

From: Steven Sinofsky  
Sent: Thursday, February 19, 1998 1:57 AM  
To: Bill Gates, Jon DeVaan; Bob Muglia (Exchange)  
Cc: Eric Rudder; Paul Maritz  
Subject: RE: Office competition

Plaintiff's Exhibit

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Comes V. Microsoft



DOMINO-1.LNK

We've been looking at these products. I think you raised a couple of issues in this mail so let me comment on those and then come back to these specific products. I have talked to Eric's assistant about HotOffice and eRoom. I'm sorry this is long, but this is something we've spent a lot of time on over the past few years and progress has not been good. I wish I had more good news in this area.

Just up front, we did the work on HTML as a file format specifically to enable more back end management of Office documents. I wish we were able to deliver on our own management features, but we didn't. But doing the HTML work was necessary and we had to do that before any document management work. We have a lot to learn about how people want to leverage web servers. We have a model on <http://officeweb/specs> that many in the company are looking at and saying "that's what we want" and the reality is that there is very little management behind the scenes, just FrontPage, IIS+Indexer, and a little bit of ASP for custom views (which we will make easy in Office9 I hope, depending on how the post-JAWS work ends up)

Document Management -- DM is an area where I continue to be a failure. I have absolutely heard this from every customer I've come in contact with and that's why we wanted to do this ourselves for Office9. From a design point of view the requirements are very diverse and the phrase document management means many things--some think it is reporting and asset tracking (for example Boeing parts information), some think it is strict workflow, history and archive (Eli Lilly), and some think of it as "PC Docs" (law firms). A lot of the work that exists is highly structured and involves a lot of software that is a core competency (for example, J&J, Eli Lilly view their document process as a competitive advantage and invest a lot in custom software.

I think you know the history well: we formed a group to do this work after Office 4.x which then we focused on leveraging Cairo for Office 95/97, but then ended up just building the local indexer to mimic Cairo functionality. For 97 we spent a lot of time tracking OLEDB/NTOFS, which didn't pan out. Before we shipped 97 we decided to build checkin/out into FrontPage 97 using Visual Source Safe, which we shipped. The plan was to then move this work to the repository. Then without that we decided for Office9 to use Jaws, an effort that was just recently de-coupled from Office9. Along the way you indicated that we did not want to get into the business that was PC Docs.

But the net of all that is that we still have nothing. The ideal would be for FrontPage to just have some 80% level of support (which is much more than HotOffice has) that includes: checkin/out, history, assigning documents, mail notification on change, and a few other things. We'll see if we can get this into the next FrontPage--again a lot depends on the integration with the platform and we have a poor track record on this front.

The one thing I am fairly certain of is that we need to keep the documents in the file system because so much existing knowledge and tools relies on that, so any infrastructure that requires documents to be stored in an opaque store (SQL or Exchange) is going to be problematic, despite the benefits that might come with that.

So moving forward, I think that the only path will be to just have a big feature team and implement something in the next Office. It is tough to see going another release waiting for another platform strategy to come on line. We gave it a huge huge effort with Jaws (losing 6 full developers for Office9's JAWS work) and we should not repeat that.

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The content indexer in IIS/SiteServer does a fine job with documents (HTML or binary 97) in terms of getting the text out of them and allowing easy searching. It also works very well for indexing properties (again HTML META tags or docfile properties). The problem is that there are no documents with these properties. All you need to do is look at all the documents internally and you can see that almost no one fills these in--we made some progress by autopicking the title and author, but any structure like "project" or "department" isn't filled in. The companies that use their own storage (SQL or controlled file systems) all force documents to be added via a form interface, but they will all tell you that people hate that and thus a lot of the "assets" are just kept outside the system unless necessary. I don't know why this is, but it is a problem for the admins. We have the simple form you ask for--in fact because so many people complained we ended up turning it off--we used to force you to see this at each new document save as. Custom allows admins to define/save their own properties.

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#### Site Server integration

I admit to being puzzled as to how to integrate siteserver. I know the demonstrations make the product look very cool, but I think they tend to hide the complexities of the product in deployment and administration as well as the strict discipline that would be required to maintain a web server using SS. SiteServer is super high end in the deployment and administration requirements, so it is hard to see it getting used very quickly. SS3 makes improvements in this area, but I think it still requires a lot of a server (128MB RAM, and lots of admin support).

The right areas to be integrated are that office should be able to save and load to a web managed by SS, which we can do because it uses the FrontPage extensions. Office documents (HTML or binary) should be able to be searched via tags, which they can because we use META (we also use XML in Office9 which the indexer will pick up) or standard docfile properties. The staging and publication is new to me (and since I don't have the hardware to set up the server it is hard for me to say what we might be able to do). I know siteserver is committed to working well with FrontPage as the administration frontend, which should allow Office to plug in easily.

I'm totally open to ideas on this front. From what I've seen to date I think we're covered here mostly.

Competitive products -- I totally agree products like HotOffice, IntraNetics, and eRoom are cool demonstrations and nice scenarios. I see these as adjuncts/office compatible though and not as competitors so please help us to understand what you're thinking--or is this just a space you'd like us to have the software in? But part of me wonders if these are another "binder" in that they don't quite fit in real life. I'm not sure I see these as competitors to Office as much as adjuncts--HotOffice bills itself as a way to "collaborate on Microsoft Office documents from anywhere." IntraNetics and eRoom are similar. These are server-side applications that add the notion of a "project and team" on top of some documents. They all add: a URL (the project), list of users w/password and access (the team), discussion forum (not NNTP, but usually something like the FrontPage conversation pages), a bulletin board or notes page (a place to put notes), and maybe some alarms or a shared group calendar. Then the big thing they all do is provide a folder that lets you put office documents on a web site. Some provide a notion of checking the document out, but they don't provide (today) anything like views or richness in this area. The mere fact you can get the document on a server to share with roaming users is the advantage. Netopia is a little different in that it also hooks in remote PC control and some whiteboarding, and has the interesting twist that it is hosted on GeoCities.

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We have some ideas on using Exchange public folders (beyond the use for our annotations) to also use public folders for contacts, tasks, etc. We think we can do a "project" wizard which will just set all of that up. As a very rough example of that here is a link to a sales tool that marketing developed. It is pretty straight forward -- by using some Outlook-typed public folders and the server object model for Outlook web access you can make something that looks like HotOffice, but uses Exchange as the backend. [http://officenet2/Projects/Demo%20Project/project\\_frame.htm](http://officenet2/Projects/Demo%20Project/project_frame.htm) I'm not sure if we'll productize this for Office9, but it will be a big

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sales tool.

For reference:

<http://www.hotoffice.com>

<http://www.intranetics.com>

<http://www.instinctive.com>

<http://www.netopia.com> (interesting use of GeoCities as the home base, along with document sharing)

Here is a PC Mag summary: [http://www.zdnet.com/pcmag/features/teamware/\\_open.htm](http://www.zdnet.com/pcmag/features/teamware/_open.htm)

We can certainly build one of these in short order if we could find a team of people. In fact, we have a start of a team already focused on this (mike koss is very interested in this, but so far it is just him). I'm not sure buying one of these would give us enough of a head start, but we can investigate. They tend to poorly integrate with Exchange, IE4, NTS, and SQL so I don't think they would be a good fit

Annotations -- I've looked at the msn work several times and I don't think it is moving very fast, but the intents are somewhat similar. I'm sorry you didn't get to appreciate this feature because people are finding it compelling both as an Exchange integration feature (use of Public Folders) and as a new form of collaboration (web pages+discussion+app integration). I'll try to show you this again next month. But you are correct in that it is not unified with MSN and we chose to keep the feature separate from our disparate and unused comment features we have for our binary files.

Moving Forward

Moving forward, it will be up to you to direct where this sort of "project" ends up. It could easily be a megaserver application and it might make a lot of sense integrated with HotMail, for the small business case. For the corporate case, I think we should do the work to make an Exchange specific implementation.

This is probably a good topic for us to talk about when we see you on 3/6.

-----Original Message-----

From: Bill Gates

Sent: Wednesday, February 18, 1998 9:40 AM

To: Jon DeVaan; Bob Muglia (Exchange); Steven Sinofsky

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I think both in the Intranet and the Internet the scenarios these guys are supporting - easy document management, easy sharing, easy admin are what users want. These capabilities are more important than the tools themselves.

I have asked Eric to write something up on these competitors. We have done so little in this space we may just have to buy one of them.

Not opening up the open dialog to HTML views that Site server and tools like these can create in Office 9X would be a mistake. At least we have to get the hooks in to try and play catch up with these people. Likewise for the save dialog where you should have a simple form to fill in based on the document type. These hooks require some thinking but they are important.

Site server can handle some of these things and we should NOT hesitate to make that part of Office without extra revenue. We had a divergence in our web searching stuff a long time ago and it was a bad mistake.

I can't find documents around Microsoft. I am dying to have Siteserver integrated into office so that when I pick document types and places to put documents I can browse in open and I am asked to fill in the attributes in save.

When I did a customer meeting with CIOs from the central region last week they were angry that we haven't given them a way to "manage documents". I am still stunned by people saying I said we didn't want to use HTML technology to improve this and we should leave it to third parties. Lotus and Netscape know how easy this is.

I keep waiting to hear about how we unify the annotations work - Office has the annotation in the tools, the strange sort of annotation thing where you pick a server and then we have the annotation work in MSN. I asked for something on this and I have seen nothing.

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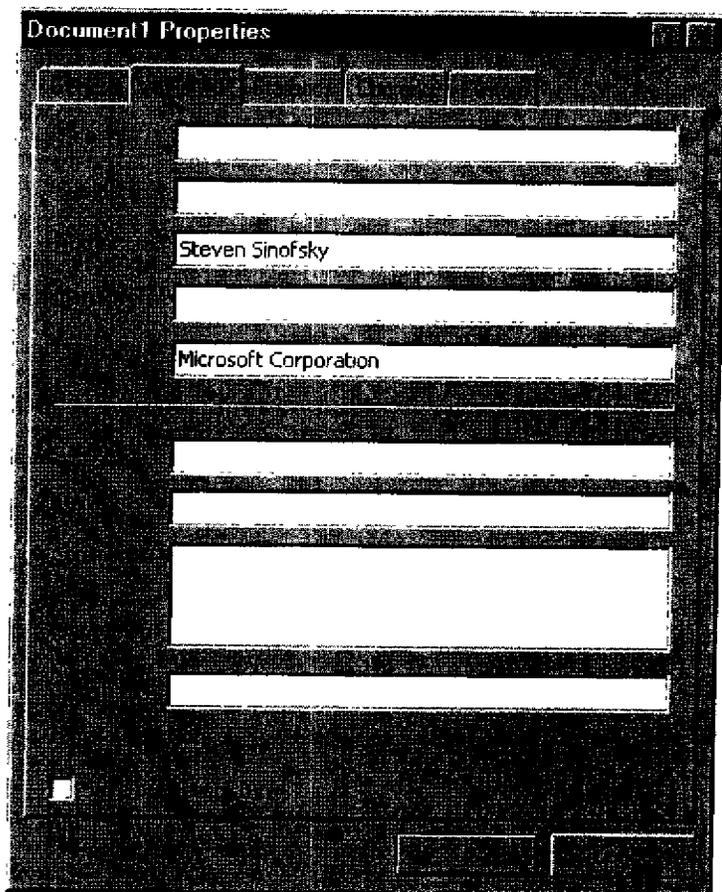
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Domino doc and  
ODMA link

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