

Erik Stevenson

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**From:** Bob Muglia  
**To:** Mike Maples  
**Subject:** RE: Transfer model: An example of MS dysfunction  
**Date:** Tuesday, November 16, 1993 7:10AM

As we discussed last night, there are a complicated set of issues here. I'll get some time on your calendar after thanksgiving.

In essence:

1. MS has grown too large for one person to both run the company and ensure technical synergy between groups. It is too much, even for Bill Gates. Bill is no longer has time and we haven't found an effective substitute.
2. MS's size and culture has made the business unit the entity which people relate to. People outside an individual's business unit are viewed with skepticism and distrust. It is almost as if they were competitors. The Word/OLE dialog is an unfortunate example of this attitude. This is a serious obstacle to groups working together.
3. Because Systems has made a technology transition (to 32-bit) which is still in process in apps, the groups are out-of-sync. The result is that issues which the applications care very much about are not being addressed by systems. Similarly, opportunities for our applications groups to gain leverage from systems are being missed. The scary part of this is that just about the time when the applications make the transition to 32-bit, Systems will be focused on the next major shift to components.
4. There is a serious issue between PSG (bradsi's group) and CSG (Jimall) in that these groups have overlapping objectives. While we need to work together, we are effectively competing with each other. This has caused considerable tension.

All of these issues need to be addressed for us to fully leverage our capacity and resources. I'll write-up some proposed solutions to these problems in preparation for getting together with you.

bob

Both

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**From:** Mike Maples  
**To:** Bob Muglia  
**Subject:** RE: Transfer model: An example of MS dysfunction  
**Date:** Sunday, November 14, 1993 10:25AM

understand the issue. Any suggestions on how to solve.

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**From:** Bob Muglia  
**To:** Bill Gates  
**Cc:** Jim Allchin; Mike Maples; Paul Maritz  
**Subject:** Transfer model: An example of MS dysfunction  
**Date:** Saturday, November 13, 1993 10:57AM

The transfer model brings up a much more important issue.

The transfer model is a classic example of this company's inability to make a cross-business unit decision. Literally 1000's of collective hours by our smartest UI guys have been spent debating whether the menu's should say "copy, move, put here" or "cut, copy, paste". Dysfunction at this level has cost us time and energy. In the future, it will totally constrain our ability to leverage this company's unique

Page 1445

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resources to build superior products.

If the transfer model takes this much energy to get a decision, how on earth are we going to get Systems and Applications to leverage each other? We are not currently effective at this. Solving the Systems/Apps leverage problem is critical to our success as we move to an environment where the OS provides the object framework for application components and content.

I have talked about this general problem at-length with Paul and Jim, I would be glad to discuss it further with you/mike.

bob