

**From:** Ben Graetz  
**Sent:** Friday, February 02, 2001 12:23 PM  
**To:** Peter Cray; Bill Landefeld; Rebecca Lawson; Josh Kriesberg; Christine Chang; John Vail; Joseph Krawczak; Tom Bailey; Richard Smith (FINANCE)  
**Subject:** FW: Office Pricing Timeline  
**Importance:** High

I'm not sure I agree with Bill H's sentiments below that the following two given more revenue upside -

- delaying the release of Office 10 to the Select CD's in May; and
- delaying L & SC announce date to May 10 (from May 1);

I would argue the opposite. As we know, most customers buy VUP's, not UA. The field don't like to sell VUP's (revenue recognition). Customers don't buy UA because they don't see the value. UA only becomes attractive to customers when L & SC is announced. So delaying the announce of L & SC means we have more people buying VUP's not UA (bad). I'm not sure why we would wait to get Office 10 in peoples hands...

I would:

- Announce Office 10 pricing and that Office 2000 prices go away in May 1 as soon as possible (brings forward Office 2000 purchase);
- Announce L & SC as soon as we are ready to - provides clarity for customers and partners around why buy EA and UA now;
- Get Office 10 in customers hands as soon as we can;

Does everyone agree or am I missing something?

Ben

**Ben Graetz**  
Lead Product Manager  
Microsoft Corporation  
[bengr@microsoft.com](mailto:bengr@microsoft.com) <<mailto:bengr@microsoft.com>>

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

**From:** Bill Henningsgaard  
**Sent:** Thursday, February 01, 2001 1:47 PM  
**To:** Joseph Krawczak; Kevin Johnson  
**Cc:** Peter Cray; Andrew Lees; Jane Dickson; Christine Chang; John Vail; Bill Landefeld; Kim Carnesale  
**Subject:** RE: Office Pricing Timeline

Across this group, I'd like to raise the suggestion we discussed briefly prior to today's MYR, namely, to delay the release of Office 10 on the select CDs until May. That way, we could a) achieve greater runway to selling against a May 1 price increase and b) align from a timing pov to the L/SC announcement May 10.

In my mind, there is potentially revenue upside in this proposal (more selling time against the lower UA price) and cust sat (less chance of customers buying VUPs when they really should buy upgrades. This maps to the 90 days leadtime (assuming we announced the price raise today).

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

**From:** Joseph Krawczak  
**Sent:** Thursday, February 01, 2001 12:11 PM  
**To:** Kevin Johnson  
**Cc:** Bill Henningsgaard; Peter Cray; Andrew Lees; Jane Dickson; Christine Chang; John Vail  
**Subject:** RE: Office Pricing Timeline

Christine,  
Would you please detail out the current planned timeline for everyone above.

**HIGHLY  
CONFIDENTIAL**

**MS/CR 0028336  
CONFIDENTIAL**

Kevin,

Note that the plan is driven currently by two key dates, first the April availability of Office XP volume license product, and second the May 1 L&SC announcements

Take a look at the timeline, and then let's meet as needed to close.

Thanks

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

**From:** Kevin Johnson  
**Sent:** Thursday, February 01, 2001 11:17 AM  
**To:** Joseph Krawczak  
**Cc:** Bill Henningsgaard; Peter Cray; Andrew Lees; Jane Dickson  
**Subject:** Office Pricing Timeline

Joe, I really want to nail down the timeline for how we roll out the Office10 pricing actions. I support the direction. I just want to make sure we have 90 days of good selling to customers before the pricing takes effect. It will help customer take advantage of the benefits of the annuity relationship. Should we all meet to nail this down or is there a plan/timeline you can send me in email? KJ

**Kevin Johnson**  
Vice President, US Sales and Service  
Microsoft Corporation

(425) 705-8081  
[Kevinjo@Microsoft.com](mailto:Kevinjo@Microsoft.com) <<mailto:Kevinjo@Microsoft.com>>

HIGHLY  
CONFIDENTIAL

MS/CR 0028337  
CONFIDENTIAL

**From:** Ben Graetz  
**Sent:** Friday, February 02, 2001 12:38 PM  
**To:** Joseph Krawczak  
**Subject:** RE: Office Pricing Timeline

I agree. You and me - dinosaurs both! ☺

Suggested next steps:

- Petercr team meet with Billl team to get teams in synch (your team welcome as necessary - would suggeste Christine and/or John);
- Petercr brief Andy
- Kevinjo & Billh meeting - trying to set up for Monday.

Make sense?

Thanks

PS. Will call you re Retail NFR - I think I can save you some money there.

Ben

Ben Graetz  
Lead Product Manager  
Microsoft Corporation  
[bengr@microsoft.com](mailto:bengr@microsoft.com)

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

**From:** Joseph Krawczak  
**Sent:** Friday, February 02, 2001 12:27 PM  
**To:** Ben Graetz; Peter Cray; Bill Landefeld; Rebecca Lawson; Josh Kriesberg; Christine Chang; John Vail; Tom Bailey; Richard Smith (FINANCE)  
**Subject:** RE: Office Pricing Timeline

Maybe I'm just an old fashioned guy, but it sure seems like selling fresh new product is a lot better and brings in more revenue than selling old product. Even if that means our pricing story is more complex than we'd like it to be for March and April.

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

**From:** Ben Graetz  
**Sent:** Friday, February 02, 2001 12:23 PM  
**To:** Peter Cray; Bill Landefeld; Rebecca Lawson; Josh Kriesberg; Christine Chang; John Vail; Joseph Krawczak; Tom Bailey; Richard Smith (FINANCE)  
**Subject:** FW: Office Pricing Timeline  
**Importance:** High

I'm not sure I agree with Bill H's sentiments below that the following two given more revenue upside -

- delaying the release of Office 10 to the Select CD's in May; and
- delaying L & SC announce date to May 10 (from May 1);

I would argue the opposite. As we know, most customers buy VUP's, not UA. The field don't like to sell VUP's (revenue recognition). Customers don't buy UA because they don't see the value. UA only becomes attractive to customers when L & SC is announced. So delaying the announce of L & SC means we have more people buying VUP's not UA (bad). I'm not sure why we would wait to get Office 10 in peoples hands...

I would:

**HIGHLY  
CONFIDENTIAL**

**MS/CR 0028338  
CONFIDENTIAL**

- Announce Office 10 pricing and that Office 2000 prices go away in May 1 as soon as possible (brings forward Office 2000 purchase);
- Announce L & SC as soon as we are ready to - provides clarity for customers and partners around why buy EA and UA now;
- Get Office 10 in customers hands as soon as we can;

Does everyone agree or am I missing something?

Ben

**Ben Graetz**  
Lead Product Manager  
Microsoft Corporation  
[bengr@microsoft.com](mailto:bengr@microsoft.com) <<mailto:bengr@microsoft.com>>

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

**From:** Bill Henningsgaard  
**Sent:** Thursday, February 01, 2001 1:47 PM  
**To:** Joseph Krawczak; Kevin Johnson  
**Cc:** Peter Cray; Andrew Lees; Jane Dickson; Christine Chang; John Vail; Bill Landefeld; Kim Carnesale  
**Subject:** RE: Office Pricing Timeline

Across this group, I'd like to raise the suggestion we discussed briefly prior to today's MYR, namely, to delay the release of Office 10 on the select CDs until May. That way, we could a) achieve greater runway to selling against a May 1 price increase and b) align from a timing pov to the L/SC announcement May 10.

In my mind, there is potentially revenue upside in this proposal (more selling time against the lower UA price) and cust sat (less chance of customers buying VUPs when they really should buy upgrades. This maps to the 90 days leadtime (assuming we announced the price raise today).

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

**From:** Joseph Krawczak  
**Sent:** Thursday, February 01, 2001 12:11 PM  
**To:** Kevin Johnson  
**Cc:** Bill Henningsgaard; Peter Cray; Andrew Lees; Jane Dickson; Christine Chang; John Vail  
**Subject:** RE: Office Pricing Timeline

Christine,  
Would you please detail out the current planned timeline for everyone above.

Kevin,  
Note that the plan is driven currently by two key dates, first the April availability of Office XP volume license product, and second the May 1 L&SC announcements

Take a look at the timeline, and then let's meet as needed to close.

Thanks

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

**From:** Kevin Johnson  
**Sent:** Thursday, February 01, 2001 11:17 AM  
**To:** Joseph Krawczak  
**Cc:** Bill Henningsgaard; Peter Cray; Andrew Lees; Jane Dickson  
**Subject:** Office Pricing Timeline

Joe, I really want to nail down the timeline for how we roll out the Office10 pricing actions. I support the direction. I just want to make sure we have 90 days of good selling to customers before the pricing takes effect. It will help customer take advantage of the benefits of the annuity relationship. Should we all meet to nail this down or is there a plan/timeline you can send me in email? KJ

**Kevin Johnson**  
Vice President, US Sales and Service  
Microsoft Corporation

**HIGHLY  
CONFIDENTIAL**

**MS/CR 0028339  
CONFIDENTIAL**

(425) 705-8081

[Kevinjo@Microsoft.com](mailto:Kevinjo@Microsoft.com) <<mailto:Kevinjo@Microsoft.com>>

HIGHLY  
CONFIDENTIAL

MS/CR 0028340  
CONFIDENTIAL