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Sent: Wednesday, June 14, 2000 11:37 AM
To: Jonathan Perera; Lori Birtley; Judy Lew; Douglas Groncki
Cc: Tom Pilla; Tom Bailey; Joseph Krawczak; Kymra Knuth (Waggener Edstrom)
Subject: WaggEd Brainstorming Offsite: NetDocs Feedback

On Tuesday I spent the day with 20 VPs from Waggener Edstrom, Tom Pilla (corp pr) and Tom Bailey (Office mktg) in a brainstorming offsite. The objective of the session was 1) to develop strategies to re-invigorate to the Office category and 2) as a part of that, to understand and develop our strategy to position NetDocs. I delivered the deck attached below, and a small portion of live code demo. I was not able to do a full demo since there was no broadband connection at the facility (Anoo is working on a stand alone machine to solve this).

The WaggEd team will deliver their full recommendations later this week. Overall there were no big surprises that came out of the meeting, but the team had strong opinions/questions in a number of areas. Here are the top takeaways from the team's feedback (NetDocs perspective).

- **We are over-estimating the perception of an Office/NetDocs conflict.** At least in the short term, NetDocs is differentiated by the fact that it is NGWS software as a service, focusing in the area of online communications. Another differentiator is the fact that the NetDocs identity to a certain extent will be shaped by the set of service that are offered around it. It is true though that as Office begins to make more noise about it's software as a service plans then we'll need to do more positioning work
- **Why do we have both a MARS and a NetDocs client?** This was one of the biggest issues for them. Both could be considered NGWS offerings, exposing MS properties and services. How are customers to chose? Are we going to put a stake in the ground and say that MARS is optimized for consumers, and NetDocs for business customers? How does that impact our ability to position NetDocs as a client for business and personal use in the longer term? A related point is how are we aligning with the bCentral and MSN offerings to make it easy for customers to chose the right solution from MS.
- **What is our email client strategy?** We have or will offer Hotmail, NetDocs, OWA, Outlook Express and Outlook clients. We need to figure out how to position all of these clients in the context of our product and service offerings. Customers need to understand which one is right for them and why
- **Don't rename NetDocs in the near term (Forum) - call it a technology preview.** Don't worry about the NetDocs code name getting out there because it is in the title bar, the video etc. 'Net' is fine, and we are over sensitive to the term 'Docs' - it means more than just 'Office' to most people. If asked, NetDocs is a code name for the technology we previewed at Forum. Giving it some new code name will just confuse people
- **Creating a new category for NetDocs is a questionable approach.** The NetDocs identity to a certain extent will be shaped by the set of service that are offered around it. For example, a bCentral SKU that includes small biz tools, IA, customer database, DNR and NetDocs will take on a different identity than an MSN SKU that includes NetDocs and tools that target technology enthusiasts. Any new category we come up with would need to be flexible enough to cover the various offerings. This is obviously a larger branding question that we'll need to think carefully about.
- **Think carefully about how you talk about XML.** XML is too techie for those that don't understand it, and not cutting edge enough for those who do since it has been around for a long time. It will be hard to make XML a key differentiator based on this, even as a 'secret sauce' since it's not so secret anymore. Bringing the secret sauce to the desktop (or to the masses) has potential. We need to lead with simple, impactful scenarios that are made possible with XML, and mention the enabling technology as a side note.

Plaintiff's Exhibit

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