

Windows/Ofc

MICROSOFT MEMO

To: List
From: Bill Veghte
Date: April 12, 1991
Subject: Office for Windows Promotion Plan

EXHIBIT # 14
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10/25/91
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The following report outlines the marketing efforts for Office for Windows over the next four months.

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I. Situation Analysis

COMPETITIVE ANALYSIS

While we have a distinct advantage with a suite of reasonably integrated and consistent Windows applications Lotus and WordPerfect are quickly making up for lost ground.

- Lotus will ship a Windows version of 1-2-3 in June-Sept., 1991.
- WordPerfect will ship a Windows version in June-Sept., 1991.
- Harvard Graphics will ship a Windows version in July-Oct., 1991.
- Lotus is building a strong family of applications. Most recently, they have acquired Samna and ccMail. Samna gives them a good Windows wordprocessor, ccMail provides them with a better Mail product than the one we will ship, Notes gives them group productivity, something we won't have for at least two years. Freelance supplies a decent product and higher market share than PowerPoint. Finally, 1-2-3 is the market leader with over 50% of the spreadsheet market.
- Any "Office" offering that Lotus does now will be a garage sale of individually strong products that are weak as a group because of their lack of consistency and integration. Some of the applications are character-based and others Windows based.
- Lotus will market their "Office" aggressively, provide an easy, inexpensive way to upgrade to their Windows apps, and work hard to improve the integration and consistency of their products.
- WordPerfect will ship an excellent Windows wordprocessor and will continue to market WordPerfect Office as the critical workgroup productivity tools.

OFFICE FOR WINDOWS ANALYSIS

- Office for Windows suffers from extremely low product awareness and limited distribution.
- Office for Windows gives us the opportunity to compete in an area where we have clear leadership: a family of integrated consistent Windows applications.
- To leverage this opportunity, Office for Windows must gain increased awareness and broader distribution.
- To compete effectively with any Lotus offering we need to add new product features and capabilities that provide "glue" to the existing hardbundle concept, making the product more accessible.
- FY92 is the year to establish Office for Windows as the Windows application "bundle" of choice. The next four months are absolutely critical to meet this goal.

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II. Strategic Imperatives

Ensure that every time an IEU evaluates Word or Excel, and 1-2-3 for Windows or WordPerfect for Windows, they evaluate WinOffice.

This seems a bit odd - Are we competing against word & excel?

As people change their desktops from character-based to graphical based, Office for Windows must be a key candidate in their evaluation. We will use price and convenience to move them to a thoroughly Microsoft platform.

Raise recognition of the importance of integration and consistency

People will evaluate on a category by category basis but we must expand their perception to the entire desktop. To do this, they must recognize the value of a consistent family of graphical applications designed to work together.

III. Product Positioning

The Complete Windows Business Desktop Solution:
Four Full-Featured Microsoft Windows Applications Designed to Work Together to Make You and Your Workgroup More Productive.

Support Points:

(1) The Complete Windows Business Desktop Solution

- The four essential business applications
- Four powerful, easy to use Windows applications that lead their categories

- in what? Technically?

(2) Designed to Work Together

- Mixing text, numbers, and graphics in spreadsheets, documents and presentations has never been so easy
- Consistent interfaces so that once you have learned one application, you are well on your way to learning them all.
- Easy data exchange between applications to increase your productivity

(3) Make you and your workgroup more productive

- Electronic mail gives you an easy way to quickly and easily communicate with your workgroup
- Software applications that provide file compatibility and interface consistency across Macintosh and IBM platforms

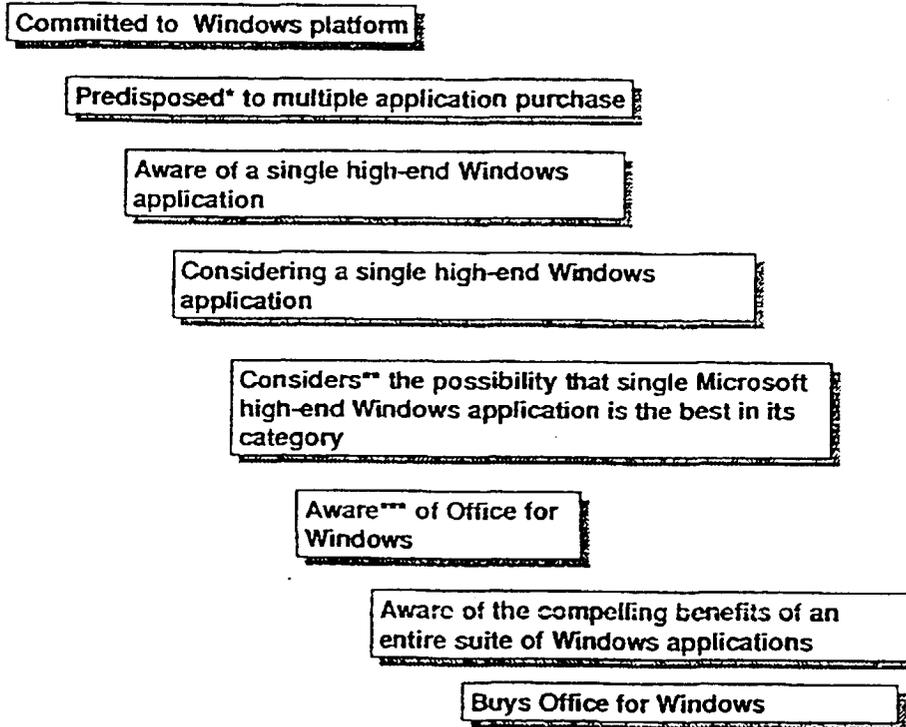
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IV. Target Audience:

Windows owners considering a single high-end Windows application but currently have multiple character-based applications on their desktop. These people reside primarily in medium and large companies as IEUs for either word-processing or spreadsheets and as MIS/PC coordinators.

This seems a bit narrow. we should be targeting new win workstation

V. Adoption Cycle



* Predisposed to multiple applications is defined as someone that has multiple applications on their desktop today and/or mixes text, numbers, and graphics in their work.

** Consideration may be for an individual workstation or for an entire corporation's workstations.

*** Awareness of WinOffice in corporations may come after they have standardized on one of our Windows applications and begun purchasing it.

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VI. Product Plans (see attached schedule)

Price

Reduce prices to the following:

WinOffice SRP: \$750
WinOffice MLP: \$600
WinOffice Promo: \$299

We will offer price protection to directs and large indirects on May 1. For each unit in stock, the reseller will receive \$137 in credit towards purchase of additional WinOffice units.

Documentation

(1) Include PC Mail Windows Client Documentation & Literature

This means including the following literature in our box and changing the outside sleeve to include PC Mail positioning and picture of its box.

- Abridged PC Mail Users Guide
- Cover Letter
- License Card

(2) Revise Working Together

The booklet Working Together was revised dramatically. It now includes a roadmap of the entire contents of WinOffice and expanded description of the set-up for each of the individual applications. The roadmap enhances user accessibility. The expanded installation section allows us to drop the Word Installation Guide and PowerPoint Getting Started thus reducing the number of manuals (as the box is VERY full) and get closer to COGs guidelines.

Over the summer, we plan to expand the WinOffice manual so it gives users a basic introduction to how to use Windows applications in Windows, ie. how to use the scroll bar, pull-down menus, etc..

Packaging

(1) Put cardboard product wedges inside WinOffice box

In an effort to increase the accessibility of WinOffice, Mfg. and CorpCom have designed four cardboard wedges: Excel, Word & Mail, PowerPoint, Getting Started. The product wedges will contain the product manuals and the Getting Started wedge will contain an Office for Windows Getting Started Manual, license card, registration card and disk pack.

(2) Revise the package cover to promote the inclusion of Mail

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Software Changes

(1) WinOffice Front-End

The WinLine program manager (TBH), will begin specing out a WinOffice front-end. Objectives for the front end would be: (1) ease the installation process for WinOffice ie. a user modifiable installation process so corporations can make decisions about what they want their users to install, (2) make it even easier to work together with the different applications, (3) begin positioning WinOffice as more than just a "hard-bundle." Development of this front-end would be done in Thunder.

(2) WinOffice Utilities

Working with the WinLine program manager and the product groups, we will evaluate "applets" that make WinOffice even more attractive to business customers. For example, develop or license from a 3rd party ISV a PIM or screen saver easily customizable to the specific company logo.

VII. Retail Channel*

Objectives

- (1) Ship 10,000 units of WinOffice from 5/22/91 - 6/30/91. Increase average sell-through to 6,500 units/month during the June-August time frame. *What is the % increase?*
- (2) Create trade and end-user awareness for new price, availability, and product positioning
- (3) Increase average breadth of WinOffice distribution to 1000 accounts during June-August.
- (4) Leverage available reseller sales practices and vehicles to create local awareness, demand, trial, and migration to WinOffice desktop.

Reseller Promotion Components (see attached schedule)

(1) RSP Cash Sales Incentive

- ASRs deliver a sell-in piece to Windows Partners in early May that contains the following:

- promotion introduction cover letter
- product data sheets
- product fast facts cards
- RSP cash incentive fast fact cards
- empty product box

* The reseller component of the push is particularly challenging as we are attempting to roll-out a very extensive promotion in only a month's time.

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- \$50 RSP cash incentive for every WinOffice sold from 6/1/91 - 7/31/91.

- Checks will be mailed out on a weekly basis to the RSPs and ASRs will receive a status report for their territories every two weeks for the duration of the cash incentive promotion and will be encouraged to follow-up with their resellers the end of June to see how the promotion is proceeding.

(2) Distributor Breadth Program Focusing on 1467 Windows Partners

- \$20 Distributor Telemarketing cash incentive for every unique outlet who places order during two week period
- Additional \$20,000 to distributors for tie-in programs - Leverage the partnership programs already in place, particularly the installation incentive that runs May-July

(3) 4% Supplemental Marketing Funds To Directs & Senior Partners

- RAXs will deliver marketing kit that will include:
 - cover letter announcing the promotion
 - sample direct mail piece
 - ad slicks
 - direct mail guideline
 - product datasheets
 - product fast facts cards
 - empty product box

- The marketing funds must be spent on exclusive promotion of WinOffice in the form of either local advertising or direct mail. These pieces will focus on the promotional pricing of WinOffice.

- They will get pre-approved money up-front based on their orders so they can begin their marketing efforts even before they sell copies of WinOffice. If they do not buy as much product as they had ordered, then the additional marketing funds that they received will be subtracted from their marketing funds for the following month.

VIII. Advertising (see attached schedule)

Objectives

- (1) Increase WinOffice average monthly shipments to 6,500 units
- (2) Ensure that every time a customer evaluates a single high-end Windows application, they also evaluate WinOffice.

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Audience

- (1) IEU who is predisposed to Windows and usage of more than one application
- (2) MIS/PCC who is concerned about overall department support/training/integration

Media

PC Press

Messages

- (1) Define WinOffice contents
- (2) Define Benefits of Buying WinOffice: Value (integration/consistency + best individual apps), Economy, Convenience

IX. Public Relations (see attached schedule)

Objectives

- (1) Establish MS as the technological & market leader for integrated, consistent GUI applications
 - (2) Establish WinOffice as THE Integrated Windows business software solution in the eyes of the press

PR Campaign Components

- (1) Press Release on 5/13/91 re: pricing change and Mail addition
 - (2) Find, develop and pass on to the press, six awesome business user stories
To find really good business user stories, run a \$100 cash prize promotion into the field.
If they find a good user story and we use it, we give them \$100.
- (3) Develop a white paper on what an integrated business software solution is for the press
 - (4) Develop a white paper on corporate migration to WinOffice for distribution to the field and the press
- (5) Press tour with LewisL and Jimdu

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X. Corporate Account Programs (see attached schedule)

WinOffice Migration Kit

This kit will be an assortment of tools for MIS/PCCs to use to:

- a- show them that the transition will be relatively easy
- b- assist them in the actual transition

Cost Table

Develop a cost table comparing the costs of moving a corporate desktop to GUI apps via MS Office vs. the competition. This table should include any penetration or swap pricing we do.

Product Marketing Coordination

- (1) Ensure that every one of the assistant and associate product managers can do the WinLine demo and understands the positioning and pricing structure of all four products so that they can position WinOffice when doing account calls.
- (2) Coordination between Word and Excel in their named district programs.

Train Field On Selling WinOffice

Working with SMSD, we must develop a compelling strategy re: when and how to sell WinOffice and communicate it to the field in product training classes, field communication, etc..

IEU Seeding

- (1) Provide the field with seed units of WinOffice that they may use at their discretion instead of seeding both Word and Excel
- (2) Seed WinOffice through the existing seeding program when a workgroup is far down the adoption cycle for both Word and Excel

XL. Building Field Awareness & Commitment

- (1) Mail out comprehensive RAX communication piece that outlines the promotion, product positioning, and fast facts.
- (2) Mail out comprehensive CAX communication piece that outlines the promotion, product positioning, and fast facts.

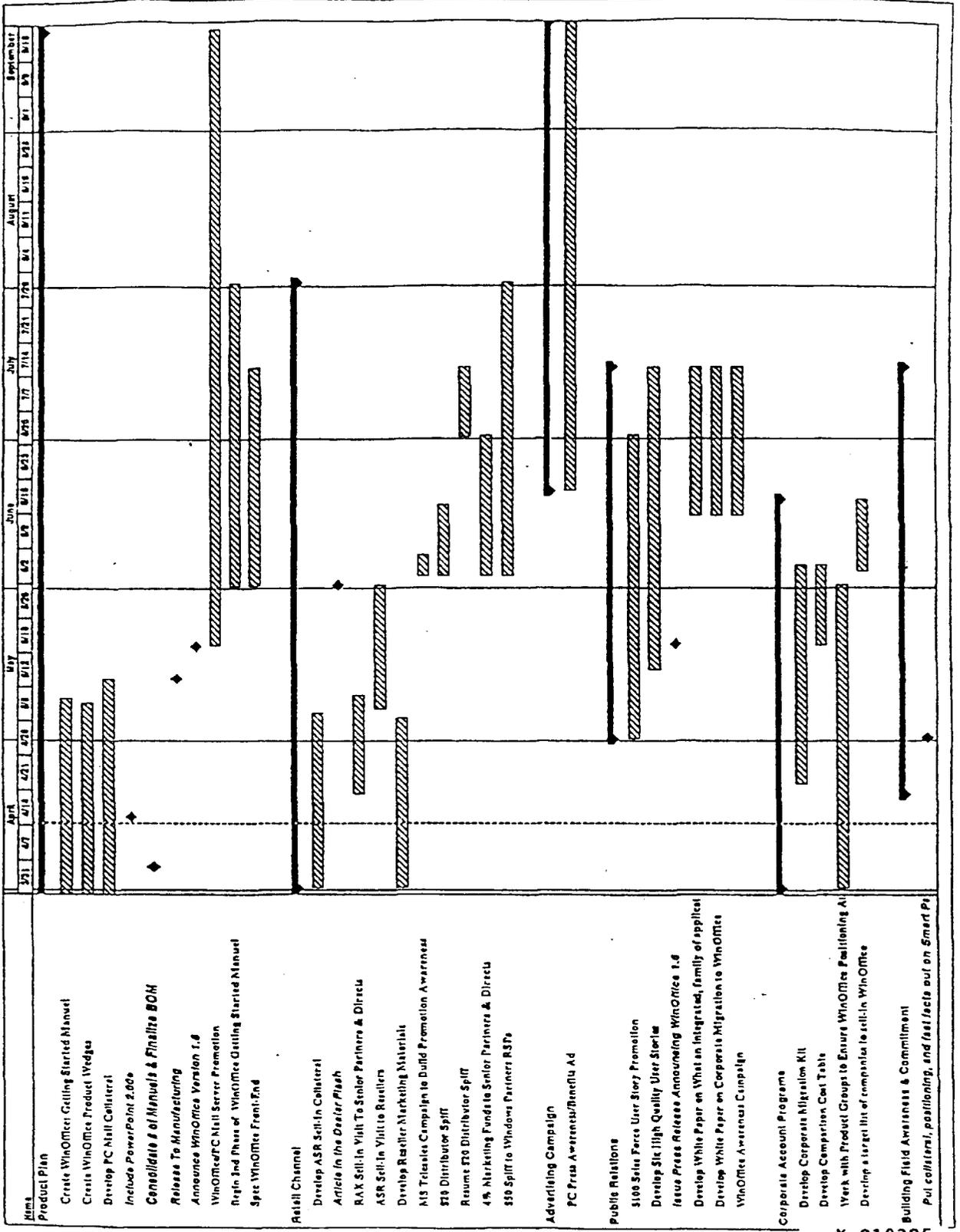
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- (3) Participate in CAX roundtable conference call and send them email outlining the promotion
- (4) Send out two sets of ASR voice mail building interest and excitement in the "campaign."
- (5) Put collateral, product positioning and fast facts out on Smart Pages & InfoBase
- (6) Work with the product groups to get WinOffice-related articles in each one of the product newsletters.
- (7) Do a presentation at the NSM in July

XII. Market Research

- (1) Do one set of phone surveys and schedule focus groups to define:
 - (a) who our customer is
 - (b) how they use the product
 - (c) how price sensitive they are
 - (d) cannibalization rates from Excel and Word
 - (e) what messages appeal to WinOffice customers
 - (f) what product features might appeal to them.

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Item	April			May			June			July			August			September		
	31	30	29	31	30	29	30	29	28	31	30	29	31	30	29	30	29	28
Communication Piece to RAXs Send Out ASR VoiceMail Communication Piece to CAMs WinOM's articles in XL & WFW newsletters Article in MicroNews Presentation at the NSM Market Research Phone Survey Focus Groups																		

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