

If I lived in Cambridge...

- Thoughts on What Lotus Will Do To Announce 123W/4.0 and Market SmartSuite in CY93
- Leslie Koch, Windows Excel Product Manager

tabbles
PLAINTIFF'S
EXHIBIT
1509
Comes v. Microsoft

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PC-100-Deposits, N. J.
DEPOSITION
EXHIBIT
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Lotus Marketing Today

- **123/W is weak so don't market it to enthusiasts**
 - Survive user groups and reviews
 - Talk about the line, the company
 - Attack “weaknesses” in XL (and Office)
 - Stall the market with leaks and Version Manager
- **Distract the market**
 - Distraction #1: SmartSuite and Working Together
 - Distraction #2: AmiPro
 - Distraction #3: Improv
 - Distraction #4: Notes

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Distraction #1: SmartSuite and “Working Together”

- **Great communications strategy**
 - Advertising
 - Reseller display, end user communications
 - Defined the term “suite” but unclear what impact on end users
- **Aggressive pricing**
 - Undercutting MS pricing in corporate accounts
 - Street price for SmartSuite = \$359
- **Weak sales**
 - 123/W is the engine that drives SmartSuite and it's broken
 - Communications today do lay groundwork for success when 123/W ships

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Distraction #2: AmiPro

- **Best of Breed**
 - Version 3.0 was “the reviewers’ release”
 - Heavy best of breed advertising
- **Trial**
- **Helps make Lotus best of breed**
- **Will help make Lotus more than SS company**
- **Weakens MS positioning**
- **Won’t win much market share until 123/W**
 - » Up to 15% Win market share today
 - » Low awareness
- **Lotus will shift attention back to 123/W and SmartSuite when 123/W 4.0 ships**

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Distraction #3: Improv

- **Re-establish Lotus as technology innovator**
 - “Reinvent the spreadsheet”
 - Preview new technology
 - » Windows interface innovations
 - » LotusScript
- **Win back enthusiasts**
 - \$99 price = massive trial
 - Get IEUs and reviewers to try a Lotus SS again
- **Don't market it after 123/W ships**
 - Not concerned about adoption after trial
 - Niche product for analysis and modeling
 - Internal conflict w/123?
 - Incorporate features in next ss release

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Distraction #4: Notes

- **Groupware = new paradigm**
- **Lotus, not MS, the technology innovator**
 - MS' Achilles heel: no competing product
- **Solves legitimate customer problems today**
 - Take advantage of networks
 - Efficient information sharing
 - Custom solutions developed quickly
- **Trojan Horse: Offer Notes and SmartSuite will follow??**
 - Great way to talk to MIS and CDMs
 - Win beachheads in MS accounts
 - Should Notes make money?

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Lotus and Key Audiences

- **Enthusiasts**
 - Lost most reputation and users here
 - Reputation rebounding slightly, but skeptical
 - Prepared to spend heavily to get them back
- **Corporate Decision Makers**
 - Microsoft doesn't talk to this group
 - Notes is the compelling business solution
- **MIS**
 - Some major losses to MS
 - Notes is compelling but just in departments so far
 - Want one software standard
 - » Many still "brand loyal" to Lotus
 - » But DOS will matter less

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“Fringe” IEUs/GBUs = The Lotus Installed Base

- **Lost many of the key influentials**
- **Keep the rest of the base until 123/W revs**
 - Inertia is our biggest asset
 - » 2.4/DOS--why move to Windows?
 - » Don't move people to 123/W now--they won't be that happy
 - Build equity in Lotus as more than ss company
 - » Business Press advertising
- **What are we doing to preserve brand loyalty?**
 - Customer satisfaction has declined sharply
 - Installed base “care and feeding”??

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123/W 4.0: The Product

- **Best Windows interface**
 - In-cell editing (INNOVATION)
 - Dynamic status bar (INNOVATION)
 - Streamlined menu and dialog interface
 - Multiple, customizable SmartIcon* palettes
 - Worksheet graphic layer and new drawing tools
 - Drag & drop and right mouse button
- **Best 3-D spreadsheet**
 - Tab interface
 - Select ranges with the mouse
- **Best workgroup spreadsheet**
 - Notes client bundled
 - OLE client and server
 - Version Manager
 - Same file format across platforms

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123/W Additional Features

- The totalspreadsheet solution
 - Common spell checker and thesaurus
 - Specialized @ functions
 - Macros
 - » buttons on sheet
 - » GUI interface macro commands
 - » GUI macro translator
 - The Navigator
 - Number alignment and rotated text

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Positioning 123/W v. 4.0

- “The best Windows spreadsheet: Lotus defines the spreadsheet again”
 - Better than Excel
 - Best workgroup solution
 - Best line

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SmartSuite Positioning: “Working Together”

- **Leading Apps--Best of Breed**
 - AmiPro, Freelance, cc: Mail #1 rated
 - 123/W now better than Excel
- **Apps that are designed to work together**
 - Improved interface and SmartIcon consistency
 - Support of OLE and Lotus' integration technology
- **Apps that work well in workgroups**
 - cc:Mail integration
 - Notes client bundled with SmartSuite
 - Workgroup features in AmiPro and 123/W
- **Apps that create great solutions**
 - Integration with Notes for custom workgroup solutions
 - LotusScript: preview in Improv, included in AmiPro 4.0, 123/W 4.x

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123/W 4.0 Imperatives: “Do or Die” in Cambridge

- **Win back influentials and the press**
 - Prove that Lotus is a great spreadsheet company
 - Must match XL; do we need to beat them?
- **Upgrade the installed base to SmartSuite**
 - Incent corporate accounts and DOS users to move
- **Deliver on the workgroup vision**
 - Prove that Notes and SmartSuite are the new platform and new solution

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Key Tactics

- **Seed 123/W widely: \$99 upgrade pricing**
- **Use 123/W to drive SmartSuite sales**
 - Aggressive SmartSuite upgrade pricing
 - Aggressive corporate account pricing
- **Massive advertising campaign**
 - \$2M/month for at least six months
 - Currently spending \$750K/month just for spreadsheets
- **Focus on PR**
- **Other promotion vehicles?**
 - Channel
 - Seminars

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Since I live in Seattle... how we beat Lotus

- **Define Excel as the spreadsheet leader**
- **Demonstrate the line's benefits**
 - Show the difference
 - Make it compelling
- **Defuse the Notes threat**
 - Don't let Notes win
 - If it does, don't lose the desktop

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MS Excel sets the standard for spreadsheets

- **Compare 123/W to the standard**
 - Product: Most features are catch up to old versions of XL
 - Market: Excel is the leading choice
 - Strategy: MS understands spreadsheet users
- **The world has changed.**
 - Lotus can't just be good. Has to be better
 - Excel continues to raise the bar
- **Excel provides the total spreadsheet solution.**
 - » Breadth of features
 - » Workgroup is one activity
 - » Data access
 - » Programmability

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Office vs. SmartSuite: Who Wins?

- **Usability-- Match**
 - Products will be equal
 - Prove that our development process and understanding of users is better.
- **Workgroup --Lotus**
 - Lotus apps have more workgroup features
 - Put workgroup features in their place (not like Borland notebooks)
 - Defuse Notes threat
- **Synergy -- Microsoft?**
 - Who will have the better OLE story?
 - Make in place editing compelling
 - Force comparisons: our compatibility is more than skin deep

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Office vs. SmartSuite: We Win

- **Data Access**
 - We have databases; they don't (yet)
 - MS Query and ODBC is strong story
- **Programmability**
 - VB is very compelling for developers
 - Solutions very compelling for IEUs and CDMs
 - Make this the new standard to evaluate applications
 - » vs. Notes
 - » vs. generic software
- **Cross Platform**
 - We have a Mac line. They don't.
 - Make cross platform an asset

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Defuse Notes threat

- **Demonstrate that MS solutions are real.**
 - Customer evidence of VB and MS apps solving solutions
 - Better define what “workgroup” solutions are
 - Talk to decision makers, not just MIS
- **Co-exist with Notes**
 - Will we have a better integration story? OLE 2.0?
 - Need evidence
 - Support for VIM

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Make it Expensive

- **Pricing**
 - Compelling Office Upgrade SKU pricing
 - » MS customers
 - » Competitive customers
- **Advertising**
 - Raise awareness of MS applications
 - Hold onto IEUs
- **Direct marketing**
 - Reach Lotus users first and often
 - Direct mail
 - DRTV

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Make it the Company Mandate for FY94

- **MS Office = majority of company revenues**
- **Notes is a very real threat**
- **Lotus our biggest competitive threat**
- **123/W will drive Lotus' success**

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