

---

# ***Consumer Division***

## **3 Year Product Plan**

February 16, 1994

Microsoft Confidential

1

### ***Mission Statement***

---

#### ***External:***

**The Microsoft Consumer Division is a premier supplier of useful and enjoyable products and services for the home PC user with an overall return of at least 15% BOI to Microsoft.**

#### ***Internal:***

**Be nimble, be fast, make great (home) products, make lots of money, have lots of fun.**

Microsoft Confidential

2

Plaintiff's Exhibit

5644

Comes V. Microsoft

1  
MS 0126435  
CONFIDENTIAL

## *Product Goals*

---

**Build a synergistic product line focusing on seven categories of sw & hw usage. Ensure our titles have competitive advantage through exploitation of superior design, UI, technology and content.**



## *Product Tactics*

---

- ◆ **Synergy:** Kids launcher, CW to Report Writer, Utopia apps for 95-96, Works w/Family Reference, Bookshelf & Publisher with Office, Sports & Games
- ◆ **Series/Lines:** Kids, Lifestyles, Family Reference, Scenes, etc.
- ◆ **UI:** Social Interface
- ◆ **Design:** Lowest cost / best ergonomic input devices, best usability in software

Microsoft Confidential

4

MS 0126436  
CONFIDENTIAL

2

## *Product Tactics cont.*

---

- ◆ **Early Use of Technology:**
  - **Every group "on line" by holiday 1995**
  - **Characters smarter/faster/ "cooler" than competition**
  - **4-5 products chosen to "stretch" to AT platforms**
- ◆ **Quality: Best of breed**

Microsoft Confidential

5

## *Overall Market Goals*

---

**Leverage Microsoft name, product line(s) and Home brand to ensure highest retail and market awareness.**

Microsoft Confidential

6

3

**MS 0126437  
CONFIDENTIAL**

## *Market Tactics*

---

- ◆ **PR: Ensure Consumer-focused PR**
- ◆ **Channel: Work with new EU organization to rapidly build channel partnerships & presence**
  - ▶ **In store focus, OEM, "Big 6", K-12, new markets: books, toys, etc.**
- ◆ **Brand: Invest marketing dollars in Home Brand, support with marketing of hit titles**

Microsoft Confidential

7

## *Market Tactics cont.*

---

- ◆ **Cross-Sell: Invest in installed base selling, testing, direct mail, DRTV**
- ◆ **Research: Test all market and product assumptions**

Microsoft Confidential

MS 0126438 - 4  
CONFIDENTIAL

## *International Goals*

---

**Win in strategic international markets, targeting UK, France, Germany, and Australia through a combination of localized products, partnership products and affiliate label products.**

Microsoft Confidential

9

## *International Tactics*

---

- ◆ **Early focus on international English, German, French market development**

		UK	GER	FR	Spain	Italy	Japan	Total
<b>French</b>								
	FY 94	1	6	2	1	1	1	12
	FY 95	2	12	8	1	1	1	25
	FY 96	2	14	12	4	1	1	34
<b>German</b>								
	FY 94	1	8	1	1	1	1	13
	FY 95	2	10	8	1	1	1	23
	FY 96	2	12	12	4	1	1	32

Microsoft Confidential

10

5

**MS 0126439  
CONFIDENTIAL**

## *International Tactics cont.*

---

- ◆ **Japanese market development plan by 3/94**
- ◆ **Other localization opportunities**
  - ▷ **Opportunity cost and/or BOI determination**
- ◆ **Branded affiliate label program**
- ◆ **Partial localizations**

Microsoft Confidential

11

## *Process Goals*

---

**Build a consumer software and hardware production system that allows us to be efficient, nimble, allows us to keep and recruit great people, allows us to continue investments without too much overhead. Share code, tools, sounds and services.**

Microsoft Confidential

12



MS 0126440  
CONFIDENTIAL

6