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**Worldwide Solutions Sales & Marketing Group
Business Plan**

Education Organizations Sales & Marketing

Sally Jenkins, Group Manager

Overview

The following pages summarize the business plan for selling and marketing to Education Organizations in fiscal year 1995. The Education Organization plan focuses on increasing market share, mind share, and revenue.....in that order! Strategies and tactics for fiscal year '95 will center around five core goals:

- Drive technology integration into instructional and administrative settings
- Increase mind share and demand - create *lifetime customers*
- Increase revenue and market share
- Feed the private and public sector with Microsoft-literate computing professionals
- Develop a strong, consistent image for Microsoft as an effective contributor to the technology evolution in Education

Achieving these goals is dependent on worldwide leverage and collaboration among all sales, marketing, product, and operations groups and strategic partners. This year, more than ever, there is a keen interest and desire shown by educators, government, and the private sector to enhance the educational process through technology use and integration - not just in the classroom, but also in running the business of education.

Microsoft's Solutions Strategy provides the foundation for responding to this growing demand. The sheer numbers of parents, children, educators, governments, and private sector customers that are influenced through local education organizations presents an impressive population of potential lifetime customers. The creation and crisp execution of a highly leveraged marketing and sales model is essential for success in this market and reaching other markets it feeds to successfully develop these lifetime customers. The model must reach the masses economically and efficiently and must fully integrate all of Microsoft's core products and systems strategies in every component of the educational process.

To accomplish this, sales channels will be broadened and improved to respond to growing demand and limited Microsoft direct sales resources. High impact Solution Providers will be targeted, nurtured and developed as extensions of the worldwide sales force to deliver worldwide academic and administrative solutions. Core sustaining marketing programs dedicated to generating demand and mind share will be outsourced for optimal efficiency and reach. A clear, concise public relations plan will be executed oriented towards solutions stories and Microsoft's contribution to education. Product groups will be engaged in the marketing process and best selling practices from around the world will be collected, supported through marketing programs, and shared to ensure optimal use of resources and broadest reach is achieved.

Mission

Establish Microsoft in Education as:

- the worldwide leading supplier of software to schools;
- the primary influencer of administrative and instructional technology solutions; and
- an effective, enthusiastic, and visionary participant in the process of education and the technology evolution.

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Where We Are Today

REVENUE

Much of this section is based upon education market experience and history in the United States. Country revenue and market data will be added to provide a worldwide perspective, as individual countries submit information. For the past four years, measurable revenue (limited to academic edition skus only) has steadily increased, with the exception of fiscal year 1993 when the IBM ACIS \$20 million dollar revenue stream decreased to less than \$5 million. The upward trend is expected to continue in FY'95. We believe this year marks an opportunity for high growth that will be fueled by the release of our core systems and server products and the momentum that will be created by the product launch efforts. We believe a similar effect occurred in 1991 when Windows 3.0 was brought to market.

Fiscal Year 1990	Fiscal Year 1991	Fiscal Year 1992	Fiscal Year 1993	Fiscal Year 1994
\$28,897,689	\$42,640,803	\$56,495,574	\$55,929,955	\$60,000,000*

*estimated

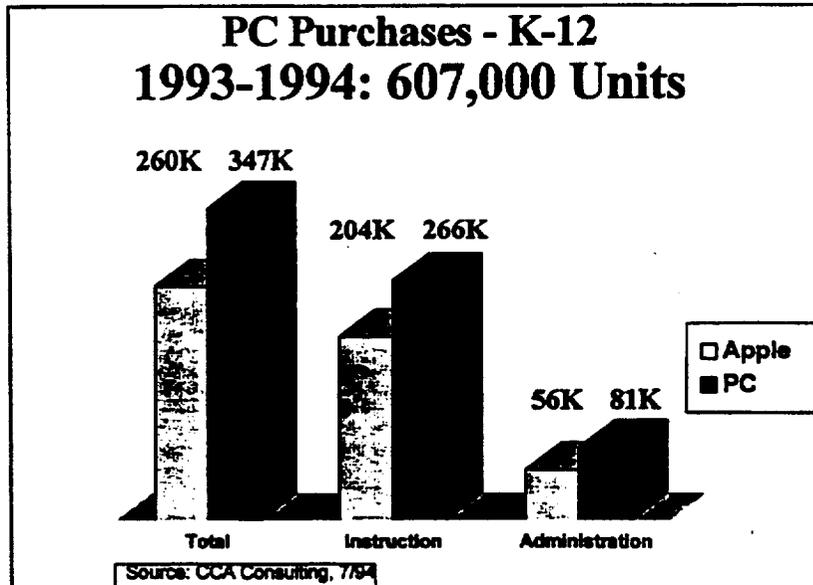
THE CHANNEL

The U.S. channel is comprised of 9 distributors and franchisers, 3500 Authorized Education Resellers (AERs). Also selling to Education are certain large volume resellers - Egghead, 800 Software, ASAP Software, Corporate Software, Matrix. OEMs include IBM, Dell, Jostens, Compaq, Acer, Packard Bell, Tandy, AST & Gateway.

TRENDS

Trends impacting the increase in technology integration in Education include:

- Microsoft's Chicago will enable universal access to information and resources, facilitating collaborative teaching and learning on-line.
- Schools are migrating to Windows/Chicago fast! At the end of 1993-94 school year, purchases of new Windows desktops in K-12 classrooms surpassed Apple. Of the 607,000 total units purchased last school year, Windows represented 55%.¹
- In Higher Education, organization desktops are already dominated by DOS/Windows-based machines² representing more than 70% of the total installed base of 1.9 million desktops. Higher Education desktops are refreshed at an approximate 20% annual rate, with the mix of systems platforms remaining fairly consistent - 70% Windows, 5% UNIX, 25% Macintosh³.



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¹CCA Consulting 1993-94 K-12 Information Trends Study (syndicated)

²CCA Consulting 1992-93 Higher Education Benchmark Installed Base and Market Share Study (proprietary)

³CCA Consulting 1992-93 Higher Education Information Trends Study (syndicated)

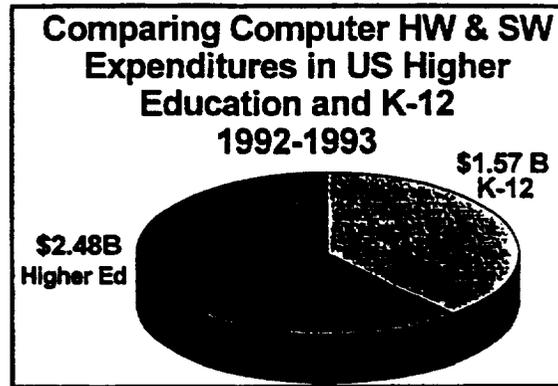
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- Early indicators of the Back-to-School college market are also showing a swift migration to Microsoft Office (from competitive offerings - Lotus SmartSuite and WordPerfect/Borland). In the first month of summer, Microsoft enjoyed a 71% marketshare through its largest campus distributor for the suite category of products. The platform mix is 99% Windows and 1% Apple for Microsoft Office during the first month of the Back-to-School promo.
- The technical workplace is starving for trained recruits. Schools are viewed as the public training and "re-training" ground. Schools are investing in certification programs, such as Microsoft's Authorized Academic Training Program to respond to public outcry and state-mandated retraining acts.
- There is money to spend on technology integration generated by numerous government initiatives and tax levies, at local, state and federal levels. They spent more than \$4 billion in 1992-93.



FY '95 Goals

- Increase market share and installed base by 10 percentage points
- Increase academic edition revenue by 20% worldwide through AE product and licensing programs
- Guide the development and signing of 10 "high impact" Solution Providers for administrative and instructional solutions that integrate BSD and POSD products
- Facilitate the migration of 50+ K-12 curriculum products to POSD and multimedia platforms
- Increase the number of Certified Professionals through the implementation of the Authorized Academic Training Programs in at least 5 countries to satisfy Solution Provider, LORG, and S/MORG staffing demands
- Deliver 3 turnkey selling tools to worldwide education managers to positively impact Microsoft's local presence and landed revenue

Strategies

Much like the small and medium organization segments, success for Microsoft in Education relies heavily on developing an extended sales force through channel partners, and heightening awareness through broad-based marketing programs, demand generation, and image building. To that end, core strategies include:

Build and arm the channel (SP, Reseller, Distributor, OEM) and worldwide sales force arsenal to win institutional and end user desktops.

- Execute broad-based product promos centered around seasonal and product launch opportunities through channels of distribution - Back-to-School (featuring Office for school work productivity), Holiday Season - "Home for the Holidays" - (featuring the Home line), College Bound Seniors - as examples.
- Position MOLP as the best licensing option for most education organizations' buying habits and technology needs, and as the best licensing option for Solution Providers who rely on selling MS products as part of their solution.
- Train the channel on the benefits of selling MOLP through a "re-launch of MOLP, and routine communique and marketing materials.

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Drive the integration of Microsoft technology into instructional and administrative solutions via targeted SPs, ISVs, partners, and individual faculty development efforts.

In certain scenarios, Education organizations serve as their own internal Solution Providers through delivery of in-service training for teachers, computing proficiency courses for students and faculty, and sophisticated administrative systems developed by internal information technology staff and students. They also rely on state departments of education and third parties to assist in technology integration - both traditional resellers and more sophisticated integrators. Tactics for FY'95 to support this process include:

- Team with the Developer Relations Group to deliver an ISV Education Summit for curriculum developers to assist with porting issues and co-marketing options for shipping solutions.
- Deliver and manage integration of AATP program into worldwide vo-tech and technical training courses. Explore mechanism to "feed" trained C.P.s back to the technical work force and extend AATP courses and certification to K-12 schools.
- Develop migration strategies and account relationships, in coordination with sales force, to sign 10 high-impact, strategic Education Solution Providers. Ensure client solutions are Chicago-ready and network/servers are migrated to BSD solutions. Targets include: Jostens, CCC, IBM Eduquest, Compaq, NCS, CASPR, Exeter Systems, Sequitor, SCT Banner Systems, Chancery, other OEMs as appropriate, and key textbook publishers.
- Recruit textbook publishers to incorporate Certified Professional subject matter and learning outcomes into their MS product textbook titles for use by AATP sites in generating CPs.

Drive demand, create awareness, and sell via one-to-many activities.

- Develop and deliver "Teacher In-service Training" to increase technology use in the classroom and decrease technophobia. Program will cover all Microsoft product lines.
- HELP '94-95....a straightforward workshop for educators who invest in technology (formerly known as Administrator Technology Days). Worldwide tour presenting a total solution for incorporating technology into K-12 administrative and instructional settings. HELP '94-95 highlights the best of Solution Provider solutions, third party Windows/Chicago/Multimedia-based curriculum, and all Microsoft products from Dinosaurs to Daytona and Chicago.
- Assemble and develop worldwide higher education advisory council and on-line support forum. Leverage the EMWAC for worldwide Windows NT and server applications support.
- Construct and deliver two issues of *Windows On Campus* - a third party publication (sponsored exclusively by Microsoft, but not advertised as such). Reaches 200,000 education decision makers.

Capture student and parent loyalty and purchases by exploiting the Home/School connection and seasonal opportunities in coordination with end user organization.

- Deliver Family Technology Nights to engage parents, teachers, and students and stimulate sales of Home and POSD products. Deliver technology "help" information at events to help parents better understand what is available and how technology is used in the education process and how technology can extend the education process to home.

Turnkey Sales Tools

- Assemble Model School Portfolio to assist in technology integration decision-making that includes real-life examples of networking CD-ROMs, successful AATP implementations and examples of technology plans centered around Microsoft's products and Solution Providers. Early adopters of Chicago and BSD solutions will be showcased as a priority in editorial and advertorial media.

- Whitepaper: UNIX to Windows NT Migration for Higher Education Settings (October)
- Whitepaper: Why Chicago is the best client for higher education (January)

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Directory of Academic Textbooks: For Microsoft Products for use by worldwide sales force and channel to deliver a total curriculum solution. Information included will be publisher, MS Product targeted (instructional or computing proficiency in focus), targeted grade level, whether software learning tools are included, and if the publisher is an AER.

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Guide the delivery of an aggressive public relations campaign to achieve placement of education solutions wins in key education and business media worldwide. Develop a consistent, strong, and effective image in worldwide markets.

- Develop 10 Solutions-In-Action case studies in FY'95 and use as editorial placement mechanisms and general awareness purposes.
- Design integrated, education solutions-oriented press release content timed to leverage the momentum product launch efforts.
- Integrate press generation materials into core marketing programs, such as Family Technology Nights.
- Maintain open dialog with education editors as recommended by public relations firm.

Working Together

As we make our execution plans we are counting on the participation of the Worldwide Field and Product Groups. As examples, we have highlighted several core projects below. Here is what we are doing and what we are counting on from others:

	Org Customer Unit	Other HQ	Subsidiaries	Worldwide Sales Force
Build and arm the channel (SP, Reseller, Distributor, OEM) and worldwide sales force arsenal to win institutional and end user desktops.	<ul style="list-style-type: none"> • Develop channel promos and incentives • Deliver MOLP training to channel and position MOLP as best licensing option for education organizations • Research and segment distribution channels and market installed base and market share for U.S. and provide template for country-by-country data 	<ul style="list-style-type: none"> • Product group ensure promo is understood and products are positioned appropriately • ECU execute promotion • Ensure products and academic pricing are represented 	<ul style="list-style-type: none"> • Leverage promos for localization • Position MOLP (and other Select license offers) as best solution • Localize channel training • Deliver common data points for research and channel analysis 	<ul style="list-style-type: none"> • Provide local support and call on high-impact partners to sell promo • Sell MOLP and call on high-impact partners to sell MOLP • Suggest MOLP to S.P.s as an option for delivering a total solution that requires Microsoft product
Drive the integration of Microsoft technology into instructional and administrative solutions via targeted SPs, ISVs, partners, and individual faculty development efforts.	<ul style="list-style-type: none"> • Co-deliver ISV Curriculum Summit and co-marketing message for shipping solutions • Deliver and manage AATP program • Target and shape plans to recruit and/or develop 10 high-impact solution providers • Create and deliver Teacher In-Service Training and Model Schools • Orchestrate and organize worldwide higher education advisory council and "on-line" peer-to-peer support • Leverage EMWAC 	<ul style="list-style-type: none"> • DRG to deliver technical porting and development context and funding of event • Continued cooperating from Education and Certification team • Product groups roved product specific dialog and evangelism 	<ul style="list-style-type: none"> • Possible localized delivery, once the model is tested in Redmond • Adapt AATP to individual country school systems • Submit recommendations and business profiles for highly leveraged S.P. recruits • Localize teacher training • Use and promote as peer-to-peer support for Higher Ed 	<ul style="list-style-type: none"> • Promote third party shipping solutions where applicable • Follow up appropriate S.P. recruitment opportunities generated by the ISV summit • Sell AATP to education targets • Apply local resources and account mgmt. to targeted S.P.s • Orchestrate one:many Teacher/Administrator technology events • Nominate council participants
Drive demand, create awareness, and sell via one-to-many	<ul style="list-style-type: none"> • Create, promote, and deliver components of HELP 94-95 • Assemble worldwide higher education advisory council 	<ul style="list-style-type: none"> • Product groups contribute product context help • P.R. assist in promotion 	<ul style="list-style-type: none"> • Localize for country use • Refer customers to worldwide support forum 	<ul style="list-style-type: none"> • Conduct events • Give feedback for refinement • Use worldwide forum as selling and support tool for customers

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<p>Capture student and parent loyalty and purchases by exploiting the Home/School connection and seasonal opportunities in coordination with end user organization.</p>	<ul style="list-style-type: none"> • Family Technology Nights program and promotion 	<ul style="list-style-type: none"> • Product groups integrate appropriate product content and co-fund • ECU promote channel involvement 	<ul style="list-style-type: none"> • Localize Family Technology nights 	<ul style="list-style-type: none"> • Use FTNs for one:many selling events and to stimulate sales in "feeder" markets (i.e. consumer, small biz, government)
<p>Guide the delivery of an aggressive public relations campaign to achieve placement of education solutions wins in key education and business media worldwide. Develop a consistent, strong, and effective image in worldwide markets.</p>	<ul style="list-style-type: none"> • Co-develop worldwide P.R. plan • Deliver Windows On Campus 	<ul style="list-style-type: none"> • Internal P.R. and agency co-develop worldwide plan • Product Groups advertise education solution and co-develop product positioning and white papers 	<ul style="list-style-type: none"> • Submit input and newsworthy material for inclusion in timed press release and editorial placement • Identify education publications and contacts for editorial development • Contribute to Windows on Campus 	<ul style="list-style-type: none"> • Nominate and submit SLA case studies • Use Windows on Campus as a reference selling and demand generation tool • Encourage S.P.s to contribute case studies and to advertise

Campaigns

The external positioning of Microsoft in Education is summed up in 3 core campaigns. They include:

1. **Creating Lifetime Customers** - by delivering access to Microsoft technologies and solutions to all ages and levels of computer expertise in support of the education process.
2. **Bridging the Gap** - by enabling technology integration, through solutions, at all levels of education and enabling educators and developers access to more and better information and training.
3. **Facilitating Life Long Learning** - by providing re-training opportunities at the college and post college level through accredited state and private education programs that will translate into jobs in the technical workplace.

Projects under consideration

- **USA Today** feature section (4-page insert) on Microsoft products and services in education. Readership is approximately 6 million.
- Academic Textbook certification and logo. Publishers incorporating C.P. subject matter and learning outcomes into their titles would be considered for going.

Timeline - First 6 Months

Month	Deliverable
July	<ul style="list-style-type: none"> • Educational Software Developers Conference in Redmond
August	<ul style="list-style-type: none"> • Global Change Conference (Vice President Al Gore) - Announce Microsoft K-12 Solutions for 1994-95 School Year • Back-to-School Office Promo (ongoing through Oct. 31) • AATP Program (community colleges starting fall semester) • Finalize P.R. Plan <p style="text-align: right;">MSC 00404388</p>
September	<ul style="list-style-type: none"> • Publish Solution Provider targets and profiles to field and DRG • Windows on Campus (late September) Issue 2 - Focus on Chicago, distance learning, Innovators in Higher Education Grant (focus on DDT Products), Solution Provider Directory • AATP push begins <p style="text-align: right;">FL AG 0021122 CONFIDENTIAL</p>

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October	<ul style="list-style-type: none">• HELP '94-95 - K-12 Technology Workshop Launch• Family Technology Launch• Education Solutions Directory• Education Section in Industry Help File• Whitepaper: UNIX to Windows NT Migration for Higher Education Settings
November	<ul style="list-style-type: none">• Educom - Comdex of Higher Education Faculty• CAUSE - Comdex of Higher Education Administrators
December	<ul style="list-style-type: none">• Home for the Holidays Channel Promotion (?) - Home Products• Teacher In-Service Training for Office and Chicago• Textbook directory

NOTE: Detailed programs available on \\solnmktg\public\educam\
95prohe (higher ed), 95prok12 (K-12), 95procc (community colleges), 95proaer (Authorized Education Resellers)

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**Worldwide Solutions Sales & Marketing Group
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Appendix to the Education Organization Sales & Marketing Plan

For: (Country)

Local Market Conditions

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Market Segment Data

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Top Local Goals (linked to ww goals)

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Local Strategies

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Key Tactics

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Key Success Factors

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Requirements for HQ Org Customer Unit (what must you have ?)

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