

Office for Windows 95

Desktop Applications Division FY96 Marketing Plan

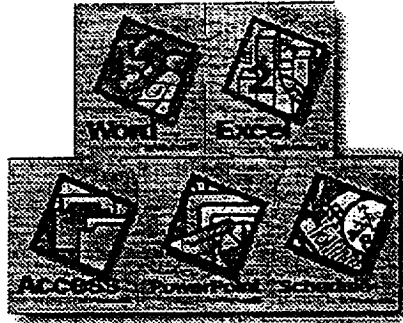


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Business Plan

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Office Top 10 Objectives

1. Drive Office 95 to Windows 95 attach rate
 - » Coming Soon
 - » Introductory pricing
 - » Channel Rebates and Marketing Funds
 - » Synergistic communications
2. Accelerate Win95/Ofc95 evaluation and installation
 - » Office Preview Program
 - » Migration tools and incentives
 - » MSTV shows on Office
 - » Office Resource Kit
 - » IDC Report on benefits and returns of Office 4.x to Office 95 migration

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Office 95 Top 10 Objectives

3. Upgrade the Office installed base

- » Targeted mailings to Office regulars for pre-booking
- » MORG Office Preview and Migration mailings
- » Office/Desktop 95 catalogue (no individual app upgrade mailing)
- » Lease names to DMRs after launch phase

4. Heavy PR push to set up Office as the standard for best Win95 application

- » Office Analyst Days (all day briefings in Redmond)
- » Desktop 95 PR Tour
- » Reviewer's Workshop
- » Monthlies (Long/Short Leads)

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Office 95 Top 10

5. Get the field ready to sell

- » District training tour, SE Forums
- » Sales tools (Office demos, presentations, video)
- » MGS

6. Get the channel ready to sell

- » Long lead account planning tour
- » District-driven training, temp rep tour
- » Desktop 95 Advertising and Merchandising Kits

7. Establish Office as the premier desktop development platform

- » Office Compatible
- » Office solutions push
- » Tech Ed
- » Platform messages in advertising and PR

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Office 95 Top 10

8. Logistics

- » Pre-book order guarantee
- » Pre-build key components (manuals, cartons) for Ofc95
- » Outsourcing of manufacturing and assembly
- » Street date management

9. Broaden marketing efforts to reach high potential segments (low share and high growth segments)

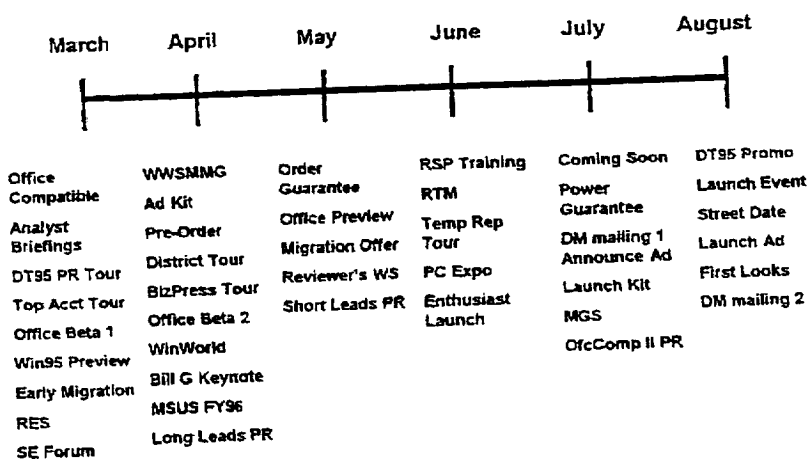
- » Business Source and verticals
- » Broad reach advertising and PR
- » Office/Back Office integration

10. Prevent Lotus or Novell from gaining ground

- » Intro pricing
- » Occupy channel resources
- » Go after their customers when they evaluate Win95

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Office 95 Launch Timeline



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Situation Analysis

- Strengths
 - » High share in fastest growing category (office suites)
 - » Market share momentum, leadership in all categories
 - » Full line of #1 rated apps
 - » Ahead on implementing key technologies
 - VBA, OLE, IntelliSense
 - » Large and growing installed base
 - » The Windows "Halo" effect of Microsoft
- Weaknesses
 - » Low product awareness (Office category, XL vs. 1-2-3, etc.)
 - » Perceived lag in workgroup
 - » Low segment share in SORGs, key verticals
 - » Weak Solution Provider distribution (as compared to Novell)
 - » No new 16-bit upgrades
 - » Significant additional features expected in Ami, 123 releases

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Situation Analysis (cont)

- Opportunities
 - » Win95 jump starts upgrades, broadening of market
 - Office '95 is perceived as best choice/must buy for Win32
 - » Office suite growth continues
 - Increase value of "other" apps in Office Family (Access/PPT/Proj/S+)
 - Increase mix of OfficePro, CD
 - » Office as a development platform takes off
 - Perceived value of license increases, Ofc becomes strategic buy
 - Critical mass drives growth in Ofc Compatible, custom solutions
 - » BackOffice integration drives new demand
 - Increase total desktops penetrated in LORGs, MORGs
 - » Office awareness builds through brand campaign
 - Increase share in weaker segments (S/MORGs, Verticals, SOHO)

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Situation Analysis (cont)

- Threats

- » Late shipment or slow adoption of Win95; low attach rates; competition from 16-bit competitors
- » Aggressive competitor pricing
- » Average price declines due to mix, licensing, concurrency
- » Emergence of WordPerfect in suite market
- » Success of Notes, SmartSuite attach rates
- » Missed sales due to poor execution of Desktop '95 operations
- » Saturation in our traditional segments
- » Accelerating growth outside DAD's traditional segments
- » Increasing product parity in productivity feature set
- » Competition from integrated software (ClarisWorks, MSWorks)
- » Piracy

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Competitive Update: Lotus

- Product

- » Currently weak in WP, integ, and programmability
- » New versions within 30 days of Win95
 - Both Win 3.1 and Win95 versions expected (and perhaps OS/2)
 - Major upgrades for 123, AmiPro, and Freelance
 - Includes LotusScript, OLE2, InfoBox across all products
- » Will position as "not requiring" upgrade to Win95

- Marketing/Business Model

- » Trying to use Notes as competitive advantage
- » Difficult revenue transition from Apps to Communications biz
 - Revenue/profit pressure given slow sales of SmartSuite apps
 - Cleaning biz up for sale or apps spin-off?
- » Vulnerable if prices spiral downward

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Competitive Update: Novell

- **Product**

- » PerfectOffice is competitive at feature level
 - Cross-app scripting/automation; full OLE2 support
 - Database is weak link
- » Developing "Select" (roll your own) and "Perfect Fit" ISV plans
- » Win95 port within 30 days of Win95

- **Marketing/Business Model**

- » Trying to leverage NetWare and WordPerfect installed base
- » Will reduce WP overhead to match Novell model
- » Aggressive pricing/licensing strategy likely
 - Gain suite share to protect remaining word processing biz
 - Protect NetWare business with ties to reduced apps pricing

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Planning Assumptions

- **Sim-announce and availability with Win95**
 - » Win95 RTMs by mid June
 - » All Office apps RTM by end of June
 - » English Win95 and Ofc apps available in channel on 8/24/95
- **New apps will require Win95 or NT**
 - » No new 16-bit Win Apps (except Sched+)
 - » No new Mac Apps (except Sched+)
 - » No new apps on non-Intel NT platforms
 - » Office 4.x will continue to be available
- **Manufacturing can meet Win95 and Ofc95 demand**

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Office 95 Business Objectives

- Upgrade the Office installed base
 - » Upgrade 32% of installed base in 12 months
 - » Prevent Office to standalone downgrades (< 3% of standalone VUP)
- Penetrate the Windows installed base
 - » Increase blended Ofc95/Win95 attach rate from 25% to 30%
 - » Increase Intel CPU penetration from 16% to 19%
 - » Drive office suite category from 47% to 60% of apps market
- Grow category by reaching new users and DOS switchers
 - » Grow unit sales 16% to 6.2M licenses (USFG Win only)
 - » Grow revenue by 12.5% to \$1.1B (USFG Win only)
 - » Maintain/grow share:
 - Office => 85%; Word => 65%; XL => 75%; PPT => 75%; Access = 60%
 - Project => 80%; Schedule+ => 65%

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Pricing/Mix Objectives

- Retain 10-15% average price premium
- Encourage movement to Office from indiv apps
 - » Price Office Std. FPP at 1.5X individual apps
 - » Offer OfficePro at \$100 premium to Office Std
 - » Provide "early mover" discount for VUP upgraders
 - » Drive move to Ofc95 with aggressive upgrade launch pricing
 - » Extend standalone upgrade pricing to competitive users
- Max \$/desktop
 - » Increase OfficePro mix to 40%
 - » Limit concurrent and home use
 - » Increase average \$/lic for Office in Academic

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Average Street Prices

| | FPP | Upgrade (Until 12/31) | Upgrade (After 12/31) |
|-------------|-------------------|--------------------------|--------------------------|
| Office Pro | \$575 | \$339* | \$369 |
| Office Std | \$475 | \$239* | \$269 |
| Indiv. apps | \$309 | \$99 [‡] | \$119 |
| Sched+ | \$89 [^] | N/A | N/A |

* Plus \$40 rebate for version upgraders from individual app or Office itself.
[^] Plus \$20 rebate for version or competitive upgraders included in FPP SKU.

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Office 95 SKU Transition

- Objectives

- » Encourage rapid adoption of Office 95
- » Avoid confusing the customer/reseller
- » Prevent losing 16-bit apps sales to competition
- » Minimize SKUs to lower internal costs

- Tactics

- » Focus demand generation on Office 95 apps
- » Follow standard upgrade transition conventions
 - Continue making volume products orderable for 6 mos.
 - Let market decide on exact timing of SKU removal
- » Clearly communicate in all materials that Ofc95 requires Win95
- » Free upgrade coupon to Office 95 for purchases made before 12/31
- » Recommend stocking/SKU mix for 16 vs 32-bit apps

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FY96 DAD Forecast Summary

FY96 DAD Win Apps Forecast

(US Finished Goods)

| <u>Win New User</u> | <u>Units</u> | <u>\$/Unit</u> | <u>Rev. (\$MM)</u> | <u>% of Total</u> |
|---------------------------------|------------------|----------------|--------------------|-------------------|
| Ofc95 Std | 978,960 | \$233 | \$228.5 | 21% |
| Ofc95 Pro | 527,048 | \$266 | \$140.2 | 13% |
| Indiv 95 Apps | 1,216,135 | \$130 | \$158.1 | 14% |
| All Ofc4.x Apps | 1,683,707 | \$200 | \$337.4 | 31% |
| Total USFG New User | 4,405,850 | \$196 | \$864.2 | 78% |
| | | | | |
| <u>Win Existing User</u> | | | | |
| Ofc95 Std | 723,164 | \$167 | \$120.5 | 11% |
| Ofc95 Pro | 127,617 | \$216 | \$27.6 | 3% |
| Indiv 95 Apps | 987,606 | \$90 | \$88.7 | 8% |
| Total USFG Existing User | 1,838,387 | \$129 | \$236.8 | 22% |
| | | | | |
| Total Win USFG DAD | 6,244,237 | \$176 | \$1,101.0 | 100% |

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FY96 DAD Marketing Budget

| | <u>FY 94</u> | <u>FY95</u> | <u>FY96</u> |
|---------------------|----------------------|----------------------|-------------------|
| | <u>Actuals</u> | <u>Rev. Budget</u> | <u>Estimate</u> |
| Advertising | 29,618,000 | 42,875,000 | 59,000,000 |
| Direct Marketing | 10,706,000 | 4,222,600 | 11,300,000 |
| Marketing Materials | 3,558,000 | 4,010,000 | 5,000,000 |
| Market Research | 2,198,000 | 2,240,000 | 2,500,000 |
| Events | 1,923,000 | 1,535,000 | 1,500,000 |
| Public Relations | 2,005,000 | 2,025,000 | 2,750,000 |
| Samples | 254,000 | 390,000 | 450,000 |
| Other | 159,000 | 370,000 | 350,000 |
| Total | \$ 50,421,000 | \$ 57,667,600 | 82,850,000 |

* Advertising spending in FY95 and FY96 includes non-Office budgeted corporate spending for TV

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Manufacturing Plan

- **Recommendation**

- » All manufacturing and assembly of primary SKU components will outsourced to MS subcontractors
- » Ofc 4.x, Win 3.1 will be managed by CP (no pre-build)

- **Planning**

- » Win95 and Office95 forecasts have been combined
- » 3M Win stock being built, 1M Office stock
- » No raw material constraints

- **Logistics and Dates**

- » Office disk dup will done in Puerto Rico
- » Windows disk dup will be done by multiple suppliers
- » Assembled SKUs will be stored in regional hubs for distribution
- » NA street date is 8/28

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Marketing Communications

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Communications Objectives

- Establish Ofc95 as must buy with Win95
 - » Claim and define "Best Win95 app"
 - » Translate Win95 benefits to App usage (and specifically to Office)
- Dimensionalize what Office is to Orgs and EUs
 - » Essential tools for getting work done easily
 - » Unified desktop environment
 - » Point of access for communicating in a connected world
 - » Platform for custom applications development
- Reinforce benefits of Microsoft Office leadership
 - » Vision for how technology can be made more useful
 - » R&D investment (quantity and quality)
 - » All aspects of quality assurance
 - » User-driven development (CI, Usability Labs, Performance, PSS)
 - » Microsoft's leadership means innovation, support, and stability

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Audience Segmentation

| <u>People</u> | <u>Organizations</u> |
|--|--|
| <ul style="list-style-type: none"> ● Industry Insiders <ul style="list-style-type: none"> » Press » Channel Partners ● IEU/Fringe IEU <ul style="list-style-type: none"> » Enthusiasts » Non-enthusiasts ● Computer Professionals <ul style="list-style-type: none"> » Strategists » Technologists ● Business Decision Makers <ul style="list-style-type: none"> » Primarily in SORGs | <ul style="list-style-type: none"> ● Size <ul style="list-style-type: none"> » LORG » MORG » SORG » SOHO ● Industry <ul style="list-style-type: none"> » Legal » Accounting » Sales and Marketing |
| <i>New Users - Upgraders - Switchers</i> | |

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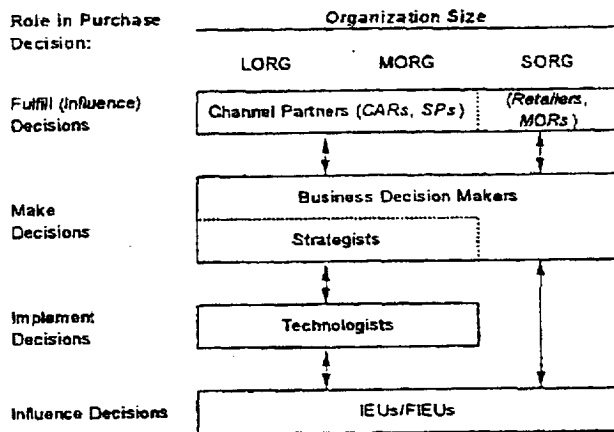
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Purchase Process



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Industry Insiders

- Press
 - » Definition:
 - Industry Analysts, Reviewers, Testing Labs, News Reporters
 - » Characteristics:
 - Technology enthusiasts to pure journalists to industry pundits; Msft means news;
 - » Benefits:
 - Identifiable influences to Large audience
 - » Media:
 - All
- Channel Partner
 - » Definition:
 - Reseller CEOs, merch mgrs, buyers, sales people
 - SPs, CARs, MORs, Retail
 - » Characteristics:
 - MS very important to business;
 - Earlier information required for planning
 - » Benefits:
 - Business proposition, demand creation, logistics and training
 - » Media:
 - Industry news weeklies

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IEU/Fringe IEUs

- **Enthusiast**
 - » Definition:
 - Influential constituents of Strategists, BDMs & Technol
 - Uses PC in daily job
 - » Characteristics:
 - No specific job function
 - Use technology for work and personal gain
 - Perceive selves as adv user
 - » Benefits:
 - Products that get job done
 - Best of breed tools
 - » Media:
 - General biz, verticals, and PC monthlies periodically
- **Non-Enthusiast**
 - » Definition:
 - Influential constituents of Strategists, BDMs & Technol
 - May or may not use PC often
 - » Characteristics:
 - No specific job function
 - Use technology in work
 - May/may not be adv. user
 - » Benefits:
 - Products that get job done
 - » Media:
 - General business, verticals etc. as relates to individual job function and interests

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Computer Professionals (CP)

- **Strategists**
 - » Definition: Senior MIS who set technology strategy in LORG/MORG
 - » Characteristics:
 - Focused on business value
 - People managers
 - Creative, not functional
 - High Office penetration
 - » Benefits: security, standards, training costs, productivity enhancements
 - » Media: business press first, including verticals then PC press weeklies
- **Technologists**
 - » Definition: IS administrators who *implement* technology strategy in LORG/MORG
 - » Characteristics:
 - Focused on technology
 - Systems managers
 - Functional
 - Can block or accelerate action
 - » Benefits: cool features, minimal downtime, ease of transition, compatibility
 - » Media: PC press weeklies and some monthlies, but skeptical of information on the page - like to see for themselves

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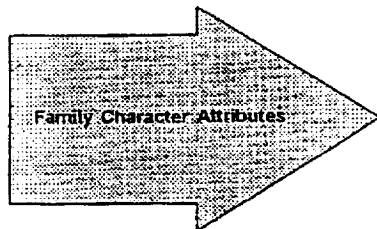
Business Decision Makers (BDM)

- **Definition:**
 - » Owners and business managers that make technology decisions in their business (especially important in SORG/SOHO where there is no strategist or technologist)
- **Characteristics:**
 - » Totally focused on business value
 - » May or may not be technically proficient
 - » Rely on others for nuts and bolts of technology decision (IEU model holds)
 - » Low Office penetration in SORG/SOHO
- **Benefits:**
 - » Cost and time savings, competitive advantage
 - » Whatever helps run the business better
- **Media:**
 - » Business press, SORG horizontal, verticals, may not read PC press

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Office Family Positioning

*The Microsoft Office family of applications
leads the way in turning technology into
the innovative tools and support you
need to get your job done.*



- ◆ Innovative
- ◆ Reliable
- ◆ Empowering
- ◆ Empathetic
- ◆ Approachable

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Microsoft Office 95 Positioning



*"Access the full power of
your tools so you can focus
on getting your job done"*

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Office 95 Positioning Framework

- **Freedom to focus on your work**
 - » IntelliSense Technology
 - » Windows 95
- **Share information easily between apps**
 - » OfficeLinks
 - » Office Compatible
- **Communicate in a connected world**
 - » Information exchange
 - » Office On-line
- **Build business solutions**
 - » Microsoft Solutions
 - » Microsoft Support and Services

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Communications Targets

| | Size* | Current Relationship | Their Concerns |
|--------------|------------|---|---|
| IEU/FIEU | 10 MM | 1/3 Aware of Sites Office Awareness Low but Growing | Their Own/Peer Productivity |
| SORG BDM | 8.7 MM | Lowest Awareness and Usage | Business Value = User Productivity |
| Strategist** | 1.2 MM | Higher Awareness Office is a bundle | Business Value = Enterprise Solutions, Corp. Standards |
| Technologist | 1.7 MM CPs | High Awareness Care about systems | Problem Solving; Solutions Development, User Productivity |

* Sources: Intelliquest '94; PC Watch '94

**Strategist = IS Strategists and LORG/MORG BDMs

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Business Objectives by Target

| | Grow | Upgrade | Penetrate |
|--------------|--|---|---|
| IEU/FIEU | Priority 2 DOS Switchers | Priority 3 Influence Most Desktops | |
| SORG BDM | Priority 1 DOS Switchers - Big Audience | Priority 4 Lowest Share - Fewest to Upgrade | |
| Strategist | Priority 4 Relatively High Share Already | Priority 2 Ensure Upgrade is Adequate for Investment | Priority 1 Create Corporate Standards |
| Technologist | Priority 3 Relatively High Share Already | Priority 1 Evaluate Most Desktops | Priority 2 Implement Standards, Write Entp. Solutions |

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Office 95 Advertising Objectives

| | Awareness | Perceptions | Action |
|--------------|--|---|---------------------------------------|
| TEU/FIEU | R/F: 70/3+ Gross impressions 23 MM | DT95= W95 + O95 (Best W95 Apps) | |
| SORG BDM | R/F: 75/3+ Gross impressions 19.6 MM | DT95= W95 + O95 (Best W95 Apps); MS is my Bus. Partner | X calls to Bus. Source RPM = 1 |
| Strategist | R/F: 85/3+ Gross impressions 3 MM | DT95= W95 + O95 (Best W95 Apps); O95 = Standard & Enterprise Solution | X leads generated for DM follow-up |
| Technologist | R/F: 85/3+ Gross impressions 4.3M | DT95= W95 + O95 (Best W95 Apps); Office 95 = Platform | X trial requests RPM = 1 |

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Advertising Tactics

| | July | August | September | October | November | December | Total |
|------------------------------------|------|--------|-----------|---------|----------|----------|--------|
| Television | | | 43.53 | 42.43 | 42.43 | 42.43 | 172.82 |
| Spots on Print (W/L News 60) | | | 41.42 | 41.42 | 41.42 | 41.42 | 165.70 |
| SORG Print Inc., Corporate, etc | | | | | | | |
| Verticals | | | | | | | |
| PC Print (News) | | | | | | | |
| SP Print (Support) | | | | | | | |
| Radio | | | | | | | |
| Posters | | | | | | | |
| Total (Print+Post) | | | | | | | |

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Direct Marketing Objectives

| | Awareness | Perceptions | Action |
|--------------|-----------|--|---|
| IEU/IEU | | Office = Best W95 Apps; MS is my Bus. Partner (Reg Base Only) | X Inctrl. Sales to DAD Owners X Inctrl Sales to Win Owners (Y% Office, Z% App) |
| SORG BDM | | Office = Best W95 Apps; MS is my Bus. Partner (Rebase and Leads) | X Inctrl. Sales to DAD Owners X Inctrl Sales to Win Owners Convert X% of Leads (Y% Office, Z% App) |
| Strategist | | Office = Best W95 Apps; Q95 = Enterprise Solution and Standard (MORG) | X MQLP Agreements (MORG) |
| Technologist | | Office = Best W95 Apps; Office 95 = Platform (MORG) | X Trials Initiated (MORG) |

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Direct Marketing Tactics

| Obj | Exp | Start | End | Frequency | Cost | Quantity |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Lead Generation Database | | | | | | |
| Existing Leads | | | | | | |
| Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database |
| DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead |
| Other Applications | Other Applications | Other Applications | Other Applications | Other Applications | Other Applications | Other Applications |
| SORG Database | | | | | | |
| Existing Leads | | | | | | |
| Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database |
| DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead |
| Other Applications | Other Applications | Other Applications | Other Applications | Other Applications | Other Applications | Other Applications |
| MORG Database | | | | | | |
| Existing Leads | | | | | | |
| Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database |
| DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead |
| Other Applications | Other Applications | Other Applications | Other Applications | Other Applications | Other Applications | Other Applications |
| MSRP Database | | | | | | |
| Existing Leads | | | | | | |
| Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database | Office Lead Database |
| DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead | DAD Single Lead |
| Other Applications | Other Applications | Other Applications | Other Applications | Other Applications | Other Applications | Other Applications |
| Summary | | | | | | |
| Total Leads | | | | | | |
| Total Cost | | | | | | |
| Total Quantity | | | | | | |

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POS/Collateral Tactics

| | July | Aug | Sept | October | Nov | December | Total |
|--------------|------------------------------------|--|------|--------------------|-----|-------------|----------------|
| GROUP 001 | Media/Circ print collateral - \$2M | Media/Circ & App collateral - \$5M Media/Circ & App collateral - \$1M | | Directories - \$1M | | | \$27M |
| GROUP 002 | Directories - \$1M | Media/Circ & App collateral - \$5M Media/Circ & App collateral - \$1M | | Directories - \$1M | | | \$11.5M |
| GROUP 003 | | | | | | | \$M |
| GROUP 004 | | | | | | | \$M |
| GROUP 005 | | | | | | | \$22M |
| Total | \$2M | \$6M | | \$2M | | \$2M | \$11.5M |

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Communications Budget Recap

| | Advertising | | DM | Packaging, POS, Collateral | Total | |
|--------------------|----------------|----------------|----------------|----------------------------------|----------------|----------------|
| | With TV | Without TV | | | With TV | Without TV |
| Media/Circ* | | | | | | |
| IEUFIEU | 32.50 | 17.50 | 1.58 | 0.49 | 34.58 | 19.58 |
| SORG BDM | 4.00 | 4.00 | 2.86 | 1.16 | 8.02 | 8.02 |
| Strategist | 7.50 | 7.50 | 1.84 | 0.00 | 9.34 | 9.34 |
| Technologist | 3.00 | 3.00 | 3.58 | 0.00 | 8.58 | 6.58 |
| DM Testing | | | 0.25 | | | |
| Total Media | 47.00 | 32.00 | 10.12 | 1.65 | 58.52 | 43.52 |
| Production | 3.60 | 2.40 | 0.00 | 0.00 | 3.60 | 2.40 |
| Fees | 5.50 | 3.50 | 1.20 | 0.00 | 6.70 | 4.70 |
| Total | \$56.10 | \$37.90 | \$11.32 | \$1.65 | \$68.82 | \$50.62 |

*Note:

Business Press and TV is a surrogate for IEUFIEU, Resellers are included in IEUFIEU
 SORG and Vertical Press is a surrogate for SORG BDM, Packaging included

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Office 95 PR Strategy

- **Educate influentials early; establish review criteria**
 - » Extend office suite and individual apps category lead
 - Great first looks
 - Win Apps reviews
- **Expose potentially negative issues by mid-March**
 - » Minimize negative coverage on issues like 32-bit only, etc.
- **Withhold specific, "copy-able" features (Feb-May)**
- **Show early commitment to Win95 through limited product demonstrations**
 - » Position Ofc95 as the defining Win95 apps
- **Build excitement with specific feature leaks**
 - » Make Ofc95 apps look as significant as Ofc 4.x apps

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Inform Influentials Early

- **Educate influentials early; establish review criteria**
 - » Full day, individual industry analysts briefings in Redmond (Mar)
 - » Establish criteria during Desktop 95 Press Tour NDA (Late Mar)
 - » Early biz press tour; lay groundwork for launch coverage (Apr)
 - » Product/Developer hero days for selected editors (April/May)
- **Expose potentially negative issues by mid-March**
 - » Disclose that no new Mac in '95
 - Mac on normal upgrade timing (12-18 months)
 - Same file formats
 - » Outline key issues at Desktop 95 Press Tour (Late March)
 - 32-bit only but same file formats as Office 4
 - New user assistance model -research driven
 - VBA strategy - in Access but not in Word (Tech Ed)

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Use Selective Leak Strategy

- **Withhold specific, "copy-able" features (Feb-May)**
 - » Leak catch-up features/relaunch old features
 - » Tech Beta 1 & 2, NDA briefings: stub out some features
 - » Announcement of Sched+ 2.0 inclusion in Office (mid March)
 - » Discuss programmability advancements (Tech Ed)
- **Show enough product to demonstrate Win95 commitment**
 - » Comdex participation in Win95 ISV Booth (Nov '94)
 - » WinWorld Theater Presentation: Sneak Peek (April)
- **Build excitement with specific feature leaks**
 - » Answer Wizard
 - » Individual Product features: WordMail, Access Briefcase

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Leverage Win95 Excitement

- **Desktop 95 Analysts Indoctrination Visits (March)**
 - » Lay foundation for making PC easier, Great Win 95 Apps
 - » Great Office Upgrade
 - » Education of Design and Development effort
- **Educate desktop editors on Desktop 95**
 - » Non-NDA Sessions: Weekly PC Press (Late March)
 - » NDA Sessions: Monthly PC Press (Late March)
- **Publicize "ease of transition" evidence**
 - » Equivalent to Win95 Gartner Group study (May)
 - » PeteH's Biz Press Foundation Tour (April)
- **Joint testimonials for early press and launch events**
 - » Early Migration Programs (Goliath/Marquee)

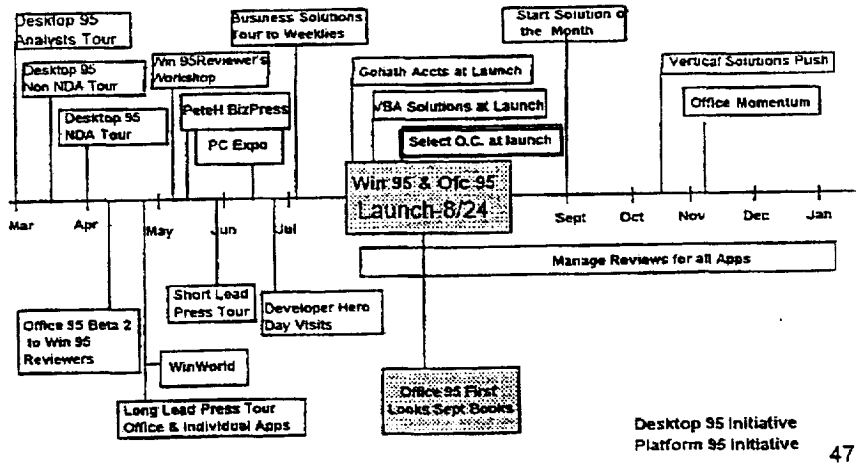
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PR Timeline



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Marketing Initiatives

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Office 95 Marketing Initiatives

- **Desktop 95**
 - » Upgrade the Windows installed base (CUP and VUP)
 - » Drive Windows '95 and Office '95 attach rates
- **Platform 95**
 - » Increase LORG/MORG account penetration
 - » Extend usage through Office Compatible, BackOffice, and Office Solutions
- **Outreach 95**
 - » Grow our installed base with new users and DOS switchers
 - » Capture through Business Source II, Office Broad Marketing

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The Desktop 95 Marketing Initiative



Accelerating the move to the new Win95/Ofc95 desktop

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DT 95 Program Components

- Coming Soon
- End User Trial - Interactive Demos
- Special Intro Pricing
- Channel Rebates and Marketing Funds
- Integrated Merchandising
- Channel Training and Long Lead Account Planning
- Windows Preview Program (WPP)
- Office Preview Program (OPP)
- Migration 95 Partnership
- Early Migration Program
- Desktop 95 PR tour and Analyst Briefings
- Events (Launch, World Tour)

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Coming Soon

- Objectives
 - » Build heat and accelerate demand
- Program Components
 - » Reserve advance copy of Windows and Office 95
 - » EU Preview Kit with Interactive Demo
 - » In-store merchandising, demo stations
 - » Office "Technology Guarantee"
 - » Demand generation materials, POS kit, Program Guidelines
- Timing
 - » July 15 - Street

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What is Desktop 95?

- **What it is**
 - » A company-wide Microsoft marketing initiative designed to sell Windows and Win95 MS products together
 - » A plan that leverages the excitement over Windows'95
- **What it is not**
 - » A brand
 - » A product
 - » A bundle
 - » A phrase that we will market outside of Microsoft?

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DT95 Campaign Strategies

- **Key Strategies**
 - » Sim-announcement and availability of Win95/Ofc95 on 8/28
 - » Leveraged communications (advertising, PR/Events, Direct)
 - » Integrated EU channel promotion
 - » Integrated Organization channel program
 - » Joint training of MS Districts and Channel RSPs

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Coming Soon Merchandising Kit

- **Objective**

- » Provide resellers tools to merchandise Office 95 along with Win 95 for the coming soon timeframe

- **Target Audience**

- » Key accounts, outlets, non-key partners implementing a coming soon program for Win 95

- **Timing**

- » Ship 6/26 via Merchandising tour, RAXs, ASRs/RMRs

- **Contents**

- » Counter Card, RSP Buttons, Posters, Demo toppers
- » CD Interactive Demos, Video
- » End user Preview Kit (CD Autodemos, DT95 Product Brochure)
- » Office "Technology Guarantee" (free upgrade from Office 4.x to Office 95)

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End User Trial

- **Wide-scale distribution of interactive demo**

- » Verbatim disk box (7M worldwide)
- » Ziff Publishing (1M)
- » WinNews
- » Coming Soon (500k)

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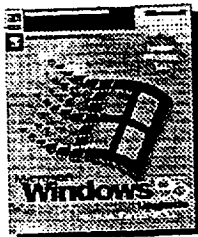
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DT95 EU Channel Launch Promotion



- Objectives
 - » Increase attach rates
 - » Lower total cost of "environment upgrade"
 - » Increase channel focus and preparedness
- Program Components
 - » Special intro price to make combined Win/Office price same as regular Office price
 - \$50 off intro price on Office upgrade
 - Additional \$40 off for Office VUPs
 - \$99 intro price on all Standalone upgrades
 - » Channel Rebate and Marketing Funds
 - \$10M in incremental Marketing Funds (NA)
 - Channel Rebates

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Reseller Advertising Kit

- Target Audience
 - » Marketing Managers in top reseller accounts, RAXs, ASR/RMRs, FMXs
- Timing
 - » Ship 4/14 to Top Account list and reseller account reps
- Contents
 - » Carton box slides (front and side all products)
 - » Screen shots (all products)
 - » Ad slicks all products
 - » "Coming Soon" ad slicks
 - » Advertising templates
 - » DT 95 ad slicks
 - » Logo slicks
 - » Box mock ups
 - » Trash & Trinket order form

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Channel Merchandising

- **Pre-Packed Palettes**
 - » Win 95 w/3.5" Upgrade & CD Upgrade
 - » Office Pro and Office Standard mix
 - » Keyboard
- **Free Standing Floor Displays**
 - » Windows 95 & Frosting
 - » Office Pro & Word/Excel mix
 - » Consumer (Productivity & Fun)
- **Point of Purchase and Display**
 - » Unified packaging
 - » Display fixtures, End caps
 - » Demo stations (interactive demo), Info Center
 - » POS, In-store video, DMR catalog pages

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Launch Merchandising Kit

- **Objectives**
 - » Dominate retail environment with Desktop 95 message through integrated advertising, incremental displays and POS
- **Target Audience**
 - » Top 10k retail outlets in NA
- **Timing**
 - » Ship 7/15 via Merchandising tour, RAXs, ASRs/RMRs

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Launch Merchandising Kit

- **Contents**

- » Instruction sheet
- » RSP gift (button)
- » Counter card
- » Clear acetate sticker
- » Shelf Talkers & Laminated Card (MS Win 95 products)
- » Demo Wrappers (MS Win 95 products)
- » Sample Merchandising sheets (retail and DMR)

- **Orderable Items**

- » Info Center Wrapper
- » End Cap / poster artwork
- » MS perm. fixture header card
- » Oversize Carton (Win95 & Office 95)
- » Double-sided Banner

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RSP Training Kit

- **Objective**

- » Provide retail RSPs with KEY materials about Office 95 and selling opportunities for the Desktop 95 launch.

- **Target Audience**

- » Retail RSPs, RAXs, ASRs/RMRs, Headquarters Accts.

- **Distribution**

- » Ship 6/15 to HQ and outlet s& temp rep tour

- **Contents**

- Datasheet
- Interactive Demo
- Sales Flow Chart
- Monitor Template with key information on product
- Training opportunities summary: World Tour, district events, etc.
- Fast Facts
- Telemarketing Guide
- Sales training video

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Account Planning: Top Account Tour

- **Audience**
 - » Top 40 accounts (Disti, Directs, SrPs)
- **Timing**
 - » March 27-April 14
- **Planning Team**
 - » Channel Strategy, Win 95 Office 95, Ops, Cons. and DDT
- **Agenda:**
 - DT 95 Objectives
 - Demand Creation Plan review
 - Key Dates
 - Programs
 - Tools
 - Ordering
 - 5 steps to successful launch (roll-out account planning tools)

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Account Planning: Long Lead Kit

- **Objectives and Target Audience**
 - » Provide critical product ordering info to Distis, Directs & Key Partners
- **Timing**
 - » Ship 3/27 to MS Reseller Account Managers and NDAMS
- **Contents**
 - » SKUs (Product name, description, system requirements & media)
 - » UPC Codes
 - » ERP, Disti net cost
 - » Special Ts&Cs
 - » Dimensions & weight for retail boxes & masterpacks
 - » Pallet quantity & weight
 - » Order estimating worksheet (ROQs)
 - » Marketing information & programs
 - » Key Dates
 - » Illustrations of merchandising skus

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Role of Vehicles

| | Grow | Upgrade | Penetrate |
|-------------------|---|--|--|
| Advertising | <i>F/EU and SORG:</i> - Build Office 95 and Bus. Source Awareness & Consideration | <i>All Audiences:</i> - Stimulate Consideration, Trial of New Office 95 | <i>Strategist/Technologist:</i> Shift Perceptions of Office = Emp. Standard/Solution = Development Platform |
| Direct Marketing* | <i>SORG/MORG:</i> - Assist Evaluation, Provide Trial of OBS | <i>SORG/MORG:</i> Assist Evaluation, Provide Trial, Incent Purchase of New OBS <i>F/EU:</i> notify/inform, incent purchase | <i>MORG:</i> Build Awareness of MQLP, Drive Standardization, Encourage Solutions Development |
| Collateral | <i>All Audiences:</i> Support Consideration and Evaluation with Information | <i>All Audiences:</i> Support Consideration and Evaluation with Information | |
| Packaging/POS | <i>F/EU and SORG:</i> In-Store Awareness, Consideration and Sale of OBS and Promos | <i>F/EU and SORG:</i> In-Store Awareness, Consideration and Sale of OBS and Promos | |

* Direct Marketing Targets: MORG = Tech/Strat, F/EU = Regbase only

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Com. Objectives by Target*

*Metrics defined by Office Tracking Study and based on Wave III results

| | Awareness | Perception (key attributes tbd) | Action |
|--------------|---|--|-------------------------------|
| IEU/FIEU | Office Unaided: 40% (IEU); 25% (FIEU) Aided: 80% (IEU); 70% (FIEU) | 12 mo. Consideration: 40% (IEU); 30% (FIEU) Preference: 50% (IEU); 40% (FIEU) | Attach Rate: Upgrade Rate: |
| SORG BDM | Office Unaided: 40% Aided: 75% | 12 mo. Consideration: 35% Preference: 45% | Attach Rate: Upgrade Rate: |
| Strategist | Office Unaided: 50% Aided: 90% | 12 mo. Consideration: 50% Preference: 50% | Attach Rate: Upgrade Rate: |
| Technologist | Office Unaided: 50% Aided: 90% | 12 mo. Consideration: 60% Preference: 50% | Attach Rate: Upgrade Rate: |

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Additional Account Planning Tools

- Desktop 95 EUCU Roadmap
- S1'96 account planning template
- Attach goals forecasts per account
- Mktg. fund proposal form

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Tools Summary

- Long Lead Kit
- Coming Soon Merchandising Kit
- Advertising/Sell In Kit
- Interactive Demo
- RSP Training Kit
- Training in a Box
- MSTV/Traincast
- World Tour

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Channel Training

- Disti account training - March-April
- SE Forum - March 31
- NA District Tour - April 17 - May 5
- WinWorld Account Briefings - April 24-28
- RSP District Driven training - May-July
- Temp Rep Tour - June-July
- MGS - July 24 - 28

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Key Channel Dates

- Pre Order Begins
 - » April 17
- Order Guarantee Date
 - » May 10th
- Coming Soon
 - » July 15th
- Office Power Guarantee
 - » July 15 - Dec 31 (fulfill through 3/31/96)
- Street Date
 - » August 24th
- Promo Price
 - » Aug 24 - Dec 31

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Summary Channel Timeline

| | | | | |
|---|-------------|--|-------------|-------|
| Acct. Planning Tools | 3/15 | | | |
| Long Lead K/L | 1/20 | | | |
| Top Account Tour | 2/7/95 | | | |
| A4 K/L | 4/14 | | | |
| Office District Tour | 4/24 - 4/28 | | | |
| Windows World | 4/13 | | | |
| Pre-Order Program | 4/13 | | | |
| DT 95 Training kits sent to HQ | | | | |
| District Driven RSP Training | | | 4/13 | |
| DT 95 RSP training kits sent to offices | | | 4/13 | |
| DT 95 "Cleaning Soon" PDS kit delivered via merch. tour | | | 6/26 | |
| Yarns Rsp Tour | | | 6/13 - 7/13 | |
| Windows 95 RTM | | | 4/13 | |
| Office 95 RTM | | | 6/27 | |
| DT 95 Merch. Kit delivered via merch. tour | | | | 7/13 |
| Cleaning Soon date | | | | 7/13 |
| Technology Guardians | | | | 12/31 |
| Launch/Stream date | | | | 8/24 |
| Office Inero Pricing | | | | 8/24 |

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The MORG/LORG Challenge

- Accelerate Windows 95, Office 95 adoption
 - » Huge change – IS managers cautious, don't know how to do it
 - » Customers will wait until 1996 to start, and take 2-3 years unless MS drives adoption
- Exploit the Windows 95 paradigm shift
 - » Create opportunities for BackOffice
 - » Create opportunities for Partners

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Desktop 95 for MORG/LORG

- Windows Preview Program (WPP)
- Office Preview Program (OPP)
- Migration tools and milestones
- Migration Offer
- Early Migration Program

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Windows 95 Preview Program

- Corporate evaluation program
- For \$32, customers will receive
 - » Windows 95 pre-release software and 5 unit license
 - » Migration Planning Kit
 - Deployment Guide and Sample Deployment Plan
 - Windows 95 Resource Kit (beta version)
 - Business case for justifying Windows 95
 - » Phone support through PSS
- Available 3/27 to 200k NA, 200k ROW
- Channel involved (OB Reseller, SP)
- Available to field through Beta CD (ships 4/7, includes contents of WPP)

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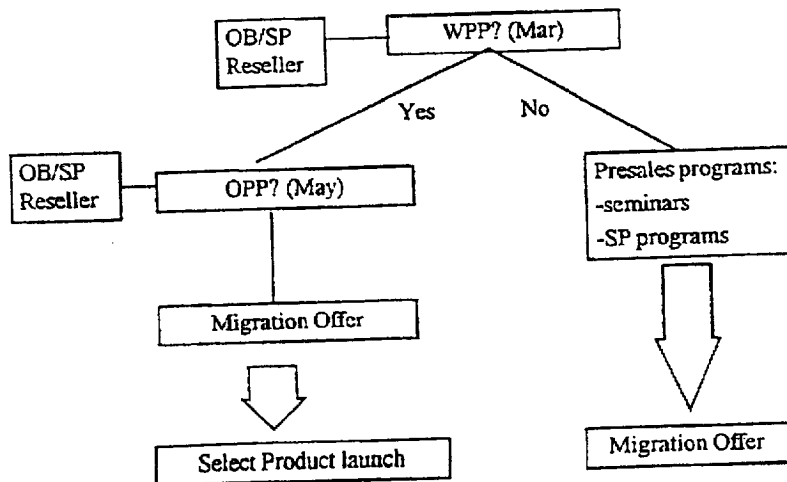
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Office 95 Preview Program

- Corporate Evaluation Program
- Target best MORG/LORG prospects
 - » Send no charge to qualified respondents
 - » SPs can also deliver to customers if they support
- Customers will receive
 - » Ofc 95 CD-ROM (pay for disks-\$50)
 - » Migration Planning Kit
 - » Phone support through PSS
- Available 5/15 to 50-150k sites in NA.
- International in English only
- Channel involved (OB reseller, SP)
- Available to field through Beta CD

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Windows/Office Evaluation Flow



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Migration Tools

- For customers
 - » Migration Planning Kit CD
 - Product pres/demo, Business Planner Model
 - Evaluation Guide
 - Deployment Guide
 - Windows/Office Resource Kits
 - Sample deployment plans and templates
 - » TrainCast programs on MSTV
 - » MSPress Books
 - » WinNEWS online service
- For LORG/SMORG teams
 - » Action plans
 - » SIB's (pre-launch provided by product groups)

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Migration Milestones

- Evaluation kickoff
- Evaluation team formed
 - » technical plan (system engineer focus)
 - » management consensus (sales rep focus)
- Internal Testing
- Pilot Deployment Test
- Revise Deployment Plan
- Final Test
- Begin Deployment!

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Migration Offer

- **Situation**

- » 77% of MORG/LORG customers plan to deploy Windows 95 6 months after release (March '95 OS Tracker)
- » Cost of migration includes IS training, installation, EU training, software, etc.
- » Customers are anxious about moving

- **Design goals for offer**

- » Address customer concern about risk and cost of migration
- » Optimize for MORGs
- » Simple for field and partners to execute

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Migration Offer

- **Buy 50 units of Windows 95, receive**

- » Free basic PSS support through 12/31
- » SP "migration specialist" referral
- » \$200 discount on ATEC seat for Support Engineer training (expires 12/31)
- » CP exam fee waived (expires 12/31)
- » Migration tools in hardcopy (evaluation guide, WRK, Traincast videos)

è Every 500 desktops +1 ATEC seat, +1 CP Exam

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Migration Offer

- Buy 50 units of Office (MOLP/MELP) receive
 - » 50% off 3 days SP migration service
 - » SP "migration specialist" referral
 - » \$200 discount on ATEC seat for Support Engineer training (expires 12/31)
 - » CP exam fee waived (expires 12/31)
 - » Migration tools in hardcopy (deployment guide, ORK, MSTV, Install scripts)

- » Every 500 desktops +1 ATEC seat, +1 CP Exam

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Early Migration Program

- Migration wins pre-launch!
 - » Move 500-2,000 Windows 95 desktops between RTM and launch
 - » 13 LORGs in NA, more in key subs
 - » Move 100 Office desktops between RTM and launch
 - » 5 LORGs in NA, more in key subs
- Customers receive migration assistance and free product
- Microsoft gets testimonials

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Training and Testing

- **Textbook:**
 - » Resource Kits
 - WRK Beta: 3/31 in WPP package
 - ORK Beta: 5/5 in OPP package
 - » TrainCast, MSTV
- **Lectures:**
 - » Traincast broadcasts/videos
 - » ATEC courses
 - » Microsoft local seminars
- **Exam:**
 - » SP pass early qualification exam for referrals
 - » CP exam available at RTM

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LORG Team Action Plan

- **March:**
 - » Windows 95 "why" Pres. (300 already done)
 - » Install Win95
- **April:**
 - » Windows 95 "how" Pres, heads up on Office95
 - » Help customer with Win95 deployment test
- **May:**
 - » Office 95 "why" and "how" Pres, Migration offer
 - » Install Office 95
- **June/July:**
 - » Help customer with Office 95 deployment test
 - » Begin Rollout of Windows 95/Office 95
- **August:**
 - » Drive customers to local launch event

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LORG Migration: Telesales Team

- 15 Desktop 95-focussed telesales reps
- Track Win95/Ofc95 evaluation in top 1000 LORG accounts
- Contact accounts on bi-weekly basis, inbound as well
- Function is to identify barriers, get account team/product team to break through barriers
- Progress reporting back to districts

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SMORG Team Action Plan

- **March:**
 - » Plan Desktop 95 activities
 - » Install Win95
- **April:**
 - » Win95 Kickoff Mtg. w/ top SPs
- **May:**
 - » Office 95 Kickoff Mtg. w/ top SPs
 - » Install Office 95
- **June/July:**
 - » 1:Many MORG "WHY" seminar and offer
 - » 1:Many MORG "HOW" seminar and offer
- **August:**
 - » Drive attendance to launch event

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Field Training

- **Windows 95**
 - » 100% deployment of M8 in field
- **Office 95/applications**
 - » Tour 4/17-5/5
 - » 1 day mandatory training on all apps
 - » Optional day field driven activities

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Initiative # 2: Platform '95

Establish Office 95 as the best platform
for building custom solutions for
streamlining your organization.

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Platform '95 - Target Audience

- Business Decision Makers
- Developers
- Computer Professionals
- Industry Insiders
- IEU/Fringe IEU/SORGs

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Platform '95 - Messages

- **BDM, Computer Professionals**
 - » Office Solutions let you streamline processes within your organization - allowing users to make better decisions in less time.
 - » Leverage the business value of your Microsoft Office investment by implementing Office Solutions.
 - » Office and BackOffice together provide the necessary tools to create powerful client-server applications for the entire enterprise.
 - » Microsoft Office brings with it a broad base of branded Office Compatible applications that add to the functionality of Office.

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Platform '95 - Messages

- **Developers**

- » Office provides a powerful development platform - letting you create solutions that deliver more power, in less time.
 - VBA
 - Powerful Objects
 - OLE
- » Office provides easy programmatic access to BackOffice services.
 - MAPI, ODBC and OLE
- » Development platform has already been sold - Office products are on 19 million desktops worldwide.
- » Office Compatible lets you build applications that look like Office.

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Platform '95 Strategic Goals

- Build awareness, evidence, and usage of Office as a platform and an integrated suite of tools among BDMs, developers, CPs, industry influentials
- Long term: Establish Office as the standard computing environment ("platform") for business computer users.

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Situation Analysis

- Huge Office installed base (compelling platform for developers)
- Penetration of Office Solutions small relative to opportunity
- Growing number of Office Solutions developers with no strong community bonds
- Validation of Office Solutions - great interest among customers in creating solutions with Office
- Competition from Lotus and Novell software suites heating up - Microsoft must take advantage of this short-term lead in the solutions development area.

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Current MS Technology Status

- New Solutions Technologies
 - » VBA in Access
 - » OLE object model in PowerPoint
 - » VBA in Visual Basic '95
- New BackOffice Technologies
 - » Exchange
 - » SQL '95
- Office Compatible '95
 - » New Program
 - » New Logo
 - » New specifications designed around Office '95

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Platform '95 Tactical Goals

- Build brand value for Office Compatible, grow to 500
- Create demand for Office Solutions by publicizing case studies, vertical solutions, power & benefits of Office Solutions
- Build 1000+ member corps of Ofc solutions developers
- Distribute Office dev. tools through developer channels.
- Develop marketing tools for field to communicate Office/BackOffice integration benefits senior MIS.

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Platform '95 Marketing at a Glance

- Office Solutions Push - Today
 - » Office Marketing - Office Solutions Info Kit
 - » DD - MSDK and MSP
 - » Materials to be updated for Office '95
- Office Compatible '95 - Today
 - » New program and specs announced at conference last week.
- Tech-Ed - March 27
 - » Announce VBA in Access
 - » Office Compatible '95 Press Release
 - » Major Microsoft Solutions PR Event
 - » MSDK and MSP release

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Platform '95 Marketing at a Glance

- **MSTV - Office Traincasts - May, June, July**
 - » May - Office '95 Preview
 - » June - Office '95 Deployment
 - » July - Office '95 Solutions
 - » Subsequent shows - feature new Office '95 solutions
- **PC Expo Office '95 Preview - June**
 - » 2-3 Office '95 Solutions to showcase at event
 - » 2-3 Office Compatible '95 products to showcase
 - » Announcement of new Microsoft Solutions Contest - Event held at Fall Comdex.
- **Access Advisor's Conference - June**
 - » Access launch to developers
 - » Office Pro launch to developers

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Platform '95 PR

- Office Developer Momentum Press Release - Today.
- Office Compatible '95 Press Release - March 27.
- Major Office Solutions PR Event at Tech-Ed.
- Monthly Office Solutions Release - case studies.
- Announcement of Office Solutions Contest - June
- Office Solutions Tour - July
- Office Compatible Tour - July
- Office Solutions Contest - November
- VBA Kids Camp

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Platform '95 Field Marketing

- **Office Solutions Info Kit - Available now, updated for Ofc '95**
 - » Presentation
 - » Demo
 - » Video Case Studies
 - » White Paper
 - » Where to go next
- **Additional Sales Tools**
 - » Product specific solutions tools
 - » Technical tools - ORK, Migration Seminars
- **MSTV**
 - » Field marketing of MSTV

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Platform '95 Marketing

- **Channel Marketing**
 - » Distribution of Office Solutions Info Kit to resellers and SPs.
- **Advertising**
 - » Exploring advertising opportunities for Platform '95
- **Trade Shows**
 - » Office Solutions and OC apps in exec presentations
 - » Potential booth space for OC apps
 - » PC Expo, Windows World, Comdex

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Office Compatible '95

The Microsoft Office Compatible program makes it easy for developers to create applications that look like Office. This benefits developers in helping them to create better applications, and helps end-users in that they have access to more applications that are easier to use.

- Target - ISVs, SPs, Corp Developers
- New Program, New Logo and New Requirements
 - » It's free to join.
 - » Win '95 Compatibility, Menus, Toolbars Accelerator keys
 - » Documented in Office Compatible Basic Toolkit
- Office Compatible Advanced Development Kit
- New Marketing Opportunities

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Platform '95 Marketing Responsibilities

- Platform team - Market to BDM's
 - » Solutions - Bryna
 - » Office/BackOffice-Exchange - Joe
 - » Office Compatible - Amie
 - » Responsible for technical marketing of Office and all Office apps except Access
- Access Team
- Developer Division - Market to Developers
 - » Access - Mike Risse, Scott Horn
 - » Office - Peter Loforte

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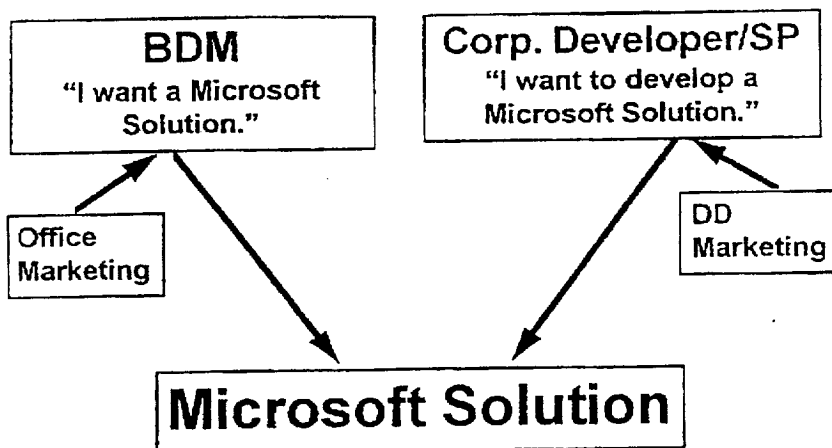
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Platform '95 Marketing Model



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Initiative # 3: Outreach '95

Grow the installed base with new users
and DOS switchers

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Outreach '95 Overview

- Objectives

- » Grow our installed base with new users
- » Continue to capture DOS switchers
- » Penetrate low share and new opportunity market segments
- » Generate product PR in broad reach and new media

- Strategies

- » Target marketing at SORGs
- » Execute marketing plans against vertical markets
- » Create campaign to generate opportunistic pr
- » Capitalize on On-line opportunities
- » Use OEMs to market to new buyers at point of CPU purchase

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Outreach Components

- SORG

- Verticals

- » Accounting - Pgray/Dorothy
- » Legal - Johnva
- » Sales & Marketing - davemar
- » Healthcare (?) - zarahjm

- Outreach *PR*

- » Office of Future Campaign
- » Opportunistic (Event & theme)
- » Testimonials

- On-Line

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State of the SORG Market

- 6.57 million small businesses
- 73% use desktop computers (4.78 million)
- Huge opportunity still exists in switching DOS-based application users (WP and 1-2-3)
 - » 65% using all competitive DOS apps!
 - » 66% of these (>3.5MM) using only one competitive DOS app!
- Great upgrade opportunity
 - » 10% own virtual Office
 - » 15% own only one MS app
 - » 10% own one competitive and one MS app

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SORG Marketing Objectives

- Increase SORG unaided awareness
 - » Word from 37% to 47% (WordPerfect = 60%)
 - » Excel from 19% to 29% (Lotus 1-2-3 = 50%)
 - » Access
 - » Office from 15% to 30% (SmartSuite = 7%)
- Increase OfficePro penetration using SBP
- Upgrade SORGS (VUP & CUP) using Business Source 2.0
- Drive trial & recommendation among influencers

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SORG Strategies

- Introduce SBP and incorporate into all SORG marketing tactics
- Introduce BSII as key transition tool to move SORGs to Win95 and Office 95.
- Develop broad reach trial & recommendation programs
- Create comprehensive sorg communications plan

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Small Business Pack (SBP)

- SORG Strategy- Introduce SBP and incorporate into all SORG marketing tactics
- SBP Tactics
 - » Pre-launch press tour
 - » Incorporate into direct mail efforts
 - » Incorporate into all SORG focused ads
 - » Promo to tie SBP to Office Pro in Jan timeframe
 - » Use the Small Business Pack as a hook in Business Source, Broadreach trial, outreach pr.

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Business Source 2.0

- **SORG Strategy**
 - » Introduce BSII as key transition tool to move SORGs to Win95 and Office 95.
- **Business Source Strategies**
 - » Phase I: Upgrade BS materials & hotline to incorporate 95 messages at launch
 - » Phase II: Create BSII Blitz in Jan timeframe.

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Expand Content to Win '95/Office '95

- Continue "switcher" content
- Target version upgraders
- Add Win '95 content throughout
- No focus on "server" or "consumer" products
 - » Complimentary products to Office will continue to have a focus (i.e.. Publisher & MSN)

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Phase I: Business Value

- Develop messages/content for SORG version upgraders
- Include content for verticals (legal, accounting and healthcare)
- Gather and communicate program success stories
- Ensure solid cross sell between systems and apps

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Phase I: Business Source II at Launch

- BSII beta program
- Create MSN and WWW forums
- Tag sorg launch ads with BS call to action
- Update hotline
- Update materials

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Phase II: The Blitz

- Broad Communications plan (ads, Dmail, pr, seminars, speaker)
- Reseller Promo component (give away SBP?)
- MS Homepage contest
- Trial and recommendation program

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Broad Reach Recommendation Program

- Program Tactics
 - » Arm and activate influentials to drive broad scale word of mouth
 - Targets: Early Adopters, Influentials (i.e., Lawyers/Accountants), and Sponsor Organizations
 - All gain opportunity to earn recommender awards
 - » Early Adopters
 - Thank you package
 - » Influentials (including vertical)
 - Seeding with product and demo tools for 1-1 recommendation
 - » Sponsor Organizations/SORG Service Providers
 - Sign-up key associations to do promote to 1-to-many

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Broad Reach Trial Program

- **Program Tactics**

- » Provide trial to SORGS
 - Floppy based Autodemo
 - Interactive CD-ROM Autodemo
 - Video
 - Crippled version
 - Full Product with Timebomb
 - Seminars: Update Small BIZ SIB
 - Instore Trial program
- » Distribution
 - Business Source 2.0, Recommendation program

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SORG Broad Reach Comm. Tactics

- **Use PR to reach SORG's/SOHO's**
 - » Pre-launch Long-Lead press tour to SORG/SOHO & Non-traditional PC Press
 - Introduce Office95/SBP/Business Source 2.0
 - » SORG preview program:
 - Distribute Beta's to key publications for evaluation
 - Pilot BS2, gather success stories for launch
 - » Seed success stories:
- **Sustaining SORG PR Plan**
- **Tie into Outreach 95 PR Campaigns**

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SORG Broad Reach Comm. Tactics

- Advertising
 - » Ofc95 product advertising at launch
 - » BusSource Blitz ads
- Direct Mail
 - » Leverage Ofc95 upgrade/quickfeed efforts
 - » Targeted mailings to SORG DOS users thru MORs
 - » Office catalog mailing

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Other SORG Tactics

- Small Biz Ofc95 launch event at BICs nationwide
- Target SORGs through influentials
 - » Co-market with SORG service providers like Deluxe printing, & Kinko's
 - » Leverage SB partners/associations: BICs, SBA, SBDC, NBIA, ABA, AICPA, Chamber, Rotary, etc.
- Create SORG tools for the field

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Vertical Marketing

- **Objectives**
 - » Drive awareness & increase share in key influencer verticals
- **Key strategies**
 - » Focus specific efforts on key verticals:
 - Based on size, influence, computing opportunity
 - Legal (Word), Accounting (Excel), and maybe HealthCare (Access)
 - » Create general system for basic marketing and referrals in other verticals

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Legal Marketing

- **Objectives**
 - » Increase market share:
 - 6% to 12% (WPWin 6%)
 - Achieve word processing penetration rate parity at 65%
 - » Increase awareness from 62% to 72% (aggregate)
- **Strategies**
 - » Target small and medium-sized law firms
 - » Convert and activate key industry influentials
 - » Implement aggressive sales programs with direct calls to action
 - » Develop strong cadre of 3rd party partners

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Accounting Objectives/Key Strategies

- Objectives

- Introduce Excel Accounting add-in & sell xx units
- Use add-in to increase XI's penetration of accounting market
- Increase awareness among CPAs from 47% to 57%.
- Increase awareness among "accountants" from 36% to 46%

- Key Strategies

- Partner with named accounting vendors to "co-promote" add-in
- Train accounting vendor's downstream VARs/Key ISVs
- Utilize advertising, dm and PR to drive awareness, trial & purchase
- Leverage BSII

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PPT Vertical: Sales/Marketing

- Objectives:

- » Increase PG penetration among Sales/ Marketing professionals (SMPs) in SORGs from 7% to 17%
- » Increase PPT share among SORG SMPs from 6% to 21%

- Strategies:

- » Build awareness through advertising, PR, direct, tradeshow, and other comm. channels to SMPs
- » Build sales/marketing "add-on" functionality to increase SMP value
- » Use seminars, video to "soft sell" less sophisticated users
- » Co-market with sales/marketing complementary presentation hw/sw vendors

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Healthcare Marketing

- **Objectives**

- » Establish Access as the key database for healthcare market
- » Establish Microsoft as the database platform using Access as front end and SQL as backend.

- **Tactics**

- » Healthcare seminars, conferences, demo script, white papers
- » Directories of SPs
- » PR
- » Adoption stories

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Outreach PR

- **Objectives:**

- » Define and articulate a leadership position for Microsoft Office.
- » Reinforce the brand's value among current users.
- » Provide compelling reasons for companies in vertical industries to consider Microsoft Office.
- » Be heard and seen outside of the product space.

- **Audiences:**

- » Current customers
- » Potential customers in verticals
- » Media: business press (print and broadcast), pc press, vertical press, select consumer pubs.

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Strategies

- Execute campaign around "Office for a New Age" concept
- Generate Opportunistic PR
 - » Events
 - » Themes
 - » Testimonials

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"Microsoft: Office for A New Age"

- Concept
 - » Partner with an influential business group.
 - » Identify hallmarks of successful American companies.
 - » Honor leading 100 New Age companies and individuals.
 - » Include legal and accounting healthcare companies.
- Tactics
 - *"The Microsoft Office Report on The State of American Business"*
 - *"Microsoft: Office for A New Age Roundtable"*
 - *"Microsoft Office: Celebrating The Office of a New Age"*
 - *"The Microsoft Office Individual Innovation Award"*

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Extend "Office for a new Age"

- **Concept**
 - » Create tailored, relevant leadership message for each category
 - » Showcase leadership firms
 - » Provide customized technology support to selected firms
- **Tactics**
 - » Speaking platforms - BillG at ABA national convention
 - » Testimonials & Case studies
 - » Regional Roll-out

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Generate Opportunistic PR - Events

- **Concept: Associate Office with highly visible events**
- **Examples:**
 - » Final 4
 - » Olympics
 - » Academy Awards
 - » SuperBowl
 - » Valentine's Day

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Generate Opportunistic PR - Themes

- **Concept: Associate Office with social trends and hot news**
- **Tactics:**
 - Charitable office
 - Government reform
 - Women in business
 - Minority Enterprise
 - The other side of Downsizing
 - Support SORG/BSII efforts

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