Office Friendly Agenda

A. Technical Content and Timing:

1. Agree to rough content
2. Agree to phased in approach to features and timing
3. Agree that beta's are not an entitlement

B. Pricing and Licensing

1. Development License ($1k), tied to new versions of Office Friendly
2. Eligibility: Agree to exclude competitors to Word, Excel, PowerPoint, Access.
   - Reach agreement on PIM vendors
   - Reach agreement on integrated vendors
3. Marketing License ($1k/application), tied to new version of Office Friendly and rev's of ISV product
   - Transferable and cancelable

C. Compliance

1. Agree to guideline strategies: 50% of feature set to pass compliance (review of examples)
2. Agree on how to handle exceptions
3. Agree to terms which will require a retest
4. Agree on how to handle cost
5. Decision on how to handle dual interfaces

D. ISV list and status

1. Review current vendors
2. Agree to contact additional ISVs

E. Marketing

1. Agreement to commitments we can make to ISVs (contractual/self funding)
2. Announcement participation parameters
3. International participation
4. Agreement to naming process
5. Logo/Brand dependencies understood and process defined for resolution
6. Trademarking issues resolved
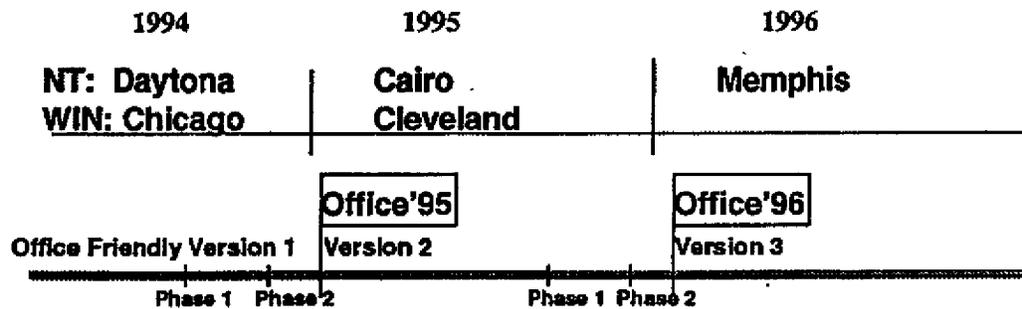
Office Friendly Discussion/Agreements

Technical Content and Timing

Issue: When do we make future versions of Office Friendly available to ISVs?
Recommendation: Office Friendly versions will be tied to major new releases of Office and will incorporate the relevant new technology of these releases (Chicago, integration/programmability, Cairo).

♦ Segment the feature set into two categories: Phase 1 and Phase 2.

- Phase 1: These base features will include all non-critical features and will be made available to vendors 16-20 weeks prior to the RTM date of Office. Implementing almost all of the phase 1 feature set will be enough to pass compliance for the new Office Friendly version.

- Phase 2: Because certain features do not freeze until late in the process, we want to be able to add cool features to Office Friendly. This will also help keep some features confidential and unique to Microsoft Office at the time of our new version. We will provide these to ISVs at the final marketing beta stage (6-8 weeks) prior to RTM.

1994	1995	1996
NT: Daytona	**Cairo**	**Memphis**
WIN: Chicago	**Cleveland**	

Office'95   Office'96

Office Friendly Version 1 | Version 2 | Version 3

Phase 1   Phase 2   Phase 1   Phase 2

Office Friendly version	Timing: Distribute specs	Announce	Contents
version 1.0	Feb. 1, 1994	May 22, 1994	Interface
version 2.0	Phase 1: November 1994 Phase 2: February 1995	Mar. 1995	Chicago interface features Some OLE 2 implementation
version 3.0	Phase 1: November 1995 Phase 2: February 1996	Mar. 1996	Cairo/Cleveland Full OLE 2, VBA

- Once Office Friendly version 2 or 3 specs are released, we will no longer accept marketing applications to license the prior version.
- ISVs can qualify to use the marketing logo on the "older" Office Friendly version as long as they ship prior to the RTM date of the next version of Microsoft Office. This means that when Office'95 ships, ISVs who release after that date, must be compliant w/ Office Friendly version 2.0 to have the logo.

Issue: If we distribute beta's to demonstrate how features should be implemented, how can we prevent company's with competitive applications from receiving the beta?
Recommendation: Beta's are not an entitlement to Office Friendly ISVs. The decision on who to give a beta is left to each product group. Only authorized beta licensee's will be able to see product betas.

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Pricing and Licensing

Pricing Objectives:
- communicate value to participants
- sets a hurdle so that only serious participants utilize our resources
- is consistent across target audiences and
- is not complicated

Issue: How much should we charge for each component?

Recommendation: Development license $1k per company for each version of Office Friendly
                      Marketing license $1k per application for each version of Office Friendly

1. Development License:

- $1000 for a non-exclusive, perpetual license for the Office Friendly version feature set for the first application licensed from each company.[1]
- Subsequent products will not be charged a license fee but will require that Microsoft is notified and gives written approval prior to implementation.
- Each new Office Friendly version release will require a new license.

For example:

ISV Product	ISV Version	Office Friendly Version	Fee	Causation
AutoCad	3.0	1.0	$1000	1st application, new version of Office Friendly
AutoCad	3.2	1.0	none	already licensed
AutoCad	4.0	2.0	$1000	new version of Office Friendly
3D Studio	2.0	1.0	none	covered by AutoCad, notice required
3D Studio	2.0	2.0	depends	depends on whether AutoCad is already licensed for 2.0

Issue: Who can participate in the development license?
Recommendation: Companies can use this license for any non-competitive product to Microsoft Office or its component applications (Word, Excel, PowerPoint, Access).

Issue: What happens when Office brand is expanded to include more applications?
Recommendation: We can change the eligible categories when we revise Office Friendly versions. We should not mislead vendors and should be clear if we intend to broaden the list.

Issue: Specifically, can other PIM vendors participate, Project Management? Do we grandfather people who are already in the program into future versions?
Recommendation: We have 2 options we can take and are leaning toward option 1.
- Option 1: PIMs are allowed for version 1. We stop talking to PIM vendors when we release Phase 1 of Office Friendly version 2. In version 2, PIMs become part of the core applications protected from competition. This Option, requires that we pre-announce to PIM vendors that we will not include them in the next round of Office Friendly.
- Option 2: Exclude PIM vendors as part of the core set today because we know beyond a doubt that this will be in Office. Legal is not comfortable with this option.
- Agree that competitive list will include only current categories and not grow beyond PIMs.

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[1] This copyright license is issued for a particular product and is not meant to be version specific.

Issue: Integrated category. Do we want to include them as competitors to Word and Excel? Legally, we can exclude integrated category as competitors because we have established that our MacWord and MacExcel business has been impacted by the integrated category. Legal is confirming that we can exclude this "category" and still allow Microsoft Works to participate (since we do not compete against ourselves). *Recommendation:* Because of the threat of a low-end wp or ss clone, we think that these competitors should be excluded as part of the above definition. For the sake of clarity it is better to call this category out specifically.

2. Marketing license:

- Marketing licenses are non-exclusive and based on ISV product version AND Office Friendly version in that the ISV must remain on the current Office Friendly release when they revise their products.
- The fee for the marketing program is $1000 for each application.[2]

For Example:

ISV Product	ISV Version	Office Friendly Version	Fee	Requirements	Causation
AutoCad	3.0	1.0	$1000	compliance	First application, new Office Friendly version
AutoCad	3.0a	1.0	none	none	already licensed, no changes to interface
AutoCad	3.2	1.0	none	no change to Office Friendly features	
AutoCad	3.5	2.0	$1000	new compliance testing	new version of Office Friendly, ISV must stay current.
AutoCad	4.0	2.0	none or $1000	if Office Friendly features have changed need compliance	Change in AutoCad implementation of feature set or first use of Office Friendly version 2.0.
AutoCad	3.0	2.0	none	no change until AutoCad rev's.	
3D Studio	2.0	1.0	$1000	compliance	discount for 2nd app
3D Studio	2.0	2.0	$1000		

Conditions:
- We reserve the right to terminate this program with 30 days notice.
- ISVs will be allowed to retain the use of the logo for a period of 6 months past the termination date.
- If a vendor is a new participant (less than 6 months), Microsoft will refund their marketing fee.
- Given an ISV acquisition, this program is transferable providing that they are eligible and meet the terms and conditions of the program.
- Microsoft reserves the right to change the price and scope of this project at any given point in time.
- Case by case negotiations will be considered.

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[2]There is a separate charge for compliance testing of $750 per application.

Compliance

Issue: What does an ISV, Microsoft app need to do to pass compliance?
Recommendation: ISVs must implement *50%* of the feature set to pass this test.

Compliance Guideline Strategies:

- Prioritized features and supplied points (OLE 2 given huge bonus)
- Threshold to pass feature
- 50% compliance needed 2400/4800 points (no exceptions)
- If feature not appropriate for app, base is changed
- Points deducted if ISV has added features and their implementation is disruptive

Passing Products	Points	Failing Products	Points
Word	4800	Money	1635
Excel	4750	FoxPro	1115
PPT4	3955	Rumba	1840
Access	3720	AutoCad	450
Project 4	4070	Publisher*	2295
Works	2430		
Visio 2	2565		

* Publisher will pass with "Bonus" points for 2 features w/in Office

Issue: When does an application need to be re-tested?
Recommendation:
- Only If ISV has changed the interface of the Office Friendly feature set or
- If a new version of Office Friendly has released

Issue: How much does this cost?
Recommendation:
- $750 for each application (NSTL will run a brief test to ascertain app's stability and probability of passing. If the app fails, they'll return it and allow a free re-try. Otherwise (ie, if the vendor goes through a full test and fails), the vendor will have to pay an additional $750.).
- Pay NSTL directly.

Issue: Can an application have a dual interface (i.e. detect Microsoft Office running and have one set of UI, detect Lotus and have a different UI)? Publisher is thinking about supporting Utopia and Office this way. This is a great way that ISVs can support multiple standards. Legally we can require separate sku's, but the language will draw attention to this solution and may sound wrong.
Recommendation: Do not explicitly address this and let the market determine how vendors implement their feature set and UI.

Expanded ISV list and probable status

1. Review current vendors, do we have critical mass (?)
2. Agree to contact additional ISVs

Marketing

Issue: What commitments do we make (for marketing license), and opportunistically?
Recommendation:
1. Contractual:
   On-Going:
- License to use an Office Friendly logo on advertising, collateral, packaging. Third party guidelines.

- Salesforce communication (mail, electronic datasheets, corporate helpfile, LANnews) and
- Reseller communication (Flash magazine to 30k resellers)

One-Time Only:
- Announce event (reception for press and customers); demo stations, on stage
- Press release (kit, tour, quotes for ISV releases)
- Focus magazine article to 1 million customers (company name, phone number, description of Office Friendly)

2. Self-Funding:
- Catalog (in-box, events, direct mail, sales offices)
- Announce advertising (reseller, trade press)
- WinWorld: collateral, (eventually booth space)

Issue: What determines whether a vendor can participate in the announce event or not?
Recommendation: Shipping a compliant application within 60 days of the announce (July 22) and have a demoable application (running on actual code) at the time of the announce.

Issue: International participation.
Recommendation: To manage resources and minimize redundancy, we recommend establishing Office Friendly as a worldwide program, managed from Corporate. This would include the following:

    Development: Translation of the spec into localized versions (French, German, Swedish?), Translation of compliance guidelines to coincide. (Short-term staffing required)

    Compliance Testing: NSTL can provide testing resources in various languages. They are definitely able to test in French, likely in Swedish and need to check into German.

    Marketing License: Use of logo, salesforce communication (via mail, help file, on-line documents (in a french/german directory), one-time focus article reference, part of press kit, announcement event in US is optional. We will flag that marketing activities may vary outside of the US.

    Fees: License fees will be collected in the US only.

Next Steps: Understand what licensing terms need to be instituted for worldwide distribution/protection. Communicate the program to the subs and get their feedback asap.

Name

Issue: What should this program be called
Challenge: Program name needs to communicate both consistent interface and integration. Needs description. One word logo doesn't communicate. Needs to be derivative of Office brand logo
Recommendation: Agree to take the following steps to determine the program name: 1. Brainstorm name possibilities, 2. Review with legal 3. Test meaning with top 4-5 choices. 4. Pick one and develop logo.
Timing: Need a logo by mid-march.
Options:
Microsoft Office Compatible (trademark issue), can't trademark "Office" or "Compatible"
Microsoft Office Companion (implies needs Office to run)
Works with Microsoft Office (trademark?)
Microsoft Office Partner (implies alliance or commitment).

Logo/Brand discussions

Challenge: The lack of Office awareness makes it difficult to establish a derivative brand for Office Friendly. We want to build the sub-brand concurrently so that it helps establish the brand. We believe it would be counterproductive to establish Office Friendly logo and then to change the master brand in a different direction.
Recommendation:
- Establish master brand prior to finalizing logo so that we don't change friendly logo mid-stream.

- Develop graphic to communicate vs. a word (puzzle piece).
- Develop description that always accompanies logo (means vendors cannot sticker their boxes) until the logo has developed equity and meaning.
- Microsoft products choose either a "home" logo or an "office" logo, but not both on the same sku

Issue: If some Microsoft apps have Office Friendly logo and others don't, users think something is wrong. If Works is considered a competitive application, how do we handle the lack of logo....customers won't understand the distinction.
Recommendation: Encourage Microsoft products to qualify. Encourage Microsoft apps to pick home or Office brand. Consider alternative way to tie Works to Office (tradeup message, tradeup coupon in Works box?)

Issue: How do we establish meaning in the logo?
Recommendation: It probably is not sufficient to assume the master brand will communicate meaning for this program. We should consider doing a minimum level of support for this logo (description in catalog, focus etc.).

Issue: Trademarking a logo is VERY expensive. Legal estimates that a worldwide logo costs $250-$500k for filing fees. (Comes from legal budget).
Recommendation: If this program is to have any relevance we will need to protect the logo. This means worldwide filings.

Issue: To protect our trademarks, we need to use i. on a product continuously. One Microsoft product must have the Office Friendly mark at any point in time.
Recommendation: Pick an application to wear this mark such as Project.