

**From:** Toshio Morimoto  
**Sent:** Tuesday, April 11, 2000 10:47 PM  
**To:** Baris Cetinok  
**Subject:** FW: Office 10 SKU's Defined

According to below mail, some big SKU changes will be happened in Office 10.

- **Several SKU changes:**

- Publisher and PhotoDraw won't ship integrated into the main Office setup but rather will ship only as standalone SKUs
- Creation of new ProPlus SKU (WRD, XL, ACC, OUT, PPT and FP in an integrated setup)
- Premium becomes a marketing bundle of ProPlus + standalone Publisher and PhotoDraw as opposed to the integrated setup SKU that we build today.

Are you going to refer these SKU issues at coming Office 10 Kick Off G11 mtg?

Thank you.

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

**From:** Yoshiharu Sato  
**Sent:** Tuesday, April 11, 2000 8:51 PM  
**To:** Yasushi Fujimoto; Chikara Takahashi; Hiroaki Kanokogi; Kenichi Nasu; Miyuki Kudo (Fuji Software Inc.); Osamu Adachi; Takashi Umeoka (Japan Convention Service); Takeshi Fujimura; Toshiaki Kikka; Toshihisa Tashiro; Yuriko Sano  
**Subject:** FW: Office 10 SKU's Defined

fyi

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

**From:** Jose Luis Montero Real  
**Sent:** Wednesday, April 12, 2000 8:00 AM  
**To:** Office 10 LPK and PTK Info Alias  
**Subject:** FW: Office 10 SKU's Defined

**LPK/PTK implications:** For LPK this basically means that it'll continue to be an enterprise only feature and in order to reassure this in the marketplace we'll basically block LPK from being installed over any retail Office SKU (need to update the LPK spec to reflect this). No changes for PTK (i.e. it will continue to be supported in retail).

Here's a summary of this long email:

- **Several SKU changes:**

- Publisher and PhotoDraw won't ship integrated into the main Office setup but rather will ship only as standalone SKUs
- Creation of new ProPlus SKU (WRD, XL, ACC, OUT, PPT and FP in an integrated setup)
- Premium becomes a marketing bundle of ProPlus + standalone Publisher and PhotoDraw as opposed to the integrated setup SKU that we build today.

- **Office ProPlus needs to fit in one CD.** We'll try compression to reach this goal and if this doesn't help us reach this goal we'll have a "sweatbox" triage (i.e. triage which components can possibly have other shipping vehicles than the Office CD) to determine how to reach this goal

- **Creation of enterprise-only features:** some features will only be available to SKUs sold to enterprise customers and will be blocked from the retail SKUs. Examples are plugUI and help (i.e. LPK), Office Designer,

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ORK support, admin setup and silent install, etc.

- **Intl implications of these changes:** not defined yet. A decision will be reached for JPN, GER and ARA by 4/26 and 6/1 for the rest of the world.

For more details see the rest of the email.

thx  
-jlm

*Sent using Win2000 + Office2000 SRL + LPK 2000*

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

**From:** John Jendrezak

**Sent:** Tue, April 11, 2000 3:22 PM

**To:** Office 10 Leads; ReleaseMaster (RelMastr); Release and Deployment Team; Mark Gleeson; Patricia Mackey; Ken Myer; John Vail; Joseph Krawczak; Mikael Kvart; Jeff Olund; Office Setup PM's

**Subject:** Office 10 SKU's Defined

By now most everyone has heard some piece of information (or rumor) about our SKUs for Office10. We've been working to nail down the details in the last week and now have enough detail to call it a plan. Over the past year we have learned quite a bit from our Office 2000 SKU strategy. Many of these factors have led us to propose these specific changes to better position and launch our upcoming *Office 10* product in an ever-changing marketplace.

Key lessons:

- Office Premium is an early adopter phenomenon - it dominated sales during the first 120 days after launch, but was much less of a factor later in the product cycle.
- Stand Alone application cannibalization accelerated as a result - e.g. FrontPage, Publisher lost significant stand-alone sales
- Lost revenue potential - we did not capture incremental revenue for additional components in certain SKUs
- Suite product reviews - Technical and feature sets won reviews, but size or "bloat" gave us a "black eye"
- Product line linearity - we did not have a successful and seamless up-sell path from the low end to the high end
- Price inflation perception - our new license pricing appeared to place us at too high of a "premium price point"
- Customer confusion - some of our SKUs had application components that were less popular than projected for certain customer types

From these key Office2000 learnings we've determined that we need to do the following:

- Simplify product/SKU offerings - provide more specifically targeted customer product offerings
- Reduce both the real and/or perceived "bloat" - "more" does not always equate to value
- Drive value message to specific customer targets - e.g. Enterprise Office/Office for EU/SOHO (EU/SOHO = End User/Small Office-Home Office)
- Expand current and future revenue growth opportunities - reduce or eliminate cannibalization where possible and build towards new revenue models

Based upon the above, we've determined that the following will best address what we know today and what we anticipate will be necessary to successfully launch *Office 10*.

1. Office Premium will cease to exist as a SKU produced by development. It will be purely a marketing bundle. The exact contents of the Premium bundle will be determined by marketing later this year but will most likely consist of Professional plus one or more stand-alone CD's.
2. A LORG (Large Organization) targeted SKU will replace Premium and is tentatively called ProPlus.
3. We will build SKUs that are targeted specifically at corporations and others for EU/SOHO customers.
4. We will fit on a single CD for each of our SKUs (including ProPlus)

The first two items above are explained in more detail by the table below. The suites below will be built with integrated setup.

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Testable Releases (unique MSIs)

	Retail-				OEM-	
	Retail	Annuity	Enterprise	Select	OEM	Annuity
	X	X	X	X	X	X
Office Standard	X		X			
Small Business	X	X			X	X
Word			X		X	
Excel			X		X	
Outlook			X		X	
Outlook- Exchange/Tahoe			X			
PowerPoint			X			
Access			X			
FrontPage			X		X	
PhotoDraw			X		X	
Publisher			X		X	
Publisher Deluxe			X			

This is our primary test SKU

Stand-alones will be Enterprise enabled and sold in both Retail and Open markets.

Designer won't ship with stand-alone Outlook in Retail or Open markets - customers will have to get it through a suite product.

Release Types

Retail	These are our base SKUs. They contain features relative to the retail market and require mandatory registration.
Retail-Annuity	Retail SKU but with time-based licensing
Enterprise	These SKUs are targeted to corporate customers and contain additional functionality. (Enterprise Features)
Select	This will be our Enterprise enabled Professional Plus SKU with additional MSIs for every application. Release only to Select distribution.
OEM	This SKU flavor is a slight modification of Retail. The modifications include general OEM changes plus ability to use setup /q and CIW.
OEM-Annuity	OEM SKU but with time-based licensing

Enterprise Features

Feature	Description	Status
Office Setup	Designer will ship in all Enterprise and Select SKUs.	
ORK Support (DW)	These ORK tools will not work against Retail SKUs. We will check a property value in the SKUs MSI to determine if the tool should function. The property will have to be created and code changed in the target tools.	Ghardy generating bugs and specifying the required changes. Bugs 123646 and 123647 outline the necessary changes
Setup/Install/Uninstall	We will add work items to disable this in Retail SKUs	Swalker generating bugs and specifying the required changes. Bug 115892 addresses property changes to handle the differentiation. Bugs for specific setup.exe changes haven't been entered
ORK Tools	We will include the ORK tools and online docs in the Pro+ and Open suites. We will also continue to offer the docs and tools through web download as well as hard copy.	These will be added to the Office CD in a separate directory and not as a part of Office Setup. Smueller will own the integration.
Corp Watson	This means including Corp Watson in Pro+ and Open suites. DW will ship in all SKUs	Adding this item should be a freebie as it is planned to ship with the ORK tools.
LPK Support	LPK checks for the existence of a file that Office installs. If it's not present, LPK install fails. We will not install that component in Retail SKUs - thereby blocking the install of LPK on those machines. We will not block MLPK installs though as these are key for some International Retail SKUs.	JoseLM to spec the required changes

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We are actively scoping the situation, looking at our compression options and will soon be scheduling our first Sweat Box meeting. Look for more information in the next few days.

I hope that by this point I've done a decent job of making this clear..... :-) I've covered the highlights and will now address some specific issues.

**Schedule and Build Issues**

**English ProPlus will be available for general consumption as of Build 1618.** We will continue to build Premium for two additional builds after ProPlus is available. After these transitional builds, Premium will be dead and ProPlus will be our primary Office test SKU. Publisher and PhotoDraw will be built as stand-alone products and incorporated into our test matrices as appropriate. Please see your Test Manager if you have any questions about support/compatibility/etc. Publisher and Small Business Tools will be integrated into our Small Business SKU setup.

We will have to fit on a single CD for Beta 0. This is a firm milestone for us so we will be scheduling our first Sweat Box meeting for sometime next week. As I mentioned above, look for more details this week.

**International Languages**

At this point, it's impossible to say what our International SKU offerings will be. This change is significant enough that Marketing feels it's necessary/prudent to contact the local subsidiaries and discuss the relevancy of these offerings in their respective market(s). For example, not every region may wish to support the Retail/Enterprise line differentiation. Because of these uncertainties, we can make assumptions but won't have finalized plans for several weeks. To keep international test unblocked, we will continue to build and release Premium as the primary SKU for international testing and switch to Pro or ProPlus as the individual language SKU decisions are made. As a hypothetical example, it could take 3 weeks for a decision to be made regarding Thai SKUs. Let's say that the decision is made to only go with Pro and not support the Enterprise/Retail split in that language. We would continue to build and test against Premium until that decision was made *and* we successfully release two Pro builds (Pro builds based on the Sub/Marketing decision). After these two successful builds we would switch our test focus to Pro and stop building Premium. This decision timeframe will vary from language to language and so, therefore, will each languages cut-over from Premium to Pro/ProPlus. A rough timeline for implementation is:

**Office Products**

Suites
Standard
Small Business

Professional Plus	Professional	Standard	Small Business
		Excel	Excel
		Word	Word
		Outlook	Outlook
		PowerPoint	Publisher
			Small Business Tools

Stand-Alone Products
PhotoDraw
Access
Access
Outlook
Outlook
PowerPoint
PowerPoint
PhotoDraw
Publisher
Publisher De Luxe

**Open Issues**

- UA impacts of split product lines - we may have to remove Designer references from our printed and online docs.
- MSPress - possible implications here as well.

**Q & A**

Q: Is this decision final?

A: Yep

Q: Are we really not shipping Premium?

A: Yep

Q: I'm confused because the presentation from the Leads Meeting was forwarded to me and I saw Premium on the SKU list. Wazzzup?

A: That's SKU slight-of-hand. It's a manufacturing bundle which means they stick a bunch of stand-alone products in a box and call it Premium. No additional work for Dev.

Q: What is our primary test SKU?

A: ProPlus as well as integration testing with Publisher, PhotoDraw and Small Business Tools

Q: What will the build impacts be to Publisher, Photodraw and Small Business Tools?

A: We will produce these products in the Office build pipe as stand-alones and as the SB Suite. We will have to make some changes to the build schedule to raise the priority of these stand-alones. We won't drop build frequency of these applications as a result of these SKU changes.

Q: What is our Beta 0 SKU?

A: Our Beta 0 SKU will be the Enterprise version of ProPlus. Beta1, Beta2 and International Beta SKU definitions are open issues at this time.

Q: What is Sweat Box?

A: It's a really fun meeting where we all sit in a room and "lose weight" until we collectively fit on a CD.

Q: What is the answer to life, the universe and everything?

A: 42

Cheers,

JohnJendrezak

Language(s)	Market Decision	Implemented in
	Due	Builds
	Done	4/18/2000
	4/26/2000	5/1/2000
	6/1/2000	6/12/2000

\*\* This obviously won't be implemented in the languages that aren't yet building...

Language(s)	Market Decision	Implemented in
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	Done	4/18/2000
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Word			X		X	
Excel			X		X	
Outlook			X		X	
Outlook - Exchange/Finance			X			
PowerPoint			X			
Access			X			
FrontPage			X		X	
PhotoDraw			X		X	
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Enterprise Features

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	These CRK tools will not work against Retail SKUs. We will check a property value in the SKUs MSI to determine if the tool should function. The property will have to be created and code changed in the target tools.	Hardy generating bugs and specifying the required changes. Bugs 123846 and 123847 outline the necessary changes
	We will add work items to disable this in Retail SKUs	Swelker generating bugs and specifying the required changes. Bug 115882 addresses property changes to handle the differentiation. Bugs for specific setup.exe changes haven't been entered
	We will include the CRK tools and online docs in the Pro+ and Open suites. We will also continue to offer the docs and tools through web download as well as hard copy.	These will be added to the Office CD in a separate directory and not as a part of Office Setup. Smueller will own the integration.
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