

Debra Vogt

From: Monica Harrington  
To: Philippe Goetschel  
Cc: Christopher Graham; Chris Peters; Darrell Boyle; Dave Malcolm; Dawn Trudeau;  
Desktop Apps PR; Hank Vigil; Jim Conner; Jon Reingold; Kathleen Schoenfelder;  
Lewis Levin; Mark Kroese; Pete Higgins; Robbie Bach; Ron Souza; Ruthann  
Lorentzen; Tina Headley (Chan); Vijay Vashee  
Subject: RE: Office Friendly Program Update  
Date: Wednesday, November 03, 1993 10:41AM

I think press is going to be very interested in this program. Whether they view it positively or not will depend in large part on the views they hear expressed about it from parties other than Microsoft, including the ISVs enrolled in this program, analysts, and our competitors. It's a given that Lotus, Borland, and WordPerfect are going to be screaming—with lots of emphasis on unfair competition, stifling innovation, monopolistic behavior, etc. As a result, we'll need to work very aggressively to ensure that the ISVs are very supportive and that analysts believe that the program is good for the broader industry, including the ISVs and customers. That will require a lot of supporting evidence.

Ideally, we need to convince people that this is a pragmatic solution to customers' desire for programs that look and feel alike, especially in implementation of common tasks. Again, this has to be something that is backed up by evidence. ISVs need to support the idea that not having to worry about interface issues for common commands frees them to focus on what they're really good at, thus encouraging innovation. We should also expect that competitors will try to develop competing interface standards.

We will also have to do a GREAT job of supporting the ISVs. They need to feel very good about this and about their participation, as they can kill us with "off the record" comments about feeling bullied into this. It's also quite possible that this could be leaked after initial Comdex meetings, especially if any of the ISVs have major negative concerns they want aired.

Overall, I think this has a lot of potential and we should get together soon to further discuss PR implications.

From: Philippe Goetschel  
To: Bill Gates; Jonathan Lazarus; Mike Maples; Pete Higgins; Steve Ballmer  
Cc: Christopher Graham; Chris Peters; Darrell Boyle; Dave Malcolm; Dawn Trudeau; Hank Vigil; Jim Conner; Jon Reingold; Kathleen Schoenfelder; Lewis Levin; Mark Kroese; Monica Harrington; Robbie Bach; Ron Souza; Ruthann Lorentzen; Vijay Vashee  
Subject: Office Friendly Program Update  
Date: Wednesday, October 27, 1993 8:40PM

This memo is to solicit your feedback on our proposal to popularize the MS Office look in our industry.

The 'Office Friendly' program extends our 'consistency & integration' message across complementary vendor applications by letting selected ISV's include 15+ visual elements of MS Office in their products. The intention is to create the industry's only "SuperSuite".

To date, we have discussed the program preliminarily with 18 software companies of which 15 have shown a high degree of interest. The plan is to invite them to our suite at Comdex and discuss remaining questions and contractual issues with them. We expect to have about 10 contracts signed by early December. By the end of CQ1 94 we estimate to have 3-6 Office Friendly compliant products in the market. Over the next 12 months we plan to recruit an additional 40 ISVs for the program.

<<File Attachment: OFRIEND1.DOC>>

Note: although the preceding icon is from Word6, this is a Word2 document.

Microsoft Memo

To: Mark Kroese, Philippe Goetschel, Hank Vigil, Chris Peters, Pete Higgins

From: Judy Chase

CC: Jim Conner; Robbie Bach; Office Marketing Group; Year of the Office Information; Ron Souza; Sarah Leary; Kathleen Schoenfelder; Eric Wells; Steve Allen; Mary Snapp; John Mason; Daniel Laster; John Coake; Don Hall; Liz Welch; Monica Harrington; Martha Isham; Leslie Koch; Tom Reeve; Melinda French; Jacqueline Kayl; Mary Engstrom; Doug Henrich; Doug Martin; John Mutch; Ruthann Lorentzen; Jon Reingold; Lewis Levin; Peter Pathe; Dawn Trudeau; Cathy Harris; Darrell Boyle; Glenn Hobin; Alex Stover; Michael Losh; Tom Corddry; Cornelius Willis; Angie Rice; Bill Anderson (MKTG); Julie Briselden; Patty Stonesifer; Jonathan Lazarus; Darby Williams; Jim Minervino; Mike Maples; Jeff Raikes; Marty Taucher; Mike Appe; Brad Chase

Date:

Subject: Microsoft "Office Compatible" (Formally Called Microsoft Office Friendly) Marketing Plan Recommendation

This document serves as a discussion guide for resolving key "Office Compatible" marketing decisions.

## Summary

The objective of the "Office Compatible" Program is to provide ease of use/consistency benefits to Office customers by proliferating the Office "look and feel" and "integration" to leading, complementary applications. This program is conceived to be a long term concept, version 2 of which would incorporate Chicago features and some OLE 2 support in synch with Office '95, and version 3 would require fuller integration features (VBA, OLE 2) in line with Office '96.

We met with over 20 vendors at Comdex and received a great deal of interest in adopting Office user interface features as well as in joint marketing opportunities. The next steps in this program are to 1) complete written specs of the features 2) design compliance testing guidelines, 3) contract with NSTL for objective compliance testing 4) define "Office Compatible" marketing plans and 5) sign licensing agreements with ISVs.

## Background

The "Office Compatible" program extends our 'consistency & integration' message across complementary vendor applications by letting selected ISV's include 14+ visual elements of MS Office in their applications. We will jointly promote these program benefits to end-users: training costs are reduced and productivity is increased because a single set of easy-to-use features performs similar operations throughout the "Office Compatible" Super Suite. This program benefits Microsoft by reinforcing our momentum message and establishing the Office look as an industry standard which Office Suite buyers will come to prefer.

Discussions with vendors to date have encompassed two levels of participation a development license and a marketing license. The development license includes the rights to a non-exclusive, perpetual license for

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the given feature set per application. Vendors receive written specs, some bitmaps (button faces) and the support of Jim Conner (Office Program Manager). The marketing license encompasses the right to use an "Office Compatible" logo, a PR release, Focus magazine reference, and communication of "Office Compatible" vendors to the MS salesforce and reseller base.

*Please note that the Microsoft "Office Compatible" name is under review as we test alternative names.*

## Target Audience

There are three target audiences of "Office Compatible": ISVs, Corporate Accounts, and Solution Providers.

**ISVs:** The primary focus is to build a critical mass of ISVs to add "Office Compatible" user interface to their applications. All ISVs are eligible to participate in this program with the exception of those that compete directly with the Microsoft Office or its component applications (Word, Excel, PowerPoint, Access).

The following chart reflects interest to date from ISVs as well as a list of vendors we have yet to contact.

Ready By Launch	Potential By Launch	Not Ready, But Yes	Considering	Other Vendors	No
Calera: Wordscan, Gilbert & Assoc IMSI: TurboCAD, FormTool Gold Jandel Scientific: SigmaPlot, SigmaStat Shapeware: Visio 2, Visio Express Walker Richer Quinn: Reflection 8 MacroMedia: Action	AutoDesk: AutoCAD LT DeltaPoint Graphics/Pro MacroMedia: Macromind, Authorware MapInfo, Micrographx: Designer, Flowcharter Peachtree, various acctg	Metz: various utilities Timberline: var. acctg Wall Data: Rumba	Chipsoft Math CAD, Parsons Technology, SPI, Spinnaker, Teleware	See Appendix A	Caere

**Corporate Accounts:** Many corporate accounts do customized development projects with Microsoft Office. These customers want assistance in applying Microsoft standards to their internally written applications. "Office Compatible" specifications serve as a style guide for these companies.

**Solution Providers:** Solution Providers who develop for Microsoft Office (TBD) will be an important target of this program. We want to first gain experience with ISVs before rolling the program out more extensively.

## Technical Content "Office Compatible" Version 1.0

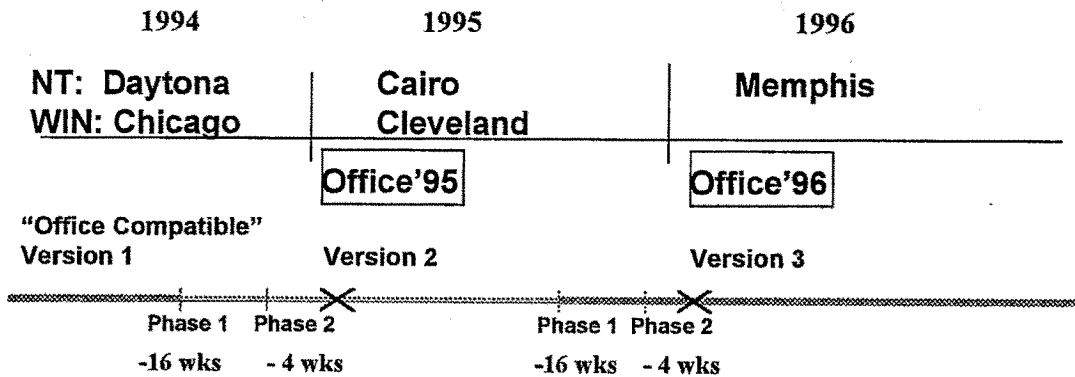
"Office Compatible" version 1.0 contains 14+ elements of the Microsoft Office. These elements represent consistency guidelines for the most common user interface features. Detailed specifications are available on \\alibaba\Compatible\features. The list of features are:

1. 3D Look	2. Basic Toolbar	3. Advanced Toolbar
4. Basic Menus	5. Advanced Menus	6. Accelerator (shortcut) Keys
7. Dialog Boxes (File Open, Save As, Print)	8. Tab Dialog Boxes	9. Startup Screen
10. About Box	11. Help Contents	12. Shortcut Menus
13. Status Bar	14. Main Window Title Bar	15. Integration (bonus points for OLE 2 implementation)
16. Up to 2 additional features which appear in any 2 Microsoft Office apps (subject to our approval)		

### Future Technical Content and Release Timing

"Office Compatible" versions will be tied to major new releases of Office and will incorporate the relevant new technology of these releases (Chicago, integration/programmability, Cairo). More complete plans will be distributed by March 1. Version 2 will release in synch with Office'95 and version 3.0 with Office'96. In addition, we are recommending that the feature set be segmented into two categories:

- Phase 1: These base features will include all non-critical features and will be made available to vendors 16 weeks prior to the RTM date of Office. Implementing almost all of the phase 1 feature set will be enough to pass compliance for the new "Office Compatible" version.
- Phase 2: Because certain features do not freeze until late in the process, we want to be able to add cool features to "Office Compatible". This will also help keep some features confidential and unique to Microsoft Office at the time of our new version. We will provide these to ISVs at the final marketing beta stage (4 weeks) prior to RTM.



"Office Compatible" version	Timing: Distribute specs	Announce	Contents
version 1.0	Feb. 1, 1994	May 22, 1994	Interface
version 2.0	Phase 1: November 1994 Phase 2: February 1995	Mar. 1995	Chicago interface features Some OLE 2 implementation
version 3.0	Phase 1: November 1995 Phase 2: February 1996	Mar. 1996	Cairo/Cleveland Full OLE 2, VBA

- Once "Office Compatible" version 2 or 3 specs are released, we will no longer accept marketing applications to license the prior version.
- ISVs can qualify to use the marketing logo on the "older" "Office Compatible" version as long as they ship prior to the RTM date of the next version of Microsoft Office. This means that when Office'95 ships, ISVs who release after that date, must be compliant w/ "Office Compatible" version 2.0 to have the logo.

### **Pricing/ Licensing:**

We believe it is important to set a price for this program which:

- communicate value to participants
- sets a hurdle so that only serious participants utilize our resources
- is consistent across target audiences and
- is not complicated

#### **1. Development License:**

- \$1000 for a non-exclusive, perpetual license for the "Office Compatible" version feature set for the first application licensed from each company.<sup>1</sup>
- Subsequent products will not be charged a license fee but will require that Microsoft is notified and gives written approval prior to implementation.
- Each new "Office Compatible" version release will require a new license.

For example:

ISV Product	ISV Version	"Office Compatible" Version	Fee	Causation
AutoCad	3.0	1.0	\$1000	1st application, new version of "Office Compatible"
AutoCad	3.2	1.0	none	already licensed
AutoCad	4.0	2.0	\$1000	new version of "Office Compatible"
3D Studio	2.0	1.0	none	covered by AutoCad, notice required
3D Studio	2.0	2.0	depends	depends on whether AutoCad is already licensed for 2.0

- Companies can use this license for any complementary (non-competitive) product to Microsoft Office or its component applications: Word, Excel, PowerPoint, Access<sup>2</sup>.

#### **2. Marketing license:**

- Marketing licenses are non-exclusive and based on ISV product version and "Office Compatible" version, in that the ISV must remain on the current "Office Compatible" release when they revise their products.
- The fee for the marketing program is \$1000 per company.<sup>3</sup>
- Assuming that the ISV has passed compliance testing, if there is no further change to the ISV's implementation of the "Office Compatible" feature set, they will not have to recompile or be retested

<sup>1</sup>This copyright license is issued for a particular product and is not meant to be version specific.

<sup>2</sup>Competitive applications include Office suites, and products in the following categories, word processing, spreadsheets, databases, presentation graphics or integrated programs.

<sup>3</sup>There is a separate charge for compliance testing of \$750 per application.

until Microsoft releases a new version of "Office Compatible" and they release a new version of their application.

For Example:

ISV Product	ISV Version	"Office Compatible" Version	Fee	Requirements	Causation
AutoCad	3.0	1.0	\$1000	compliance	First application, new "Office Compatible" version
AutoCad	3.0a	1.0	none	none	already licensed, no changes to interface
AutoCad	3.2	1.0	none	none	no change to "Office Compatible" features
AutoCad	3.5	2.0	\$1000	compliance	new ver. of "Office Compatible", ISV must stay current.
AutoCad	4.0	2.0	none or \$1000	none/ compliance	Change in AutoCad implementation of feature set or first use of "Office Compatible" version 2.0.
AutoCad	3.0	2.0	none	none	no change until AutoCad rev's
3D Studio	2.0	1.0	none	compliance	discount for 2nd app
3D Studio	2.0	2.0	depends		depends on whether AutoCad is already licensed for 2.0

**Conditions:**

- We reserve the right to terminate this program with 30 days notice.
- ISVs will be allowed to retain the use of the logo for a period of 6 months past the termination date.
- If a vendor is a new participant (less than 6 months), Microsoft will refund their marketing fee.
- Given an ISV acquisition, this program is transferable providing that they are eligible and meet the terms and conditions of the program.
- Microsoft reserves the right to change the price and scope of this project at any given point in time.
- Case by case negotiations will be considered

## Recommended Joint Marketing

ISVs are interested in joint marketing with Office to take advantage of our huge customer base and Office momentum. Obviously from the ISV's perspective, the more contact they get with our installed base/or in joint activities the better. From a contractual agreement, we should be uniform in providing marketing opportunities to ISVs. Opportunistically, however, we may at times choose to do special joint marketing with vendors who can help us reach audiences we may not otherwise reach (e.g. Peachtree accounting's access to CPAs etc.).

### Compliance Testing as a Pre-requisite (\$750 fee)

In order to qualify for any joint marketing with Microsoft, the ISV must first pass compliance testing. An independent third party will conduct this test following compliance guidelines.<sup>4</sup> NSTL has been selected to act as the independent testing agency. ISVs must implement 50% of the feature set (2400 points) to pass this test. The guidelines were built on the following assumptions:

<sup>4</sup> See \\alibaba\friendly\comply\comply.doc.

### Compliance Guideline Strategies:

- Prioritized "Office Compatible" features and supplied points (OLE 2 given huge bonus)
- Threshold to pass feature
- 50% compliance needed 2400/4800 points (no exceptions)
- If feature is not appropriate for an application, we reduced the base number of points
- Points are deducted if an ISV has added features and their implementation is disruptive

ISVs are granted compliance per application and for any subsequent release where there has been no further change to the ISV's implementation of the "Office Compatible" feature set, unless Microsoft releases a new version of "Office Compatible". Vendors will be asked to verify on a written form that the user interface of the Office features remains unchanged. New versions of "Office Compatible" will automatically result in new compliance testing when an ISV rev's their application. Our goal is to minimize bureaucracy and ISV hardship, while maintaining customer benefits.

Each vendor is required to pay the cost of compliance testing which is \$750 for each application. NSTL will run a brief test to ascertain the application's stability and probability of passing. If the app fails, they'll return it and allow a free re-try. Otherwise (ie, if the vendor goes through a full test and fails), the vendor will have to pay an additional \$750. ISVs will pay NSTL directly.

### **Level 1: Fixed \$1000 Fee**

The joint marketing license fee is \$1000 per company. To participate in the following activities, each individual product must be licensed and have passed compliance testing. The marketing fee will only be collected with the first product.

For their license and compliance, ISVs will be contractually entitled to the following marketing activities:

- Logo
- Microsoft Office CD Demo
- Announcement reception
- Press Kit
- Focus Magazine listing
- Communication to the Microsoft Salesforce
- Communication to Resellers

All other marketing activities listed below are subject to change and not contractual agreements.

1. **Logo:** ISVs are granted the right to use the Microsoft "Office Compatible" logo on their packaging, in their collateral or in their advertising for the term of the specific version's release. This mark (tbd-target availability date is March 15) will be a derivative of the Microsoft Office logo. Third party logo usage guidelines will be developed that closely follow the Windows logo third party guidelines.

- The Microsoft name can not be used in conjunction with the name of the ISV product.
- ISVs cannot use the Microsoft Office black stripe on their packaging.
- ISVs can use The Microsoft Office name as part of their product descriptor e.g. "Drawing for The Microsoft® Office" but must incorporate proper trademarks.
- Microsoft will develop an Office blurb and screenshot that ISVs will be encouraged to use on their package if they so choose.
- To protect Microsoft's trade dress and maintain the equity of our product packages, we will not allow visual copying of our package look and feel (typeface, kerning, whiteness).

2. **Microsoft Office CD-- ISV Demo:** Each participating ISV will have the ability to place a pre-approved demo or example of their application on our Microsoft Office CD. We will allot disk space dependent upon available space and number of participants, but expect this to range from 500k to 1 MB per application.

3. **Program Launch Participation:** The "Office Compatible" program will be announced in May at Windows World/Spring Comdex. As part of the announcement, vendors with demoable (running real code) or shipping applications (must have a planned RTM of August 1 or sooner) can participate in a host of *one-time only* activities as follows:

a. **Announcement Event:** We will have an evening reception where vendors will each have a dedicated demo station to show their applications to customers and press. In addition, two to three vendors will be invited to demonstrate their application's integration and interoperability with Office on stage at the announce. These vendors will be selected based on the two highest compliance testing applications with shipping products at the time of the announcement. Chris Peters or Pete Higgins will address the attendees.

We *may* also have a "preview" room available throughout the show, where vendors can demo their products to the press and corporate customers. ISVs would be able to distribute product literature at this venue.

b. **Press Release and Press kit:** We will formally issue a "Office Compatible" press release describing the program and individual participants in depth. We will also encourage each participating ISV to issue their own press release as well. In addition, we will distribute an "Office Compatible" press kit with these releases and collateral material from each vendor.

c. **Event Collateral:** We will develop prominent booth signage to be used in ISV tradeshow booths. This will consist of 1) a Microsoft "Office Compatible" banner and 2) tabletop signs.

d. **Focus Magazine:** We will place a two page article about the "Office Compatible" program in our Focus Magazine one time during calendar year 1994 (most likely Sept. issue). To be included in this article, products must be shipping or within 30 days of release to manufacturing by the time the magazine drops. Microsoft has the right to design the format and content of the article, however, we commit to at a minimum providing the company name, product name and a phone number referral for each participating "Office Compatible" application. This magazine will be sent to registered Office, Word and Excel owners (at least 1 million). The article will briefly inform users about "Office Compatible" and its benefits, explain the "Office Compatible" logo and mention the ISVs participating in the program.

4. **Communication to Microsoft Salesforce:** Microsoft will inform our reseller and corporate account salesforce about the "Office Compatible" program and participants through our traditional communication process. This includes electronic mail, and presenting the program to the field in an Office session at a company sales meeting. In addition, we will provide ISVs with the opportunity to place a one page electronic datasheet/product description (text based only) on our Sales Tools information server. We will develop a corporate helpfile. We will also place an article in the May LAN news to reach Field Marketing Managers and their corporate accounts.

5. **Communication to Resellers:** Microsoft will inform its resellers of the "Office Compatible" program by use of our reseller salesforce and through our Flash magazine. This magazine is sent to 30,000 resellers outlets each month. We will distribute an article about "Office Compatible" as part of the May or June Flash. The article will include a listing of "Office Compatible" participants.



## **Other Opportunities (not contractual)**

Based on Microsoft's determination of joint benefit, ISV's may be granted equal opportunity to participate in the following activities provided that they pay their fair/proportionate share of the cost of these activities. Microsoft's commitment to undertake the following activities is predicated on sufficient ISV interest to warrant it.

1. **ISV Catalog.** Microsoft will contract with a third party to develop a Microsoft "Office Compatible" catalog. ISVs will buy per page ad space in this vehicle. Distribution will be at the expense of participating ISVs.

Distribution vehicles	Quantity	Estimated cost based on 35/70 ISVs
<ul style="list-style-type: none"><li>• Computer industry tradeshows</li><li>• Direct Mail</li><li>• Microsoft Sales Office for local events, corporate accounts, resellers</li></ul>	215,000	\$15,000/\$8500

Microsoft reserves the right to discontinue this catalog at any time providing vendors are given 60 day notice of our intentions.

2. **Reseller Advertising.** Microsoft may produce a reseller advertisement describing the "Office Compatible" program and participants. This advertisement would supplement the Flash article listed above, and would serve as a method to renew interest in the "Office Compatible" program after the initial one-time only launch event. These ads would be placed in Computer Reseller News and Computer Retail Weekly.

3. **MOR Resellers (Mail Order Resellers):** Several Mail Order resellers have expressed interest in doing special mailings around Microsoft and complementary products. Providing the ISV is interested, we will recommend ISV names to participate in promotions with these resellers. The reseller and ISV could then arrange promotions that would meet their respective needs.

*Additional marketing tactics may be considered in the future, but ISVs should not base their participation decision on anything more than what is outlined above.*

### **"Office Compatible" PR:**

1. **Message:** PR mileage is a fundamental component of this program. PR will be used to reinforce the following message.

"The Microsoft Office is the most important and popular set of business applications today. Office has grown tremendously in popularity because it has full featured applications that work together like one. People value products which look and act alike. Microsoft Office's consistent menus, toolbars, and dialogs helped users quickly get up to speed in multiple applications. Microsoft is taking this concept one step further and licensing the rights to third party developers to utilize many of the visual features found in the Microsoft Office. The result of this is that Microsoft Office customers will have a "leg up" in using other applications, such as accounting, drawing, communications etc."

"Microsoft "Office Compatible" is a program for ISVs, Corporate Accounts and Solution Providers to license a set of user interface features. In addition, we are offering some joint marketing opportunities to third party developers that pass a minimum bar of compliance with the style guidelines. This program is offered to any complementary software developer to Office. The specifications will not be licensed to any product competing directly with The Microsoft Office or its component applications."

2. **Audiences:** PR will be directed at the following audiences: trade press, vertical press and business press. We will target the influential and fringe influential end users as well as small organizations with our messages.

3. **Tactics:** PR Tactics will include:

- Announcement event for customers and press (see above)
- PR release and press kit (see above)
- An "Office Compatible" press tour. This could include taking some ISVs on the road with us or working with them on specific publications.
- Seeding of the PC Press (see Appendix C)
- Targeting specific business press and verticals based on ISVs product category. This could be part of an ISV testimonial/customer testimonial effort which ties into our SMORG plans.
- Editor Call Down. "Office Compatible" is a great "monthly focus" as part of our adopt an editor program. Hank, Chris, Mark and Robbie will be given "seed stories" for their buddies. Use Corporate account participants in these examples.
- Momentum release. Follow-up press release when the ISV program has 50 participants. Target the timing of this release to FUD announcement news of SmartSuite.

4. **PR Pitfalls/Issues:** The "Office Compatible" program runs the risk of having negative press reaction if we are not cautious. Here are some of the potential issues:

- The press may incorrectly assume that this is Microsoft's way of "controlling" the industry (see Appendix B for response).
- The program may prematurely leak to the press.

We will answer this question differently based on when it happens. If we get confronted prior to March 1, we will reply "No Comment". If we are asked to discuss this program between March and the May announcement, we will respond by talking about how well customers have responded to the integration and consistency of applications in Office 4 and 4.2 and how they asked us to help provide these advantages in some of the other products they use with/along side Office. We think that it makes a lot of sense to share our usability learning with other complementary third party software developers to Microsoft Office and are working on a program. We wont have the details finalized for another 1-2 months.

- Competitors may ask to participate and raise concerns about our motives when they are denied participation. (see Appendix B for response).
- The press may ask if Chicago has all these features anyway so what are we really offering (see Appendix B for response).
- Several ISVs will have shipping applications well in advance of the May launch (Feb. 94) and may want to talk about this program (at least peripherally).

As asked, we will participate in ISV announcements by providing a quote for their releases or in some cases having ChrisP or PeteH speak. We will not announce this as a program, and we will not allow ISVs to use the "Office Compatible" logo in their packaging or collateral prior to the May announcement.

## ***Distribution***

***ISVs:*** Any ISV who does not compete with Microsoft Office or its component applications is eligible to participate in the "Office Compatible" program. We will proactively contact vendors that provide Microsoft a strategic opportunity. All other vendors, will need to contact us about program participation. We will not distribute the materials in any broad based manner.

***Corporate Accounts:*** We will work primarily with the Corporate Account sales force to gain participation for this program. We will not broadly distribute the specifications on something like the Office ODK as this product follows a different pricing model and reaches a different audience. We are most interested in reaching corporate accounts who are currently doing or considering Microsoft Office customization projects. We will consider selecting one solution provider to act as the support mechanism for corporate accounts. We are investigating incorporating the right to modify Microsoft documentation as part of this effort. In such, the account would be given an electronic version of the manual to modify.

***Solution Providers:*** TBD

## ***International***

To manage resources and minimize redundancy, we recommend establishing "Office Compatible" as a worldwide program, managed from Corporate. This would include the following:

***Development:*** Translation of the spec into localized versions (French, German, Swedish?), Translation of compliance guidelines to coincide. (Short-term staffing required)

***Compliance Testing:*** NSTL can provide testing resources in various languages. They are definitely able to test in French, likely in Swedish and need to check into German.

***Marketing License:*** Use of logo, salesforce communication (via mail, help file, on-line documents (in a french/german directory), one-time focus article reference, part of press kit, announcement event in US is optional. We will flag that marketing activities may vary outside of the US.

***Fees:*** License fees will be collected in the US only.

***Next Steps:*** Understand what licensing terms need to be instituted for worldwide distribution/protection. Communicate the program to the subs and get their feedback asap.

## ***Participation in "Office Compatible" by Microsoft applications***

Money, Publisher and Works are highly interested in becoming "Office Compatible". At launch, it appears that Publisher and Works will qualify, but that Money will need to modify several features before it passes compliance. We will work with the consumer line marketing group to help them establish a policy for participation in the "Office Compatible" program. For example, one thorny issue includes balancing Home based user interface with Office based user interface. In addition, we think that products should have only one master brand (either they are under the Office umbrella or the Home umbrella).

## ***Open Issues:***

1. Program name selected
2. License agreements revised/finalized
3. "Office Compatible" logo designed
4. Specific role of Solution Providers determined

**Appendix A  
Other Potential Vendors**

<b>Analytical/Math based</b>	<b>Products</b>	<b>Document filing/retrieval, reporting</b>	<b>Products</b>
Design Science	Mathtype	Above Software	Golden Retriever
Jandel Scientific	SigmaPlot, SigmaStat	Heliz Systems	Research Station
MathCAD		Interleaf, Inc	Interleaf RDM
Mathsoft		InterTech Imaging Corp	DocuPACT
<b>Accounting</b>		Object Productivity	SmartFolders
Chipsoft		SoftSolutions Tech Corp	Softsolutions doc mgmt
Parsons Technology		TeleFile	FileOLE
PeachTree		<b>Desktop Publishing</b>	
SBT		Adobe	
Teleware		Aldus	
Timberline		Frame Tech	
State Of The Art		Power Up Software	
Great Plains		Quark	
Platinum		Timeworks	
<b>Audio</b>		<b>Graphics</b>	
DigiVox Corp	Sound Vision	Corel Systems Corp	CorelDraw
Dynaware USA	Ballade	DeltaPoint Graphics	Delta Graph Pro
PCvoice	Thoughts	GST Software	Designworks, PressWorks
<b>Engineering/CAD</b>		Micrografx	Designer, Flowcharter etc
The Athena Group	SIGLAB	Saqqara Technology	InScribe
AutoDesk	AutoCAD LT	ShapeWare	Visio, Visio Express
IMSI	TurboCAD, FormTool Gold	<b>Geographical</b>	
<b>Communication</b>		Caliper Corporation	Maptitude
AudioFile	TalkWorks	MapInfo	
Future Labs Inc	TALKShow	<b>Information Management</b>	
Traffic Software	Object-Fax	InfoPower Corp	InfoLink
Trax Softworks	TeamTalk	Scopus Technology	ProTEAM
Walker Richer Quinn	Reflection 8	Gilbert & Assocs	
Wall Data	Rumba Office	<b>Imaging/Scanning/Video</b>	
Persoft	SmartTerm	Digital Design, Inc.	Digital scanning and copying
Automated Design Systems		IdentiTech, Inc	FYI
DataStorm Technology		ImageFast Software Systems	ImageFast
<b>Database Add-ons</b>		ImageWave Software, Inc	Image Wizard
Crystal Services (Canadian)	Crystal Reports, Reports Pro	Keyfile	Keyfile
Morrison Knudsen Corp	Resolution Resolver, Viewer	McLain Imaging	IMAGE Assist
<b>Legal</b>		Pectronics Corp	IntelliScan

PenKnowledge, Inc	Lawyers Office	Sequoia Software	Sequoia Tools
<b>Multimedia</b>		STEFRA Enterprise	Video Control
Lenel Systems Intl	MediaDeveloper, Mpc Organizer etc	Watermark Software	Watermark Discovery Edition
Looking Glass Software	Cheetah 3D, Media Verse	<b>Other</b>	
MacroMedia	MacroMind, AuthorWare	Blyth Holdings	
Q/Media Software (Canadian)	Q/Media	Calera: WordScan	
<b>Utilities</b>		CompuHelp	Family Album
Chrisalan Designs, Inc	just BUTTONS	Contact Software	Act
Cimmetry Systems	PANORAMIC	Gold Software Engineering	Interactive Story Book
Metz: Various Utilities		JetForm Corp	JetForm Filler
Systems Compatibility CORP	Outside In	Metaphor, Inc	Capsule
<b>Word Processing Add-Ons</b>		SPI	
Informative Graphics Corp	Myriad	<b>PIM</b>	
Interlinear Technology Inc	Annotator, Personal MEDIS	Micro Logic, Inc	InfoSelect (PIM)
LPC (AddressMaestro)		<b>Project add-on</b>	
SMART Communications	SMART Translators	KIDASA Software, Inc	Milestones, Etc.
Spinnaker		<b>Spreadsheet Add-Ons</b>	
Thuridion Software engineering	Avery LabelPro	LABTECH	Realtime VISION
WK Information Systems, Ltd (Canadian)	Caseview	Patrick Consult	The Outcome Advisor
Systems Compatibility		PC Quote	Real-time data server
<b>Category Unknown</b>		ReportSmith	ReportSmith
Pioneer Software		Simulation Technologies	SimNet
Sonora Technologies			

exchange for the development license, ISVs receive written specifications, some button face bitmaps and the technical expertise of an experienced Microsoft Program Manager. The second fee is for the license to jointly market with Microsoft. ISVs must have first passed compliance testing to be eligible for co-marketing opportunities. The marketing license fee is \$1,000 per application. Included in the fee is a license to use the "Office Compatible" logo, and various other marketing benefits to help ISVs communicate with Microsoft Office owners.

We think that there is a lot of investment in this program from Microsoft perspective and we have no intention of making any money on the program but we are simply pricing it to recover our costs.

7. Isn't this superficial integration?

Answer: While many of these features seem obvious, they are the foundation for any future integration benefits and in working with our usability labs we realize what a powerful thing consistency is for users. We think that this is a very good first step in adding consistency to how products are used. We do think that this is a lot more that can be done and we will be adding more features in the future. We are also sensitive to the development effort required of ISVs to comply with this program.

8. Do you require OLE 2 integration, why not?

Answer: No we do not at this time. We think OLE 2 integration is a huge benefit for Office customers and encourage vendors to vigorously pursue this course. However, we understand the development commitment involved in adding OLE 2 to an application and wanted to reflect that in the program requirements. We do offer significant bonus points under our integration guidelines for OLE 2 implementation.

APPENDIX B

## PR RUDE QUESTIONS AND ANSWERS

1. Is this program short or long term? What are the features in the next round? How much advanced warning will you be giving developers.

Answer: This is a long-term program and we are working on the feature set for the next version, which I cannot discuss at this juncture. We will be working closely with developers to make certain they understand the likely directions we will be taking and to ensure that they don't waste precious resources implementing features with a short shelf life. We will provide this information as readily as we can.

2. Is Microsoft just trying one more time to dominate the industry?

Answer: Not at all. We are really excited about this program for two reasons. First, our Office customers reacted extremely positively to our latest round of applications (Word 6, Excel 5, PowerPoint 4) and are really pleased to have the added consistency and integration between the applications. This is so important as more of their needs focus around integration of data and information. They asked us to take this a step further and help them gain the same benefits from non-Microsoft products that they use in conjunction with Office. Second, Microsoft Office is a very big business and offers a lot of third parties a huge opportunity to benefit from our joint marketing efforts. This project can easily grow the industry, much the same way that Visual Basic spawned a huge development tools category and Microsoft Font Packs augmented that category.

3. Can Lotus, Borland or WordPerfect participate in the program if they want to?

Answer: This program is open to any application that does not compete directly with Microsoft Office or its component applications (Word, Excel, PowerPoint, Mail, Access). This means that we will not license these features to competitive Office Suite products, word processors, spreadsheets, presentation graphics, or database products. This is for obvious reasons. We will however be willing for Lotus to use these features in Lotus Notes for example if they believe as we do that the interface is better for their customers.

4. Does this mean that Intuit's Quicken can participate if they want to, even though you have Microsoft Money?

Answer: Yes it does. We believe that many Microsoft Office customers also use Quicken, and they would benefit by sharing some of these integration features.

5. Given the justice department investigations, why are you excluding competitors from participating?

Answer: Our customers have responded positively to the integration and consistency of applications in Office 4 and 4.2 and how they asked us to help provide these advantages in some of the other products they use with/along side Office. We think that it makes a lot of sense to share our usability learning with other complementary third party software developers to Microsoft Office, and help give Microsoft Office users a "leg up" on with their other applications.

6. What is the cost of the program and why should vendors have to pay anything for this?

Answer: The fee structure for this program is extremely low. We are charging only enough to cover part of the program expenses because we want to encourage complementary ISVs to participate. There are two levels of costs for this program. A \$1,000 copyright fee for the non-exclusive, perpetual license to use the feature set. This is a one time fee per company, the only requirement is that the company report to us products using this feature set 30 days prior to its first shipment. In

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APPENDIX C

## Additional Marketing Ideas to be Considered in the Future

### **Level 2: Self-funded Activities**

1. **Tradeshaw participation in Microsoft "Office Compatible" booth.** As Microsoft reserves tradeshaw space for future events, we could reserve space for "Office Compatible" ISVs to enable them to demonstrate their products in an "Office Compatible" ISV area. Each ISV would pay the costs of their respective booths, but we would coordinate the rental space to ensure proximity of messages.
2. **Press Seeding Campaign.** Rather than inundate the press with lots of product, we could develop an ISV video which we can use as a sales tool and with the press. The vendors would pay for inclusion in the video. The content of the video would demonstrate interoperability and consistency with Office.

### **Level 3: Opportunistic Activities**

1. **End-User Advertising.** Microsoft may include selected ISVs in targeted vertical publication advertising and highlight their ease of use vis-à-vis Office. ISVs would be asked to pay their proportionate share of the cost of these ads. An example of this would be to work with Peachtree software/Office for ads in accounting publications as part of our SMORG efforts.
2. **Direct Marketing offers.** Microsoft may contract with "Office Compatible" ISVs to use their applications as incentives in our competitive upgrade offers. For example, we could give Shapeware's Visio Lite product away free to people who purchase the Office competitive upgrade sku.
3. **Seminar/event participation.** ISVs could be invited to set up demonstration booths or to provide special offers to seminar attendees as part of the Microsoft seminar series (assuming we have Microsoft seminars).
4. **Reseller promotions.** Microsoft and ISVs may work together to get key resellers to jointly market the products, for example we may work on joint end-cap displays, or an end-user promotion (rebate on ISV product, MOR reseller promotional offer, etc.).
5. **User Groups:** Where appropriate (CPAs, engineering etc.), we should consider doing joint presentations with specific ISVs at targeted vertical markets or major user groups. For example, we could have a demonstration of a CAD product and Office at the Boeing user group.

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