

## Workgroup Breakout Topics

### Group 1 Competing with MS.

This group will pretend that they've been hired by Jim Manzi, Ray Noorda and Philippe Kahn to find all the weaknesses in Microsoft's current strategies (marketing, products, distribution, finance, pricing, etc) They will then present a plan on "How to Beat Microsoft".

### Group 2 How do we build a billion dollar plus annuity business from our installed base?

Just a few of the questions worth exploring are: what business challenges are we actually trying to solve with such a program (just extend and stabilize revenue/\$ per PC or more?), what % of our business, 2 years out will we want to come from a) existing customers upgrading MS products b) existing customers buying new/additional MS products/services and c) new customers buying MS products/services. Can we double update rates/ensure customers move ahead? What will distribution be/how do we get deeper sales on add on/accessory products? What assets do we have we can use to build a compelling offering/annuity stream? What new technologies can be considered in this effort? How will our "typical" customer shift in the timeframe it takes to build such a plan? What models exist for strong annuity businesses and what is the core customer motivation for annuity purchase in those?

### Group 3 Should MS enter the Online Services business? If so, in what way?

#### APPLE ONLINE SERVICES ANNOUNCES NEW SERVICES AND EXPANDS APPLELINK

SAN JOSE, Calif., Feb. 16 /PRNewswire/ - News, travel, weather, mobile computing and expanded online support from both APPLE COMPUTER Inc. (NASDAQ-NMS AAPL) and third-party companies are some of the new service areas planned to be added this spring to AppleLink, Apple's 52,000-subscriber strong, global onlincommunications and information service. This is among a number of announcements made today at the mobile93 Conference in San Jose by Apple Online Services, the electronic services business unit within APPLE COMPUTER's Personal Interactive Electronics (PIE) division.

### Group 4 Managing a large company.

As we grow larger, our revenues will not continue to grow at the same percentage. How do we manage our expense machine (HC growth) and make trade offs to insure we get into new opportunities. Are there areas we should get out of? What areas should be allowed to grow? Assume application software prices dropped by 30% what actions would be appropriate?

### Group 5 How do we capitalize on the vacuum in the industry left by IBM's decline without creating expectations we cannot fulfill?

Workgroup Assignments

Group 1	Group 2	Group 3	Group 4	Group 5
Competing with MS	\$1B Annuity	Online Services	Mng Lrg Co	IBM Vacuum
Allen, Paul	Gates, William H	Ballmer, Steven A	Boeschen, Susan	Maples, Michael J
Allchin, James E	Higgins, Frank M	Brown, Michael W.	Fade, Richard	Appel, Michael C
Gigot, Gary E	Kempin, Joachim	Fulton, Dave	Glaser, Rob	Evans, Neil
Heinen, Roger	Maritz, Paul A.	Lazarus, Jon	Myhrvold, Nathan	Rubin, Darryl E
Petre, Daniel	McDowell, Robert L	Neukom, William H	Stonesifer, Patty	Silverberg, Brad A
Rakes, Jeffrey S	Murray, Michael			Vergnes, Bernard P

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