



To: davem jeffr lauraj
Cc:
Bcc:
Return-receipt-to:
Record-folder: log.fld
Subject: Tony Mondello

I spoke to Tony yesterday. Here is what he said.

They will quit selling the CSI product and not renew the contract. When I asked him what they would do

From billg Sat Jun 29 13:49:01 1991
To: garygi lewisl mikemap scotto
Subject: Cross-sell
Cc: mikehal
Date: Sat Jun 29 13:48:54 1991
Mail-Flags: 0000

The one thing I think we are missing in our applications promotions in the next 6 months is cross-sell. Maybe we have too much going on to allow for this but I think it is strange that OFFICE is priced so aggressively and there is no cheap way for someone who bought excel to move up to buy word. Likewise if I own a competitive product and I want to buy the office I am like someone who owns nothing. Maybe there is no way to deal with this - however I wonder if it wouldnt be a strong pitch.

From billg Sat Jun 29 15:09:39 1991
To: mikemap
Subject: Re: GBU
Date: Sat Jun 29 15:09:32 1991
Mail-Flags: 0000

I didnt realize it wasnt for a few weeks. Lets discuss after that. I guess I have made my lack of satisfaction quite clear.

I see 2 business we are losing because we dont move fast enough:

mac works - I want more developers on it.
Powerpoint.

In the other areas I am worried but these 2 feel like languages did a few years back when we lost out. In the case of mac works we just need more people. In the case of powerpoint we need more efficiency and some cleverness about using 3rd party resources. I am really impressed with the multimedia work SPC is doing in their windows product - very little work lots of bang.

The current powerpoint specification does not support OLE during the slide show - hence you cant do any sound, motion video or anything in a presentation. It is fairly simple to support at slide show time but these guys just cant hack it and they are so far behind.

From billg Sun Jun 30 22:41:26 1991

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very visible.

From mcimail?TO: __Tomevs#__ EMS: MCI Mail#__ MBX: 0002658588 Tue Jul 9 07:53:20
To: MikeMap
Subject: a modest proposal
Date: Tue Jul 09, 1991 6:16 am EST
Mail-Flags: 0000

From: Tomevs
EMS: MCI Mail
MBX: 0002658588
Handling: LETTER
Message-Id: 83910709111638/0002658588NC1EM
U-Handling: Memo

Mike:

The announcement of the Unholy Alliance has given me a perverse desire to join the Evil Empire. I have an idea for a business opportunity which Microsoft is uniquely able to pursue. Although the business is probably outside the charter of the applications group, I would appreciate your opinion of it. If it makes sense to you in whole or part, I would like your advice on how to pursue it further within Microsoft.

Last I counted, there were millions and millions of 327x type terminals being used in the world at places like airline ticket counters, rent-a-car counters, banks, order taking back offices and anywhere else where it is necessary to create a long queue of frustrated customers. The technology is twenty years old with a few face lifts; it is impossible to create a decent human interface for transactions unfamiliar to the operator; and the dumbness of the terminal assures that the mainframe will be overburdened (and that much mainframe power will be required). Training costs for the people who use these things are very high and books of obscure codes next to every terminal are a requirement.

The business opportunity is to develop an operating system to run on standard Intel or Motorola based processors specifically for the development of good transaction processing front end applications. The architecture would include a 327x emulator (easy) with superimposed help and training capability to make the system useful even before new aps are written. The ability to run Windows aps may make sense but shouldn't compromise the basic mission.

The architecture would include expert, intermediate, novice, and training modes for each transaction. These would be almost unavoidable for the transaction programmer in the same way that pull down menus and desk accessory support are a part of every Mac application.

Transactions can be moved between peers without losing status. For example, a complicated banking transaction or one requiring high level authorization can be moved from a teller terminal to a platform officer at the same time the customer is asked to Rplease step over hereS.

Transaction navigation would be another operating system feature to aid the operator in finding the right transaction for an unusual customer request (the kind the lady with the seven suitcases standing before me in line when I'm late for a flight always makes).

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Transaction processing would remain highly keyboard oriented since operators can type (usually); but navigating around the screen could be done with some sort of pointing device and popups etc. would be supported for transaction authoring.

The backend architecture assumes a cascade of function. Requests are serviced at the workstation when they can be, then from a local server, perhaps from an area server, and finally from a central server (the number of servers in the hierarchy is left flexible). New transactions and transaction modifications can be downloaded. It is assumed that the same network will carry administrative messaging traffic in both directions. Fail soft modes allow transactions which usually receive immediate host response such as reservations to be made on a contingent basis when the host is not available and verified and posted later.

Back on the mainframe, CICS and other mainframe type code will help with both the development of the host portion of new transaction applications and the migration of existing applications to the new architecture.

The authoring system is key to success. It allows transactions to be built as objects, of course. Rule based processing is easily described for both editing and transaction execution. Both transaction compilers for high volume transactions and interpreters for transaction testing are available. Output from the transaction build process includes code for the workstation, the intermediate servers, and the host as required. The authoring build can also produce versions of transactions for execution in standard PC environments, either while these PCs are connected via modem or offline. For example, certain airline inquiry and booking transactions are already used directly by customers connected to OAG.

Authentication, logging, and encryption where required are operating system functions.

Primitive precursors to the transaction tools exist both in CICS itself and in micro applications like MacWorkStation. Some of the needed communication protocols have been implemented in existing 327x emulators and other products. But I haven't even heard rumors of a new top to bottom capability for generalized transaction processing and transaction development.

The market is huge: every 327x terminal which needs to be replaced. It is unlikely IBM by itself will do a good job of addressing it because it will reduce the demand for high margined central processing iron and because it requires a ruthless quest for simplicity. Apple lacks a corporate understanding of transaction processing and has the high, not the low end of the white caller market as its users. Also, this is really an operating system, tool, and application market. If these are done well, the market will be expanded by the availability of cheap hardware from a number of sources.

What I would like to do is to head up the research and development part of this effort at Microsoft. I don't know where it fits into the organizational structure. The project requires various skills already resident at Microsoft - language development, OS kernel development, communication, etc. - and some skills which may not be - high speed high volume transaction processing, fail soft, huge databases, existing mainframe tools. Eventually the product will require a marketing

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organization, evangelizing, selling, corporate partners for the first demonstration implementations etc. These are not jobs for me.

Do you think this is worth pursuing? What would you suggest as a next step?

Thanks for your consideration.

Tom

From philipg Tue Jul 9 13:28:53 1991
To: lewisl
Cc: mikemap
Subject: Press Leaks
Date: Tue Jul 09 13:28:08 PDT 1991
Mail-Flags: 0000

After all the recent leaks to the press (Bill's memo, Vodoo and Mail in today's PC Week and others), wouldn't it be appropriate for someone in upper management to send out mail that outlines factually how damaging these leaks are to the company ?

I could also see that the memo would reiterate how to handle confidential information with friends and business contacts in the industry.

While this may never solve the problem completely, it will contribute to an increased awareness of press leaks without decreasing the free flow of information inside the company.

From chasst Tue Jul 9 17:18:03 1991
To: davek kyleg lauraj lowellt
Cc: jeffr mikemap peteh
Subject: Harvard Case
Date: Tue Jul 09 16:11:33 PDT 1991
Mail-Flags: 0000

I have sent each of you a copy of the proposed Harvard case on client-server/international standards. It a split case covering both our e-mail server and our database connectivity (SQL/C) strategies. Both situations are different obviously but there are some parallels and some dimensions that they feel are interesting to compare. Ignore errors in the outline which will obviously get fixed later if we proceed.

Harvard is very keen on doing this case as a first-year marketing case, they think its an important technology (client-server) and that the problem/decisions are interesting and provocative. There is no proprietary info in the outline and it would always be in our discretion to remove anything we felt would give away company secrets.

We need to decide this week to go ahead or not. Going ahead will mean a further visit from Rafael Carty next week, spending an hour or so again with each of you plus future phone calls and reading a couple of drafts of the case, which will be completed in mid-August for use in the Fall semester. The total time commitment for each of you might be 3-4 hrs, possibly less. I think we should go ahead, it will be portray Microsoft on the leading edge of this technology and supporting Intl standards. This will help our recruiting and ultimately our business because Harvard cases are used worldwide from MBA programs to executive level

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>From edf Wed Jul 10 13:22:40 1991
To: stewk
Subject: your Profiler request
Cc: jonde peteh
Date: Wed Jul 10 13:22:11 1991

November is really late for us to get a profiler we can use. I'd like to try and hack up a solution for our group to use from your sources. I just need the server name and password, I won't need any support. Thanks,

-EdF

>From stewk Thu Jun 27 18:07:26 1991
To: edf
Cc: keithv richgi
Subject: your Profiler request
Date: Thu Jun 27 18:14:01 1991

The upshot here is that we've tried to make the change but need Toolhelper to debug it. Won't be able to do until November. So the good news is that we intend to give you what you want, but the bad news is that it's a ways off.

>From keithv Thu Jun 27 15:55:13 1991
To: stewk
Cc: RichGi
Subject: Re: EdF's Profiler request
I don't know what to expect either. I have looked at his request, I will continue to work on his request as I solve the blocking issues. Right now ToolHelper implementation is blocking. I will implement that after PCode. Our schedule says we will have Windows 3.1/ToolHelper and PCode implemented by late Nov. In that time frame I also have 32-bit DOS extender and NT. I suspect I will work on his request at that time.

From melindaf Thu Jul 11 19:26:09 1991
To: mikemap
Subject: Price of new products
Cc: lewisl melindaf susanb
Date: Thu Jul 11 19:25:38 1991
Mail-Flags: 0000

For all products < \$100 SRP, we go ahead and price in \$.95 increments. We basically do this to garner the extra revenue on these low margin products. So all products such as LDOS, Flt Sim, WPP, and Barney already carry this additional \$.95 in their SRP.

For products in the < \$200 SRP, we are already planning to price in the \$199 over \$195 price range (WinWorks and Voodoo) to garner the extra \$4 in revenue. Notice Mac Works had been priced at \$295 and the other high-end apps carry price points of \$395 or \$495, etc... not \$399 or \$499.

A price point such as \$200 is out of the question for a products such as Voodoo or WinWorks, because we are using \$199 to signal to resellers that we believe in these key price points and they too should

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set street prices at key price point levels such as \$149 or \$249, etc... Traditionally these \$99 increments bear strong persuasion in consumers minds (pretty obvious since so many industries price this way).

We do not have any specific data that says we cannot go to \$.95 or \$.99 increments for < \$200 SRP products, however, the resellers are already being squeezed for margin. In a time when we are introducing 2 key applications at \$199, I do not want to have to go in and explain why we're squeezing resellers for another \$.95. The pricing should be a non-issue.

If you look at WinWorks 3 year forecast, moving the SRP from \$199 to \$199.99 only gains Microsoft \$206,253 over three years. Given that we are already garnering an extra \$4 and our focus should be on successfully launching these new applications, lets not muck with the pricing just to get an extra \$.99 per unit.

>From mikemap Wed Jul 10 17:52:17 1991
To: melindaf
Cc: lewisl susanb
Subject: Price of new products
Date: Wed, 10 Jul 91 17:50:49 PDT

Brad Silverberg has raised an interesting question of how we choose prices. Should a product be \$249, \$249.99 or \$250? Do we have an data that would suggest an answer. It does not sound like much, but on a high volume product like works, it would be hundreds of thousands of profit.

From chrisp Fri Jul 12 11:04:31 1991
To: jeffr
Cc: mikemap
Subject: MacWord Macros
Date: Fri Jul 12 11:03:57 PDT 1991
Mail-Flags: 0000

I just had a meeting with all the MacWord 5.0 leads and WOBU leads. The macro stuff isn't going to happen anytime soon. If we decide not to ship it now, we can firm up the 9/30/91 shipdate. I told them it was okay to not to ship them for four reasons:

1. 1 developer and 2 testers can move on to other bugs, including grammar and spelling which are critical features and have lots of their own problems.
2. The Macro stuff is extremely buggy, so buggy that many obvious tests have not even been started yet. The only testing they have managed so far is just basic single line tests of functions, this alone has made macros have more bugs than the rest of the product combined. DDE statements are "almost" code complete.
3. Since the macros don't record, the audience for the feature is quite limited, and easy to find later when macros do work.
4. You don't beat your FY92 plan by 20% by shipping 2 months later than expected, especially because of a feature most people don't care about.

I axed the plan to ship again 2 months later. Neil will continue to work on macros, but the rest of the team will work on getting

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