

PX 125

1994

Business Plan

WordPerfect for Windows Marketing

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DRAFT

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WordPerfect for Windows Marketing

The External Environment

1. Market Conditions

The Windows environment is currently the fastest growing operating environment in the world. It is clearly the graphical user interface of choice. With an estimated base of over 40 million units sold and an expansion rate of roughly 1 million units per month, success in the world of Windows is the most critical factor in the long-term success of WordPerfect Corporation.

There is a perception among many that, since MS wrote Windows, and since they were first to market with a Windows word processor, that MS Word is "state of the art" and the leader in windows word processing (MS=Windows=Word). In addition, Ami Pro has consistently received excellent reviews and is perceived as an innovative leader.

Research shows that the word processor is the most used application and this is no exception in the suite market. Research shows that the word processor has more influence on the customer's purchasing decision for a suite than any of the other applications in the suite. The "suite" is clearly a factor we have to deal with and is having a significant impact on the stand alone application market. However, WordPerfect 6.0 is being viewed by some reviewer's as the "only application one may need" which strengthens our position.

There still seems to be some hesitation in the "DOS user" community to migrate to the Windows environment. However, we feel that this will be less the case in 1994. The majority of machines being purchased are "replacement" machines. These machines are high-end machines, capable of running Windows, therefore we anticipate accelerated migration of DOS users to Windows and accelerated replacement machine purchases in 1994. (Amy Wohl and Computer Intelligence)

Windows Word Processing Market 1994: Total and WPWin Forecasts	
Total Market Size - Units	5,000,000.00
Total Market Share - Dollars	\$670,000,000
Global WP Market Share Goal	.40 (Units)
Projected WP Unit Forecast	2,050,000
Projected WP Revenue Forecast	\$201,774,000

2. WPWin Market Position

Since releasing WPWin in November of 1991, over 3.4 million total units have shipped. (ending June, 1993) An analysis of our internal numbers and those of the

SPA shows that during Q193, WPWin accounted for 51% of the Windows word processing market in North America. According to IDC's 1992 statistics, WPWin LED the U.S. market in units sold at 39.1% (Word was 34.7%); however, Word led in sales dollars (Word: 42.6%; WPWin: 39.4%). Globally, Word holds 47% and WPWin 35% of the total Windows word processing market (IDC, 1992) WPWin 5.2 held 43% Domestically in the first half of 1993. (SPA analysis)

We feel we have huge potential growth from our own WPDOS user base as they transition to the Windows environment. We are targeting this group the most heavily in the U.S. and other countries where a similar situation exists. (ie; a large WPDOS installed base from which to draw)

One point of concern. The Gartner Group (and others) indicates that as the WPDOS user base moves to Windows, as many as 1/2 are moving to a competitive product. We cannot afford to be passive in our efforts to bring our own DOS user base to the Windows environment, indeed, "push" them to some extent. We have to plug this hole with WPWin 6.x in 1994.

In the U.S., 65% of the installed base for word processing is WordPerfect. MS Word accounts for 22.6%. (IDC) WPCorp has sold more than 15 million copies of WordPerfect worldwide.

IDC estimates WordPerfect's DOS and Windows installed base at the end of 1992 to be 9.5 million compared with only 5.7 million for Microsoft Word.

According to a survey of 200 current WordPerfect users, fully 98% are satisfied with their word processing package, with 78% saying they are very satisfied. (Source: 1993 Wirthlin Group survey)

IDC's Q4 1992 PC Software Audit shows that 62% of respondents' planned word processing purchases over the next six months are for WordPerfect compared with only 31% for Microsoft Word. (This is a factor of 2:1!)

While WP has a market leader position in some markets like the U.S., Holland, and the UK, WordPerfect is not the leading selling word processor in France, Germany, Japan and other important markets.

3. Competition

Word for Windows is considered the market share leader, despite our trend to overtake them. Ami Pro is respected by the media, but does not enjoy a large market share (estimated at 10-12%). Microsoft shipped Word 6.0 for Windows late in the fourth quarter of 1993. Lotus is not scheduled to ship a major version release until the first quarter of 1994.

The battle lines are drawn with heavy marketing dollars, aggressive OEM arrangements, and suite sales from The Microsoft Office and Lotus' SmartSuite. Microsoft is also relying heavily on the support of OLE 2.0, WP user transition, new features such as "Intellisense" (Autoformat, Autocorrect, etc.). MS is aggressively targeting the WPDOS user base in the U.S. with their marketing and development efforts. Microsoft has attacked our leadership in word processing with several press releases. "The Switch is On" video gives the impression that most WP users are switching to Word. MS has attempted to position Word as "the world's best selling

word processor" in trade shows, press releases, spiffs, advertising, etc.

Microsoft is perceived by many as "the" company to provide the best Windows products. (they wrote it, they know it best) WPWin 5.2 helped overcome this misconception to some extent and the recent press and attention for WPWin 6.0 adds a huge boost in this direction.

4. Industry Trends and Observations

Microsoft is heavily marketing "Windows everywhere" from Modular Windows on your VCR to high-end multi-processor servers with Windows NT. Chicago (Windows 4.0) is scheduled for release Fall 1994. We anticipate the upgrade from Windows 3.X (40 million now, 45+ by 4th Q. of 1994) to Windows 4.0 to be massive. Therefore, it is imperative that WPCorp ship a "Windows 4.0 ready" version of WordPerfect 6.X within 30 days of the release of Windows 4.0.

It appears that Microsoft will be including more functionality into the operating system such as document management and electronic mail functionality. Peer to Peer and distributed networking is also being touted from Microsoft.

Tighter integration through "Suite" offerings has received much attention and is capturing significant mind share. Microsoft is touting "MS Office 4.0," which will include Word 6.0, Excel 5.0 (early '94) and PowerPoint 4.0 (1Q '94), as the new breed of software where the lines between applications "blur". (Business Week - Oct 25, '93) OLE2.0 is the major "proof" as it were. They are touting the fact that only they will be providing this next generation of integration for the near term. MS Office 4.0 is no longer a collection of separate applications, rather a "product". Lotus is speaking in much the same manner about their suite.

Another area of concern is the downward trend in average selling price per unit. We must be smarter in our marketing approach, programs, policies and promotions.

Microsoft isn't helping the above problem with their introductory price of \$99.00 for Word 6.0. It is unclear whether this is only a temporary promotion or if it will turn into something more long term. There has been some indication from the channel that this may be ongoing. Even more aggressive is the upgrade and tradeup price for the entire MS Office suite. The suite price is roughly equivalent to the price of a full copy of WPWin 6.0 on the street. (\$299.00) Standalone applications sold at their current prices (which are falling quickly) may become the thing of the past. (Business Week - Oct 25, '93)

Internationally, we are facing much the same problem. Many countries are almost exclusively Windows markets.

In the international consumer market, the trend so far has been buying market share through bundles and cheap shelf space. German hardware manufacturers, the largest market potential in Europe, are forging ahead in marketing CD ROM technology. We must take advantage of these distribution opportunities.

Trends of Note: 1992 - 1993 (U.S. Survey)

When asked to identify primary provider of word processing -

- WP's % went **up** from 53% to 62%

- MS's % went **down** from 28% to 26%

When asked who they were evaluating for future purchases -

- WP's % went **up** from 22% to 30%
- MS's % went **down** from 40% to 28%

Customers deciding who they prefer:

Of those identifying a front runner -

- WP's % went **up** from 31% to 52%
- MS's % went **down** from 53% to 34%

Corporations are increasingly establishing lists of either -

- A sole approved vendor, or
- A short list of approved packages

*ComputerWorld, PC Based Word Processing Survey - 7/93
(We always do well in CW surveys, however, these trends are significant)*

The Internal Environment

The WordPerfect for Windows product marketing team is made up of ten individuals with specific responsibilities to bring product to market in an effective, highly visible, and successful way. We feel we currently have sufficient resources to do the job in 1994. While we are well organized at present, we are looking at ways in which we can streamline processes, projects, and overall implementation of objectives and strategies. Morale is moderate to high. We are reviewing responsibilities and allocation of resources for 1994 to improve overall efficiency within the group.

WordPerfect for Windows is the leading product for WPCorp. While this product leads in revenue, we fully understand the importance of a united, cohesive "word processing effort" for this company to be successful. Firmly establishing WordPerfect as the leader in word processing, regardless of platform, will take a great deal of cooperation and work on the part of all the word processing groups.

Our group seems to have a solid rapport with other groups and departments in the company. One area that needs to be addressed is continuous, effective communication with all departments and affiliate partners, which we are actively pursuing.

Group Objectives and Strategies

Target Markets:

- WordPerfect for DOS customers moving to Windows (some countries)
- WordPerfect for Windows users wanting the latest WPWin upgrade
- New Users of Windows word processing software Worldwide (undecided users)
- Competitive windows word processing users (Word, Ami)
(Especially in countries where MS dominates)
- Other DOS word processing users moving to Windows

We have 3 major pushes in 1994:

- A. Push WPWin to our WPDOS and New users with aggressive Followup Campaign
- B. Deliver an OLE2 compliant version of WPWin for the Suite
- C. Deliver a great Chicago/NT application - on time

1. Ensure WPWin 6.0a Interim is successfully positioned and promoted**Manufacturing: February 14, 1994****Street Date - Feb. 21 , 1994**

- A Work tightly with development; often, and consistently
- B Present feedback on requirements for this interim (support, customers, press)
- C Use Press, Channel, Advertising, POP, Direct Mail to make known new features and product enhancements (stability, speed) known to the market place
- D Position WPWin as the World's First Document Processor
- E Successfully execute Followup Campaign; March - July marketing efforts
(See Followup Campaign Document for details)

2. Achieve 1994 North American revenues of \$201,774,000

We are forecasting 2,012,000 units - North America

- A Ensure that all marketing efforts make the best use of funds yet have the greatest impact on WordPerfect for Windows sales overall
- B Revenues have an interdependence with the marketing strategies of the suite

3. Ensure WPWin 6.1 w/ OLE 2.0 (Win3.1) ships to:**Manufacturing - July 22, 1994****Street Date - Aug 5 , 1994**

- A Provide Marketing Requirements Document based on market/industry needs/demands. This is done in conjunction with development
- B Develop aggressive product positioning for global implementation
- C Develop complete Product Rollout Plans for global implementation
- D Plan and prepare for all marketing and distribution elements to ship on time (packaging, promo items, channel activities/pieces, rep training, press, etc.)

4. Ensure WPWin 6.1 (Win4.0/NT) ships to:**Manufacturing - October 16, 1994****Street Date - November 14, 1994**

- A Provide Marketing Requirements Document based on market/industry needs/demands. This is done in conjunction with development
- B Develop aggressive product positioning for global implementation (follow on to Document Processor positioning)
- C Develop complete Product Rollout Plans for global implementation

- D Plan and prepare for all marketing and distribution elements to ship on time (packaging, promo items, channel activities/pieces, rep training, press, etc.)

Because the delivery of Chicago/Windows 4.0 is a moving target at this point in time, we are making decisions for an "end of year" timeframe both from a marketing and development standpoint. We feel it is imperative that we ship the best 32 bit product we can deliver somewhere near 30 days after the shipment of Win 4.0.

5. Grow Global Market Share from 35% (1993) to 40% in 1994

- A Develop International Markets
 - i. Japan - ship 6.0J, 6/94
 - i. Chinese - 6.0CS/CT, 6/94
 - i. Korean - 6.0K, 6/94
 - i. Thai - 6.0K, 3Q94 (?)

Internationally, the average percent of WPWin sales to total affiliate office revenue is 34%. Many key countries like the UK, Sweden, and Germany are 40+%. Suite sales internationally are not significantly budgeted for in 1994 due to a 4th quarter offering and the uncertainty of language availability with Borland products. In other words, the highly touted WPCorp suite in 1994 is a non-issue internationally. However, it is not with the competition. The weight of our international market share goals for WPWin will fall on stand-alone sales shoulders and for some countries, it will be price marketing. In Austria, for example, the MS Office is not too much more expensive than WPWin.

Because we anticipate a strong presence internationally with the our suite in 1995, and because of exacting and conservative affiliate budgets this year, applying 1994 U.S. marketing resources and materials internationally has never been more important. Assuming we will provide them materials they can implement as timely as we can, the most critical factor to our marketing is releasing our product at the beginning of the 4th quarter or earlier. Chicago should change the rules and put us on a level playing field with the competition. We can't afford to release in the the last quarter in the U.S. if international wants to meet their budgets, grow market share, and contribute to the total health of WPCorp.

6. Grow U.S. Market Share to 50% (1993 YTD as of Oct. '93 we held 46%)

7. Retain WPDOS users as they transition to Windows environment

(This is part of the preparation for the massive WIN4 upgrade period)

- A. Promote WPWin as "Easiest Transition to Windows" for WPDOS users
 - i. It is imperative that we position WPWin as the obvious, clear choice
 - (1) WPWin is the easiest transition to Windows environment
 - (2) WPWin is the best Windows word processor
 - ii. Tools now included: QuickStart - Transition Advisor
- B. Remove all barriers for WPDOS users to migrate
 - i. Provide seamless conversions (files, macros)
- C. Speak directly to the WPDOS user base with compelling, motivating language
 - i. Direct mailings pushing Easy Move and upgrades, WPWin best of breed
 - i. Develop strong channel presence - (bundles, special offers, incentives)

- i. Target known companies with heavy DOS installations (attention by reps)
 - D Know our WPDOS user base, their migration, timeframes, obstacles, etc.
 - i. Research - Who are they and how quickly are they moving? It's worth indepth and serious research to know our customers, past, present, and future.
 - i. Poll market to monitor movement (June, 1993: 60-70% indicated they were staying with DOS) Poll again mid 1994 to gain further insight. How much of an impact has WPWin6.0 had in its first 8 months?
- 8. a) Slow the growth/sales of MS Word for Windows. Steal sales (new, upgrades)**
b) Attack Word Installed User Base - (Ami Pro is also a target)
 (This is part of the preparation for the anticipated massive WIN4 upgrade period)
- A Develop programs, promotions, tangibles to promote WPWin as strong alternative
 - i. Direct mailings to Word and Ami Pro installed base
 - i. Transition Kits: Transition Advisor for competitive product users
 - B Large Account blitz - "switch is on" type campaign (Chicago timeframe)
 - i. Transition Kits from competitive products to WPWin
 - i. Roadshow events / visits - incentives to attend/switch/purchase
 - C Develop bold, aggressive program to replace Word and Ami in Suites
 - i. Pricing aimed at this user segment to "replace" what they're using
 - i. Direct mailings to this segment
 - i. Promote as the most "open" word processor on the market
 - i. Word processor is main component and we "own" this piece
(If WPWin is the best, why use an inferior product?)
 - i. Show/Prove strong integration with other Windows applications
 - (1) "Integration / Power" info. in brochure (123, Excel, QP, graphics)
 - (2) Advertising / video / testimonial / etc. to show this strength
(with and without OLE/DDE)
 - D Develop large account and reseller programs for Int'l markets
 - i. Aggressively target countries where WP doesn't have strong presence
 - E Position WPWin as:
 - i. First Document Processor
 - i. Most comprehensive - easiest to use
 - i. 110% Windows - takes full advantage of Windows
 - i. No one does Windows word processing like WordPerfect
 - i. PerfectSense Technology provider (Chicago timeframe)
 - F Develop aggressive channel incentives / presence
 - i. Bundles, special offers, spiffs, training, POP (mind share)
NSTL, Testimonials
- 9. Take advantage of massive upgrade opportunity with Win4.0 upgrade**
- A Position WPWin6.0 aggressively prior to release of Windows 4.0
 - i. Strengthen market share, visibility, and perception

- i. Move our WPDOS user base to WPWin
 - i. Develop strong brand awareness for WPWin6.0 during first 8 mo. 1994
 - i. Develop strong Channel, Advertising, Press, Large Account visibility
 - (1) We're pursuing aggressive positioning enhancements and programs for first 8 months of 1994
- B** Position WPWin 6.X as the best 16/32 Bit Word Processing application
- i. Best implementation
 - i. Best integration
 - i. Show/prove w know 32 bit environments (our experience is deep; OS/2, Unix, Mac, NT work)
 - (1) Tout engine concept; we understand cross-platform
- C** Attack competitive user base with aggressive migration / upgrade campaign (Best chance to gain/move defectors to WPWin)
- i. WPWin as the "Easiest and best Transition to 32bit Environment"
 - i. Direct mail campaign targeted to our user base and competitive users
 - i. Strong channel presence before, during, and after launch of WPWin6.1
 - (1) POP, incentives, training, spiffs, software, demo disks, video
 - (2) Scrutinize price sensitivity - be prepared to be aggressive
- D** Develop press and analyst support / awareness
- i. Visit on-site and here at WPCorp (development stages)
 - i. Work with them as "allies" and supporters
 - i. Aggressive visits prior to shipping - face to face (as with WPWin 6.0)
- E** Develop and execute compelling and exciting Advertising campaign
- (1) Powerful, aggressive

10. Develop strong channel presence worldwide

- A** Develop aggressive, consistent, cohesive, channel plans
- i. "Attention getting, Call to action" POP, in-store activities
- B** Capture salesperson "mindshare"
- i. Create laminated "reason to buy" pocket cards
 - i. Create attractive endcaps - call to action
 - i. Free or inexpensive product into their hands
 - i. Rep training of sales people (retail, outbound)
- C** Employ the talents of outside fulfillment houses
- i. Consistent advertising, POP, brochures, pkg, direct mail, spiffs
 - i. Coordinate efforts (internal/external) groups to make it come together in a timely and consistent fashion worldwide
- D** Work closely with WPCorp channel managers / channel partners
- i. Better know and understand their needs and what they can do for us
 - i. Develop aggressive programs to achieve marketing objectives

11. Become clear choice for the following Vertical Markets

- A** Legal - Medical

- i. Vertical Packs: Templates, Coaches, Guides, Fonts, Clipart
 - (1) We're exploring other verticals that are stronger in Europe (Banking)

- B Work closely with Market Solutions and 3rd Pary groups to ensure visibility/viability
 - i. Develop clear positioning in these markets
 - i. Develop complementary advertising, programs, spiffs, for these targets
 - i. Target these vertical specific publications, newsletters, conferences, mailings

12. Develop "MIND SHARE" (Large Account/End User/Press)

Promote WP's Strategy / Vision for word processing

- A Technology leader - White papers and
 - i. Macro Language - power
 - i. Shared Code - cutting edge/cross-product
 - i. Linguistic Tools - leading technology now and in the future
 - i. Speech technology leader
 - i. OpenDoc - next generation
 - i. Modular Design - low/high-end machines
 - i. PerfectSense Technology

- B Word processing leader
 - i. Market share statistics - (Leadership points)
 - i. More languages, more platforms, largest installed base, loyal users
 - (1) Shows, User Groups, Panels - Evangelize, tell the story

- C Develop and share longterm "Strategy and Vision" papers
 - i. Distribute to key contacts, promote strategies heavily (press, accounts)

13. Work closely with Development to create and produce marketable new upgrades
(See Eliot MRD for details)¹

- A Exploit competitor's weaknesses
- B Include competitor's strengths in features (match and go beyond)
- C Strengthen competitive advantages
- D Develop / support leading edge technologies (in-house or by acquisition)
 - i. Modular design
 - i. Equation editor (enhance or replace)
 - i. OLE 2.0 and OpenDoc
 - i. Compound Document = Vision now and in the Future (Doc. Processing)
 - i. Speech technologies
- E Brand and "own" PerfectSense Technology
- F Position as easiest, most intelligent and customizable interface
 - i. "Brand" or "Name" our Intelligent Interface
- G Work with industry analysts -- research, advice, trends
- H Support efforts of 3rd Party companies (Working with WordPerfect)

14. Demonstrate that WPCorp is the best Linguistics Tools provider

- A Morphologies Technologies, Grammer, Speller, Thesaurus, Speech, etc.

- i. need to flesh out this entire idea with Dan Rask

clear positioning to follow.....

WPWin Product Positioning:

WPWin SIX.0: The World's 1st Document Processor

All the tools necessary to create great looking documents
(The place you want to work)

Word processing is not the same anymore. In the past, word processing innovations have centered around adding new features. In the 1990s, while new features are important and exciting, software is moving toward a higher level of application integration and toward a more "document-centric" world of computing where all sorts of information and the ability to modify that information is contained in compound documents. Compound documents, or "containers" now incorporate multiple data types such as text, graphics, database and spreadsheet information, video, sound, etc.

The document is at the center of our computing environment. *(IDC shows that people spend twice as much time in their word processor than any other application)*

WordPerfect's robust file format and powerful integration capabilities make it the ideal "container" for compound documents. The document is the point at which various computing tasks converge and the future of software is tied tightly to helping people communicate. The document remains at the center of this paradigm.

WordPerfect allows for the smooth and powerful integration of multiple data types through OLE and DDE as well as the ability to directly import and link database and spreadsheet information (outside of OLE/DDE) into the document. You can also perform database queries for tasks such as mail merge. In addition, WordPerfect can scan images into the document using the supported TWAIN interface.

With the release of version 6.0 for Windows, WordPerfect continues to provide the most robust and most flexible tools for incorporating and manipulating new data types and objects within the document. Architectures such as OLE/DDE provide a way for users to seamlessly integrate objects from a variety of sources within their documents. In the near future, OpenDoc will provide object integration across a distributed environment.

WordPerfect is the most widely sold business application in the world and there are more documents created using WordPerfect than any other word processor. No one understands documents better than WordPerfect.

WordPerfect 6.0 for Windows is a single program that completely integrates the tools needed to create powerful documents. It starts with a solid foundation of easy-to-use word processing tools then redefines what it means to process documents by providing powerful, built-in tools and open integration with other Windows applications. It's the place you want to work.

Major Points of WPWin 6.0 Strategy: (Current WPWin 6.0)

Most Comprehensive:

- Full Drawing and Charting Modules, as well as TextArt (text enveloping)
- Direct import of spreadsheet and database data with ability to perform queries
- Powerful document management capabilities with built-in file manager and QuickFinder
- E-mail support (WordPerfect Office, VIM and MAPI compliant packages)
- Spreadsheet functions in tables

Intelligent and Customizable Interface:

- QuickMenus (right mouse support) available anywhere on the screen
- Feature Bars automatically appear for more than 20 tasks
- Completely customizable interface: Power Bar, Button Bar™, main menus
- Button Bars can include WordPerfect features, as well as any other Windows application

Innovations in Ease of Use:

- Powerful Template feature and pre-defined WordPerfect ExpressDocs
- Coaches to teach users common tasks
- Preview windows in dialog boxes
- Online tutorials and improved Help
- Styles and styles by example
- QuickCorrect for on-the-fly spell checking

Easiest Transition for DOS users:

- Binary file compatibility with WordPerfect 6.0 for DOS (no conversion necessary)
- Best conversion of WordPerfect 5.x files
- Only word processor with macro conversions for WordPerfect 5.x/6.0 DOS
- Keystroke compatibility with WordPerfect DOS keyboard
- Transition Advisor and QuickStart for easy transition from WPDOS and other products

Making the Most of Windows:

- Full WYSIWYG showing headers, footers, footnotes, page numbering, etc
- Launch any Windows application directly from a WordPerfect Button Bar
- OLE and DDE client/server support
- Multi-media support (graphics, video, sound, TWAIN)

Marketing / Development Goals for 1994:

(See Eliot MRD for details)

WordPerfect for Windows NT

The External Environment

1. Market Conditions

Windows NT released in August of 1993 with mild fanfare after two years of tremendous hype, visible press exposure and high corporate expectations. Over a year late from its original expected ship date, combined with dramatically missing its minimum hardware requirements (by almost double) and having initial reviews turn out less than stellar has dramatically dulled NT's release impact. Many analysis are further adjusting their estimations of the initial impact of NT on the market as of this writing.

Positioned as the migration path for DOS and Windows users, NT was to bring the best of three worlds together according to Bill Gates. First, to take all the best things of the PC DOS & Windows environments. Second, add the robust mission critical capabilities and multi processing features of the mini and mainframe legacy computers. And third, include the high performance and advanced graphics of the workstations and wrap it all up into a new client/server computing model.

To Microsoft's credit their first release of a high-end client/server operating system comes up with fairly high marks for its design goals (mentioned later) and for combining the best of three worlds. NT provided more drivers and support for peripherals and other standards that any operating system has ever done in its first release. It sports features and capabilities that many high end operating systems took many years after their first releases to perfect and fine tune. And yes; NT will also need a little fine tuning but long term it will be an operating system that will contend and occupy a significant amount of the future high end operating systems market share. Short term, NT may have worn the industry a little thin and will likely garner support from the technical sector initially then as more mainstream applications become available the commercial sectors will allow NT to bloom for Microsoft by the second release of NT (dubbed Cairo) which is expected by early 1995 or end of 1994.

Trouble arose over this large ambitious project as Microsoft's positioning of NT changed sometimes weekly. When it became apparent that NT was too much for the masses of Windows 3.1 and DOS as a near term migration path and was going to miss its hardware suite spot, Chicago emerged as an interim champion. Chicago or Windows 4.0 will borrow about 80 to 90 percent of the NT features after going through a highly optimizing code process so as to operate in 4 megabytes of memory. It will also be sporting a updated interface that will eventually be added to NT in its follow-on interim after the Chicago release but possible before the actual Cairo release.

After its release and reviews NT's main thrust to the market was with the Advanced Server because it has a client base of Windows 3.1 and DOS that can already use it as a server. The NT desktop version suffers from too many resources to run it: No mainstream native 32bit NT applications, Unstable Windows 3.1 and DOS subsystems and significant degradation to those applications when running under the NT subsystems. A final message from Bill Gates regarding NT's positioning "If you don't know how NT can help you. You don't need it."

Last reports have positioned Windows NT Desktop market share at 5% to 10% of Windows 3.1 sales. Roughly about 75,000 to 150,000 per month (This is being adjusted down by

analyst as we write this) The initial wave of the NT release will likely taper off the first part of October 1993. Then November 1993 should provide us with a clearer snapshot of the monthly shipments of NT we can more likely expect, month to month for the short term. This will help in sizing up our potential NT market better and when we need to be there.

In the initial discussions of the design of NT Intel put "extreme pressure" on chief architect David Culter not to make NT portable to any CPU architectures apart from the Intel X86 line. Intel also apparently made strenuous efforts to blow the inherent portability design project off course. It reportedly took the intervention and support of a band of industry luminaries and foremost John Mashey of MIPS to keep Intel at bay and keep NT on track as a portable operating system. This operating system portability focus has brought about a shift in the cross platform paradigm which WPCorp has garnered significant strength on. Now cross platform can mean port the operating system to the new chip and your applications are basically there. As of today there are many companies that have committed or are seriously entertaining porting NT to their particular chip architecture. It should be noted that 80% to 90% of initial NT sales will come from the Intel, X86 and Pentium processors. The non-Intel chips sets that will be running NT are not expected to chisel away significantly at Intel current dominance over the next year. Below are listed the current and pausable NT chip set ports.

Hardware vendors that have released ports of NT to their chip architecture:

- Intel, X86 and Pentium (CISC)
- Digital, Alpha AXP 150 (RISC)
- Silicon Graphics, MIPS RS4XXX (RISC)

Hardware vendors who have information released regarding a pausable future port of NT:

- Hewlett Packard, PA-RISC 7100LC
- IBM, Power PC (RISC)
- Intergaph/Sun, Sparc (RISC)
- NEC, R4000 (RISC)
- NeTpower, PICA R4000/R4400 (RISC)
- NCR, MIPS (RISC)
- IBM, AS/400 with the PowerPC (RISC) Due out in 1995

Windows NT requires 12 megabytes of memory (20 is preferred) and 70 megs of disk space for the desktop version and really needs a 486DX2 at 66MHz PC computer.

Initial reviews of Windows NT in Infoworld states they think the NT operating system might cut it as an application server but figure it holds little promise on the desktop. Reviewers took up to 75% longer to perform real-life tasks under PowerPoint, Excel and WordPerfect on NT than Windows 3.1 using a 66MHz 486DX2 with 16MB of RAM. They also rated the NT Advanced server and underwhelming.

PC Week reviewed NT's Advanced Server and basically decided that Novell's Netware had little to worry about "As a file server". Netware outperformed Advanced Server in all areas but one where they ran even until NT ran out of cache memory.

With cracks being reveled in the NT armor, OS/2 may garner some short term momentum from Microsoft not only from NT but also Windows 3.x potential customers. The concenus here is that any advantage OS/2 gets will be minimal. Since WPCorp has OS/2 product offerings this will not negatively impact us. Microsoft does not have viable OS/2 offerings.

The underpinning design of NT has very good technical merit, so much, that IBM with it's Taligent and Starbase operating system projects will be mimicking a significant share of what NT is today (especially the areas of portability and scalability.)

WPCorp Market Position

The late release of NT has worked to WPCorp's advantage in releasing WordPerfect for NT in a timely manner. The timing allows us to bring our newest and latest technology to the NT platform (version 6.X.)

We can shift into high development gear for WordPerfect for NT when we have the final freeze of the WordPerfect 6.0 for Windows 16 bit code. At that time it is anticipated that those developers that worked on key areas of the WordPerfect 6.0 Win 16bit code will be deployed to convert their code to Win 32bit. This code will also be used for our eventual Chicago (Windows 4.0) release of WordPerfect 6.x as well as our NT release. Chicago is anticipated to release sometime around July/August 1993 (Tom Freeman, Redmond Meeting.) I'm sure Microsoft would love to release and roll out in Spring Comdex 94.

With NT suffering short term market acceptance we should avoid (accept under non-disclosure) providing strength to Microsoft NT message of domination until we come closer to our release date. This would include prematurely showing or disclosing public information about our NT development (lay low.) If however, NT's acceptance takes a dramatic turn around we would reconsider that position.

WordPerfect 6.x for NT might not have to compete with a suite initially on the NT platform.

When WordPerfect for NT releases we should also be releasing WordPerfect 6.0 GUI's for UNIX and OS/2 and not far behind an Open VMS GUI version. These three new releases plus with the currently released WordPerfect 6.0 for DOS and WordPerfect 3.0 for Macintosh coupled with the highly visible success (which we anticipate) of WordPerfect 6.0 Windows, should equip us with much welcomed synergy for a successful launch of WordPerfect into the new NT market.

Localized versions of WordPerfect for 6.X for NT should be able to happen very quickly because we can utilize all the WordPerfect 6.0 for Windows 3.x localization efforts and plug it directly into our NT WordPerfect.

Competition

With Microsoft trying to release Word 6.0 for Windows before the end of 1993 they will in all likelihood prepare their new Word 6.0 version for the 32 bit Windows NT platform, rather than using their current Word 2.0 code and converting it to 32bit for a quicker release date of their word processor into the NT market. There is a significant possibility we will be on a close track with Microsoft's Word 6.0 NT release. Within two about two months.

Lotus, has not yet publicly announced their support of NT with any of their applications (this as of August 1993.) We have obtain information that they are also working on an NT version of Ami Pro and 123 and that it is expected to release around 2nd quarter 1994.

It appears that NT desktop releases of the major word processors (i.e. WordPerfect, Word and Ami Pro) could be fairly close together. Providing an unprecedented close to even start for the new NT word processing market. Our observation is that if we have a successful launch of WordPerfect 6.0 for Windows product then what ever level of market share we carry in the Windows 3.x platform we will in all likely hood carry that same impact over into the WordPerfect NT market place.

All of the applications in the Microsoft Office Suite will quite possibly not be able to be all ported to the NT platform by the 2nd Quarter 1994. Therefore, allowing us time to compete with WordPerfect for NT on it own merits against MS Word for NT and not an NT suite and

it's probable low price point. This same issue arises for all of the Lotus Smart Suite products and whether Lotus will be able to release all their suite applications for NT during the 2nd quarter of 1994. If we can compete at the word processing level we might be able to amass slightly more market share on the NT platform short term.

Microsoft might not be interested in creating price wars and market share mountains for its self in the NT market place initially. Since they are actively trying to court high end mission critical application vendors to the NT platform. These developers and their resellers would rather see a market environment similar to where they came from. They could be discouraged quickly about NT platform if they have to deal with the commodity type atmosphere and very thin margins mentality that the DOS and Windows world exists in. Microsoft may opt to turn on their applications marketing heat after NT has gained little bit better entrenchment and divert the majority of their marketing muscle to the large and established Windows 3.x base and the forth coming Chicago market.

Other minor word processing companies efforts from software companies like Frame Technology, Xywrite, WordStar or DECwrite etc. have not surfaced as of this writing. With the NT market initially being much smaller than originally expected these companies may pass up NT and develop using the Win32s developers tool kit so their new releases will run not only on 3.x Windows but also Chicago then release on NT when it becomes more established.

Industry Trends and Observation

Long term Windows NT will have more promise because as each day goes by the hardware sweet spot moves into NT's favor.

Microsoft anticipates that the eventual transition to 64bit NT operating system will be easier than the move from Win16 to Win32. (CSN No15 p3.)

Microsoft says it has melded together the NT and Cairo development teams and that they are now working on the next revision of NT. Some wonder whether Dave Cutler the chief architect of NT will stick around. Some outsiders think the core NT team will be held together long enough to get the software through its first revision probably at the end of 1993 (ClieNT Server NEWS August 30, p4.)

Alpha versions of Chicago are just coming out and the updated interface looks like it borrows heavily from Motif, Macintosh, WorkPlace Shell, Nextstep and Open Look. These Chicago interface enhancements will become apart of an NT/Cairo release after Chicago is released.

Microsoft has seven different operating system efforts underway: DOS, Windows/"Chicago", Windows for Workgroups, Windows NT, "Cairo", WinPad and Modular Windows. These expansionist thrusts are spreading the company's development efforts thin. The development and supporting of these initiatives is expensive and time-consuming, even for Microsoft (Forrester research July 9, 1993.) Could some cracks develop in the Microsoft armor with this large of a plate to manage?

Most of the 30 million (as of June 1993) Windows 3.x users are now looking to Chicago (Windows 4.0) as the their next major upgrade. Chicago is slated to be released sometime around August of 1994 which would mean that over 45 million Windows 3.x users could be ready to spark the largest upgrade phenomenon in software history. Chicago will incorporate 80 to 90 percent of the current NT features but will operate in 4 megabytes of memory and sport and updated interface. The Chicago release will also run ONLY on the Intel chip architectures, but rumors have it that IBM is fanning the flames to port Chicago to the PowerPC chip but Microsoft says there is too much Intel specific assembler code involved.

Non Intel chip manufactures (Digital and Silicon Graphics and others) are banking on NT to put them on more even playing field to compete against the almost monopolistic position that Intel has enjoyed for Microsoft operating systems.

NT's design goals and architecture have been hailed as a technologically strong client/server platform for the future. As mentioned earlier, first releases of any operating system are going to have some important short comings that need to be enhance and refine before mainstream acceptance takes hold. Below are the design goals that governed the NT product development process and some resultant significant features and technology provided in this operating system.

- Extensible:
 - A modular structure so that new componets can be added to the operating system in a modular way.
 - The use of objects to represent systems resources.
 - Loadable drivers can be added as the system still run and not at boot time.
- Portable:
 - Windows NT is primarily written (80%) in C language. Assembly language is used only for parts of the system that must communicate directly with the hardware.
 - Processor specific code (about 20%) is contained in specific small modules so it can be easily replaced by analogous modules for other processors.
 - NT encapsulates platform-dependent code inside a dynamic-link library called the Hardware Abstraction Layer (HAL.)
- Reliability and Robustness:
 - C2 level security
 - A new secure and flexible file system (NTFS.)
 - Networking built-in .
 - Advance Server, for the large wide area networking
 - Flat virtual memory model
- Compatibility:
 - Run Windows 3.x, DOS and POSIX applications in protected subsystems.
 - 32bit Windows 3.1 front end interface.
- Performance:
 - Symmetrical Multi processors (SMP)
 - Virtual Memory Manager
 - Thread execution
 - Protected subsystems

NT is the building block for Cairo. Cairo is expected to include the following capabilities.

- Object oriented file system (or DBMS)
- Content indexing and rich queries
- Remote object activation (distributed OLE) and replication
- Distributed management and security.
- Will be based on OLE.2.0 and WIN32
- Will sport the new Chicago interface

The Internal Environment

Windows NT is a part of the Windows Group. As we move down the Windows road in we will probably be supporting three development efforts over the next two or three years, namely Windows 3.X, Chicago and NT/Cairo. Much can be shared between the three focuses. Long term Cairo will be the platform of choice from Microsoft into the future.

Group Objectives and Strategies

The objectives and strategies below will be applicaable to Plan A or Plan B (please consult Windows NT Plan A or Plan B document.) Pending approval of the Plan A or Plan B direction by development and marketing it will be incorporated into the business plan here.

Objective: Release WordPerfect for Windows NT 6.x with OLE 2.0 capability by April 1994 for Intel NT platform (80% or 90% of initial NT hardware market.) Closely monitor the market share and technology of other hardware vendors NT ports to determine the order of additional NT ports and best market opportunities for WPCorp.

Strategy: Upon release of WordPerfect 6.0 for Windows (October 1993) we would like to have WPCorp Windows developers who worked on key areas of the WordPerfect 6.0 for Windows 16bit code employed to convert their code to Windows 32 bit code. This will not only speed the process of a WordPerfect 6.x NT release but also the WordPerfect Chicago release.

Objective: Leverage our years of developing WordPerfect in the multi user environments of UNIX, Data General, VAX and IBM Mainframe as a strength for our NT version of WordPerfect.

Strategy: Employ shared logic strengths as a sub message in product literature, seminars, demos, advertising (WordPerfect understands and is experienced with large multi user systems.)

Objective: Obtain 30% of the NT desktop word processing market by the end of 1994.

Strategy: Execute the other objectives referred to in this document coupled with the additional efforts and plans of the international and other sales and marketing teams within WPCorp.

Objective: WordPerfect for NT CD distribution.

Strategy: Because NT desktop for Intel requires almost 70 megs of disk space and NT for MIPS almost 100 megs of disk space most customer do not want 35 plus 3.5 inch high density disk to load NT. Not only is this bulky but disk installations takes a very long time. Most NT users will have CD drives or access to one off a network. WordPerfect for NT will likely be larger that the WordPerfect for Windows. And with CD distribution we can ship all printer driver and utilities and lessen our support costs.

Objective: With many hardware vendors potentially offering NT and the sheer size in disk space of NT and NT applications, bundles with hardware will likely become the norm for NT applications.

Strategy: Produce flexible and profitable bundling programs for the many levels of hardware vendors on the NT platform.

Objective: Obtain a license management facility so we can be more liberal in our NT software distribution. Allow users to test drive and use the product but only enough functionality so they will be attracted through an easy simple method to become a licensed user and enjoy the benefits of that status.

Strategy: Obtain the needed license management technology and proliferate our product on as many manufacture CD's etc. as deems advantageous to us.

Objectives: Reuse some of the successful theme's, messages, ads, logo's etc. of the WordPerfect Windows 6.0 release to further the exposure of WordPerfect's innovation. Then scale its use to the size of what the NT market would merit.

Strategy: Review the above mentioned items along with new thought and direction and see how we can meet a desirable end result for the NT market.

Objective: Ship a solid release of WordPerfect 6.x for Windows NT with OLE 2.0 compliance. Exploit the 32bit, Virtual Memory, Symmetrical Multi processing (SMP), Threads, NTFS and shared logic capabilities of Win32 NT environment in this release.

Strategy: Depending on market conditions, we should try implement the most important NT features to WordPerfect 6.0. These would include operating in a native 32bit virtual memory code base, support some limited threads capability (printing, merge and maybe others depending on time), SMP and NTFS. We should not exclude any of the features that are presently in the WordPerfect 6.0 for Windows version. OLE 2.0 capability should also be implemented with our initial release. Other NT specific shared logic features, refinements, additional thread and SMP support can be added in a later interim release.

Objective: Target mini and mainframe systems software developers and corporate MIS shops that are exploring or already moving their high end applications to NT and entice them integrate their custom applications to our off-the-shelf word processor solution.

Strategy: Capitalize on our years of expertise in the mini mainframe environment, utilize past partners in those environments (i.e. Data General, VAX, IBM 370 & AS/400 and UNIX) and aggressively pursue them with our Working with WordPerfect program. We should have the following types of tools and programs available.

- Low cost purchase for our software and developers tool kits. Provide exciting templates and prototypes of our API's, macro language and Integration tools working with WordPerfect from a variety of vertical markets (Financial, Legal, medical, engineering and any other good vertical applications that can WOW software solution providers and MIS.)
- Software Solution Partners Training Conferences this would assist developers and MIS shops in understanding the possibilities of integrating their applications with our off-the-shelf software.
- Special support lines and developers assistance.
- Market the benefits of our macro language, shared code, API,s, file formats and promote merits of OpenDoc, Visual Basic and OLE solutions.
- Programs for how we will provide market support for WordPerfect third party solutions providers. Sales support from our vertical sales groups, joint vertical seminars, co-op, brochures etc.
- Program for third party vertical perfect type suite using some of our applications.

Objective: Choosing WordPerfect for NT provides the customer technology independence and allows users to retain their skills sets and virtually eliminate today's very costly training expenditures.

Strategy: Exploit the virtues to customers and corporations of WordPerfect everywhere.

Target Markets:

- WordPerfect DOS, Windows, UNIX, VAX, Macintosh and OS/2 customers that start deploying NT into sectors of their organizations.

- Windows users needing to move to NT (technical sector)
- New users of Windows NT (technical sector)
- Users converting away from a proprietary operating system to NT
- Users of additional NT hardware processors ports (i.e. PowerPC, RISC, AXP etc.)

2. Personnel

Resources	# Employ ees 9/1/93	# Employ ees 1/1/94	New Hires Q1	New Hires Q2	New Hires Q3	New Hires Q4	New Hires 1994 Total
Director	1	1	0	0	0	0	0.00
Evangelists	2	2	0	0	0	0	0.00
Tech. Prod. Managers	3	3	0	0	0	0	0.00
Assistant/Coord	2	2	0	0	0	0	0.00
Project Manager	1	1	0	0	0	0	0.00
International PM	1	1	0	0	0	0	0.00
TOTALS	10.00	10.00	0.00	0.00	0.00	0.00	0.00

4. Office Space

We moved to building D at the beginning of Nov. We anticipate ample office space in 1994.

5. Travel and Entertainment

WPWIN Marketing - 1994 Travel Expenditures Worksheet						
Name	# of People	Air Fare/ person	# of Days	Hotel/day/ person	Meals & Entertain. day/person	TOTALS
Shaun	1	1000	100	150	35	19,500.00
Jeff	1	1000	100	150	35	19,500.00
Dave	1	1000	75	150	35	14,875.00
Randy	1	2000	100	200	40	26,000.00
Stacilee	1	1000	12	150	35	3,220.00
Steve	1	1000	75	150	35	14,875.00
Kim	1	1000	2	150	35	1,370.00
Christine	1	1000	2	150	35	1,370.00
Gene	1	1000	50	150	35	10,250.00
Todd	1	2000	75	150	35	15,875.00
TOTALS	10.00	12,000.00	591	1,550.00	355.00	180,000.00

1994 Group Budget

(See separate budget spreadsheet)

Appendix A: Calendar of Events

Scheduled Start	Event
February 28, 1994	WPWin 6.0 Interim Release
March 1, 1994	New, aggressive WPW6.0 campaign begins
July 22, 1994 - Manufacturing Date	WPWin 6.1 (OLE2.0) Release
August 5, 1994 - Street Date	WPWin 6.1 (OLE2.0) Release
October 16, 1994 - Manufacturing Date	WPWin 6.1 (Win 4.0 / NT) 32bit Release
November 14, 1994 - Street Date	WPWin 6.1 (Win 4.0 / NT) 32bit Release

Appendix B: Win 4.0 (Chicago) Market Impact

The information in this document attempt's to size up the impending impact of the next release of Windows 3.1 from Microsoft code named Chicago or Windows 4.0. This is a working document and will be revised as related information or insights become available.

OVERVIEW

The short message of this information is that the release of Chicago will quite reasonably result in the largest upgrade ever known in the software industry. Software deveolpers should closely monitor the dynamics of its accompanying technology so as to maximize the great window of opportunity.

With 30 million users of Windows 3.1 (as of June 1993) and current monthly sales of over one million a month will likely put the Windows 3.x installed base as high as 45 million users by July or August of 1994, which is the time frame in which Chicago is anticipated to release. At that time, there will of been over three years between Chicago and the release of Windows 3.0. Most other GUI based operating environments and/or systems (i.e. Macintosh, Motif, OS/2 Workplace Shell, Solaris, Open Look, Next Step) today sport interfaces that actually outshine and rival Windows 3.1, accept of course in market share.

Since Windows NT did not change our lives as the Hypo-O-Meter suggested, a short term Chicago release was conceived by Microsoft to realign the migration path for Windows 3.1 and DOS users. Chicago, now borrowing almost 90% percent of NT features and being billed to operate in a 4 megabyte footprint and sporting a new interface (which borrows heavily from the above mentioned GUI,s) looks as if it will fit the new migration bill. As stated by Microsoft, NT and Cairo (the next release of NT) is still their long term strategic operating system direction. The number one reason of several for the soft acceptance of NT was that it missed its hardware sweet spot. However, as each day goes by the hardware moves into NT/Cairo favor and probably 2 to 3 years from now Cairo capable hardware will occupy the middle of that hardware sweet spot. The Cairo operating system has the longterm advantage of being portable to other computer chips (i.e. Mips, Alpha, PowerPC, Intel etc.) and the Chicago operating system code is tied to the Intel architecture. With the impending processor war now heating up, a future concern will probably not be "Intel Inside" but more likely "NT There". Short term, developers are still in a quandary as to how to get to Chicago, should it be Win32s, Win32c, Win32 or Win/u-32s. And to keep life interesting as you make the move, be sure you have OLE 2.0 capability when you arrive. The good new is once you have figure that all out, life should be better because your Chicago application should be a well behaved Cairo application and should recompile simply to other NT/Cairo supported processors.

THE CHICAGO PLATTER

The comments mentioned below are an attempt to categorize in order of importance, the items which will positively or negatively effect the success of the Chicago release of Windows.

12. Operates in 4 megabytes of memory.
 - A If Chicago runs well in 4 megs of memory on a 386SX, 16mhz machine then Microsoft will have done very, very well. With the hardware suite spot moving in Chicago's favor every passing day it is more likely that 4 megs will work but you will probably want 8 megs just to have decent response or be truely useable. By August of next year 8 megs will be more of the norm and will lessen the impact of hitting the

4 megs strike zone but customers need to hear 4 megs for now.

13. Able to run all Windows 3.1 applications unmodified.
 - A 3.1 applications will run as a single Virtual DOS Machine (VDM) which is how NT currently runs Windows 3.1 applications. OS/2 is better behaved in this area because it creates a single VDM for each Windows application launched.
14. Able to run all DOS applications unmodified.
 - A DOS applications will run in a single VDM for each DOS application launched just as in Windows NT.
15. Performance of Windows 3.1 and DOS applications.
 - A If performance of Windows 3.1 and DOS applications under Chicago is significantly slower than in their native environments then the upgrade impact will be significantly diminished.
16. New Interface.
 - A This new interface borrows heavily from the best of other GUI interfaces. Microsoft can be assured of its GUI enhancements being liked since pieces have been useability tested in other GUI interfaces already
 - B It consolidates the Windows 3.1 file manager and program manager.
 - C Drag and drop icons across the screen. Drag to printer for printing.
 - D ?? Will you be able to drag and drop icons between 3.1 Windows applications and Chicago applications?
 - E Application Tray. Includes two lines at the bottom of the screen that will always be visible in any application. The tray allows you to perform launches to other applications etc.???
17. Built-in Peer to Peer networking.
 - A This will be largely what Windows for Workgroups offered but at no extra charge.
18. Price point of Chicago over buying DOS, Windows 3.1 or Windows for Workgroups.
 - A In all likelihood Chicago will cost less than purchasing DOS, Windows or Windows for Workgroups which in-itself will encourage people to move to Chicago,
 - B Microsoft will probably do what they did with DOS 6.0 when they released it. You could no longer purchase 5.0 DOS except if under contract etc. When Chicago ships Windows 3.1 and Windows for Workgroups will probably not be available. All OEM agreements (where over 50% of Windows is being sold now) will be required to start loading Chicago when it rolls out.
19. Performance and enhancements that 32bit threaded applications will have over 16 bit applications.
 - A Native 32bit threaded applications should have the advantage of performance and additional capacity over their 16bit counterparts.
20. Integrated FAX and other MS at Work features.
21. Plug and play hardware specifications.
 - A Microsoft is working with hardware manufacturers to allow software to configure the hardware peripherals. This capability allows Chicago to configure the machine automatically. This will save OEM's, MIS, and users that buy software off the shelf a significant amount of time in setting up their machines (no more dip switches.)
22. File synchronization and other features for remote users.
 - A Merges all the file changes of the remote laptop when connecting back to the host.

23. VFAT file system which allows long file names.
A This does not have the security of and highend features of OS/2 HPFS or NT NTFS.
24. Common directory services for use by any network applications.
25. Common Inbox for mail voice and fax.
26. ?? Better behaved OLE 2.0 environment. ??What about Distributed OLE 2.0?

SUMMARY

The success of Chicago is probably a fore-gone-conclusion. It will be successful. If Chicago displays major weaknesses in one or several of the areas referred to above (obviously the first items in the list will have more impact than the last items) it would probably only cause Chicago to come out of the blocks a little slower and not likely impact its eventual success.

The other dimension of the items mentioned above it there could be an unprecedented demand for 32bit applications that exploit the 32bit, multitasking, improved interface features etc. of Chicago at its release. Potential demand for Chicago applications could rival anything ever experience in the software industry.

It would be very important for a developer to have their applications ready for market within a minium of three months after the Chicago releases to capitalize on this unprecedented upgrade in the industry. If you release at the exact time of Chicago you could risk the possiblility of having your product getting lost in the fanfare. You need to allow time for a beta period after the gold version of Chicago is released. You should consider positioning yourself for a level of visibility at the time of the Chicago release to create some anticipation for your 32 bit native Chicago application offering. You could possibly expose some of its new innovations to wet customers appitiets. Seed the industry during your final beta to maintain appeal and release within the peak of the Chicago senergism. A clearer picture after the intial release (reviews, customer feedback will be out by then) of Chicago should surface as to what is real verses the inevitable hype. Consideration needs to be given to the optimal roleout time periods during the year and the international impact on those time periods.

There are other insights and realizations that will revel themselves as Chicago goes to beta and beyond but the certainty of the impact and dominance of the Chicago release behooves software developers to be there when it does.

Other items to consider for "tactical" efforts in 1994

5. Contest - "Compare"
6. Fear, uncertainty, doubt (comparisons)
7. Shows - ABA
8. Brochures and White papers
9. Conferences
10. Open Doc - "Choose WP" Priorities customer Tech Independence
11. Certification/Validation

1. Awards
2. Endorsements
3. MVP
4. Gore - send him autographed copy of 6.0 (use as endorsement?)
5. Testimonials
6. Contest - Public Service
7. Schmooze
8. Press Conference
9. Industry Conf.

PX 127



Erik Stevenson

From: Brad Silverberg
 To: paulma
 Cc: johnlu; jimall
 Subject: standards
 Date: Wednesday, January 19, 1994 11:45AM

It seems very clear to me that if you are currently on the losing end of a standards battle, your strategy needs to be: (a) adopt the standard so you don't force customers to choose between you and the standard, (b) bootstrap that so you have a reasonable installed base, (c) begin to change the standard on top of it to get people dependent on "you".

(a) is even better if you can say you have the "best" implementation of the standard. you need to pursue (a) and (b) in as non-threatening way as possible to customers who have adopted the standard.

This is precisely what our competitors are doing to us.

1. IBM. OS/2 as an api set is a loser today. ISV's don't want to commit to it. So IBM has "embraced" Windows, even going so far as to sell OS/2 as a Windows utility (something very non-threatening to a customer). They also sell OS/2 as a "better Windows than Windows". Their hope is to then get enough OS/2 out there, which they are doing a credible job of, and then have a large enough installed base to attract developers to OS/2 as a platform. They then treat Windows as a legacy platform, making promises about keeping up with Windows api's as they evolve to reassure customers but only deliver the minimal necessary. For instance IBM is promising Win32s support today "if the market demands it", and doing the same for full Win32.

2. Sun. Sun tried for years to get mainstream ISV's to write to Sun API's for their productivity apps. Put a lot of effort and money into the program. But it failed because ISV's were instead tied up on the high volume platforms, namely MS-DOS and Windows. They were forcing ISV's to choose, and they didn't choose Sun. [And when an ISV did do a Sun app (Lotus 123 or Wordperfect) it was really really bad.] Sun realized that they had to leverage the competitors strength to their own advantage, ie, their new plan is Wabi. The Wabi plan is to embrace Windows as a "standard" and then wrest control away from msft via a committee. They want ISV's to certify their win apps for Wabi and get Wabi "good enough", and then start to add new services on top of Wabi as Sun/PWI (ie, non msft) api's. Wabi goal is to "level the playing field", which is a big win for Sun.

3. PWI. same as Sun - a consortium of competitors who realize their only path to success is to embrace Windows and wrest control via "standards committees".

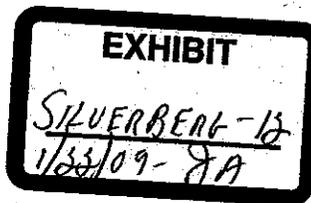
4. Apple. Even Apple today is making sure that their new technologies are available on Windows. They have put QuickTime on Windows; they've announced eWorld for Windows; OpenDoc will be on Windows; and they've even said that they'll put QuickDraw GX and other system level components on Windows. Once again, in the past they saw they had forced ISV's to choose between Mac and Windows, and they were losing. So as much as they can, they are embracing Windows, and adding new services on top of Windows to gain api control for developers who want to target both Mac and Windows.

5. Middleware. The middleware threat is once again another example of companies "embracing" Windows as the "transport" and then layering new services on top - services with api's so that customers are now wedded to the middleware vendor. Each one of the middleware vendors - Lotus, Novell, IBM with SOM, OpenDoc/CIL, etc - used to be on the rampage against Windows. They are more clever today. The rhetoric is now in "support" of Windows. They all say they want to have "great support for Windows (or Chicago). But also they reduce Windows to a "BIOS" or "transport" level, and position themselves as the new supplier of value-added services.

6. Novell. Novell falls under 2 (Wabi) and 5 (Middleware). They also try to sell Novell DOS as the "best DOS for Windows". Their strategy with Appware will be an incremental, insidious one. Get developers using Appware step by baby step, at each turn of the crank, requiring the ISV to use a bit more of Appware framework to access the new service. They are not going head to head with Windows; in fact, they say they want to have "great Chicago support". Thus they appear non-threatening to their customer while getting on the inside and in a position to assert control step by step.

I could come up with a dozen more examples. There are lessons here for us. To me, it means that to win in the server business, we need to embrace Netware, adopt their key protocols, and then as we build more advanced services, start to turn the crank.

PX 129



Erik Stevenson

From: Brad Silverberg
 To: kurte; satona
 Cc: davidcol; bradsi; joeb
 Subject: RE: shell extensions
 Date: Thursday, January 20, 1994 2:37PM

I am very proud of the way the team has architected the extension mechanism to use OLE interfaces but have a lightweight implementation underneath. Meeting m6 is certainly top priority. I am just looking now for what to tell isv's who ask - when will they have enough documentation and working code to begin writing extensions.

From: kurte
 To: satona
 Cc: davidcol; bradsi; joeb
 Subject: FW: shell extensions
 Date: Thursday, January 20, 1994 1:18PM

I believe that Satoshi could do a better job of answering this than I can, but here is my high level answer.

Our extension mechanism uses OLE interfaces including the standard ways to bind to objects. We provide several different areas for extensions including things like:

- a) Apps being able to add their own menu items to their class of objects.
- b) Apps being able to add pages to property sheets, either only for their classes or in some cases for all objects.
- c) Ways for ISVS to add special types of folders into the name space.

1) We can tell them basically now. But I we are basically trying to minimize how much time we spend now on documenting these as to make our M6 milestone. In fact we had most of the functionality in M5 although the implementations is quite different.

In fact this weeks build is a big one for us as we basically turned on the new extensions model and are in the process of having all of the current extensions be converted, which includes ones from the net group and ones from the mobil group. We have some sample extensions checked into our source project

2) We basically have it done now, although we will probably tweak some of the interfaces to make them work better for us and our current extensions.

3) They should get it in their M6 SDK.

--Kurt

From: bradsi
 To: joeb; kurte
 Cc: davidcol
 Subject: shell extensions
 Date: Thursday, January 20, 1994 9:36AM

can you please bring me up to date and where we are with the plans for shell

extensions? at what point will we be able to tell isv's just what shell extensions they can do and how? for this question, I am interested in three

levels of detail. the first is when can we show them a prototype for
example or describe in high level terms the shell extensions they can do;
the second is when we can tell them what the api's etc will be (eg "how");
and finally, when will they actually be able to do the coding.

thanks

PX 130

EXHIBIT

PX0130

BELFIORE-11
1/13/09-8A

Erik Stevenson

From: Joe Belfiore
To: bradc; bradsi
Subject: RE: Chicago
Date: Thursday, January 27, 1994 11:29AM

we can tell him:

- the shell will support OLE drag & drop
- the shell will display document-specific properties that are placed in any docfile's summary stream (this is defined in OLE 2.0 spec)
- you can create an application that integrates directly with the shell Explorer to provide a "custom folder" using OLE interfaces. These interfaces are not yet available for public consumption but will be in M6.
- you should use the registry to supply verbs & icons for each document type created by your apps
- Chicago's applets will be OLE aware: for example, Writepad will be an OLE container & server, Paintbrush will be an OLE server, etc.

From: Brad Chase
To: Brad Silverberg; Joe Belfiore
Subject: FW: Chicago
Date: Sunday, January 23, 1994 12:27PM

what can we tell him? brad you have set the parameters for the pc mag article so i thought i would copy you

From: mcimail?TO: Jeff Prosis# EMS: MCI Mail# MBX: 0003123074
To: Brad Chase
Subject: Chicago
Date: Monday, January 17, 1994 9:29PM

From: Jeff Prosis
EMS: MCI Mail
MBX: 0003123074
Handling: LETTER
Message-Id: 74940118022947/0003123074NA1EM

Brad,

I'm doing pretty well on PC Magazine's Chicago piece, but it would be a mighty help to talk to someone (like Joe Belfiore, maybe?) who could explain to me some of the details of the role of OLE in the Chicago shell. For example, I know that OLE apps can register verbs that will show up in object menus, but I'm sure there's much more to it than that. I'd also like to know more about the OLE mechanisms that the shell employs -- in-place activation and the like.

I'll be talking to Robin on Tuesday about having you guys look over what I write. I'll let you know what she says. I'm no journalist, so i don't know what kind of issues that might raise. But it sounds like a cool idea to me.

-- Jeff

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