



CONTACT: The Weber Group
Janice Rosen or Hillary Yates, 617/661-7900
KEYWORD: MASSACHUSETTS
INDUSTRY KEYWORD: COMPUTERS ELECTRONICS
?\021

From jeffr Mon Aug 26 11:29:19 1991
To: mikemap
Subject: FW: Lotus and Windows and OS/2 Conference Trip Report
Date: Mon Aug 26 11:29:18 1991
Mail-Flags: 0000

>From lauraj Sun Aug 25 17:42:34 1991
To: wgrmktg
Subject: FW: Lotus and Windows and OS/2 Conference Trip Report
Date: Sun Aug 25 17:40:34 PDT 1991

>From pinckney Thu Aug 22 11:25:40 1991
To: chrisp darrellb hankv jonre lauraj lewisl peteh vijayv xlmktg
Cc: mikecon mikemat
Subject: Lotus and Windows and OS/2 Conference Trip Report
Date: Wed Aug 21 11:14:21 PDT 1991

(Short topline and overview, Long specifics)

Last week I presented Excel head to head against 1-2-3 for Windows at the Windows and OS/2 conference. Following are my impressions from the conference regarding Lotus and the implications for our line of applications. I will send separate mail regarding Windows/OS2 issues.

TOPLINE:

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We need to significantly change our thinking about the spreadsheet and Windows Applications markets. The entrance of Lotus means a lot more than simply marketing Excel against a Windows spreadsheet instead of marketing Excel against a character spreadsheet. In my opinion, Lotus clearly understands this and is currently outmarketing us in some important areas. (Some of these issues were raised in Mikemat's trip report.)

The key issues are:

- * They are perceived as the spreadsheet leader, not as the "Windows spreadsheet newcomer".
- * They have a "good enough" spreadsheet, and the things that make ours better are not easily appreciated by the CUI user.
- * They have a family story that, on the surface, is MUCH more compelling than ours, and which they beginning to deliver on. What's more, they are trying to change the criteria by which customers make buying decisions.
- * They are trying to leverage their spreadsheet leadership into GUI leadership.

To be successful we must (among other things):

- * Reclaim the family leadership story both in marketing activities

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- and the products we deliver.
- * Set the rules for what makes a good spreadsheet.
 - * Maintain our leadership and leverage our heritage in graphical apps.

While we are working hard on the second and third items, Lotus is making much more visible progress on the first. Further, they are trying to get customers to make a vendor decision instead of individual product decisions. They have an advantage in doing this being the "incumbent", and this advantage is magnified by their family story. (See paragraphs starting with "***OUR ISSUE" below for further discussion.)

OVERVIEW:

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The Windows and OS/2 Conference is a typical 3 day trade show with an exhibitor floor and a conference comprised of keynotes and breakouts. Microsoft did not participate on the floor, nor have any keynotes. Steve Balmer substituted for Paul Maritz on a panel in a breakout on Open Systems (really a discussion of operating environments). There were six or seven other breakouts including mine in which Microsoft had panelists. (Windows, Spreadsheets, Mail, Pen, Database, etc.)

Lotus presented a well attended "Technology Briefing" in the main tent on the first day of the conference. Frank King, Senior Vice President, Software Business Group, Lotus Development Corporation presented their strategy, followed by a 1-2-3 for Windows demonstration by Paul Strobe, the product manager. The session was extremely compelling. He clearly articulated what they thought the issues are and their strategy for addressing those issues, and the demo supported the presentation. (A synopsis of his presentation is provided below.)

My panel was on the second day and was billed as a discussion of the benefits of graphical spreadsheets with a focus on comparing available products. Informix backed out before the show and Borland declined to participate in the first place since they wouldn't have a product on the street in a reasonable timeframe. Jeffrey Beir, Director of GUI Spreadsheets, Lotus, presented and demoed 1-2-3 for Windows for about 30 min and I did the same for Excel. Q&A followed. The audience was primarily Lotus users with a number of Excel users in mixed shops.

SPECIFICS:

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LOTUS TECHNOLOGY BRIEFING

Frank King started by stating that the technologies of the 90s are GUI, Networking and Portable Computing. (He mentioned in passing that they have a multimedia spreadsheet product underway.) He then described "Working Together" as their strategy to incorporate those technologies for user benefit. Working Together = GUI, Unique Integration Capabilities, and Applications Designed for Groups.

GUI - He stated that there is tremendous simplification possible. WYSIWIG was step one. WYSBYGI is what they've done with 1-2-3 W. Smart Masters (Graphic artist created templates in Freelance) is an example of how they are moving the GUI state of the art forward. He really painted the picture of Lotus as GUI masters ever striving to make life better for end users.

*** OUR ISSUE is that WE are the GUI masters, we really ARE committed to GUI, we understand GUI and have been delivering on it for years. We can't let them steal our thunder and take away a true competitive advantage. Further, we can't let them claim that they provide GUI benefits to DOS users with 1-2-3 2.3. (See Spreadsheet Panel discussion below.)***

Unique Integration Capabilities - He stated that Integration is ABC - Appearance, Behavior and Compatibility. Appearance is the same screen layout, Smart Icon palette etc. across their apps... 1-2-3 W, Freelance,

Ami, etc. Behavior is Common User Objects, Common Functions, Common Controls. This includes things like print, file, open, help, color, font selection, etc. Additionally he stated that DDE and OLE are not robust enough for what they want to do. They will build their products using common Engines (kind of like what we are doing with graph.) These will include Chart, Write, Graph, Calc. etc.

OUR ISSUE is that we have a better family even though they have a better articulated family story. ***OUR PROBLEM, however, is that they are dealy serious about delivering a better family and we do not have the structure in place nor mindset to deliver a true family. Their products already DEMO better as a family, and it appears that they are really working to make them WORK as a family. And they are selling the family hard. Given that they are the market leader and have a good enough spreadsheet, if they continue to articulate and execute on their family strategy they will have a huge advantage over us. ***We need to begin developing a true family, and this will require some significant changes in the way we design, develop and market our apps.

Compatibility - He talked about compound documents that are compatible across platforms. Eg., 1-2-3 runs on machines from the HP palmtop to IBM 3090 mainframes.

Applications Designed for Groups - He described three groupware elements... 1. Controlled Review and Comment 2. Mail 3. Sharing Capability. 1. is pretty self explanatory. He said that there would be mail cpability integrated into all Lotus products by the Fall. He discussed a number of mail elements... User registration, Send/Receive, Text, Voice and Image links to other docs, Notification, Signature and Workflow Management. He discussed retrieval, Views, Access Control, and Versioning as elements of sharing. He also discussed the IBM alliance stating that mail transport (ie. Notes and CC Mail) would be provided by OS/2 extended services.

OUR ISSUE is that a strong mail integration story greatly enhances their family story. The IBM connection and the exposure/distribution they will get through them makes this even more important. If they are successful with Notes and/or CC Mail this will be a greater problem. Frank King didn't talk about IBM and Novell.

The demo following his talk illustrated many of the points he made. I won't discuss it here since it was similar to the demo in the spreadsheet panel.

SPREADSHEET PANEL

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Jeffrey started his presentation by going through a number of slides about Lotus's strategy and thoughts about the spreadsheet market. He

began by talking about common myths.

One "myth" is that GUI would replace CUI. He talked about the number of DOS machines, the number of Lotus users, etc. He then suggested that it's not even clear what GUI means, and proceeded to show a very colorful 1-2-3 2.3 sheet with a chart and some graphical controls. He used the mouse to work in the sheet and suggested that you could get many of the Windows benefits without Windows. Later on in the 1-2-3 Windows demo he opened the same sheet and showed that it came up flawlessly. This is consistent with their 1-2-3 on every platform message.

***OUR ISSUE is that they are taking the FUD approach in addition to the "GUI Master" approach discussed above. We need to call them on this and insure that the world knows that PC GUI = Windows! There are other examples of their GUI positioning below.

Another "myth" is that to move forward you have to break everything you have. He then talked about transition and the fact that Lotus is completely compatible across platforms. I addressed this in my demo by saying that we make it easier to get from CUI Lotus to Excel than it is to get to Lotus 1-2-3 W. This seemed to be well received although this is just an impression on my part.

He spent a fair amount of time talking about the user interface and their view that GUIs were basically in their infancy. 1-2-3 W brings the interface closer to the user and makes the ss more accessible through Smart Icons. This positioning of their icon palette was illustrated in the demo. (A cool example of this was a smart icon that switched him into Ami.) This part of the presentation positioned them as being GUI committed and GUI smart, and by inference, positioned us as not having gotten very far with GUIs.

He also talked about the need for applications to work together and you would think that they invented DDE and OLE to listen to him. Not that he took credit for them, but that he dealt with them as useful but outmoded technologies which Lotus would go far beyond in bringing interapplication communication to the user. This is where he paste linked into Ami and pointed out that the Smart Icon palette is the same.

OUR ISSUE is that we invented DDE and OLE and they are not only not outmoded, but are being enhanced. Further, the "engines" approach is not a Lotus invention. On the other hand, this relates to the issue of our developing a true family discussed above.

From hankv Mon Oct 28 17:10:21 1991
To: lewisl mikemap peteh
Cc: markk
Subject: brain dump
Date: Sun Oct 27 18:12:00 1991
Mail-Flags: 0000

For what its worth, some thoughts from the Direct Marketing guy that Dawntr hired.

He is a sharp guy with no axes to grind one way or another. Thought you would be interested in his thoughts on using direct marketing as an awareness vehicle.

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Technology (MIT). Or, we could call it the Microsoft Macro Interpreter.

Maybe we don't need to give it a name at all at this point. But, we can't call the LMI.

Thoughts?

From chrissm Thu Oct 31 17:13:23 1991
To: bernardv mikemap
Subject: Incremental spending for Excel ***Confidential***
Cc: chrissm
Date: Thu Oct 31 17:12:40 1991
Mail-Flags: 0000

Mike,
the answer from my part of the world is a resounding YES !

we will get back to you with specifics.

=chris=

>From mikemap Thu Oct 31 15:43:56 1991
To: bernardv chrissm
Subject: Incremental spending for Excel ***Confidential***
Date: Thu, 31 Oct 91 16:43:51 PST

Bill has asked us to look at how we could attach Lotus in the next 6 months by having incremental marketing funds and programs. Do you have any ideas? Could you use some extra marketing fund to direct at excel and against 123?

From bernardv Mon Nov 4 05:53:44 1991
To: chrissm mikemap
Subject: Incremental spending for Excel ***Confidential***
Cc: bernardv
Date: Mon Nov 4 15:43:46 1991
Mail-Flags: 0000

Not all of our countries fare equally on that one . Where we are moving on the inside , some more money could indeed help , but in some of those countries we are face dtoday with a very slow economy and probably looking for ways of sparing rather than spending . I have a Euro CMM next Friday and could discuss the issue with the Regional Directors , if you wish . Or does your ***Confidential*** warning means that we shoudl keep those discussion between us ? In any case , I will be in the US next week and would welcome meeting one hour with you on any of days Tuesday to Thursday . You will be contacted by Tinam to find the appropriate slot .

From cherij Thu Nov 14 19:00:24 1991
To: presslist
Cc: cherij
Subject: MS Developing Tech to Run Lotus 1-2-3 User Macros
Date: Thu Nov 14 16:14:23 PDT 1991
Mail-Flags: 0000

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Microsoft Developing Technology To Run Lotus 1-2-3 User Macros User Macros Solicited for Testing Program

REDMOND, Wash. -- Nov. 14, 1991 -- Microsoft Corporation today announced it is developing technology that allows Microsoft Excel to run macros written by Lotus 1-2-3 users unmodified. The technology helps Lotus customers preserve their investment in macros while transitioning to Microsoft Excel for Windows™. Microsoft is actively soliciting real-world macros written by 1-2-3 users to test and refine the technology, which is expected to ship in the first half of 1992.

"Users are moving from Lotus 1-2-3 to Microsoft Excel in record numbers, and we've made an effort for some time to provide effective 1-2-3-to-Microsoft Excel transition tools," said Pete Higgins, vice president of the analysis business unit at Microsoft. "This technology gives customers more help in transitioning their macros. While it's a response to the needs of our existing customers, it's also targeted at any 1-2-3 user who thought his or her macros might hinder the switch to Microsoft Excel."

Momentum for Microsoft Excel Continues

Microsoft Excel is consistently winning comparative reviews against Lotus 1-2-3, including the top rating from the National Software Testing Laboratories (8.9, vs. 7.2 for Lotus 1-2-3 and 8.4 for Quattro Pro, published in Software Digest); the top score in InfoWorld comparative reviews (8.9, vs. 6.5 for Lotus 1-2-3 and 8.3 for Quattro Pro); and Editor's Choice in the most recent spreadsheet evaluation published by PC Magazine. In addition, sales of Microsoft Excel continue their momentum. A recent PC spreadsheet report from International Data Corporation indicates that the number of Microsoft Excel units sold has closed to within 11 percent of total Lotus 1-2-3 shipments for the same time period.

This momentum reflects increasing numbers of users from the 1-2-3 installed base, a significant number of whom have an investment in macros of some type. Although many users plan to discontinue or rewrite their macros created for 1-2-3, they may require an immediate, baseline productivity level. The macro interpreter technology will help ease the transition process by allowing users to continue running their old macros under Microsoft Excel until they've had time to rewrite them.

Testing Program Evaluates Real-World Macros

In a testing program currently underway, Microsoft is soliciting real-world Lotus 1-2-3 macros to evaluate under Microsoft Excel. Users who wish to submit macros for testing can send them to Macro Mailbox, Microsoft Corporation, One Microsoft Way, Redmond, WA 98052. For submitting a qualifying macro they will receive a copy of the Microsoft Entertainment Pack for Windows.

In addition to testing user macros, Microsoft has performed extensive tests on commercially available applications written with macros for Lotus 1-2-3. Microsoft will continue rigorous testing and refinement of the macro technology until it ships next year.

Collection of Microsoft Tools Eases Transition

Other tools developed by Microsoft to help transitioning Lotus users include the Macro Translation Assistant (MTA) and Microsoft Excel Help for 1-2-3 Users, an online reference. Microsoft Excel Help for 1-2-3 Users responds to traditional

Lotus 1-2-3 keystroke commands by providing a demonstration of the equivalent Microsoft Excel commands as it executes the task. In developing its help facility for 1-2-3 users, Microsoft conducted extensive usability testing. This technique was proven to be more effective at teaching 1-2-3 users how to learn Microsoft Excel for Windows than simple execution of 1-2-3 "slash" commands.

MTA, designed to perform automatic conversions on simple macros, converts Lotus macros into the Microsoft Excel macro language. It is included with Microsoft Excel versions shipping today. And of course, Microsoft Excel reads and writes Lotus 1-2-3 WKS files.

Microsoft Excel Powerful, Graphical Macro Language Is Easy To Use

When users are ready to rewrite the macros they used with 1-2-3, the Microsoft Excel macro language is a powerful tool that allows users to easily build macros ranging in complexity from simple keystroke shortcuts to sophisticated turnkey applications. Innovative features in the Microsoft Excel macro language, including user-defined dialogs, custom pull-down menus, custom worksheet functions and templates, allow developers to create powerful graphical applications. And many Microsoft Excel functions, including a graphic layer, the ability to attach macros to any object, object linking and embedding support, outlining and consolidation, simply aren't supported in Lotus 1-2-3.

The powerful macro language and market momentum has helped fuel an active community of consultants, corporate developers and third-party developers who work with the Microsoft Excel macro language. At a recent Microsoft Developers Conference, the Microsoft Excel macro language session drew hundreds of people who are working with applications ranging from various types of Microsoft Excel add-ins to graphical executive information systems.

Microsoft Corporation (NASDAQ "MSFT") develops, markets and supports a wide range of software for business and professional use, including operating systems, network products, languages and applications, as well as books, hardware and CD-ROM products for the microcomputer marketplace.

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Lotus and 1-2-3 are registered trademarks of Lotus Development Corporation.

Quattro is a registered trademark of Borland International, Inc.

From roxannaf Thu Nov 14 12:09:53 1991

To: execnews

Subject: Microsoft: developing technology to run Lotus 1-2-3 user macros...

Date: Thu Nov 14 12:03:22 1991

Mail-Flags: 0000

MICROSOFT developing technology to run Lotus 1-2-3 user macros; User macros solicited for testing program

REDMOND, Wash.--(BUSINESS WIRE)--MICROSOFT Corporation Thursday announced it is developing technology that allows MicrosoftR Excel to run macros written by LotusR 1-2-3R users unmodified.

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``This technology gives customers more help in transitioning their macros. While it's a response to the needs of our existing customers, it's also targeted at any 1-2-3 user who thought his or her macros might hinder the switch to MICROSOFT Excel.''

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Note: MICROSOFT is a registered trademark and Windows is a trademark of MICROSOFT Corporation.

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Quattro is a registered trademark of BORLAND International, Inc.

CONTACT: MICROSOFT Corporation Marty Taucher, 206/882-8080
General Sales and Product Information, 800/426-9400 or
Waggener Edstrom Marianne Allison/Sandra Pace, 503/245-0905
09:17 ET

BW650 NOV 14,1991 6:17 PA :TICKER: MSFT :SUBJECT: SOFT NPRD
WA Copyright (c) 1991 Business Wire Received via NewsEDGE
from Desktop Data, Inc.: 11/14/91 06:34

From hankv Mon Oct 28 15:34:26 1991
To: bradsi dawntr jonl lewisl mikemap mikemur peteh philipg vijayv
Subject: Excel Brainstorm Notes
Date: Sun Oct 27 16:35:22 1991
Mail-Flags: 0000

Here are my notes from this morning:

* 123 /W version 1A is still buggy. We need to capitalize on this to drive home the perception that Lotus is really incompetent as a Windows developer.

* Need to get higher awareness of the Market share gains made at Lotus' expense. Ongoing effort

* Make Excel the natural "Windows Spreadsheet upgrade" from DOS 123. This means addressing the compatibility issues of Macro, Style, file and keystroke. Some notion of Macro guarantee is appealing. Undermine Lotus and the company that you can safely bet on as you move to Windows. Position them as the high risk choice. Lots of discussion on this. Examples of Borland on DOS. Raise the comfort level of choosing Excel as the natural upgrade from Lotus.

* Draw Lotus's out of their silence on 123 W. The longer they are silent, the more likely their ability to ride out the storm.

* Develop a College focused trial/shootout effort. "Test Drive". Target top 50 universities, top Biz schools. Pay-offs within 18-24 months.

* Broad Scale communication: use humor, something arresting. Massive campaign that generates awareness to the 80% that don't read the trade press. Wacky, award winning executions that break with MS tradition. Attack the notion that adequate is OK for the avg. user. Media ideas: Drive time radio. Small, pervasive small scale executions (1/4 pg). Use of direct Mktg (mainly direct mail) used as an awareness vehicle. Example of mailing PC Mag insert. Lots of Discussion of Lotus reject ideas. Exp of the ATT campaign. Specific MIS ad campaign, with white paper response (Eval and Migration guides). Have a campaign for each audience. Broadcast

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campaign that emulates Apple's "Macintosh advantage" campaign.
Discussion about the pros/cons of TV. Several specific execution
ideas from Jonl.

* Use Garygi consultants (Miller and Zeeman) to develop a political
style PR campaign that undermines Lotus; focuses the choice of Excel
AS a choice for Microsoft the company. Positions Lotus as the next
Ashton Tate. This would be very head-on.

* User group shootouts. Pepsi challenge. Public challenge to Lotus.
Loser gives 1,000,000 to charity.

* Testimonial campaign. "I switched and it was easy" "Happy I did".
both lg and small companies. Lotus 123/W rejectors. Use limited
time offer.

* Use MS stock as an incentive for recommendation/referral program.
Each referral purchase is rewarded with share/fraction of share.
Use direct mail to get the message out. Lots of discussion on this.
Lots of benefits. Would get large general press attention.
Limit to 20K, 50K. Develop a fractional share stock fund that referrals
get points for. The ideas about satisfied users and referral were tied
together.

* Lot's of satisfied Excel user care and feeding ideas. special deal
on MSFT products. Letter campaign to all Excel 3 reg users thanking
them. Make stock incentive offer available to them. Related idea of
airline mileage as an incentive.

* Develop 1/2 hr - 1hr Excel presentation/seminar module showing Excel
as the ideal Windows application. Attach to all Windows and Windows
app marketing forums. Discussion/Concern about Windows requirement
/danger of Windows application neutrality.

=====

Pls add anything I left out that seemed like a good idea.

Thanks for your time on this.

Hank

From chrissm Mon Nov 11 11:55:37 1991
To: mikemap
Subject: Re: Incremental spending for Excel ***Confidential***
Cc: bernardv bryann chrissm orlandoa petern steveve
Date: Mon Nov 11 11:53:59 1991
Mail-Flags: 0000

Mike,
attached is the response from each of the subs
wishing to participate in the program.

The grand total comes to close to \$ 1 million

A summary by sub is as follows;

ARGENTINA..... \$30 K PLUS 20 SAMPLES
VENEZUELA..... \$32K

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BRAZIL.....\$130K
MEXICO.....\$85 K PLUS 150 SAMPLE COPIES OF EXCEL
JAPAN.....NO ADDITIONAL NEEDED. BUDGET SUFFICIENT
TAIWAN.....\$75K
KOREA.....NO ADDITIONAL NEEDED... BUDGET SUFFICIENT
HONG KONG.....\$40K
FAR EAST OVERALL..... NEED REDMOND TO MAKE EXCEL 4 DBCS WORK
A HIGH PRIORITY.NEED MORE MATERIALS FOR TRAINING
CENTERS AND CONSULTANTS...EST \$100K
AFRICA/ MIDDLE EAST.....\$175K
SINGAPORE.....\$50K
AUSTRALIA.....\$250K
=====

GRAND TOTAL= \$967k

Per our emails below, we are assuming this excess funding does not hit the subs p/1's.

The detailed inputs from each region are attached below.

let me know what the next steps are.

=chris=

=====

>From mikemap Sat Nov 9 13:19:45 1991
To: bernardv chrissm
Cc: hankv peteh
Subject: Re: Incremental spending for Excel ***Confidential***
Date: Sat, 09 Nov 91 14:19:45 PST

It can be discussed with your senior managers. Billy has suggested that we should use some incremental funds to try to really go after lotus. They would come outside of the budget. I am not sure how they would be accounted for. The idea is to only spend where we can really hurt Lotus.

Any ideas or places where I should seek incremental funding for your business areas would be welcome.

=====

>From chrissm Mon Nov 4 12:58:40 1991
To: bernardv mikemap
Subject: Incremental spending for Excel ***Confidential***
Cc: chrissm

?
Date: Mon Nov 4 12:57:49 1991

Mike,
I assumed this added funding would come out of your P/1,
and would not hit the subs p/1.
was this a correct assumption ?

and what level of justification do we need for the additional programs/funding ?

=chris=

=====

>From mikemap Thu Oct 31 15:43:56 1991
To: bernardv chrissm

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?
Subject: Incremental spending for Excel ***Confidential***
Date: Thu, 31 Oct 91 16:43:51 PST

Bill has asked us to look at how we could attach Lotus in the next 6 months by having incremental marketing funds and programs. Do you have any ideas? Could you use some extra marketing fund to direct at excel and against 123?

=====
LATIN AMERICAN REGION

Message 91:
>From orlandoa Mon Nov 4 14:46:20 1991
To: chrissm
Cc: carlosof eugenio b gregdi orlandoa philw
Subject: from: Orlando - EXCEL vs LOTUS promotion
Date: Sun Jul 21 18:43:52 PDT 1991

Attached please find LA feedback on the promotion of excel vs Lotus 123.

ARGENTINA
=====

Program: CROSS UPDATE(6 months)
US\$ 220 update for any competitive spreadsheet(request of
?
123 original) --- 20 Excel PP Samples

Marketing Funds Requested: US30k

VENEZUELA
=====

Program: Excel Tour 4 cities per country (COLOMBIA/VENEZUELA
PUERTO RICO/CENTRAL AMERICA) - 30 Spanish Excel Samples
(6 months)

Marketing Funds Requested: US32k
?

BRAZIL
=====

Program: CROSS UPDATE(6 months)
US\$ 150 lotus 123 replacement - Advertising and promotion
Excel Roadshow + 500 Excel PP in Portuguese

Marketing Funds Requested: US130k

?

MEXICO
=====

Program: THE GREAT OFFICE PUSH - Buy office and get one Excel free

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(distributors) mail campaign(dealers).(6 months)

Marketing Funds Requested Mexico : 85k as follows

30k Incremental marketing funds(Excel emphasis)
30k Large account Seminar series(Excel emphasis)
15k Distributor promotion (Buy 1 office and get 1 Excel free)
5k Dealer mailing (Excel emphasis) + 150 Excel PP Spanish Samples
?

TOTAL LATIN AMERICA = US\$ 277

Orlando
=====

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MORE DETAIL FROM MEXICO

>From philw Sat Nov 9 22:28:50 1991
To: chrissm
Cc: joelca orlandoa philw teripa
Subject: EXCEL vs LOTUS promotion
Date: Sun Nov 10 22:25:15 PDT 1991

Just in case you need more info on Mexico's plans relative to Excel emphasis.

After discussions with Mauricio and Felipe, and based on the success we are having and lotus and quattro's problems in the region, we did not feel that we needed to cut the price of Excel alone as deeply as they are with the swaps in the US. We felt this would ?

not only cause us to lose revenue, but cause problems with large customers (Bancomer and Bancomext) that just bought large quantities of Excel.

Instead, we decided some time back to promote Win Office very aggressively, at a very aggressive price (\$750, same as US, where spanish Excel is \$570.) If additional funds are approved, here is how we would spend them:

\$30K (more money behind an Office oriented campaign we are already planning that would stress price).
\$30K (more money behind large account seminars we are already planning that would feature Windows and Win Office (and would ?
communicate the low Office price)
\$15K A distie promotion. We would encourage dealers to buy Office. perhaps By offering them a free Excel (or something similar)
\$ 5K A mailing direct to dealers, offering them a free sample of Excel and stressing Excel vs. 1-2-3 and the special' Office price. (We'd need about 150 samples in addition to the \$5K.)

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\$80K plus 150 sample copies of Excel

Hope this helps. Please let us know if you have further questions.
We are tightening our plans for Windows promotion for Q3&4 now. Phil

FAR EAST REGION

TO: Chris Smith
From: Peter Neupert in Hong Kong
Subject: Additional Excel Marketing Dollars in FE
Date: Nov 10, 1991
cc: Esther Dekker

Per your request, I've reviewed the Excel budgets (rev's, units, and marketing dollars) throughout my region. Given the immature infrastructure ?

in my region (Windows just getting established, limited marketing staff in the subs, and immature channel structure,) I have given a lot of thought as to whether throwing more marketing dollars for Excel (alone) would be a good or at the best incremental investment. I propose the following:

Overall:

-
- 1) Make sure Excel 4 DBCS work a priority in Redmond: Target DBCS release 90 days after U.S. Release. Includes Data Access/SQLC considerations.
 - 2) Provide more materials for training centers and consultants. Either make them modular and easy to localize or provide assistance getting them localized. (I will use additional Marketing \$ to do this locally if ? necessary) - can't estimate costs from here - guess ~\$100k

Japan:

-
- 1) I gave them 11.5% Marketing guideline in FY92 budget. I don't think they can wisely spend more \$ at this time on Excel alone. They should spend more \$ on marketing Windows to help Excel.
 - 2) We should consider a mini-Office package of Excel & JWP at a good price.
-No extra \$ required.
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Taiwan:

-
- 1) Can effectively use extra money - propose \$75k for:
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- more ads
 - more seminars
 - localized ATC materials

Korea:

-
- 1) Is not planning to ship 3.1 - shipping to 4.0 No incremental FY92 \$ needed \$0k.
=====

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Hong Kong:

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1) Propose extra \$40k for:

=====

- more ads to gain awareness
- development of materials for ATC's to transition Lotus customers to Excel

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>From bryann Thu Nov 7 20:13:43 1991
To: chrissm
Subject: excel marketing push
Date: Thu Nov 7 20:12:59 1991

are requesting additional marketing money to push excel into 3 primary markets: South Africa, Middle East & Israel.

Focus of the program in each market is as follows:

ProgrExcel cross-grade

* swap IAs from 123 to excel before they move to 123w.
?

* seminar days within targeted accounts

* direct mail to large accounts

* Road show seminars

- South Africa - Joberg, Capetown, Durban, Pretoria

- Israel - Tel Aviv

- Middle East - UAE, Saudi, Kuwait

Pricing: 150 dollar upgrade (channel participation)

Funds Requested:

* South Africa - 80,000

* Israel - 35,000

* M.E. - 60,000

?

Total requested for Aime = 175K

let me know if further detail is needed. thanks,....

bryan

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>From stevewe Thu Nov 7 08:50:57 1991
To: chrissm
Subject: Singapore Excel Funds
Date: Thu Nov 07 08:49:57 1991

They would like two things:

(1) more US initiated worldwide placed Corporate testimonial advertising. THEY feel this would add to the momentum of large

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historical Lotus 123 users feeling comfortable with the move to Excel.
?

(2) more \$\$\$ for seeding program. They have to pay a high transfer price for their marketing units and they could use more. I assume \$50,000 would enable them to fund a small seeding/follow up program.

=====
AUSTRALIA

>From stevewe Thu Nov 7 08:24:11 1991
To: chrissm
Subject: Excel extra funds
Date: Thu Nov 07 08:24:03 1991

Effectively what PTY would like to do is have a white box or lower margins combined with a swat team of telemarketers and direct mail.

What Jen would really like to have is her personal favorite, white box for office, then go after individual lotus or workperfect users with an offer they can't refuse.
?

>From jenz Thu Nov 7 03:11:37 1991
To: stevewe
Subject: Excel extra funds
Cc: davidmil jenz neilbu stevewe
Date: Thu Nov 7 06:09:28 1991

OK the key programs we would embark on would be

- a) heavy evaluation programme - white box + telemarketing team
- b) SWAT team - to demonstrate, demonstrate, demonstrate
assist in migration issues from Lotus.
- c) working models to anyone who moves or seed product
- d) SWAP out programme - run by SWAT team of telemarketers
- e) fund a couple of Beach Head accounts macro conversion from Lotus and watch the rest of them come with us.
- f) Direct Mail to 30K in Institute of Chartered Accountants a Lotus bastion
- g) Advertise the SWAP and working models

All of this would cost more than \$250K

\033BWe are currently at 35% marketshare, I would guarantee you 50%+ in 6 months.

For \$450K-\$500 I will give you number 1 spreadsheet + 50%
For \$300 — neck and neck and 45%

I think we have a fantastic opportunity with Excel 4.0 to really drive the nails in the coffin of Lotus.

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We are on a real roll here and if we could get extra support
I KNOW we can make it number 1 within 6 months.

We have Lotus' mailing list for their end user magazine I
could have a "wow" of a time with this.

?

From billg Fri Nov 15 15:17:41 1991
Subject: Excel 4
To: peteh, chrisgr, jonde
Date: Fri, 15 Nov 91 15:17:36 PST
Cc: aarong, hankv, mikemap
Mail-Flags: 0000

This is a followup to what I said to you verbally yesterday.
I think it is a crime to let Borland own the idea of doing
3-d right using notebooks. They allow you to have "bottons" at
the bottom of the screen which when you click switch the sheet
you are looking at. I dont think we will get credit the way they do
even with our project windows, page icon to go next previous and
pop up menu. I think unless we can point at something at the
bottom of the screen they will be viewed as the unique product
that does this right. We do have buttons and I think the buttons
can have horizontal text in them so at a conceptual level we do
allow you to create a button bar that would have the names of
each sheet and when you click it takes you to the sheet. I sure
hope we made the project windows look decent - that bundled
check off and the lay out were truly ugly. In any case I think
we should make it easy to have a button bar with a button for
each sheet in a project. There are several ways to do this. The
simplest is to have it so that when you drag the project window
to the bottom of the screen it reorient itself the right way and
changes the screen layout. Another choice is to have another set
of button bars you can create based on each project currently loaded
in - perhaps even rememebering when a project is loaded whether to
put up the bar. This would just add an area to the button bar popup
that lets you create button bars. People can object by saying things
like does the button bar change when you delete things or rename
them or reorder them and I say dont worry about that - if we cant
handle those cases then the person just has to create a new button
bar when they make changes. The macro behind the button simple
pulls the sheet to the top and thats all.

I know its super late and documentation is critical path so you
might not decide to do this but I think you should look hard. I
think it will be binary - either excel 4 or borland will be viewed
as the cool product - not both. Right now Borland is proving that
they have us and they will be the cool one. We match them on pop
ups (if we explain it right) but we dont on this and people love
this thing. Its purely a comsetic thing but these sometimes make
a big difference. If you decide not to I will understand completely.

From billg Sat Nov 16 13:36:29 1991
Subject: Excel .EXEs
To: peteh
Date: Sat, 16 Nov 91 13:36:25 PST
Cc: chrisgr, jonde, hankv, aarong, darrylr, mikemap

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Mail-Flags: 0000

There are a number of Excel .EXEs that could exist for a particular version of excel (versioning meaning a specific set of features - like v4).

Pcode with 286 native for speed - call this pcode
286 full compiler - call this 286 (some people call it turbo)
386 full compile for win32S - call this 386S
386 full compile for winNT - call this 386NT
MIPS compile for winNT - call this MIPS

so thats a total of 5. We just had a meeting about win32S the other day including the language group and the maritz guys working on this. It appears we will complete win32S involving work by both languages and maritz's team in the april timeframe although it could be subsetting for excels need possibly a little sooner than this. Unfortunately this means that even I cant suggest that the win32S version should ship in the Excel 4 box. It would be wonderful if it could because it would be very fast (I am still looking for some numbers - talk to the win32s guys to see how hard it would be to get enough going to do benchmarking in that environment - bobmu is the point of contact). I havent even seen the NT numbers - most of them other than recalc will be influenced by the speed of NT but I would like to see them especially recalc. Another huge cool thing about a Win32S EXE is that it is "32bit" - people know that is advanced. LOTUS and Borland wont have it for awhile and it will only run on Windows 3.1 -- IBM would have to do a fair bit of work (which they can and probably will do but 6 months worth at least) to get it running on Os/2 2.0. (it also doesnt run on windows 3.0 but that is a minor issue). Whoops - I didnt mean to imply it wont run on Windows NT - Win32s is defined so the same binary runs on Win32s - it forces you to stick to a subset of the APIs but Excel doesnt care a great deal about the difference (threads, memory mapped i/o, advanced graphics, a new metafile format/api).

The most aggressive thing I can imagine is demoing the win32s version at the announcement and having it as a fulfillment item for 386 owners with windows 3.1. One reason I bring this all up now is that I dont understand the extra effort to test and an additional .EXE - I would think it would be very small in man hours because whatever you do on the one .EXE you just slave another machine to do on the other .EXE and do automatic compares of the results. I dont know what the current thinking is relative to 286 versus pcode - include one or both. Perhaps this thinking is influenced by having an even faster version (386 only) that will be available soon after shipment.

If we do the 386s version then we really dont need a 386nt version although we would need to test 386s on the NT platform because its preemptive, seperate address space and different. At some point we will want to include the MIPS version in the same box but that wont happen in 1992 - it will be seperate.

There is nothing actionable here except to look into win32s and keep the performance statistics coming as toy generate them. I am excited about this win32s stuff even though the timing isnt

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clear because it gives us the fastest applications and it really gives Os/2 a black eye when they say they are more 32bit than windows but they cant run the most important 32bit application.

From peteh Wed Nov 20 12:58:17 1991
To: billg hankv mikemap
Subject: Lotus INfo
Date: Wed Nov 20 12:58:15 1991
Mail-Flags: 8000

Please note Mike's comment about not forwarding too broadly

FYI

>From mikeap Wed Nov 20 10:46:58 1991
To: peteh
Subject: Lotus - Confidential
Date: Wed Nov 20 13:45:45 1991

>From my mole - thought you might appreciate:

FYI: as predicted, the Lotus shake up is starting. Kelsey Selander, VP Marketing Communication, just went to Borland. She reported to Faulk. She took Lee Philips, Director of Symphony Marketing, and an old Lotus spreadsheet hand with her. Also, the Lotus DM in Dallas just became the director of Channel Marketing at Micrographix.

Manzi circulates bi-weekly "state of the company" memos to all employees. They ? are in sorry shape. All holiday parties have been cancelled. Employees are being told to justify every expenses. Also, all expenditures had better follow revenues--or else. Expect a pruning in the sales department within the next several months. Freelance is not moving and 123/w is DOA.

Don't spread too broadly.....

mikeap

From billg Thu Nov 21 18:04:12 1991
Subject: International and budgets
To: mikehal, bernardv, frankga, chrissm
Date: Thu, 21 Nov 91 18:04:05 PST
Cc: mikemap, peteh, jeffr
Mail-Flags: 0000

I met today with the Excel group to discuss extra money we want to spend in January 92 to June 92 to invest in becoming the #1 spreadsheet in the United States. We will definetly add over \$4M of expenditures to the Excel activities - examples include lots of samples, direct mail, Excel 4 launch, advertising (possibly some Tv).. The issue came up of what to do to help international. I said that I could see giving non-kk ROW \$400K and Europe close to \$2M extra. KK can be decided as a special case. They asked if the simplest way to do this

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