

From: Steven Sinofsky
Sent: Monday, September 27, 1999 12:43 AM
To: Andrew Kwatnetz; Antoine Leblond; Grant George; Richard McAniff, Ralf Harteneck; Kurt DelBene (Exchange); Andy Schuler; Kathleen Hebert (Schoenfelder); Joseph Krawczak (Exchange)
Subject: FW: Office10 review today

A few folks have asked for some ideas on how to act on this feedback and what would be appropriate.

I don't want to be in the position of interpreting bill's input, though I can offer some ideas and background. A key change we made this release is for you to work more closely on receiving and acting on the feedback in these forums. I think we got a lot of data on the previous meetings in August and most of the topics here are not a surprise.

I thought the meeting was very good and we really got across some of the excitement in Office10. I think there is much more we can do in the product along these lines, and I know it is early. We cannot lose sight of how important it will be for us to stay focused on the vision, do a great job on exciting features from every single team, and deliver on quality and performance. Oh, and do this all **on schedule!**

Some more thoughts below...

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

From: Bill Gates
Sent: Tuesday, September 21, 1999 10:37 PM
To: Steven Sinofsky
Cc: Bob Muglia (Exchange); Eric Rudder; Steve Ballmer
Subject: Office10 review today

I enjoyed the review today.

Office10 gets a lot of neat stuff in the product.

We do need to figure out how to get more customers to have web servers - not file servers. Jim was saying that they plan to do a unified redirector for SMB and Web for Windows2001 and that that will make it easier to make this switch since all applications will be able to see webserver stuff. He reminded me that since the Webfolder stuff is Office only that it's a mess for non-MS applications. This area needs some more thinking. We need to have a goal to get 50% of the file servers up to web servers. Maybe I am missing what we can do with Windows2000 on this. Office needs to help us think about this.

[SteveS] Marketing has heard this loud and clear. We need to do a better job explaining the benefits of a web server over a standard file server. We perhaps took this for granted as an "obvious" fact, but in reality our customers are not as anxious to change their work habits as we would have hoped. There is some definite work we can do with the field--this is a good idea for a sales tool, "Converting a file server to a web server".

Our whole server strategy is a bit messy. We have all the CCG servers that we have not coordinated with - scheduling, netmeeting, mail, files?, ... We have the front page server (w/o sql), platinum, platinum with tahoe, front page with sql (a rare breed and likely to stay that way)... With the Notes connector we even sort of have Notes as a server flavor and quite a popular one!! This is an area we really need to be clear to people and because of the Windows/Office boundary we haven't been as good on this as we should be. Office needs to help us figure out how to get millions of web servers out there so that the new Office stuff looks good.

[SteveS] This was a challenging part of the meeting. I really want to take some responsibility for not doing as good a job as we needed communicating our strategy. I have worked hard to explain the challenges we face with customers along with the incredible asset we have with FPSE today and the ISP customers. I just haven't done this well enough to date. I don't think I have done a good job presenting the customers of FPSE today--actually this has been a challenge since Vermeer days. The OWS team did a good job communicating their work to BobMu recently and I know that this will help as we continue to work with Bill. Do not worry about this--it is my job to improve this communication.

[SteveS] There is no doubt when looked at things as a whole the story has some complexity. Realistically though, we do not expect customers to look at our whole story. Clearly customers that are centrally purchasing Exchange today will continue. Clearly customers that are using ISPs will continue. Clearly ISPs will face huge challenges in moving to any Exchange based solution. All of that points to the realities that our story is not simple because the customer-base is complex. We have a challenge in effectively communicating to each of those segments--it would of

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course be easier if one size fit all, but that isn't true. I am excited about our strategy and execution; it is no different than any other part of our products where our customers have a variety of needs and we seek to meet those needs with the right features and architecture.

[SteveSi] Bill did encourage us to really look hard at the server interop with MSN. These are good issues for both Outlook/Designer and OWS.

[SteveSi] Two things that should really force us to think hard about how we do things did come up. These are really a recent formulation of our strategy as a company so we should just work to be flexible. We're on the right track but we should look hard at how we do things from here out:

- Customers want to work with their partners (external folks) as easily, and in the same way, as they work with their own employees. This means we should be in a very strong position with OWS because of the ease at which it can be administered and the lack of hard ties to the domain structure, and cross-platform support.
- MSN is a primary "host" (or ISP) for services moving forward. We will keep pushing MSN to host our services (as we are doing with bCentral). We all know there are too many other ISP/ASP customers out there to switch to MSN overnight. But our long term strategy will be to build customer value on MSN since the business decisions Microsoft is making are to encourage services on our servers--where we own the customer relationship. At the same time we must continue to enhance our ISP partner offerings. The market is young and we don't know where it is heading, but we cannot afford to abandon the very positive relationships and successful business we have with our ISPs.

I am a much stronger believer that Outlook has to be a superset of Mars (which is basically the replacement for Outlook Express). Other people seem to gloss over this but I believe it pretty strongly.

[SteveSi] This issue is easy for us to claim that the Mars target is the "home" and we target "business". As with so many things that distinction is less and less meaningful as more people use Outlook at work and then want to do internet things at home. We should really have an open mind and see if there is something that will reduce the confusion customers might have--we know how awful things are when OE and Outlook are different for customers. That said, we should not embrace something that just appears to be different and not not better--that is always a tenet we follow.

I still need to understand how we are allowing offline collaboration, how we are unifying annotations - do we have anything where I can annotate a web page and share that with other people?

[SteveSi] Ralf continues to work on this. I think we continue to have the scenario described here covered (annotate and share). I believe in the separation we have today--not just because of the implementation challenges, but because it is a scenario we can articulate. We should be careful about doing a lot of work that will yield a feature that no one uses--this release is about doing work that is 100% on target. We should not invest in things unless we are certain they will work flawlessly and not disappoint.

We also need to map the cool stuff into a message about a requirement for companies in the digital age to use the stuff. Digital Feedback Loop, Digital Dashboard, Digital meetings - a whole philosophy about how you use Netmeeting and Windows Media stuff. Where did we come out on annotation digital meetings stuff and what application you would use to do that?

[SteveSi] Ralf was also looking at working on a feature with WM.

The staffing numbers were helpful to me in seeing that we are pretty efficient in getting things developed. The testing overhead still amazes me but Office is not unique in that.

[SteveSi] Everyone should feel very good about this. It is one of the first times I can recall a comment being made about the process or team dynamics.

[SteveSi] Please do not read too much into the phrase "testing overhead". We are extraordinarily efficient relative to other groups and other industries at what we do. I know bill does not think that testing is "overhead". He has seen the ratio of dev:test rise over the years while at the same time more customers raise issues about our products--as with all of us, this could just be some frustrations showing.

I will want you to look hard at changing source code control approaches during the project if things keep going as well as they have been for Windows NT.

[SteveSi] This seems like something we could look at. I am hearing for the first time that sync times are getting slow. Our next release might have us looking at more creative ways of delivering features, and certainly the QFE

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requirements are pushing the limits of our sim system.

A good meeting - well worth the energy your team put into it.

[SteveSi] I would agree :-)

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