SUITE PRODUCT MARKETING

JUGGERNAUT

MARKETING REQUIREMENTS DOCUMENT

WPCorp Confidential

REV 1.0

Nov-25-011043

TABLE OF CONTENTS

Signoff Review Sheet

WordPerfect Corporation
Mark Calkins - VP Strategic Product Marketing

Tom Mallory - VP Suite Product Development

Eric Meyers - Director Suite Product Development

Scott Nelson - Product Marketing Director

Distribution List

~~Li Pietveid~~
John Lewis
Duff Thompson
Mark Calkins
~~Dave Moon~~
Kim Cooper
Rod Brooks
Glen Mella
Andre Peterson
Tom Mallory
Greg Blackham
Bruce Brerton
Shawn Reid
Steve Wietzel
Stewart Nelson
Jeff Mallet
Shirley Chu
Todd Titensor
Eldon Greenwood
Phil Barney
Sam Yee
Jeff Larsen
Courtney Johnson
Greg Butterfield
Chad Latimer
Steve Sorenson
Brad Jackman
Greg Heaps
Bob Hughes
Layne Howel
Enc Nelson
James Kemp

Nov-25-011045

Product Objectives:
- Provide an alternative to traditional suite buying
- Establish a leadership role in the area of custom suites
- Provide an option for the customer to build a personal suite of integrated applications based on personal or corporate computing needs
- Position WPCorp as the leader and innovator in customized suite software distribution
- Create a product that has the potential to generate significant revenue for WPCorp
- Build a more competitive, complete suite offering
- Build on our suite momentum
- Become the number two suite product/vendor
- Enhanced program, task and people integration
- Decrease cost of goods
- Build on the WordPerfect brand equity by changing the name and restructuring product mix and positioning
- Exploit the role of word processors in driving the suite purchase

Development Objectives:
- Build an interface which engages the customers and motivates them to discover, try, and purchase the software
- Provide great integration tools and scripts which will install automatically based on the customers suite mix
- Provide stable encryption/decryption and test drive technology
- Focus on data integration
- Provide integration with applications outside the suite
- OLE2 integration
- Product stability/reliability
- Provide an interface through DAD which allows users to execute common tasks from the desktop
- Limited common UI
- All products to support PerfectFit integration
- Provide simple cross application scripting
- Provide a Visual Basic answer through support of Novell's Visual App Builder
- Provide a number of automated task functions which are accessible from DAD
- Provide a number of ALMs which enhance product/task integration

Communication Objectives:
- Position WPCorp as the premier provider of custom suite applications
- Customization, flexibility, have it your way— no shelfware — Communicate this message effectively
- Redefine integration
- Provide an aggressive, easy transition for DOS users
- Integration of programs, tasks and people
- Easiest to use suite
- Easiest transition suite
- Most powerful tools
- Integration through PerfectFit integration kits into existing environments such as 1-2-3 or Excel
- Open solutions vs proprietary

Marketing Objectives:
- Assume a leadership role as the innovator in the suite market
- Effectively communicate Juggernaut as a way for customers to build custom suites
- Creatively distribute Juggernaut broadly in the first year to establish a leadership role
- Provide an aggressive, easy transition for DOS users
- Pass Lotus as the #2 suite vendor in early 1995
- Provide timely release schedules for domestic and international markets
- Provide the best sales tools for our sales force domestically and internationally
- Position WPCorp as a major suite vendor
- Leverage Novell and the vision of providing networked applications via the suite

Proposed Product Name and Mix:

Nov-25-011046

Business	Workgroup	Consumer	Legal	Medical	Financial
WordPerfect	Office	IntoCentral	Black's Law Dictionary	Stedman's 25 Speller	Quicken
Presentations	InForms	ExpressFAX	Black's Legal Speller	Stedman's Definitions	Quick Books
Quattro Pro	Soft Solutions	Works	CompareRite	Stedman's	Quick Pay
Paradox	Envoy	ClipArt	CheckCite	Illustrations	
Visual AppBuilder	Personal Netware	R.H. Dictionary	CiteRite	Dragon Linguistic	
		Bitstream Font Pack	FullAuthority		
			HotDocs		
			TimeSlips		
			PowerTools for WP		

Nov-25-011047

INTRODUCTION

The purpose of this document is to outline the marketing requirements and product specifications for a unique suite CD-ROM product offering from WordPerfect Corporation. For purposes of this document the internal code name is Juggernaut—formerly referenced as Select Set. The premise for developing this product is based on the customer's desire to build custom suites of application which evolve around the needs of the user. This, in opposition to our competitors current direction of supplying a standard set of applications that may or may not be used. Additionally, the application provided in this unique offering should integrate well into existing environments where other popular applications exist. The product will also provide a number of vertical market applications which integrate well into various products which are available on the CD-ROM medium.

NEW PRODUCT (OR NEW RELEASE) OBJECTIVES

Market Share Objectives - Scott 10 -13 percent market share

The Juggernaut product is another iteration of our suite direction. The main objective with this product is to provide a point of differentiation for customers interested in purchasing suites. Any marketshare that we gain as a result of the success of this product will be attributed to our overall marketshare goals. That goal is to capture 10 - 13 percent marketshare by the end of 1994.

Revenue and Shipment Forecast: - Matt/Bill
This table is based on a model which forecasts an initial buy or response rate of 2%, increasing to 6% after the first 12 months. It also assumes an average cost of goods of $2.75 and no initial customer purchase cost for the CD. Sales of software from the CD are projected to begin in August 1994. The information in this table covers the period August 1994 to July 1995.

In February 1995, a Windows 4.0 (Chicago) version of the CD will be produced. This new "blitz" is reflected in the increased shipments in the first quarter of 1995 over the prior quarter.

	3rd Qtr '94 (2 months)	4th Qtr '94	1st Qtr '95	2nd Qtr '95	3rd Qtr '95 (1 month)	Total
Units Shipped	100,000	275,000	550,000	600,000	200,000	1,725,000
Units Sold	2,500	10,250	26,500	34,000	12,000	85,250
Gross Revenue	375,000	1,537,500	3,975,000	5,100,000	1,800,000	12,737,500
Cost of Goods	275,000	756,250	1,512,500	1,650,000	550,000	4,743,750
Net Revenue	100,000	781,250	2,462,500	3,450,000	1,250,000	8,043,750

Nov-25-011048

Market Conditions:
- Windows is the preferred operating system
- An estimated 40 million copies of Windows exist in the market place
- Software average selling prices are dropping
- Our competitors are totally focusing on selling suites and moving away from an emphasis on individual applications
- Our competitors are focusing on winning desktops by selling suites
- According to InfoCorp the following marketshare data indicates that 1993 closed with Microsoft 77%, Lotus with 15% and WPCorp/Borland with 8%
- CD-ROM drive prices are coming down and as such are more available to the masses
- Some hardware vendors expect to ship 40-50 percent of their computers with CD-ROM drives in 1994.
- As OLE becomes more widely used and accepted and as operating systems force the issue on common user interface standards, applications from different vendors will be able to exchange data easier than ever before.

WPCorp Market Position:
- Number 3 now
- We are recognized as a legitimate suite contender
- We have been recognized for having strong individual applications, best install, best application manager and best Workgroup support
- The industry is questioning our ability to address common user interface issues, relationship issues and support issues

The Borland Office is clearly the perceived number three suite product. However, with the release of version 2.0 we changed perceptions and are perceived as a legitimate suite contender. We have completed our press/analyst tour and feedback was positive. Although we are number three, we accomplished a number of our public relations objectives—to position Borland Office as a credible product in the suite market and to show evidences of the benefits that will result by the companies working together. Additionally, there have been three suite reviews and we have been included in all three and have scored reasonably well in all three.

Our biggest obstacle is overcoming the relationship and support issues. The industry is very skeptical of our ability to work with Borland and question our divided support strategy. Our competitors are pushing the single vendor solutions and single vendor support advantages very hard.

Competition:
Encrypted software on CD-ROM is fairly new to the PC Windows marketplace. Other companies such as InfoNow have provided encrypted software on CDs for a few years now. Their initial business model was to provide these CDs to large corporations. They required that the corporations place a dongle on their PC for added security for unlocking the software. It was necessary to set up relationships with each individual company to distribute the dongle and set up the purchasing process. They discovered that it was difficult to get the companies to accept this new method of purchasing software. The process to set up the accounts was time consuming and once the account was set up, companies often would not order much software.

InfoNow changed its business model and other companies such as IBM, Softbank, and Rainbow have further defined more convenient methods of purchasing and distributing software on CDs. Distribution methods include OEM and direct marketing of the CDs. This has proven to be much more successful, however, users are not yet purchasing substantial amounts of software this way. This can be attributed to the fact that these vendors are not giving users enough incentive to purchase software from an encrypted CD.

Pricing of software on the CD is comparable to what a user would pay at a retail outlet and it is believed that users entrenched in the traditional method of purchasing software cannot see the same value in the software unlocked from the CD that they see in receiving a bulky box with printed documentation. It has been found, however, that users are using the CDs to discover and evaluate software. Each CD contains several sales tools that aid the user in discovering and evaluating software.

Nov-25-011049

Industry Trends and Observations:
It is believed that software distribution via encrypted CD will increase significantly in the next 12 to 24 months. This is in part due to the expected decrease in price of CD-ROM drives. Also, in part, due to the large number of CDs that will be introduced into the market in this time frame. By the end of 1994 CD-ROM drives are expected to hit the $100 mark. A year later, they will cost approximately $50.

Software vendors are looking for less expensive means of distributing their software. The encrypted CD offers a very low cost method of distribution. CD distribution of software is only the beginning. Other technologies are improving and future distribution of common software will be done electronically. CD distribution is seen as a step in this direction.

TARGET MARKETS

Target Users:
- Corporate IS, Corporate Strategic Planning
- Medium sized business
- SOHO
- Power users or early adopters with CD-ROM drives

Target Systems:
- Intel based 386 machines
- Windows 3.1
- 6 megabytes of RAM
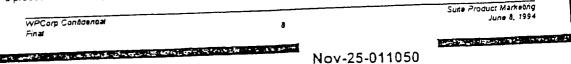- Machines with at least 120 megabytes disk space
- VGA display
- CD-ROM drive

Target Channels:
- Third party fulfillment house
- Corporate Outbound (Software Spectrum, Corporate Software, Egghead, etc.)
- Computer Superstores (CompUSA, Computer City, etc.)
- Software Specific (Egghead, etc.)
- Mail Order (Multiple Zones, PC Connection, PC Warehouse, etc.)
- OEM
- Office Superstores (Office Max, etc.)
- Direct Marketing
- Trade publications

PRODUCT DESCRIPTION

- Unique CD-ROM product offering which allows the customer to build a custom suite of applications based on personal needs
- Provides the flexibility to mesh within an existing computing environment
- No shelfware
- Allows the customer to discover, evaluate, purchase and revisit the CD based on future needs
- Primarily comprised of Select business, consumer, third party and third party vertical applications

Juggernaut is a unique suite CD-ROM product offering designed to provide customers with the ability to build their own custom suite of applications. Juggernaut is also designed to provide a "Perfect Fit into a customers existing computing environment by providing a number of integration kits. For example, these kits will allow WordPerfect to integrate with Lotus 1-2-3 or Microsoft Excel almost as well as WordPerfect integrates with Quattro Pro. The intent is to provide flexibility for the customer to choose his/her environment without imposing a product mix on them or forcing them to pay for applications they won't necessarily use. Through a very engaging interface the user will be able to go through a process of discovery, evaluation/trial, and ultimately purchase of the product. Juggernaut will primarily be comprised

Nov-25-011050

of our Windows business applications, select writing tools, select consumer products, select third party applications and select third party vertical applications which compliment our business applications.

Product Requirements:

<u>Features</u>

Juggernaut will eliminate the negative aspects associated to the traditional suite market. Users will be able to build their own custom suite. The intent is to position Juggernaut as the "customizable suite." Each application will be targeted toward business users. Third-party vendor applications will also be included on the CD that compliment the WordPerfect applications. In all there will be approximately thirty products included on the CD. Users will be able to select which applications they desire. Based on the number of applications chosen, the user will receive a discount, thus, giving the incentive necessary to purchase software in this way.

Between five and ten standard, pre-selected suites will be suggested to the user. Listed next to these suites will be the price. Also listed will be the stand-alone price for each individual product. A meter will graphically show users how much money they will save by buying the suite of products verses the stand-alone products.

As the user first begins the program there will be an engaging multimedia presentation that introduces Juggernaut and provides a quick tour of the program. Juggernaut will be based upon the three basic elements of buying software. These include the *discovery, evaluation,* and *purchasing* processes.

- Discovery
  Users will be able to discover what products are available on the CD in several ways. They will be able to find products based on criteria such as product name, category, task/job. There will also be an "advisor" feature that helps the user find products.

- Evaluation
  Several tools will be included on the CD to aid the user in the evaluation process. Each product will have any number of these elements but not necessarily all of them. They are as follows:

- Product Specifications
  A detailed list of system requirements, including recommended RAM, hard disk space, Windows version, and other hardware or software requirements. Hard disk space should include standard and minimum installations. Although these specs should include the same information as the System Requirements on the product box, it does not need to be limited to that.

- Product Reviews
  These reviews are electronic copies of the actual print review from the magazine and presented in the magazines' format. Two product reviews from print media and one page maximum of quotes. PMOs and PR staff would select the reviews for each product. The product PR people will obtain reprint rights from the magazines.

- Feature Comparisons
  A scaled-down (two page maximum per product) version of the feature comparison chart found in the product's evaluation kit. This would be displayed as a WPWin document (table). The chart should identify key areas of comparison, e.g. file management in WPWin over Word and Ami Pro, or Office's scheduling/calendaring over cc:Mail and MS Mail.

- Demo/Infomercial
  A feature-oriented or benefits-oriented self-running demonstration of the product.

- Trial Version
  A version of the application that does not allow the user to perform a few key functions such as SAVE or SAVE AS...

- Quick Testimonials

Nov-25-011051

A short video or videos (15 seconds) of testimonials given by users or purchasers of the product. They could perhaps be sitting in their office using the product and say why they bought or what they like best about the product.

- Top 10 Features/Benefits
  A list of either the top 10 reasons to buy the product, the top 10 features or the top 10 benefits of the product. It answers the question, "why should I buy this product?"

- Electronic Brochure
  An electronic version of a brochure for the product.

- Miscellaneous Features
  Other features on the CD will be provided to both add value and gain information from the users to aid future development efforts of Juggernaut. These elements are shown below.

- Registration Survey
  A button in the interface indicates that the user can receive a free product if they fill out a survey and call in to register. A number or code is generated from the survey that the user reads back to the fulfillment center. The code can be deciphered to determine the answers to the survey. The user's name and address is also collected during the phone call. At the completion of the phone call a key is given to the user to unlock an application. The survey questions will be provided at a later date. It will include information like RAM, hard disk size, software owned, speed of CD ROM drive, if the user has direct access to a CD ROM drive, etc..

- Integration Tools
  DAD button bars that integrate applications together will be available to the user with any purchase. These are necessary to give users the sense that Juggernaut is in fact a truly customizable suite.

- Purchasing
  As users are perusing the CD, they will be given the opportunity to add products to a shopping list. When they are finished discovering and evaluating, a purchasing screen will come up that shows the products chosen. Users will be required to call an 800 number to receive a key number that will unlock the software from the CD. The user will read a unique serial number off the CD or CD packaging to the fulfillment center operator. They will also read an order number generated for the current session. The unlocking key read back by the fulfillment center operator will be based partially on the serial number of the CD, partially on the generated order number and partially on the products ordered. After the user types in the unlocking key they will be offered the choice of either copying the applications' span sets to floppy, to the hard disk drive, to install the software directly, or any combination of these.

Product Mix:

Business	Workgroup	Consumer	Legal	Medical	Financial

Nov-25-011052

WordPerfect Presentations Quattro Pro Paradox Visual AppBuilder	Office InForms Soft Solutions Envoy Personal Netware	InfoCentral ExpressFAX Works ClipArt R.H. Dictionary Bitstream Font Pack	Black's Law Dictionary Black's Legal Speller CompareRite CheckCite CiteRite FullAuthonty HotDocs TimeSlips PowerTools for WP	Steadman's 25 Speller Steadman's Definitions Steadman's Illustrations Dragon Linguistic	Quicken Quick Books Quick Pay

International Requirements:

Fulfillment - If we use the same fulfillment center for international markets (which is preferable), we must insure that it can provide the same level of service as it does in the states, and that it has multi-lingual capabilities. The fulfillment center must be able to handle a different range of products and services than the center in the States.

Localization - In order to release a timely localized version, Medior must agree to provide a certain level of localization—such as multimedia (which WP has never localized). Additionally, we must insure that the complete interface is localizable in a timely fashion. This includes not using Bitmaps, or other labor intensive methods. Or (even better) contractually bind Medior to localize a certain number of foreign language versions (such as French, German, and Spanish) for us.

Distribution - A potential problem exists in spillover. If we do a mass distribution of Juggernaut (which is not a bad idea), we need to insure that international currencies are accounted for (I.e Someone in Singapore gets a hold of the CD and wants to buy a bucket load of software, but needs to know a general conversion rate, or see their currencey in the price calculations). Additional spillover problems exist with other issues (promos, special offers, etc.).

We must provide a localized version of Juggernaut in the following languages and markets, as soon as possible (No later than 4Q 94):

Language Version	Market
UK	UK New Zealand East Asia (Singapore, Hong Kong, etc.) South Africa
CE (Canadian English)	Canada
CF (Canadian French)	Canada
OZ (Australian)	Australia
FR (French)	France
DE (German)	Germany

These language versions will have a minor re-mix of the product offering in order to capitalize on any local, popular applications unique to that particular market.

Third Party vendors - In order to avoid a complete re-mix of third party applications, we should place the availability of localized versions of their software as a high priority when choosing which products will be on our CD.

Target Release Date:
　　Alpha Trial: May 31, 1994
　　Code Complete: June 30, 1994
　　Beta Testing: July 15, 1994

Nov-25-011053

Release to Manufacturing: August 31, 1994
Street Date: September 15, 1994

Documentation Requirements:
The compelling advantage of CD ROM media is its ability to significantly lower product costs by eliminating diskettes and printed documentation. These advantages will be utilized to their fullest extent with this new CD effort.

Instructions for using the CD will be printed on the inside of the CD packaging. No separate documentation will be distributed with the CD. International versions will be localized in the standard manner, with changes to the packaging and CD contents where needed.

Customers purchasing software from the CD will have an option to order printed documentation. This will be handled through the same fulfillment center which handles the software decryption. Because of the potentially large number of products available on the CD, no effort will be made to provide consistent documentation beyond that which is already provided in the standard suite (Galaxy).

[Note: The issue of providing printed documentation is certainly open for discussion. We may decide not to offer it except through the company providing the software, thus reducing fulfillment costs to us.]

Separate instructions will be provided on the CD to address questions concerning software installation directly from a CD. This will eliminate any need for an errata or addition to the regular documentation to address CD-specific issues. Our objective will be to provide the customer who wants printed documentation as good an experience as they would have had if they had installed directly from diskettes.

Technical Support Requirements:
Each product included on the CD will be required to provide its own support. The fulfillment center will likely receive phone calls pertaining to support of the products, however, these must be referred to the appropriate company.

A support line must be provided for other support issues pertaining to the installation and operation of Juggernaut. Problems may arise from system incompatibilities. Of course, every effort must be made to minimize the potential problems associated with Juggernaut.

Positioning Strategy:
As was mentioned in the introduction the main premise for developing Juggernaut is to provide a point of differentiation between our product and our competitor's products in the suite market. Since we were late to market with our traditional suite product, finding a point of differentiation which would put us in a position of leadership was the goal. Recently, two suite surveys have been completed by InfoCorp and Computerworld. One of the statistics which resulted from these surveys was the customers preference of building custom suites based on the best applications. In addition, in a recent suite review conducted by PC Week, strength of the individual applications which make up a suite was, in their view, one of the most important criteria in evaluating suites. Thus, the following unique positioning points:

- Provide the customer a choice of building a custom suite based on personal and business needs
- Provide the customer the best set of tools (applications) to help them do their work more proficiently
- Provide the ability for all types of customers to evaluate the product
- Provide the customer the ability to continue to build or add to his/her personal suites as their needs grow
- No Shelfware
- Provide a product which will easily integrate into an existing environment where standards may have been established

Critical Success Factors:
Juggernaut is a new approach to distributing software for WordPerfect. Several factors are critical to the success of Juggernaut. These are as follows:

- Aggressive pricing - offering the value perceived in suite sales
- Engaging interface that smoothly draws the user to explore all the aspects of Juggernaut
- Positioning consistent with suite market

Nov-25-011054

- Positioning which conveys the "customizable suite"
- Integration features that tie products to one another
- Creative distribution model
- Interface must be localizable
- 3Q release
- Fulfillment must meet domestic and international needs

RELATIONSHIP TO OTHER WPCORP PRODUCTS

Product Interdepencies:

WPCorp is currently working on several CD projects. Potential marketing conflicts exist if other CDs containing encrypted software are not positioned in such a way as to differentiate them from Juggernaut. As WPCorp helps to define and develop the encrypted CD software market, there may be opportunity to gain equity from each of WPCorp's other similar projects. Coordination efforts between the various product groups must be made in order to maximize equity and minimize confusion in the marketplace.

Nov-25-011055