

1994 Product Plans: Executive Summary

Introduction

- ▶ The 1994 Product Plans are the first step towards WPCorp developing the 1994 Business Plan. The product plans provide the following for each key product within WPCorp:
 - Market perspective
 - General product objectives and product positioning
 - Targeted product deliverables for 1994, 1995 and 1996

The product plans do not provide all of the marketing implementation plans for each product line. This information will be part of the 1994 Business Plans.

Strategic Objectives

- ▶ Clearly demonstrate WPCorp as a multiproduct software vendor.
- ▶ Re-establish total leadership in word processing across strategic platforms.
- ▶ Gain the #2 position in the electronic messaging market. Become the market leader electronic forms and workflow automation.
- ▶ Demonstrate leadership in Windows application markets.
- ▶ Launch and establish a successful consumer product line.
- ▶ Promote literacy.
- ▶ Create a sustainable competitive advantage through incorporation of linguistic technology in WP products.

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General Market Perspective

Market Conditions

- ▶ The forecasted install base of the key desktops at the beginning of 1994 is projected to be as follows (based on IDC, *Desktop Operating System Review and Forecast*):
 - DOS 89.0 M 65.7%
 - Windows 30.0 M 22.1%

• Macintosh	10.0 M	7.4%
• OS/2	5.0 M	3.7%
• UNIX	1.5 M	1.1%

- ▶ The SPA revenue numbers for business applications in first quarter 1993 was reported as shown below. This illustrates that the DOS market is on its downward turn, while Windows software clearly is on an upswing and now dominates as the leading platform for business applications.

• Windows	\$699 M	Up 114%
• DOS	\$502 M	Down 20%

- ▶ Tremendous growth potential exists within the electronic messaging, workgroup, and electronic forms market. LAN-based mail boxes will increase from 17 million in 1993 to 38 million in 1995. Workgroup application software (e-mail, calendar/scheduling, electronic forms, workflow, document management, etc.) is projected to increase from 336 million in 1993 to 1.3 billion in 1995. (IDC, *Workgroup Application System Market Forecast*)
- ▶ Consumer software is one of the fastest growing markets in the industry. Sales are projected to increase from a total \$430 million in 1991 to \$1.5 billion in 1996. (SPA, 1992)

Industry Trends

- ▶ Suites and software bundles are becoming a significant way for customers to acquire software.
 - The key issue for suites is product integration, including integration with workgroup computing. This is a major shift from being simply a pricing / packaging bundle.
 - Hardware bundling of application software is more than a trend – it is becoming a blitzkrieg tactic by Microsoft to take over market share.
- ▶ A new vehicle in software bundling is putting application software in the hardware of a PC:
 - One major product introduction by HP included applications stored in ROM in a new class of subnotebook computer.
 - PCMCIA cards for laptop computers are being positioned by analysts as a new mechanism for delivering software.
- ▶ CD-ROM technology is creating a new model for software distribution. Existing and potentially new channel partners will offer new delivery vehicles for distributing software. CD-ROMs will also be a vehicle hardware manufacturers will use to distribute software.
- ▶ Usability and intelligent learning aids are being promoted as an important trend in computing.

- Microsoft is already promoting the new feature called "IntelliSense" in yet unreleased software that learns how people work and tailors itself automatically for future ease of use.
- Apple's Newton product intelligently converts english phrases to computer commands and confirms with the user if that is what he/she wants to do.
- ▶ End user customization of applications will be increasingly more important in large account opportunities.
 - Off-the-shelf applications will be used as components of programmed custom solutions that corporate IS departments create through use of tools such as Microsoft's Visual Basic.
- ▶ New 32-bit operating systems have begun to appear and will be more dominant in 1994.
 - Microsoft Windows NT (now shipping) will largely be positioned as a "server operating system" (against NetWare), while Microsoft Windows 4.0 will be the high volume "client operating system." Both are 32-bit OS's and are positioned against OS/2 and UNIX.
 - Apple will be introducing the Mac OS for the PowerPC, their new high end desktop.
 - OS/2 2.1, which many analysts predicted would have little success, has had impressive initial sales that makes it a viable platform for the future.
 - IBM will introduce a micro-kernel based WorkPlace OS, positioned as a "server operating system," while OS/2 will be sold as the mainstream desktop OS for Big Blue.
- ▶ RISC machines will begin to challenge Intel desktops. IBM and Apple have begun promoting PowerPCs. Microsoft's Windows NT will run on multiple RISC processors. Novell's NetWare is being ported to run native on a variety of RISC systems. These new platforms will provide quite a bit of horsepower for server applications, such as WP Office.
- ▶ On the other end of the spectrum, Personal Digital Assistants, or PDAs, and other handheld devices are being introduced with a lot of fanfare. Apple and Sharp introduced new PDAs with handwriting recognition technology that will be the beginning of a new market.
- ▶ Object oriented technology is becoming a critical component of applications, with three key phases of implementation:
 - Phase 1: Object linking and embedding within a stand alone desktop. This is the stage the industry is in today with Windows OLE and Mac OS Publish and Subscribe.
 - Phase 2: Object linking and embedding between cross platform desktops across distributed networks. An implementation technology WP Corp will be supporting is OpenDoc, which will be available in all key GUI-based client desktops - Windows, Macintosh, OS/2 and UNIX.

- Phase 3: Full object-oriented distributed operating system, such as Microsoft Cairo or Talligent.
 - The result of object oriented technology is **document centric computing**. In this mode, the document becomes the integration point where objects from different applications can be brought together to create compound documents, simplifying the user's task of creating documents with a variety of different object types.
 - Object oriented technology has the potential to change the way applications are written, packaged / distributed, and used. Generally, applications will become less monolithic with lots of built-in functions to smaller, modular software components that create / edit a variety of different types of objects (text, graphics, tables, video, audio, etc.).
- ▶ The workgroup applications market is taking off. And a key area of focus by many major business application vendors is to provide workgroup functionality within standard business applications. Microsoft, Lotus and Borland are all very committed to this workgroup integration.
 - ▶ Document management is becoming critical due to increasing growth of networks and the introduction of distributed objects. Lotus, for example, is positioning Notes as their document management platform for their applications.
 - ▶ The consumer application market is the fastest growing in the software industry. Because of this, major business applications vendors are targeting the SOHO (small office, home office) market with their existing business applications through focused efforts to develop retail and traditional office supply channels. Many are also looking at new software titles, such as the area of edutainment (software that both educates and entertains), to sell to the home computer user market.

WISE Strategy Impact

- ▶ WP's cross-platform strategy is evolving to focus development on key client/server platforms. The company is moving away from development on shared processing systems.
- Key client platforms are #1 Windows, #2 Macintosh, UNIX, and OS/2 (equally) and #3 DOS.
- Key Office server platforms are #1 NetWare, #2 Windows NT, #3 UNIX and OS/2 (equally).
- WPCorp will be cutting back on DOS development as demand is slacking off and move these resources to other products and platforms.
- Data General, IBM MVS and AS/400 developments are being phased out. Only VAX

systems remain as a development platform, contingent on a successful relationship with Digital Equipment.

- ▶ Strategic relationships with Borland, Novell and others will impact product directions. The main goal of these relationships is to create a highly integrated solution that is more powerful than WP could achieve without the strategic partner.
 - The Apple / Novell / IBM relationship with OpenDoc will lead to WPCorp developing OpenDoc enabled applications on multiple platforms.
 - The Borland relationship on developing a powerful Windows suite product will lead to Windows application integration between WPCorp and Borland applications.
 - The newly emerging Novell relationship will facilitate WPCorp applications to be more tightly integrated with NetWare.
- ▶ WPCorp is focusing heavily on object oriented applications. Windows OLE 2.0 support will be the main focus for 1994. The first application to support OLE 2.0 will be WordPerfect 6.1 for Windows. OpenDoc will generally be supported in 1995.
- ▶ The four new operating systems that WPCorp will add support to in 1994 will be Microsoft's Windows NT, Microsoft's Windows 4.0, Apple's Mac OS for the PowerPC and Go's PenPoint OS.
 - Windows NT will initially be supported by WordPerfect 6.1. Later, support will be added by WP Office, InForms and Presentations.
 - Windows 4.0 is not expected until the fourth quarter of 1994 at the earliest. Most WPCorp applications will support it.
 - WP 3.0 for Macintosh will be released for the Mac OS on the PowerPC.
 - WPCorp will begin supporting PDAs and other handwriting-based devices with WP InForms for PenPoint. This will enable our electronic forms support on handheld computers.
- ▶ Additional advancements in cross-platform development are critical. WPCorp needs to spend more time developing key features and less time focusing on porting/tuning the same code to multiple platforms. Otherwise, WP will need to seriously look at cutting back on the number of platforms supported in order to maintain a leadership position.
- ▶ WPCorp will begin adding speech recognition, multimedia and imaging support into WP applications as technology advancements allow starting in 1994.
- ▶ WPCorp will strive to add and integrate linguistic technology acquired through the Reference Software acquisition into all applications. This technology has the potential to create a significant competitive advantage that will be difficult for other vendors to match.

- ▶ Applications will be enabled to fully support CD-ROM software distribution by 1994. This will require creating limited use versions for trial mode of operation. Complete electronic documentation will also be important.

Business Application Directions

- ▶ Business applications will begin adding more customization features. WordPerfect 6.0 for Windows is breaking new ground with user customization, enabling the user interface to be "tailored" to the usage needs of the user.
- ▶ 1994 will be the year of the suites for WPCorp. The Perfect Suite 1.0 will be introduced late in 1993, but the product will get most of its promotion and attention in 1994. In order to be successful in the suite area, WPCorp Windows applications will strive for higher product integration between each other.
- ▶ Further extending workgroup awareness of WP applications: This is going beyond email enabling to supporting multiple user document editing and providing a tighter integration with Office, such as storing user definitions, preferences and other configuration data in Office's directory service.

Workgroup Application Directions

- ▶ WP Office and InForms core functionality will be extended: Full, intelligent workflow facility for forms and other messages. Extended rules. Remote office support for Windows and Macintosh. Enhanced cross-platform server communications. Personal address books. Standards support (VIM and MAPI). Open APIs and toolkits for client applications. OLE 2.0 support. Enhanced security.
- ▶ Document management services, while not developed as a product plan at this time, is being explored rigorously. The goal is to provide these services in 1994, have the facility tightly integrated with WP Office, and have it supported by all business and workgroup applications.
- ▶ WPCorp will work closely with key third party developers to have their products compatible and integrated with WP Office and InForms. This will extend workgroup support for imaging, voice and telephony, wireless communications and enhanced standards support (for example, X.400). Also, WP Office will have better integration with network operating systems, such as Novell NetWare and Banyan Vines, and other workgroup applications, specifically Lotus Notes.

Consumer Application Directions

- ▶ WPCorp will officially launch the consumer product line at Fall Comdex 1993. These applications will begin shipping in the first quarter 1994.
- ▶ There are three key areas of focus for consumer applications:
 - Personal productivity applications. This includes Grammatik, Language Modules and a

new, integrated personal information manager (CIA).

- Products targeted directly at the small office / home office (SOHO) market. This includes WP Works, WP Communications/ExpressFax (to be called ModemWorks in the future) and LetterPerfect.
- Consumer reference software that may be jointly developed with a third party publisher. This includes Random House Webster's and Harper Collins dictionaries, and WP Clip Art.

General Product Objectives

WorkGroup Applications

WordPerfect Office

- ▶ Gain market share through 30% of new purchases
- ▶ Establish WPCorp as a leader in electronic messaging, workflow and rules technology, and email, calendar, scheduling, task management, etc.

WordPerfect Informs

- ▶ Capture 30% market share
- ▶ Establish Informs as a leader in the electronic forms distribution market

Business Applications

WordPerfect

- ▶ Further establish WPCorp as the leader in word processing.
- ▶ Be number 1 in market share in DOS, Windows, UNIX and OS/2 markets and number 2 in market share in Mac and VMS markets for shipments during 1994.
- ▶ Establish WP for Windows as the best-selling Windows word processor worldwide.
- ▶ Shorten the window for cross-platform support of new releases.

WordPerfect Presentations

- ▶ Establish WP Presentations for Windows as the most comprehensive presentation graphics package by developing ease-of-use features while maintaining a lead in technology advancements.
- ▶ Capture 11% market share of new worldwide shipments during 1994.

The Perfect Suite

- ▶ Establish WPCorp as the premier provider of suites
- ▶ Provide excellent integration between the suite applications, including the Borland products
- ▶ Capture 15% market share of new worldwide shipments during 1994.

Consumer Applications

- ▶ Reach 20%+ consumer product market share
- ▶ Top selling consumer titles through all appropriate channels
- ▶ Increase sales within the WPCorp installed base

WordPerfect Technology Innovations

As we look to 1994 and our future enhancements, it is important to look at both past and expected technology innovations the company has developed and will develop.

Past Technology Innovations

- ▶ User definable keyboards
- ▶ Record and play macros
- ▶ Tables
- ▶ Equation editing
- ▶ Cross-platform document compatibility
- ▶ Automatic font changes
- ▶ Button bar
- ▶ Power bar
- ▶ Coaches
- ▶ Floating cells
- ▶ Automatic document detection
- ▶ Printer control and background printing
- ▶ Print preview
- ▶ Thesaurus
- ▶ Grammer checking
- ▶ Customizable status line
- ▶ Runtime sharing of common code elements for our Windows applications
- ▶ Quickfinder document indexing and searching
- ▶ Table of authorities
- ▶ Hyphenation
- ▶ Integrated email, calendaring and scheduling
- ▶ Intelligent gateway to PROFs
- ▶ Application shelf (WP Office)

Future Technology Innovations

- ▶ Integrated voice technology and speech recognition
- ▶ Consistent document management support across a distributed environment
- ▶ OpenDoc integrated document-centric computing
- ▶ Integrated email with voice mail
- ▶ Morphological-based document processing

Product Deliverables

Listed below are major U.S. product releases from fourth quarter 1993 to the first quarter of 1995.

WorkGroup Applications

<u>Product Name, Version</u>	<u>Platform</u>	<u>Ship</u>
• WP Office 4.0	UNIX (One platform)	10/93
• WP Office 4.1	Windows, Mac, DOS	1/94
• WP Office 4.0	OS/2	3/94
• WP Office 4.0	UNIX (All platforms)	3/94
• WP Office 5.0	Windows, Mac	12/94
• WP Informs Filler 1.0	DOS	11/93
• WP Informs 1.1	Windows	12/93
• WP Informs Filler 1.1	OS/2	12/93
• WP Informs Filler 1.1	Mac OS	1/94
• WP Informs Filler 1.1	UNIX	5/94
• WP Informs Filler 1.1	PenPoint	6/94
• WP Informs 2.0	Windows	12/94

Business Applications

<u>Product Name, Version</u>	<u>Platforms</u>	<u>Ship</u>
• WP 6.0	Windows 3.1	10/93
• WP 3.0	Mac	10/93
• WP 6.1	Windows 3.1	3/94
• WP 3.0	Mac OS for PowerPC ¹	3/94
• WP 6.1	Windows NT	4/94
• WP 6.0	UNIX (One platform)	4/94
• WP 6.0	OS/2	4/94
• WP 6.0	UNIX (Five platforms)	6/94
• WP 6.0	OpenVMS ²	7/94
• WP 6.1	DOS ³	10/94
• WP 6.2	Windows 4.0 ⁴	10/94
• WP Presentations 2.1	Windows 3.1	12/93
• WP Presentations 2.2	Windows 4.0 ⁴	10/94
• Perfect Suite 1.0	Windows applications	2/94
• Perfect Suite 1.1	Windows applications	5/94
• Phoenix 1.0	Windows	10/94

NOTES:

1. Assumes the Macintosh Power PC ships March 1994.
2. Assumes successful business relationship with Digital Equipment.
3. Developing a WP 6.1 for DOS product is under evaluation and not fully approved.
4. Assumes Windows 4.0 (Chicago) ships October 1994.

Consumer Products

<u>Product Name, Version</u>	<u>Platforms</u>	<u>Ship</u>
• Grammatik 6.0	Windows, Mac	5/94
• Random House Concise	Windows, Mac	11/93
• Random House College 1.5	Windows, Mac	1/94
• Collins English 1.5	Windows, Mac	1/94
• RH Multimedia CD	Windows, Mac	4/94
• WP Works 2.0	Windows	1/94
• WP Works 2.0	Mac OS	3/94
• WP Works 3.0	Windows	12/94
• WP ModemWorks 3.0	Windows, Mac	2/94
• WP ModemWorks 4.0	Windows, Mac	1/95
• Clip Art CD	Windows, Mac, DOS	11/93
• Clip Art Best 1, Best 2 (Floppy)	Windows, Mac, DOS	12/93
• Clip Art Multimedia CD	Windows, Mac, DOS	1/95
• WP CIA 1.0	Windows	1/94
• WP CIA 1.0	Mac	8/94
• WP CIA 2.0	Windows	11/94
• WP Language Modules 6.0	Windows	12/93
• WP Language Modules 6.0	Mac	4/94
• WP Language Modules 6.1	Windows	5/94