanding the rationale below.

=====
>From mikemap Tue Mar 19 17:00:35 1991
To: melindaf susanb
Cc: davidpr
Subject: Plan corrections
Date: Tue Mar 19 16:56:30 1991

There are several things that should be correct in your forecast.

Why is PC Works losing share. The numbers look right. However I would expect the entire category to shrink as fast as us. If you add together PC and WinWorks we are still losing share. Don't think it is correct. Probably WinWorks is too low.

**Spinnaker will be coming on strong in the Windows integrated category. PFS:WindowWorks will likely ship this Spring and the product is good (their WP looks to be a version of Ami). My forecast assumes that PC Works will get cannibalized by WinWorks and that Lotus will come on strong in FY'93. Also, I'm assuming Spinnaker will do a new version by FY'94. I do think that we will lose 3% mkt share out in FY'93 - 94 given stronger and better competition in our mkt. Thus, this decrease was forecasted on purpose.

Mac Works prices are wrong. It should stay 295 until the new version and then go to 199. The forecast for MacWorks seems much too high. Why is it doubling?

** I disagree. We think Claris Works is in beta right now and will ship this Spring. If we are going to do a price decrease, I think we should go for it this Spring and not wait until the new version. It seems odd to ship a new version and announce a price decrease; we'd be sending a very mixed message about how good the new version is.

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The forecast for Mac Works is really not doubling. The retail forecast increases 31%, the academic forecast increases 20%. Per your last email, I did increase the Mac Works updates and if you include updates when looking at the forecast, then sure the overall Mac Works numbers look huge, but new sales are not growing substantially.

From chucko Wed Mar 20 09:45:39 1991
To: mikemap
Subject: RE: Capital expenditures
Date: Wed Mar 20 09:42:21 PDT 1991
Mail-Flags: 0000

For my group, cutting down on the size of the second machine is acceptable. The VGA displays are our standard with the exception of a higher resolution card and monitor so that we can test any special development done for the larger displays. Having MIS do the file servers is great except for the cost of the server. They require the Compaq Systempro which is more expensive than using a deskpro.

Ofcourse another standard for my group is the handwriting tablet, for now and then notebook computers when they come out. When that happens we'll need to change over to a notebook and a desktop as new people come on.

Chuck

>From mikemap Wed Mar 20 09:15:46 1991
To: appstm
Cc: bobga chasst chrisp darrylr gregs jeffr peteh susanb vijayv
Subject: Capital expenditures

Date: Wed Mar 20 09:12:22 1991

As I looked over the plan, it seems that we are out of control on capital expenditures.

I would like to insure that Corp MIS manages all of our file servers and that we learn how to effectively use them to reduce our desktop file needs.

With this in mind I would like to suggest configurations for use. I would like your comments.

The following configuration seems appropriate to me for testing:

386 - 25 mhz (there may be a need for a few 33mhz or 486, but they should be the exception)
8 meg of memory
100 meg hard file
VGA monitors

Second machines should be smaller configurations.

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