

Office Business Unit 3-Year Plan

PLAINTIFF'S
EXHIBIT
1962
Comes v. Microsoft

DEPOSITION
EXHIBIT
46
10/26/01

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Mission Statement

To develop and market the most popular suite of
desktop productivity tools in the world

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Strategic Goals

- Obtain and maintain 80% share of Windows office suite category
- Develop long term product differentiation
- Become a more strategic purchase to customers
- Develop annuity business
- Expand into new geographies

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Medium Term Objectives

- Focus on Office as a product
- Support other DAD groups in producing individually excellent products
- Synchronize with and exploit systems releases
- Increase long-term investments in technology
- Increased focus on development efficiency
- Reduce cost of using cross-product technology
- Decrease documentation, localization, and support costs

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Customer and Market Issues

- Increasing feature parity and price competition
- Market saturation and slowing of Windows upgrade wave
- More business must come from updates
- Workgroup computing
- Use of desktop applications in solutions development
- Long-term importance of Macintosh?
- Increasing diversity of installed base?
- New product opportunities?
- How get to new users?

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Core Competencies

- **What do we build on**
 - Customer understanding
 - Individual product excellence, Office excellence
 - Technology/System SW leadership
 - Great development teams
- **New ones want to create**
 - Longer-term strategic/architectural thinking, planning
 - Workgroup
 - 12/24
 - Dependency management, code sharing
 - Component-based development
 - Efficient user assistance, localization
 - CD apps, on-line doc, content

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Why Will we Win?

- Leverage other Microsoft products & research
 - Systems
 - ATG
 - Consumer
- Leadership, momentum, standard
- Strong, innovative products
 - Usability leadership
 - Interoperability
 - VBA
- Cross-platform
- Strengthen workgroup applications

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■ Lotus **Competition**

- Strong individual products, DOS installed base
- Links to Notes ("best workgroup applications")
- Approach?
- Aggressive corp. acct. pricing
- Market share in small organizations
- Fall, 1993 release with OLE 2.0, LotusBasic?
- OS/2 foothold?

■ Borland

- No credible suite to date
- Good products
- Aggressive pricing
- Bias to action
- Lean structure but also lean bank account
- OLE 2.0/ OpenDoc/ Borland OLE extensions? Macro language?

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Competition

- **WordPerfect**
 - No credible suite
 - Loyal customer base
 - Good product
 - WordPerfect Office, Doc library
 - High cost structure
 - Finances?
 - OLE 2.0/Open Doc? Macro language?
 - Possible WordPerfect/Borland merger

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Office PSS Summary

■ **Current Call Rate: Over \$2.5 million per month**
(estimated call rate for all Office apps combined)

■ **Reducing the Call Rate**

- Working with PSS
 - » Better tracking; Office reports soon now that Excel 5 shipped; Worldwide Product Issues database
 - » Tracking user terms (to incorporate into IntelliSearch)
- Office Theme #1: Discoverability and Ease-of-Use
 - » Social UI
 - » IntelliSearch
 - » Task-Orientation
 - » Single Entry-Point for Assistance
 - » Support group learning (the most popular form of learning today) : shared company knowledgebase, automatic knowledge transfer, and access to on-line knowledgebase.

■ **Help Systems fix things that appear as apps calls**

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Organizational Issues

- **Managing Trade-offs**
 - "Office features" and "Category Features"
 - "App features" vs. "System features"
 - "Product innovation" vs. "architectural investment"
- **Longer-term focus**
- **Making 12/24 work**
- **Platform proliferation**
- **Synchronization with non-DAD Office applications, systems**
- **Making code sharing work, managing dependencies**
- **Smaller, interdependent development teams**

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SWOT Summary Analysis

■ Strengths

- Market share, momentum, reputation
- Individual products, Office quality
- Broad product line
- Interoperability
- Programmability
- Mac
- Microsoft: Image, systems, vision
- Great development teams

■ Weaknesses

- Notes, Workgroup strategy
- Microsoft image
- DOS app installed base
- High cost, esp. localization and UE
- # of localized languages, time to market
- Oversold VBA, OLE
- Code base, cross app development practices

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SWOT

■ Opportunities

- Keeping ahead in categories
- VBA and Solution Platform
- Synchronization with systems
- New levels of usability, interoperability
- New level of development efficiency

■ Threats

- Lack of differentiation, pricing
- Notes, Workgroup in general
- Lack of focus (RISC, PowerPC, Mac)
- Long-term technology investments
- Overhead/inertia from keeping everyone informed and in sync

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Release Plan Summary

FY 1994		Fiscal Year 1996			FY 1997		
1Q 94	3Q 94	1Q 95	3Q 95	1Q 96	3Q 96	4Q 96	
Oct Nov Dec	Jan Feb Mar	Apr May Jun	Jul Aug Sep	Oct Nov Dec	Jan Feb Mar	Apr May Jun	
Office 4.0 Windows	Office 4.0 Macintosh 68K, PowerPC	Office 4.0 Windows 16 & 32	Office '94 Windows 16 & 32	Office '95 Windows 32 only	Office '95 Mac, RISC	Office '96 Windows 32 only	
Word, Excel Intel, MIPS, Alpha, PowerPC	Word, Excel Intel, MIPS, Alpha, PowerPC	Word, Excel Intel, MIPS, Alpha, PowerPC	Word, Excel Intel, MIPS, Alpha, PowerPC	Word, Excel Intel, MIPS, Alpha, PowerPC	Word, Excel Intel, MIPS, Alpha, PowerPC	Word, Excel Intel, MIPS, Alpha, PowerPC	
Chicago 1.0	Chicago 1.0	Chicago 1.0	Chicago 1.0	Chicago 1.0	Chicago 1.0	Chicago 1.0	
NT w/ Chicago UI	NT w/ Chicago UI	NT w/ Chicago UI	NT w/ Chicago UI	NT w/ Chicago UI	NT w/ Chicago UI	NT w/ Chicago UI	
Windows Cleveland	Windows Cleveland	Windows Cleveland	Windows Cleveland	Windows Cleveland	Windows Cleveland	Windows Cleveland	
Memphis Windows & Windows NT	Memphis Windows & Windows NT	Memphis Windows & Windows NT	Memphis Windows & Windows NT	Memphis Windows & Windows NT	Memphis Windows & Windows NT	Memphis Windows & Windows NT	

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Release Plan Summary

■ Office '94: September, 1994

- Minor .1 release
- High sex, low effort
- ~10% of resource

■ Office '95: September, 1995

- Major release
- Discoverability, Usability, VBA, Performance
- UI & architectural preparation for Office '96
- 70-80% of resource

■ Office '96: August, 1996

- Medium release
- Exploit architectural & UI work started in Office '95
- Memphis/ Office synergy: enhanced shell & OFS
- 10% when '94 ships

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Release Principles

- All Office components (Office, Word, Excel, PPT, Access, REN) ship simultaneously
- Extended family members (Project) ship within 60 days
- French, German, Swedish, Italian within 60 days
- Far East releases within 90 days
- All releases with 120 days
- Release on floppy and CD. No CD delta by 1995.
- All of Microsoft moves to a 12/24 strategy
 - Systems and Apps alternate big releases?

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Office '94

- **Ship Date: September, 1994**
- **Themes:**
 - Refresh products
 - Leverage Chicago, EMS
 - Meet competitive workgroup challenge
- **Design Goals: Chicago/Win 3.1 Word, Excel, and PowerPoint**
 - Minimal doc, localization impact
- **Technology changes: 32-bit, Lego, Fake-O thread**
- **Key Features:**
 - Exploit Chicago: Long file names, Visuals, icons, selected plug and play event aware, threads
 - Shell integration with public properties
 - Performance: Word boot time, Excel recalc, others

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Office '94

■ Features (cont.)

- New find file 2.0 (content indexing); Word adopts it
- Doc library/EMS integration, Application Field Exchange, save to Notes/EMS
- Document-Centric Install: Setup installs document template icons, not app icons, taskman shows windows, not apps
- Revised MOM with customization, Worksets
- AtWork support for FAX
- Features for small organizations: templates for real estate, etc.
- Symbol Manager
- Value Added: Bookshelf in CD Office

■ Issues

- We are targeting RTM August; what if Chicago slips? How far ahead can we safely pre-exploit? Guarantees?
- No Mac or RISC re-release

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Office '95

- ① Discoverability and Ease-of-Use
- ② Performance
- ③ Programmability and Customization
- ④ Leverage Microsoft strategy

WorkGroup

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Office '95

■ Ship Date: September 15, 1995, 2:00 pm

■ Design Goals:

- 32-bit only
- Superior Chicago support
- All NT platforms
- Mac (68020+ and PowerPC, Sys 7+ only)
- Office Infrastructure 1.0
 - » Single Layer; WLM
 - » Shared basic data structures (e.g. fonts, windows, memory)
 - » Single int'l code (including DBCS) - (?)

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Office '95 Key Features

- Discoverability and Ease-of-Use
 - Character/Social UI "Shell"
 - » will be the next generation MOM; task-oriented
 - » unified user assistance (help, wizards, cue cards, tips, IntelliSearch)
 - » engaging, fun, personal
 - Streamlined, Cross-App UI
 - » Task-centered approach (SDI, task-OLE, more pre-shipped solutions--e.g. mailing labels, address list)
 - » Property Browsers / Toolbars II / central menu design
 - » Easy File Management (move more toward versions)
 - Simplified Setup and Installation Mgmt

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Office '95 Key Features

- **Performance**
 - Target 20% improvements (minimum that can be perceived)
 - » 20% faster
 - » 20% less disk space
 - » 20% less resources
 - Sometimes Shared Code will help...
 - » Toolbars (sharing will speed 2nd app start-up almost 20%)
 - Also Willing to Re-Architect and Re-Code
 - » Target common operations: e.g. typing, scrolling, etc.
 - » and operations that are too slow today: e.g. embedding
 - UI changes can often make operations "seem" faster
 - » Background printing (actually slower, but shows that the user definition of fast is "when you get control back.")
 - » More animation of state changes
 - » More direct UI

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Office '95 Key Features

- **Programmability and Customization**
 - Office with VBA is a "development platform"
 - » VBA everywhere
 - » "Make EXE" ability (i.e. add-in's don't take 8 sec to boot)
 - » Cross-app customization, error-checking, bulletproofing
 - "Personal" Office (personalized environment = entrenchment; i.e. if you think Office learns more about you every time you use it, it's unlikely you'll switch)
 - » Character is your friend; you choose which character
 - » Per-user configurations (leverage Chicago user log-in)
 - » Personalized learning (lessons; group learning; EMS leveraging ideas)
 - » Easier voluntary customizing (e.g. shared Tools Options)
 - » More automatic personalization (e.g. More MRU's, templates and styles with no work, Auto Auto)

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Office '95 Key Features

- **Leverage Microsoft Strategy**
 - Superior Chicago Support
 - » Leverage Long File Names (e.g. versioning)
 - » SDI and Shell Integration beyond Office '94
 - » Threads (e.g. recalc)
 - » Great Mobile support (e.g. merge API, check in/out)
 - » New visuals leveraging 256 color systems palette
 - Superior EMS support (e.g. auto versions; digital signatures; leverage address book)
 - Tight Ren integration
 - » Documents tied to PIM item--e.g. to do's, agenda, meetings
 - » Due date and project in Summary Info
 - » Easy Reference Look-Up ("clip data")
 - MS On-Line (e.g. clip art, shared knowledge base, registration, reference provider, real-time reference)
 - Others (e.g. At Work, WinPad, VoiceView)

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Office '95

■ Technology provided

- Design & development of core features
- Character/Social UI Services (apps need to add help, tips, cue cards, etc.)
- Property Browsers and Next Generation Top-Level UI
- Ren Integration and extended document properties

■ Technology used

- Products: Word, Excel, PowerPoint, Access, Ren
- Platform technologies: OLE, EMS, WLM, AtWork
- Data Access: DNA
- Programmability: VBA 2.0
- Design: Cleveland Visuals, UTOPIA Social UI work

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Office '96

- **Ship Date: August, 1996**
- **Theme**
 - Memphis synergy
 - Exploit architectural investment of Office '95
- **Design goals**
 - Target Memphis, runs well on Chicago & Cairo
 - 32 bit only
 - Macintosh:
 - » Core code? Simship?
 - » PowerPC only?

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Office '96- Features

■ Memphis synergy

- Cross-app UI components of Office '95 migrate to shell
- Use of OFS by doc lib, PIM, other workgroup features
- Shell programmable with VBA
- Easy finding: Property based summary catalogs, content indexing
- Office user assistance features work across the shell
- Eliminate need for Open & Save
- Great resource management of RAM & disk

■ Other UI work involving shell

- De-emphasize menus
- Shell as task organizer
- More streamlined & lighter fundamental UI elements: windows, controls, etc

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Office '96 - Features

- **Increased Office unification**
 - Single Office document type
 - Unified page model & page/print engine: view/data separation
- **Architectural and development goals**
 - No SDM: UI written in VBA
 - Word & Excel as DLLs (Ren, PowerPoint & Access?)
 - Excel Charting integrated with OLE

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Office '96

■ Technology provided

- Design & development of core features
- Shared code. Candidates:
 - » Page layout & printing engine
 - » Cross app workbook
- Setup
- Mac OLE

■ Technology used

- Products: Word, Excel, PowerPoint, Access, Ren
- Platform technologies: COM, OLE, OFS
- Designs: Memphis shell
- Data access: Query tool, DNA
- Programmability: VBA, Component controls & forms

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Office '96

■ Open Issues

- Memphis feature set, design and schedule
- Procedures for Apps/Systems cooperation on Memphis design

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