From: Sent: To: Cc: Subject:	Sabina Nawaz Sunday, February 10, 2002 5.42 PM John Adelus; Erich Andersen (LCA); Gabriel Aul; Sudeep Bharati; Jeff Braaten; Kathleen Brown; Tyler Bryson; Brad Carpenter; Anthony Chavez; Sanjay Chheda; Erik Christensen; Susan Cole; Hillel Cooperman; Joseph Dadzie; Lasha Dekker; Mike Delman; Jeff Erwin; Lyndon Faulkner; Hillarie Flood; Chuck Friedman; Michele Glasser (WEINBERGER); Brad Goldberg; Juan Alberto Gonzalez Esparza; Guido Häring; Scott Herrboldt; Nobuya Higashiyama; Chris Hildenbrand; Tim Hill; Hal Howard; Ken Johnston; Erik Jorgensen; Ashok Kuppusamy; Julie Larson-Green; John Mangelaars; Ron Markezich; Stefano Maruzzi; Iain McDonald; Bob McKenzie; Paul Mitchell; Jens Moberg; Valerie Olague; Kartik Raghavan; Peter Rakoczy, Mark Roenigk; Ken Wye Saw; Kevin Schofield; Alex Seropian; Phil Sorgen; Alexander Stüger; Martin Taylor; John Tippett, Catharine van Ingen; Russell Williams; Scott Wiltamuth; Thomas Wittig; Andy Zupsic Bill Gates; Steve Ballmer; Sabina Nawaz; Liz King; Carla Cain December 2001 Strategy Conference Follow-up
Cc: Subject:	Bill Gates; Steve Ballmer; Sabina Nawaz; Liz King; Carla Cain

First I want to thank you all for your participation in the December Strategy Conference.

A highlight of the conference - something we heard from many of you - was the time that Billg and Steveb took to review the posters and identify the ideas to push forward. Many of these are areas where we already are making progress but it was clear that these are important areas of focus. The list below, with owners attached, are the notes from Steveb/Billg's session.

Topic Action Items and Notes:

3.II Steve Summary and Action...

There were 6 pre-determined topics and 8 "open space" topics discussed in the two sessions. Attached is the list of topics and notes from the poster report-outs for each of the discussions.



Pre-determined & open space to...

Thanks,

Sabina

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Plaintiff's Exhibit 7070 Comes V. Microsoft

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## DECEMBER, 2001 STRATEGY CONFERENCE

## COMMENTS AND ACTION ITEMS BILLG, STEVEB, JEFFR

## **PRE-DETERMINED TOPICS:**

#### SUCCESS IN ENTERPRISE

Steveb

- Useful topic for the group to look at set of companies and learn a few new things about them.
- Prioritized focus areas and fewer and bigger bets are similar -- lets take a big business problem and focus on it as a big bet. Focusing more through the eyes of IT folks who have a class of problems is spot on. JimAll has already started some of this work; we need to accelerate what we do.
- Create a fully integrated and leveraged delivery model. The context of this analysis was helpful. We need to be able to talk about how we solve end to end problems.
- Encourage our people to be more biased on partner choices
- Take the long-term view I think we already do this. We charter a focus in the area of storage we have a dream.

Take aways: Fewer bigger bets and fewer point products that don't fit into the context of the bigger bets in the enterprise space.

#### BEST PRACTICES

Steveb

Good discussion, specifics were a little unclear to me.

#### Take aways:

- In a way we don't have much going on in the company for best practice sharing. Too many best practices and not enough adoption.
- I want to have somebody think about the process by which we want to encourage on best practice sharing. I want top down thinking on this but not top down goals.
- There are community problems both inside and outside the company

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#### UNIVERSITIES

Billg

- This was a very thoughtful presentation.
- We will think about a bigger budget for this work.
- Interesting time in terms of a new platform and coming up with some of the new tools students are knowledge workers.
- Maybe we should build some new tools to get them involved in higher levels of our software.
- Some very leveraged things can be done in collaboration

#### Action items:

- Bill to talk to EDCU about their strategic metrics in addition to their revenue metrics. Then measure
  and come up with some tools that can be used to measure their attitudes.
- We need to think about other capitalistic ways in which to draw students in contests and other ways to draw out their expertise.
- Action items listed by the team are worth doing except for the recommendation on Messenger would need to think more about that.
- Work on Student Personal Services.
  - Student Web Services
  - Personal Portals
  - Cool Toys
  - MSN Student Edition
  - Leverage office.NET
  - Partner with third parties and Universities
- Metrics on where we are with different Universities.
- Explore reaching down to high schools
- University relations and EDCU will work on these.

#### KNOWLEDGE WORKERS

Jeff Raikes

- There are opportunities in the knowledge workers area to bring universities in. CEO's should feel they
  can't recruit top talent unless they provide great knowledge worker tools
- Liked hearing that the competition is pen and paper It's also the phone, telecommunications infrastructure, faxes, the meeting room, etc. What can we do to do these things in another way?
- The Knowledge Worker Life Cycle is a good place to start.
- These are very important scenarios:
  - Schedule meeting
  - Video conferencing
  - Share point setup
  - Project timeline
  - VPN setup
  - Privacy/security
  - Identify participants
- It's good that the team had a vision. However, the vision can't just be about thinking, it needs to be about communication and other activities. There are knowledge worker software principles that we should be leading and acting in

Actions: Jeffr will take this to the Knowledge Worker BLT as input. We should codify scenarios we want to support and talk about the notion of vision and how to articulate the knowledge worker software principles. A way to galvanize people across the company would be through a User Scenario Leadership Team (USLT).

## SOFTWARE EXCITEMENT

Billg

- The presentation started off with a lot of good examples. Why are these stories not more central to how we're marketing and how can we get more people in terms of "Wow"?
- Seeing what the marketplace is doing and how it gets back to the employees how is this happening?
- Accessibility to the neat things in the marketplace is not what it should be.
- To do this have stronger accountability make this measurable.
- Keep working on this to get more concrete ideas.
- What is the mechanism to getting from the marketplace to the employee: audit of product groups; accountability in our channels on how to surface these?
- Applications that make you go "WOW" -- we need to get better at this.
- Are there two or three things that are almost viral in nature?

#### PC FUTURE Billg

- Windows group is putting more resources into how we think about this
- Relationships and how they work our goals are more aligned with Intel.

Action. Billy's group is looking into renewed relationship and hardware relationship.

## **OPEN SPACE TOPICS:**

#### CUSTOMER-CENTRIC CULTURE

Steveb

2 key things

- Select someone at the Senior Level to shepard cross company.
- Pick 2-3 things, assign an exec to think through those things, and then check off more items from the list- Action: Martin Taylor will focus on this.

#### USING P&L TO ALIGN PRODUCT GROUPS (CROSS GROUP & P&L) Steveb

Issue of alignment across organization – incubate new things. Resource allocation is key.

Action: Management team and Brad Goldberg will work on problem and bring to resolution (field drives big # vs. scenario or product breadth, ownership and accountability of cost, silo thinking).

# HOW DO WE TURN <u>ANYTIME, ANYWHERE, ANYPLACE</u> INTO REALITY? ARE WE MAKING PROGRESS

Billg

- How do the different groups have synergy together?
- What does the PC share that makes them stronger than the standalone efforts?
- New formats from MS research how do we embed these things together?
- Non PC device (watch concept), one-way network, cost is basically zero
- Formalizing the better together things.

Action: Billg will drive making these formalized.

#### FUTURE OF MICROSOFT CONSULTING SERVICES (MCS) Steveb

- This is honest and where we are not sure where we got confused. People want to go back to where we were. Need to grow MCS under the same design as before.
- Agree with the recommendation almost 100%.
- The group underestimates the importance of the financials.
- There is work to be done and some new thinking. Notion that we have mixed messages is bad.

Action: Steveb will follow up with Orlando and Rick. Orlandoa will own follow-up.

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## OFFICE AND WINDOWS IN THE LONGHORN TIMEFRAME

Billg

- When you want to take full advantage of the user interface and want to simplify some of the test matrix it frees you up in a lot of ways.
- Cross company we are talking thru the different scenarios at the client/server level and service level, and trying to align.
- Good ideas about calibration.
- Called out scenarios in a strong way.
- Trade off will take place with Knowledge Workers.
- Cultural changes are very important need to build credibility thru milestones. Not going to have
  overnight credibility.
- Annotations, real time communications, and new UI make it more real and neat. We need to take the good ideas and put them together.
- Deployment has not been our strength doing a good job on deployment is a high priority.
- Features in Longhorn Office that are only useable in Longhorn Office.

#### SECURITY AND MS SOFTWARE IN THE DEV CULTURE (SECURITY AND PRIVACY) Billg

- We bought Prefix who has been particularly focused on security bugs.
- We have authentication problems.
- If you exchange information can somebody tap into that information?
- Bugs in code that allows things to happen to system.
- We need to generate less security holes and reduce the time between a problem occurring and when the patch is widely on people's machines.
- When there's a problem, the ability to roll back to the last known good state of code and files has to be built in.
- We are beefing up the resources.
- MS research has people who are engaged in this.

Action: Doug Bayer and Craig Mundie have been given headcount to focus on this today.

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#### INCUBATING NEW BUSINESS

Steveb

- Some incubation needs to happen high in the organization, some things need buy-in, like Xbox, and the big bets will have this characteristic.
- These ideas are at the divisional level.
- Optimizing around the context inside the division about how you bootstrap an idea in a division and needs input from another division – need to build the systems infrastructure.
- Need a process inside the division 2 x per year meeting.
- Number of things we have incubated is amazing, for example, about 50 items in the Consumer area.
- Zenith is a good incubation. X-box was a good incubation.

Action: Get someone in the Business Dev Group to give guidelines or technology ideas – we are openminded to these things.

Action: Steve will have a discussion with the BLT regarding processes and then talk about it at a divisional level.

#### THE FUTURE STRATEGY OF BILLING \$ FOR SOFTWARE SERVICES Billg

- What is the difference over credit card billing?
- Want to offer a web service around billing where we don't do the credit checks.
- Web services might be hard.

Action: Billg will meet with the billing team and will bring a list of goals.

## **DECEMBER 2001 STRATEGY CONFERENCE**

## PRE-DETERMINED AND NOMINATED TOPIC POSTER SUMMARIES

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## **PRE-DETERMINED TOPIC POSTER SUMMARIES**

### SUCCESS IN THE ENTERPRISE SOFTWARE MARKET

Presenter: Hal Howard & Valerie Olague

Team: Anthony Chavez, Scott Herrboldt, Hal Howard, Paul Mitchell, Valerie Olague, Peter Rakoczy, Kevin Schofield, Russell Williams, Thomas Wittig Topic Sponsor: Paul Flessner

#### ANALYSIS OF 5 ENTERPRISE SOFTWARE COMPANIES

#### **COMMONALITIES**

Focused on clear business problem

- Subject matter experts, not generalists
- Best of product/technology
- Brand recognition
- Sell business value, not technology
- Deliver not only point solution but articulate a platform-oriented vision

#### **BEHAVIORS**

- Multiple platforms and interop
- Partner strategy
- Developer Community
  - Primarily focused on IT Pro
- Services component (actual license revenue is more than service revenue.
- Certification

#### **COMPANIES AND UNIQUE DIFFERENTIATORS**

BEA - eBusiness app server platform

- Nimble at identifying platform trends
- Used acquisitions for quick time to market

CheckPoint - Security firewall, VPN

- Totally reliant on partners/channel. no services
- Most profitable: 50% margin
- Significant investment and acceptance of certification

OpenWare - Wireless infrastructure: device, servers

- First mover advantage
- 40% market share early partnerships with OEM's
- Non threatening to carriers

Peregrine - service desk, asset management, and platform

- Business expertise and platform vision differentiates from competitors
- Leveraged vision to get critical market share mass through acquisition
- Strong IBM global services alliance
- Veritas storage management: backup, SAN, clustering
- Uses OEM relationships to up sell to value-added technology

#### **RECOMMENDATIONS**

- Prioritize focus areas on core business scenarios
- Create fully integrated and leveraged delivery model
  - Analyze
  - Develop/acquire/partner
  - Deliver
  - Sell
  - Support
- Fewer and bigger bets (given constrained resources)
- Take the long-term view
  - Reputations are earned
  - Flawless execution still requires time to see results
  - Opportunity for breadth wise goal alignment

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## **BEST PRACTICES**

Presenters: Ken Johnston

Topic Team: Sudeep Bharati Sanjay Chheda, Erik Christensen, Susan Cole, Mike Delman, Brad Goldberg, Guido Häring, Ken Johnston, Iain McDonald, Ken Wye Saw Topic Sponsor: Gordon Mangione

**Problem definition** 

- No awareness
- Excitement around communication
- Cultural issues
- Low adoptions



<u>Generation</u> (main focus is to create a pipeline – how do we keep it open)

- Motivation factors
  - Individual (rewards for best practices are out there)
  - Sponsoring group
  - Recognition (at peer level)
- Make it easier (tools to publish)
- Functional focus
  - Relevance
  - Credibility

#### Adoption

- The measure of success
  - Recognize adoption
- Re-invigorate community
- Top down-goals
  - MYR

### **UNIVERSITIES**

Presenter: Hillel Cooperman, Ron Markezich Topic Team: Erich Andersen, Hillel Cooperman, Joseph Dadzie, Lasha Dekker, Nobuya Higashiyama, Erik Jorgensen, Ron Markezich, Stefano Maruzzi, Phil Sorgen Topic Sponsor: Dan Ling

#### BACKGROUND

- Multi-faceted relationship
- Complex challenges
- Fractured approach
- Image problem
- Aggressive competition
- Focus on... administrations? Faculty?
- Influence of students extends beyond campus

#### GOALS

- Become the preferred platform, technology, and tools provider for future devs (% courses featuring MS Lang./Tools)
- Become the natural choice provider of SW and services for future Knowledge Worker and consumers (in essence reach in 18-22)
- Make MS the irresistible choice and enviable destination for top most technology talent.

#### PROBLEMS ON CAMPUS

- 1. Java, Linux and open source movement, stealing mindshare of future developers and IT pros
  - Java used in courses
  - Star tops not being on MS technology
  - Image problem not cool, arrogant
- 2. Missing opportunity to get future knowledge workers and consumer loyalty to MS products and services
  - Students are wired and comp savvy
  - Some progress but in apps and owners, not MS
  - Brand affinities formed early?
  - Opportunity for competitors
- 3. Still some roadblocks to getting "Blue-chip" technical talent
  - Improved since bubble burst
  - Still some uphill battles with top talent
  - Key influencers on campus

Also discussed: revenue, IP exchange, change way people learn

1 & 3 can/should be viewed more holistically

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SOLUTIONS	Devs	KWs	Emps
Programming Initiatives	X		X
Contests			
<ul> <li>MCS Internships @ customers</li> </ul>			
<ul> <li>MSFT Fellowships</li> </ul>			
<ul> <li>University idealism – Technical peace corps</li> </ul>			
University Champions	X	X	X
<ul> <li>Employee owners</li> </ul>			
<ul> <li>Guest campus speakers</li> </ul>			
<ul> <li>Campus relationships</li> </ul>			
<ul> <li>Employees on advisory boards</li> </ul>			
<ul> <li>Alumni network</li> </ul>			
<ul> <li>Loan faculty</li> </ul>			
Student Personal Services		X	Х
Student web services			
<ul> <li>Personal Portals</li> </ul>			
<ul> <li>Cool toys</li> </ul>			
<ul> <li>MSN student edition</li> </ul>			
Leverage Office.net			
<ul> <li>Partner with 3<sup>rd</sup> parties and Universities</li> </ul>			
Student Developer Excitement	X		X
<ul> <li>Student .net SDK (Sun JDK killer) – slim VS.net</li> </ul>	i i		
Online P2P support			
<ul> <li>Open messenger for extensions</li> </ul>			
<ul> <li>My MSDN</li> </ul>			
<ul> <li>Student computer clubs</li> </ul>			
Accountability + Scorecard	X	X	X

### KNOWLEDGE WORKERS

Presenter: Jeff Braaten & Hillarie Flood

Topic Team: Jeff Braaten, Tyler Bryson, Jeff Erwin, Hillarie Flood, Juan Alberto Gonzalez, Chris Hildenbrand, Julie Larson-Green, Kartik Raghavan, Mark Roenigk, Alexander Stüger Topic Sponsor: Ralf Harteneck

#### **KNOWLEDGE WORKER LIFE CYCLE**

 $\begin{array}{ccc} \text{Learn} & \rightarrow & \text{Think} \\ \uparrow & & \downarrow \\ \text{Act} & \leftarrow & \text{Communicate} \end{array}$ 

#### **Scenarios**

- 1. Project Kick-off
  - Schedule meeting
  - Video conferencing
  - Share point setup
  - Project time line
  - VPN setup
  - Privacy/security
  - Identify participants
- 2. Intelligence gathering
  - Intelligence Gathering
  - Create proposal/leverage digital history
- 3. Collaboration/Communication
  - Document collaboration
  - Review/Approve
  - Notification
  - Results tracking
  - Document revision
  - Int'l Accessibility
  - Digital rights
- 4. Results
  - Learning feedback
  - Present proposal
  - Ecommerce transaction
  - Status updates

#### **VISION**

"Microsoft software will be the thinking fabric for the Knowledge Worker"

- Non invasive, self learning
- Malleable
- Customizable
- Scenario based
- Inter Communities of Knowledge Worker
- Enhanced productivity

#### **RECOMMENDATIONS**

- Build SW to enable the K W. lifecycle
- Organize and design for scenarios, not products
- Need smarter software
- Common services/framework
- Enable vertical solutions/customization
- Keep advancing standards
- Self learning
- Personality roaming

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## SOFTWARE EXCITEMENT

Presenter: Jens Moberg, Bob McKenzie, Brad Carpenter and Michele Glasser Topic Team: Kathleen Brown, Brad Carpenter, Lyndon Faulkner, Michele Glasser, Tim Hill, Bob McKenzie, Jens Moberg, Alex Seropian, John Tippett Topic Sponsor: Jeff Raikes

Make People go "WOW" through

- Innovation
- Empowerment
- Experience

WOW = Personal excitement communicated through story. ...

#### WHY:

- Fuel 3<sup>rd</sup> party innovation and virtuous cycle
- Engaged and energized employees
- Corporate image
- Customer loyalty
- Increased revenue

#### WHO:



#### HOW:

- Internal Employees closer to customer – Ambassador Program Increase Knowledge sharing within Microsoft
  - 1. Exchange program
  - 2. Town Hall meetings
- 2. Developer

Enable developer community – Interacting with Developers online Raise the bar on samples and documentation Lower developer barrier to entry \$\$ Invest in deeper relationship with ISV's

3. Market Place

MS-CC-Bu 000000129098 HIGHLY CONFIDENTIAL Showcase innovated use of Microsoft products On the right track with .NET Generate Buzz and Excitement on .NET by.... Highlighting cool solutions that touch and improve peoples' lives

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### **PC FUTURES**

Presenter Chuck Friedman, Catharine van Ingen Topic Team John Adelus, Gabriel Aul, Chuck Friedman, Ashok Kuppusamy, John Mangelaars, Martin Taylor, Catharine van Ingen, Scott Wiltamuth, Andy Zupsic Topic Sponsor: Craig Mundie

#### **PROBLEM STATEMENT**

- There is a lack of innovation in the current PC eco system
- Smart devices are emerging
- Microsoft makes no money as intelligent devices come into the enterprise
- The current PC architecture will begin to become more distributed
- Our current and future revenue in the enterprise desktop space is at risk

#### LOOSELY COUPLED

- New devices and device types can be added and remodeled at anytime
- Asynch communications
- Autonomous elements describe and make available functions

#### THESIS

- Your PC is the sum of available computing resources to you
- Microsoft software makes devices smart

Devices	<u>Smart</u>
Storage	Autonomous
Interconnect	Loosely – coupled
Processing	Has MIPS
Input	
Rendering	



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#### PC ECO-SYSTEM

- Hardware Vendors Common framework offers agility, reliability and security Challenges: AMB, Customer Ownership, Commodity
- Hardware Vendors: Smarter devices means more \$
- Developers: One programming model New business opportunities
- End Users: Smart devices enable richer user experience ex: "microphone"
- Buy a PC and we get OEM \$
  - similar to status quo
- Hardware add-on market (royalty)
  - any hardware item that is "intelligent"
- Upgrades and additions to intelligence of HW
  - upgrade speech recognition on my microphone
- Services revenue from intelligent devices
  - Hardware backs itself up

#### SUMMARY & REQUESTS

Microsoft should lead the reinvigoration of the PC Eco-system by architecting a new personal computing framework based on loosely coupled intelligent devices.

#### STEPS

- Decompose PC into device classes
- Product group & research partner with device vendors for each class
- Prototype
- Develop business models and architecture
- Productize

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## NOMINATED TOPIC POSTER SUMMARIES

## CUSTOMER-CENTRIC CULTURE

Presenter: Alexander Stüger

#### **Common Problems**

- Microsoft doesn't listen
- I can't get support
- I don't know who to contact at MS
- The products are unreliable
- Licensing schema doesn't help me
- You justify the problem

#### **Recommendations**

- How customers can reach Microsoft
  - Easy Access
  - Right person response
  - Helpful
  - Take a customer view for each type of segment
  - Information accurate and reliable
- Consistent level of quality on all products
- Create feedback opportunities in all kinds of events
- Assign an executive responsible for customer care
  - Build 3 year cross organizational plan
  - Focus on key processes
  - A patient, long term approach



Microsoft Process Strategies

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# USING P&L TO ALIGN PRODUCT GROUPS (CROSS GROUP & P&L)

Presenter: Brad Goldberg

Using the P&L to drive decisions

#### GOAL

Enable end to end decisions and accountability around key business scenarios

#### PROBLEMS

- Field drives big # vs. scenario or product breadth
- Ownership and accountability of cost
- Silo thinking

#### CHARACTERISTICS

- Common metrics across field and product groups
- Useful allocation
- Drive accountability and decision making
- Foster long term thinking (greater than 1 year)

#### **OPTIONS**

- Channel/customer/product
- Blend
- Challenge to balance org. flexibility with accountability

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## HOW DO WE TURN ANYTIME, ANYWHERE INTO REALITY? ARE WE MAKING PROGRESS (ANYTIME, ANYWHERE)

Presenter: John Adelus

#### GOAL

Long term significant revenue from great software, anywhere, anytime, any device (phone, TV, Auto PC, PC, Tablet).

#### **REVENUE SOURCES**

- Device Licenses
- Servers, platforms and tools (.NET)
- Service Revenue
- Software Royalties
- Advertising

#### PROBLEMS

- Service revenue has greatest opportunity but weakest today (Hotmail, MSNTV, MSTV)
- No critical mass behind key scenarios
- Need stronger ties to PC e.g. music & car, outlook & phone, tablet & PC
- Lack of key partners
- NET CF matters, but not enough traction (lack of partners)

#### RECOMMENDATIONS

DSLT - Device Services Leadership Team

- Scenario identification planning
- Clearing House
- Partner coordination/buy-in

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## FUTURE OF MICROSOFT CONSULTING SERVICES (MCS)

Presenter: Katy Brown & Jens Moberg

#### ISSUES

- Degree of profitability
- Post or pre-sales support
- Feudal or nation state
- Role of partner...role of MCS
- Mixed messages from executive leadership team
- Lack of vision

#### RECOMMENDATION

- MCS is a sales tool!!! We should organize and compensate accordingly
  - Reporting structure
  - Solution selling
  - Partner engagement
- Focus on MCS sweet-spot
  - Re-useable IP
  - Skills transfer
  - Microsoft accountability
  - Infrastructure/architecture/MSO's
  - No one cares more about Microsoft software than Microsoft Corporation
- Common executive execution of services strategy
  - Profitability, growth and vision

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### OFFICE AND WINDOWS IN THE LONGHORN TIMEFRAME

Presenters: Julie Larson-Green & Hillel Cooperman

#### COLLABORATION

- Joint document creation
  - Permissions, notifications RTC, presence
  - Share point vs. file system
  - Internet (cloud)/peer to peer/firewall issues
- Document distribution & routing
  - Versioning, DRM, workflow
  - Fax, telephony, paper mail
  - Syncing of devices
- Document annotation & discussion
  - Shell level annotations & infrastructure
  - Handwriting & voice annotation
  - Tablet/scribbler/word sync-up
  - Role setting & detection

#### STORAGE

- Unified views of e-mail & docs, high-level as 1<sup>st</sup> class objects
- Outlook subset in shell
- Search across devices, views ubiquitous

#### **BRAND & VISUALS**

- Lock brand marks
- Target common customers
- Single set of design principles one set of visuals
- Don't change core every year

#### ROAMING

- Profile, settings, docs, services: anytime, anywhere, any device
- @ work: ops flow chart
- *@* home: login, file search, Visio launch
- On the road: cell phone access to corp. address book
- Passport, OPK, Licensing profile maps

#### **OPEN FOR DISCUSSION:**

- Focus on cross product scenarios
- Longhorn makes knowledge worker features the priority
- Office runs only on Longhorn???
- Cultural/organizational changes for success --How do we do it?

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## SECURITY AND PRIVACY (DEVELOPING FOR SECURITY)

Presenter: Iain McDonald

#### Market share makes us #1 target

The rules have fundamentally changed (Nimda, Code red, 9/11)

Development Process	Broad Issues	
Development Process         Design         • Early security reviews         • Focus on simplicity of admin         • Consider surface area         • Secure by default         Development         • Code Reviews         • Tools: raise programming model to eliminate problem classes         Ship	Broad Issues         1       Windows security model(s) is too complex         2.       Training         •       All dev/test trained in secure design         •       Security lead in dev team         3.       Third party involvement         •       Published architecture         •       Samples/Best Practices         •       Certification         Security       Bad Design	
<ul> <li>Security bugs = PO</li> <li>API design reviews</li> <li>Internal white hat involvement</li> <li>Post Release</li> <li>Getting to auto-admin</li> </ul>	Bug     Bug       Breakdown     Legacy Arch.	

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## **INCUBATING NEW BUSINESS**

Presenter: Kevin Schofield

#### PROBLEM STATEMENT

- Champions lack forum
- New Business without obvious group are hardest
  - Intra-Division
  - Inter-Division
  - No Division
- Criteria for Business
- Framework
- Rewards?

#### **IDEA SELECTION**

- Educating "GMs" on fostering New Business ideas
- Pitch forum trial
  - Screen
  - Resource Ideas
- "Placemats"

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## THE FUTURE STRATEGY OF BILLING \$ FOR SOFTWARE SERVICES

Presenter: Ken Johnston

- Customers want to buy services
- Billing and provisioning are critical to MS
- Are we on a path to succeed?

CHALLENGES	OPPORTUNITIES
<ul> <li>Lack of internal understanding</li> </ul>	<ul> <li>Need business model</li> </ul>
<ul> <li>Evangelize</li> </ul>	<ul> <li>Not IT</li> </ul>
Credibility	<ul> <li>VAN</li> </ul>
What is line between product team?	<ul> <li>Product play</li> </ul>
Is org structure right	<ul> <li>Not billing team</li> </ul>
<ul> <li>Who owns business processes</li> </ul>	<ul> <li>Biz talk connectors</li> </ul>
<ul> <li>Do we have right team IT vs. Product</li> </ul>	New API's
<ul> <li>End user signup experience</li> </ul>	<ul> <li>Monitor usage</li> </ul>
• What size investment (Cadillac vs. Chevy)	<ul> <li>Expand to do settlement</li> </ul>
• 70% of customer complaints are bill related	<ul> <li>Eliminate duplication</li> </ul>
	<ul> <li>Customer support centers</li> </ul>
	<ul> <li>Provisioning</li> </ul>
	<ul> <li>Get more 3<sup>rd</sup> party onto .NET</li> </ul>
	<ul> <li>Tie businesses to us long term</li> </ul>

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