

# Desktop Applications Division



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→ News  
→ certainly ~~best~~ <sup>best</sup> ~~element~~ <sup>element</sup> of these ~~news~~ <sup>news</sup> → move to 32 bits; Office 95  
→ looking ahead on the office side  
→ High level Product Strategy  
→ Consumer applications

~~Hardy signing you~~  
Are our ~~Problems~~ <sup>Problems</sup> an ~~current~~ <sup>current</sup> ~~business~~ <sup>business</sup> ~~priority~~ <sup>priority</sup>  
~~Effort~~ <sup>Effort</sup> ~~interest~~ <sup>interest</sup>

Plaintiff's Exhibit

7403

Comes V. Microsoft

FL AG 0009462  
CONFIDENTIAL

## **Agenda**

- ◆ **Market overview and trends**
- ◆ **Product strategy**
- ◆ **Current business priorities**
- ◆ **FrontPage™, Office Intranet demo**
- ◆ **Office 97 introduction**
- ◆ **Feedback**

## Market Overview And Trends

- ◆ Continued Office category momentum
- ◆ Migration to 32-bit desktop slow but steady
- ◆ Market saturation increasing
- ◆ IS product requirements increasing
- ◆ Growth: SORG, home, antipiracy, upgrades
- ◆ Growing demand for Intranet capabilities
- ◆ Perception versus reality of "bloatware"
- ◆ Mac business uncertain

overcall  
70%

Office continues to grow

32 migration steady, retail , orgs follow

Growth of new PCs or new lic in LORG MORG decline / IS needs

SORG / Home fastest growing segments , 2/3 of PCs in US in CY96

The Net creates a lot of heat

## Desktop 95 Evaluation

- ◆ **Strong launch and retail effort**
  - Office Pro and CD mix increased
  - Windows® 95 attach rate solid, growing
- ◆ **Huge challenge to migrate corporations to 32-bit desktop**
  - Importance of trial experience
  - Need targeted account plans and programs
- ◆ **Continued strength in 16-bit sales**
  - Office suite momentum

First Off Thank you ! support, investment in DT 95, strong retail launch

*I am interested* How would you evaluate the Desktop 95 initiative over the period...what do you think we learned?

Pro and CD

Trial is key

Migration services, programs, planning

maintain sales  
 on 16 bit  
 speak to  
 power  
 of category

|           |     |
|-----------|-----|
| Pro 95 :  |     |
| Pro = 20% | 50% |
| CD        | 50% |

## Office Product Strategy

- ◆ **Personalized**
  - › IntelliSense™, UI, linguistics, integration
- ◆ **Connected**
  - › Bring Office to the Internet and vice versa
  - › Communications and collaboration
  - › Best desktop tools for custom solutions
- ◆ **Product investments**
  - › Best-of-breed applications in each category
  - › Make upgrading easier
  - › Improve performance/size

Continue to invest in a couple key areas -

Make it Easy for our customers to produce great results

Linguistics = NLP tech make it easy for people to find \ learn, UI simplification clutter, "UI-less features"

Comm and coloboration - master documents, multi-user workbooks and input to the same documents, powerfull reconciliation / versioning features, integrated email, calender, PIM, office docs

Office as platform

more benefits to ORG customers

## **Consumer Productivity Applications**

- ◆ **Customer focus - SORG, SOHO, home**
- ◆ **Development and marketing synergies**
- ◆ **New product combinations**
- ◆ **Rationalize productivity offerings**
- ◆ **Capitalize on growth opportunities**



May have recently read about reorganization

Strong upside in Home / Sorg, we want to have excellent products for these segments, already a successful group there, bring together get synergy

You know these products today as works, publisher, BOB , there are several more exciting in the works, Pattys will demo - for you , I wanted to use my demo time for intranet

## Our Current Priorities

- ◆ Continue Office for Windows 95 demand generation
- ◆ Drive 32-bit evaluations
  - > MORG seminars
  - > LORG account plans
- ◆ Execute Value Pack retail promotion
- ◆ Deliver Office Intranet strategy
- ◆ Launch FrontPage 1.1
- ◆ Prepare for Office 97 launch

Key near term priorities for MS - ( next 6 months)

Demand thru ads, PR and seminars - 79 cities, target 30 - 35k total participants, early seminars sold out

Ads - >\$10m in sustaining ads Jan - June, more than 1.5m DM drops to most qualified prospect = registered Win 95 users and single Office application owners, call to action - "call for reseller nearest you"

V pack to begin to test new product bundles - like your feedback on these

Office Intra net strategy - Make it known, make it clear, equip you to sell Office as intranet tool today ( includes IE, IA, viewers , Front page ) ( will dicuss in demo )

Big part of that is launching MS FP, 1.1 MS branded late April ship, pricing - approaching single app, promo, April 29 ?launch Internet World

## **Your Opportunities**

- ◆ **Build Intranet business**
- ◆ **Generate upgrades**
- ◆ **Penetrate Home, SORG**
- ◆ **Develop solutions services**

Intra - Make the investment in training and support, understand the products, customer needs, and scenarios, get sales ready for FP, support the roll out

Upgrades - somewhere near 9m Office users in US - continue to invest in upgrade 32 programs, migration services and support

MS will be spending ads - v pack - sell to Home/Sorg

Solution services - built out on Office

## Microsoft® Office And FrontPage The Intranet solution

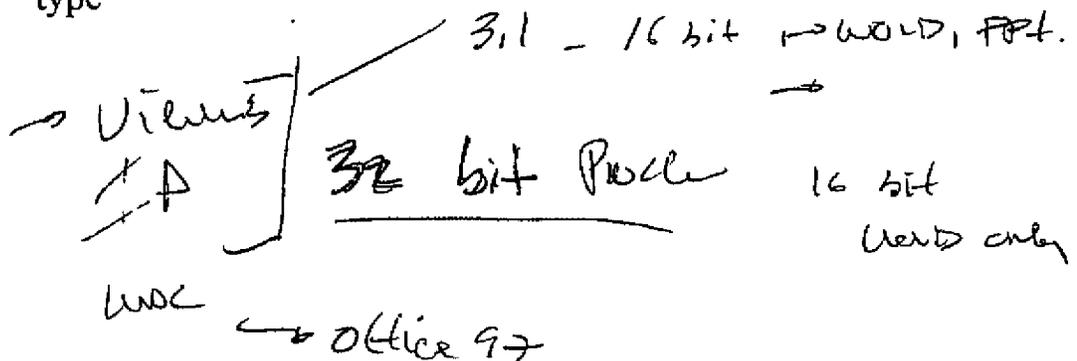


- ◆ Create and manage Web documents
  - Office HTML editors and viewers
  - FrontPage
- ◆ Utilize Office docs, HTML, and links
- ◆ Integrated searching and navigation
- ◆ Leverage existing infrastructure
- ◆ Easy for business users
- ◆ Start selling it today

Like to turn our attention to the intranet solution I mentioned

A great deal of heat and light around the inet, and certainly many companies finding value, but how make money ?

We see intra net as big play, and Office and FP will be the way most intranets get created, lets talk about what is avail today - IA , viewers, output as HTML or use as native doc type



## **Intranet Scenarios**

- ◆ **Information distribution**
  - **Human Resources policy manual**
  - **Query against materials database**
- ◆ **Information analysis**
  - **Financial reporting**
- ◆ **Active collaboration**
  - **Project team interaction**
  - **Personal business page**

What are some of the applications that they might create using this web technology?

Not exhaustive list but lets look at a high level view of 3 types of intranet publishing

**FrontPage And Office For  
Windows 95 Intranet Demo**

# Microsoft Office 97

*The Personalized, Connected Office*

- ◆ **Intelligent**
  - Office Assistant
  - IntelliMouse™
- ◆ **Integrated**
  - Microsoft Outlook™
  - Office Binder
- ◆ **Interconnected**
  - Office Intranet
  - Office Solutions

Builds  
ON  
BACK  
END  
Products  
Specifications  
MS  
Exchange

- Office 97 is a quantum leap forward in innovation and value.
  - Full version upgrades to Word, Excel
  - Innovative new technologies (Internet, Outlook, Solutions)

**Intelligent** - Intelligent software that enables users to access the full power of their tools. End users are more productive and self-reliant. Organizations reduce support and training costs.

-Office Assistant (SUI, NLP, new model of user assistance unified assistance, active assistance

-New IntelliSense features everywhere

- new way to navigate data with new Intellimouse

-Integrated - An integrated, programmable workspace that helps you create, organize and communicate ideas and information in new and more effective ways.

-Microsoft Outlook - new way to organize and communicate will have tremendous appeal

-Office Binder - pull together all the docs for a given project, assemble and publish them

-VBA everywhere, Integrated design environment

**Interconnected** - A new desktop communications platform that makes the "intranet" an everyday productivity tool for organizations, and increases the communications and collaboration capabilities of all users.

-Office Internet Assistant technology

-FrontPage

-Workgroup features

EXCEL -  
whole  
Personal  
Productivity  
Quality

## Office Product Timeline

| Product                 | Availability   |
|-------------------------|----------------|
| Office 97 for Windows   | September 1996 |
| Individual applications | September 1996 |
| Office 97 for Mac       | December 1996  |

- ◆ Windows NT Workstation and Windows 95
- ◆ MIPS, Alpha, and Power PC™

Office 97:

Easy way to get powerfull results

Effective way to get organized (and communicate)

New way to share information

Available to sell, new Mac version will follow within 90 days

Supports Desktop 32 - Win95 and Win NT -

continue to support the same high end RISC platforms as in the past

## **Feedback**

- ◆ **Improving Office sales at retail**
  - **How is Value Pack promo being received?**
- ◆ **Increasing Office sales with SORGs**
  - **How can we improve?**
- ◆ **Driving 32-bit migration**
  - **What are key obstacles?**
  - **Migration services business opportunity?**
  - **Channel involvement in trial programs?**

## Feedback

- ◆ Piracy
  - > Can we increase antipiracy measures without major end-user backlash?
- ◆ Office solutions platform
  - > How can we help make this a better business opportunity?
  - > Office Compatible
- ◆ Macintosh®
  - > What is your perspective on the future?
  - > Where should our focus be?

Cpq  
IBM  
P Bell

~~Control~~  
~~Share~~

Don't understand  
what they  
want

Matching  
Full Line

Ads:

Why buy  
AN APP?

Why our products  
are better  
~~than others~~  
the added \$'s

G. N. K. E. P. P. S.  
 Anti Piracy

pls need  
to convey the  
App's value.

Matching Funds with  
Dist's to promote  
stacking levels on  
roll at product.  
(\$'s go in to competition  
inventory)

- \* Returns Policy
  - \* MARGINS
  - \* OMS / Dist'i
- Get in synch on terms  
(Reseller set Goals w/  
MS, but most execute  
with Dist'i)

Select  
FG  
OEMs

→ Cross product group  
 → Cross sales group

+ Select  
 + FG  
 + OEMs

↳ Better way to sell

|         |        |            |
|---------|--------|------------|
| Channel | Select | HW         |
|         | FG     | net./60e → |
|         | OEMs   | PSD/BSD    |
|         |        | 12         |
|         |        | <u>x35</u> |
|         |        | <u>360</u> |

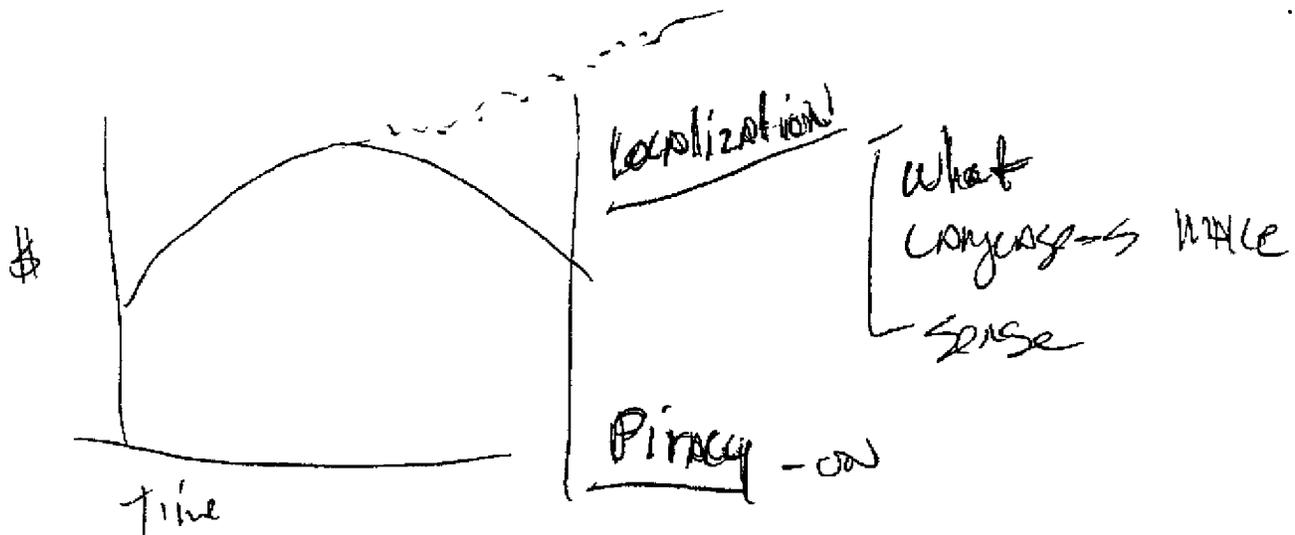
UNIPROG  
 → ~~Must lead~~  
 → Be visible  
 Change AGENT  
 → ~~voice change~~  
 happen.

NEED A  
 Framework

3rd Parties  
 - Dev attention  
 - Stop with  
 key says  
 pct.

**Microsoft®**

 Start



new lev on existing business

new market

60

15  
20  
20N +10

○  
○  
○  
○

time  
2000

100n (copy 95-105)

↓ 8% -10  
↓ 2% -5  
15% +15

