Office Business Unit
3-Year Plan

Mission Statement

To make Microsoft Office the most popular suite of
desktop productivity tools in the world.

By

Leading the definition of product and marketing
strategy, designing and developing all core features,
and documenting all features.

**The Office Business Unit proposes to design and develop all
features listed in this presentation.**

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Office Timeline

	1994			1995				1996			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

Office 94 ½ Windows

Office '95 Windows 32 bit only

Office '96 Windows 32 bit only

Office 4.0 Macintosh 68k, PowerPC

Office '96 Mac, Ren

Office '94 NT
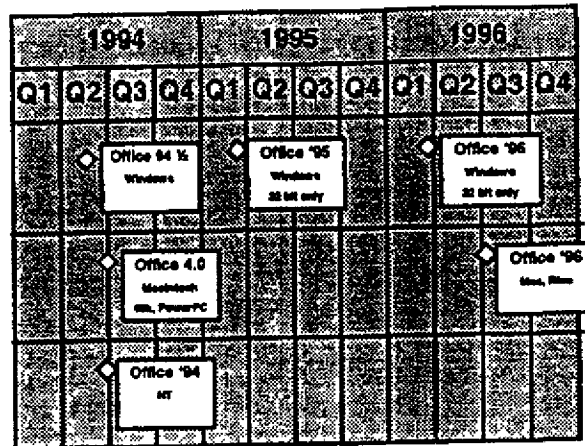
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Development Strategy
Key Technologies and Milestones

♦ Fully 32 bit Office March '95 (Optimize with Lego)

♦ Increase shared code from 20% now to 40% in '96

♦ All Office components (Office, Word, Excel, PowerPoint, Access, Ren) ship simultaneously

♦ Extended family members (Project) ship within 60 days

♦ Release on floppy and CD

♦ No CD delta by 199

♦ All of Microsoft moves to a 12/24 strategy

♦ Outsource RISC releases

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Dev. Strategy - Architecture Issues

Technology	Office 4.0	Office '95	Office '96
Data store			
Doc file	Word, XL, PPT	Word, XL, PPT	Word, XL, PPT
Expose data thru DNA			Word, Excel, Access, Project, Ren
Access data thru DNA			Word, Excel, Access, Project, Ren
OLE Monikers	Word, Excel, PowerPoint	Word, Excel, PowerPoint, Ren	Word, Excel, PowerPoint, Ren Access
Content indexing		Word, XL, PPT, Ren for FindFile	Word, XL, PPT, Ren, Access for OFS
Workgroup			
Store to MAPI		With DNA-like intent: Word, Excel PowerPoint, Ren	With DNA interfaces: Word, Excel, PowerPoint, Ren, Project
Summary properties	Word, Excel, PowerPoint	Word, Excel, PowerPoint, Ren	Word, Excel, PowerPoint, Ren
CMC support		Excel VBA, WordBasic & Access (only for new features that could take advantage of it)	Excel VBA, WordBasic, Access, Project, Ren

Dev. Strategy - Architecture Issues

Technology	Office 4.0	Office '95	Office '96
Document architecture			
Compound documents	OLE 2.0 in Word, Excel, PPT	OLE 2.0 in Word, Excel, PPT	OLE Enhancements
Add in architecture			Implement Architecture v. 1.0 Definition v. 2.0
Definition of doc architecture		Architecture v. 1.0	Implement Architecture v. 1.0 Definition v. 2.0
Component arch/ programmability			
Host OLE controls			Word, Excel, PowerPoint, Access, Ren, Project
Act as OLE control			Word, Excel, PowerPoint, Access, Ren, Project
Component forms			Word, Excel, PowerPoint, Access, Ren, Project
Support OLE automation	Word, Excel, Project	Word, Excel, Project, PowerPoint, Access, Ren	Word, Excel, Project, PowerPoint, Access, Ren
VBA as macro lang.	VBA 1.0 Excel, Project	VBA 1.0 Excel, Project	VBA 2.0 Word, Excel, PowerPoint, Access, Ren, Project
App object model	Excel, Project	Excel, Project, Ren	Word, Excel, Project, PowerPoint, Access, Ren

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Dev. Strategy - Architecture Issues

Technology	Office 4.0	Office '95	Office '96
System admin			
Uninstall	Word, Excel, PowerPoint, Access, Project	Word, Excel, PowerPoint, Access, Project, Ren	Word, Excel, PowerPoint, Access, Project, Ren
			TBD
Central styles, templates		Ren	Word, Excel, PowerPoint, Access, Ren, Project
Use ACL's		Ren	TBD
			Word, Excel, PowerPoint, Access, Ren, Project
Directory service		Ren	TBD
			Word, Excel, PowerPoint, Access, Ren, Project

Workgroup Strategy

- ◆ In '95: Leverage Ren and EMS to support some compelling, marketable, workgroup activities, e.g. ad-hoc collaboration/info sharing
- ◆ In '96 Win overall in workgroup enabled applications
- ◆ Back Office + Front Office = complete Microsoft solution
- ◆ EMS is strategic workgroup server for Microsoft apps
- ◆ Treat Notes as an alternative back-end
- ◆ Apps + EMS prepares customers for Cairo

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Workgroup Release Plan

- Tactical '94 release
  - Match Notes F/X in Word, Excel, PowerPoint = Office
  - 10% better if totally easy
- Office '95
  - Collaboration at the whole-document level
    - Key scenario: semi-structured processes whose deliverables appear in the form of documents
    - Key activities: finding/sharing information, doc library, routing, review/annotation
  - Focus on MAPI stores, accessed through DNA subset
  - Make MOM 2/Launcher smart about processes and projects. Provide all workgroup UI centrally.
- Office '96
  - Leverage unified shell to support above activites better, as well as more structured and more customized activities
  - Collaboration at a sub-document level
  - Category-specific workgroup features

Office 94½

- Auto Notes field exchange. No UI changes
- Ship by Spring Comdex
- Start including a CD ROM in the Office box

- NT Office 4.0 - June 94

Office '95 Theme

- ◆ Exploit Chicago, InfoCenter and Ren, to support users in workgroups performing the entire document life cycle.
- ◆ Ship March 1995
- ◆ 25% of development resources
  - ➤ In parallel with Office '96
  - ➤ Opportunistic shared code, e.g. workgroup features on MOM 2
- ◆ Chicago-only, 32 bit only
- ◆ We will NOT do:
  - ➤ 16 bit , Mac, RISC, any hard NT-specific work
- ◆ Issue: How to support Win 3.1? See next slide.

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Office '95 Win 3.1 Support

- ◆ Scenario 1: Keep 4.X coexisting with Office 95 as long as necessary (recommended scenario)
  - ➤ Pros: Development/testing efficiency = maximum features
  - ➤ Cons: Twice as many SKUs; Upgrade obligation (vouchers, etc.); Confusion
- ◆ Scenario 2: Do Win 32s Office
  - ➤ Pros: One SKU; Sequence of upgrade does not matter; Supports MS strategic OS interests
  - ➤ Cons: Performance; Development/testing cost; Adds about 1 disk per box
- ◆ Scenario 3: Do 16 bit Office
  - ➤ Pros: Best Win 3.1 performance
  - ➤ Cons: Some development/testing cost; Either multi SKU or high COGS; Does not encourage Chicago upgrade
- ◆ We are currently collecting feedback from our top 20 corporate accounts

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Office '95 Key Features

◆ **Exploit Chicago**

➤ Long file names, e.g. file dialogs, title bars, auto propose name

➤ UNC & link dereferencing, e.g. file dialogs, command line

➤ Registry, e.g. small icons, class ID, Print To, INI settings

➤ Chicago visuals, e.g. window appearance, tabs, system metrics

➤ Chicago MRU

➤ Use comdlg (or comdlg-like) dialogs, e.g. Open, Save As

➤ Shell accessible properties, e.g. author, creation date, annotated

➤ Plug and play, e.g. change in accessibility of a file, resolution change, low power

➤ Chicago tray provides task switching. (MOM does not.)

➤ Start MDI to SDI transition

   ➤ Tray shows MDI child windows (need help from Chicago)

   ➤ Apps appear as document templates on desktop

   ➤ Factor a few more things into MOM 2, e.g. user assistance

Office '95 Features, Cont'd.

◆ **Exploit EMS/Notes/Ren**

➤ Save/Open documents to/from EMS & Notes, add support in Open/Save/Find File

➤ EMS Application F/X for Excel names, Word bookmarks

➤ Better Routing w/Mail form so user can fwd from Mail client

➤ Support To Do properties on documents for Ren views

➤ Support CMC/X from Excel VBA and Word Basic

◆ **Cross Application Features**

➤ Merge MOM and Ren launcher. Takes on container commands (window management, File New, Open) Supports "projects."

➤ New Find File 2.0 (content indexing); Word adopts it.

➤ Cheap, marketable, consistency/integration improvements, e.g. Symbol Manager as standard feature.

➤ AtWork support to FAX a document, dial a user

➤ MOS support (online registration, PSS, additional templates)

➤ Value Added: Bookshelf in CD Office, etc.

Office '95 Features, Cont'd.

- ◆ Discoverability
  - ➤ Shorter documentation (800pp for Office). Focus on top 10 tasks. Comprehensive docs only from Press. Overall reduction in words for print and on-line.
  - ➤ IntelliSearch engine for Help with Natural Language Query
  - ➤ Dialog tips for dialog controls instead of Help screens, dialog callouts
- ◆ Performance work by product groups
  - ➤ Some 32 bit assembler for Chicago and NT versions
  - ➤ OLE improvements in DocFiles and In situ, 32 bit only
- ◆ Annuity revenue
  - ➤ Simplified network upgrade, e.g. incremental upgrade, installer creation Wizard
  - ➤ Hermes, LSAPI, Product ID 2.0, System Profile Codes
- ◆ Address top 10 Office PSS issues
- ◆ Accessibility: Review Office 4.0 for problems

Office '95
Omitted by Design

- ◆ No VBA in Word, Access, PowerPoint and Ren, but they support OLE Automation
- ◆ No social interface, but will have IntelliSearch, enhanced cross-app Tip Wizard
- ◆ No SDI, but will improve illusion of document centricity
- ◆ No unified Office document type

Office '95
Dependencies

- ◆ Technology provided
  - ➤ Setup
  - ➤ Ren
  - ➤ Office command center (MOM 2.0)
  - ➤ Find File 2.0
  - ➤ IntelliSearch
  - ➤ Core feature design & development
- ◆ Technology used
  - ➤ Chicago
  - ➤ 32 bit OLE
  - ➤ EMS
  - ➤ AtWork

Office '95
International Plan

- ◆ Full localization of tier 1 and 2 languages
  - ➤ We commit to languages, not releases
  - ➤ Tier 1: English-US, English-Intl, German, French, Japanese, Italian, Spanish, Swedish
  - ➤ Tier 2: Portguese, Dutch, Danish, Norwegian, Korean, Chinese, Finnish
- ◆ Tier 3 based on business case
  - ➤ Issue is availability of PowerPoint and Access
- ◆ Timing
  - ➤ Tier 1 within 60 days
  - ➤ Tier 2 within 90 days
  - ➤ Tier 3 within 120 days

Office '96 - Theme

- ◆ **Theme:** "Office 96 is *your assistant* who *understands basic user and business processes* and *adapts to the way your work.* Office 96 *works best with Memphis.*"

- ◆ **Additional Business Challenges for Office 96**
  - ➤ Performance
  - ➤ Leverage Microsoft Strategy
  - ➤ Make Efficient, Shared Development Work
  - ➤ Annuity Business

Office '96

- ◆ **Ship Date**
  - ➤ March, 1996
- ◆ **Development Goals:**
  - ➤ 32-bit only
  - ➤ Target Memphis
  - ➤ All NT platforms
  - ➤ Mac (Sys 7 or higher on PowerPC only)
  - ➤ 75% of development resources (in parallel with Office '95)
  - ➤ 40% shared code
  - ➤ Office Infrastructure 1.0

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Office '96

- ◆ Office Infrastructure 1.0
  - ➤ SDI infrastructure
    - ➤ Windows, events, menus, commands, dialogs
    - ➤ Single Layer; WLM
    - ➤ Shared int'l code (source, access routines, tools)
  - ➤ Toolbars
  - ➤ Drawing
  - ➤ Text editing
  - ➤ "MOM 3" (now just extensions to the Memphis shell)
  - ➤ User assistance
  - ➤ Shared commands, e.g. File Open/Save, Search/Replace

Office '96 Key Features

- ◆ Designing support for user and business processes
  - ➤ Office and Cairo conduct "In Context" user visits (Done)
  - ➤ Model user and business processes (Done)
    - ➤ Produce sequence diagrams, work flows
    - ➤ Identify user "focus areas", e.g. collection, create/edit, deliver
  - ➤ Merge Office & Cairo models into "Microsoft user activity model." Continue user visits and refine models.
  - ➤ Office and Memphis co-design desktop
    - ➤ Consistent non-overlapping design where apps leverage system.
    - ➤ See next 3 slides for illustration of design stages
  - ➤ Develop architecture to support user processes in apps and system
    - ➤ Provide out-of-the box "Business Solution" wizards, e.g. an "AutoContent Wizard" for building processes.
    - ➤ Provide necessary customization flexibility. Support adapting Office's standard process models to specific requirements.

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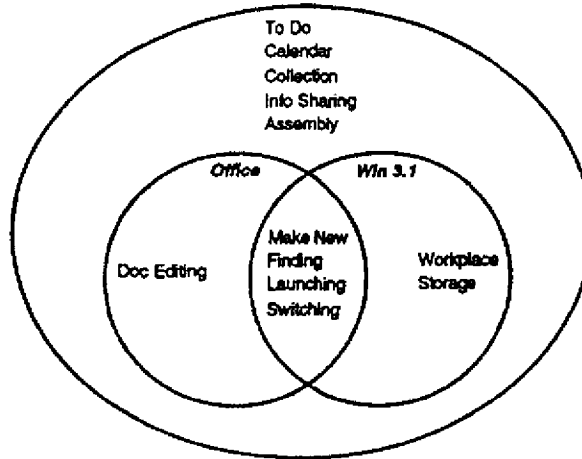CONFIDENTIAL

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1994   Support for User and
Business Processes

To Do
Calendar
Collection
Info Sharing
Assembly

Office   Win 3.1

Make New
Finding
Launching
Switching

Doc Editing

Workplace
Storage

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1995   Support for User and
Business Processes
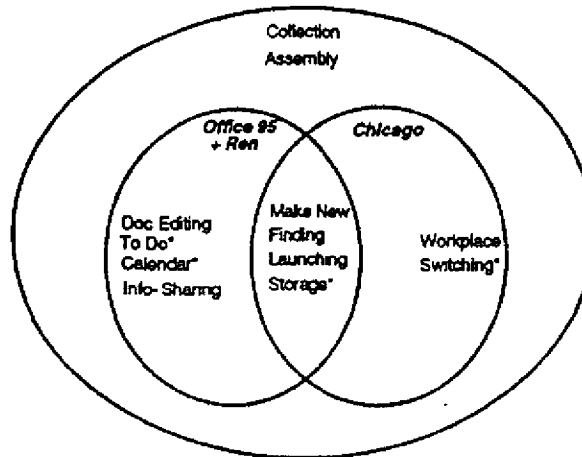
Collection
Assembly

Office 95
+ Ren   Chicago

Doc Editing
To Do*
Calendar*
Info- Sharing

Make New
Finding
Launching
Storage*

Workplace
Switching*

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Office 96 | Memphis

Make New | Finding
To Do | Launching
Calendar | Workplace
Collection | Switching
Info Sharing | Storage
Assembly |

Doc Editing

Unified|Desktop
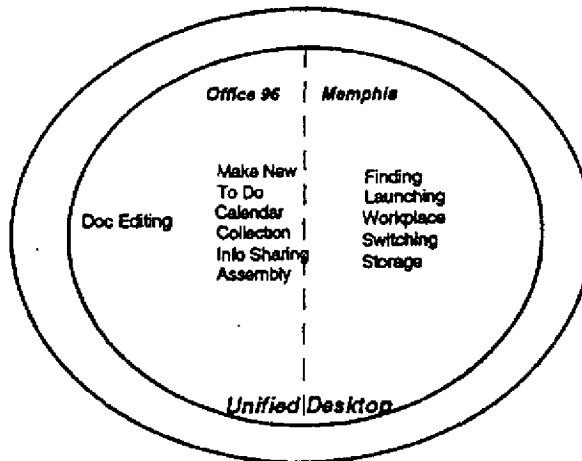
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Office '96 Features, Cont'd.

♦ **Your Assistant**
  > Unified access to help
  > *Social UI and the character*
  > Unified IntelliSearch, Tip Wizard, IntelliSense engine
  > Cleaner, less redundant direct action UI, e.g. property sheets may replace both dialogs and toolbars

♦ **Personal (adapts, learns)**
  > Character is your friend; you choose your character
  > Office Connection facilitates group learning and expertise sharing
  > Auto-Personalize, e.g. auto-creation of templates and styles, MRU's for everything, Auto Auto learns your habits
  > Easier customizing, e.g. character helps with setup and options.
  > Per-user, portable, customization based on system log-in
  > A user who perceives Office as "trained" will not want to switch

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Office '96 Features, Cont'd.

- Office + VBA is a "solution development platform"
  - VBA 2.0 everywhere; component controls and forms
  - Cross-app customization, error-checking, bullet-proofing
  - Consistency of key classes
  - Consistent add-in architecture
  - One programming environment for all Office apps
  - Personal assistants extensible with vertical solution knowledge
  - Key goal: MIS, ISV's, and SP's will want to implement their business process solutions on top of Office.

Office '96 Features, Cont'd.

- Performance
  - Target perceptible improvements
    - 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. "Make EXE" ability so add-ins don't take 8 sec to boot
  - UI changes can often make operations "seem" faster
    - e.g. Background printing actually slower, but returns control to user faster.
    - More animation of state changes (e.g. window changes)
    - More direct UI (i.e. MRU lists save user time)

Office '96 Features, Cont'd.

◆ Microsoft Synergy
  ➢ Very tight Windows integration
    ➢ Unified desktop based on co-designed common user model
    ➢ UI delegation to system, e.g. system will be *the* place to find and open files.
    ➢ Unified document architecture synergistic with the shell
    ➢ Full *SDI*
    ➢ Merge/reconciliation support
    ➢ Useful threads
    ➢ New visuals throughout (256 color palette)
  ➢ Next level of EMS/OFS support
    ➢ e.g. auto versions; digital signatures; leverage address book
    ➢ MS On-Line, e.g. shared knowledge base, real-time reference
  ➢ Sync with DDT direction on data access
  ➢ Others, e.g. At Work, WinPad

Office '96 Features, Cont'd.

◆ Annuity Business
  ➢ Pull: Customers want to upgrade
    ➢ Assistance and business process themes target customer priorities.
  ➢ Push: Create urgency
    ➢ Synch with Microsoft strategy and Memphis.
  ➢ Facilitate: Break down the obstacles to upgrading
    ➢ CD ROM distribution MOS provide easier ways to buy
    ➢ Setup is easy and fun, e.g. character UI to setup/trouble-shooting, knowledge base on CD, auto-config using user profiles and plug and play
    ➢ Painless corporate upgrades, e.g. overnight auto-install, mixed versions of Office coexist smoothly
    ➢ Slow the "acceleration" of upgrade hardware requirements
  ➢ Entrench
    ➢ Lock-in because of customization, use in business processes, user attachment to personal character

Office '96
Dependencies

♦ Technology provided
  > Core UI, e.g. unified desktop, SDI, property sheets
  > New user assistance, e.g. character, Office Connection
  > Shared components and apps infrastructure
  > Other consistency designs, e.g. VBA document object model
  > Design of common document architecture
  > Design of common user model (co-owned with Cairo)
  > Setup

♦ Technology used
  > Platform technologies: OLE, EMS, OFS, DNA, WLM, AtWork
  > Programmability: VBA 2.0, Component Controls and Forms, Common object/programmability models (DDT)
  > Design: Memphis shell, UTOPIA social UI, data storage arch (DDT+SYS), event/workflow model (DDT+WGA+Sys)

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Office '96
Omitted by Design

♦ No single Office document type
  > Document architecture work will support this goal but will not be fully achieved infrastructure 1.0.
  > May provide a binder-like container for managing looser collections of documents

♦ Some VBA/infrastructure refinements will have to wait
  > Limited support for low-end programming, e.g. capsules, multiple-intent recording
  > Limitations in cross-app VBA, e.g. cross-app bullet-proofing
  > SDM will still be present. Not a good use of development resources in '96 to replace it

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Office '96
International Plan

- ◆ Tier 1 within 60 days
- ◆ Tier 2 within 90 days
- ◆ Tier 3 within 120 days

Business Implications

- ◆ **Revenue issues**
  - ➤ Upgrade business increasingly important
    - ➤ 12 % today, 26% by 1997 (1 % installed base = $31mm)
  - ➤ Office SKU loses share but apps share rises slightly
  - ➤ Office grows from 50 % to 70 % of DAD units
- ◆ **Headcount**
  - ➤ Move approx. 1/3 dev & prog mgmt headcount from Word & Excel to Office BU. No net headcount change planned.
  - ➤ All Word & Excel UE centralized in Office
  - ➤ Parallel design of '95 and '96 hampered by shortage of program managers
- ◆ **Product development costs**
  - ➤ More shared code
    - ➤ Lower cost, long term
    - ➤ Higher cost, short/medium term
  - ➤ Outsource wherever possible, e.g. localization, RISC

Plan vs. Last Year

- ◆ Plan revenue goals vs. Results
  - ➤ Win Office CY'93 Plan vs. Actual Plan/Actual
    - ➤ Office revenue $459mm/$786
    - ➤ Office units   1.2mm/2.4mm
  - ➤ Mac Office CY'93 Plan vs. Actual Plan/Actual
    - ➤ Office revenue $65mm/$87mm
    - ➤ Office units   157k/219k
- ◆ Plan dates vs. Results
  - ➤ Previous Plan
    - ➤ Chicago Office   Q3 1994
    - ➤ Integrated Office 1   Q2 1995
  - ➤ Current Plan
    - ➤ Office '95 (Chicago Office)   Q2 1995
    - ➤ Office '96 (Memphis Office)   Q2 1996

CD Distribution Strategy

- ◆ Ali Baba
  - ➤ Distribute encrypted products on CD
  - ➤ Customer can purchase & unlock products over the phone
  - ➤ Ready for use fall '94 by Chicago, Office, ...
- ◆ Include CD and diskettes in every Office box
  - ➤ Accelerate CD ROM adoption
  - ➤ Reduce COGS by providing some things only on CD
  - ➤ Possibly include other products & addons encrypted on CD
  - ➤ Start with Office '94 1/2
- ◆ Select
  - ➤ All MS products on 17 CDs for large corporate accounts
  - ➤ Release every 45 days

How To Be a Good CD Citizen

- ◆ Setup
  - ➤ Support 3 setups: Install off CD ROM to hard disk, admin setup and run products off CD
  - ➤ Must use ACME for setup
- ◆ Documentation
  - ➤ Convert diskette content and printed documentation to on-line
  - ➤ Text and graphics configured for on-line and printed use
  - ➤ Add multiple on-line doc access to product: User's Guide to Help menu, Program Item and toolbar button
- ◆ Add Value to CD
  - ➤ Examples: templates, clip art, sample docs, icons, bigger spell checkers/thesauri
  - ➤ Ship CD with your product unencrypted and complimentary products encrypted

Key Competitors

- ◆ Lotus
  - ➤ Key competitor
  - ➤ Strong individual products, DOS installed base
  - ➤ Notes, app links to Notes ("best workgroup applications")
  - ➤ Aggressive corporate account pricing
  - ➤ Market share in small organizations
  - ➤ Possible Fall 1994 release with OLE 2.0, LotusBasic
  - ➤ OS/2 app leadership

Key Competitors

- **Borland**
  - No credible suite
  - Good products and loyal customer base
  - Low cost structure but low prices and lean bank account
- **WordPerfect**
  - No credible suite
  - Good products and loyal customer base
  - High cost structure, possibly weak finances
  - WordPerfect Office, Doc library
- **Possible WordPerfect/Borland merger**
- **Claris**

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