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Messages :

From richab Fri Aug 2 09:44:12 1991
To: bradst camerom charltong pectys petern steveh
Subject: Meeting with Lotus, LONG MAIL
Cc: daveest davidcol jonl tizsi w-maria winkmg
Date: Fri Aug 2 09:43:28 1991

Jon Lazarus and I met with members of the marketing and development groups of Lotus on Thursday, August 1st, for the purpose of exploring the various ways that MS and Lotus can work together during and after the launch of 1-2-3/W.

Our primary objectives for this meeting was:

1. to identify specific actions, programs, etc. that both companies are comfortable with pursuing,
2. to get additional information on timing of and magnitude of the 1-2-3/W rollout for our own planning purposes,
3. to demonstrate to Lotus our sincere interest in cooperating with them in mutually beneficial ways
4. to review with this broader group our updated systems strategy and windows 3.1, and finally
5. to begin to build a better working level relationship with them on the product marketing side of their house.

Attendees:

Jeffery Beir, Director of Spreadsheet Marketing
Paul Strobe, 1-2-3/W Product Manager
Susan Eschen, 1-2-3/W Development Manager
Lisa Landa, Public Relations Group Manager - Spreadsheet Products
Bill Destefanis, OS/2 Product Development
Will Blanchard, Freelance Development Manager
Chris Reed, Unix Product Manager
Bob Hatcher, Product Manager - Databases and networking
Rob Perry, DOS Spreadsheet Senior Product Manager
Kevin Cavanaugh, Director of International Product Planning
David Reed, VP, R & D [Strategy Discussion Only]
Said Mohammedian, VP Word Processing [Strategy Discussion Only]
Irene Grifer, R & D [Strategy Discussion Only]
Jay Freed, Product Marketing Manager

Jon Lazarus
Rich Abel

Meeting Summary

Jon went through the current systems strategy pitch. They are somewhat skeptical of our 4M unit number [being active users] as well as the 65K SDK number, finding the latter as amazing as we do. Interestingly they believe that 50% of release 3.1 users own Windows and 30% run 3.1 from within Windows. In addition, they told us that 25% of release 2.x users have Windows.

They became confused about when the Win32 would become available on DOS. The point of confusion was Jon's response to David Reed's question about plans for an interim 3.x release which would host Win32 as a way to get

this api on DOS sooner than "the next major release of windows." Additional discussion straightened them out and we indicated this would be an issue that we'd like their feedback on.

We took them through Windows 3.1 at a pretty high level, although the number of questions demonstrates that the beta software hasn't gotten out of the development organization yet. (Action item: richab to get Jeff Beir and Jay Freed on the beta list ASAP. We left him with a set of disks to play with.)

There are a number of 3.1 areas where they would like more information. The robustness work we are folding in at beta 2 is of keen interest. They are somewhat concerned with the potential incompatibilities this might introduce. A number of groups want beta 2 ASAP. (Action: richab to talk to davidcol and camerom about getting Lotus additional advance information on parameter validation, etc. and to request an expediting the beta to Lotus when it is available. David Reed has questions about the application impact of power management. Are there APIs he should be aware of now for planning purposes? (Action: richab to get davidcol to follow up.) Reed also asked about "missing features" in the current beta....things that he has been led to believe would be in Win 3.1 which haven't shown up yet in the code. The issues relating to what he called public fonts (fonts which can follow a document) was one issue. (Action: Camerom should follow-up with Reed). Reed also indicated that he has some issues with the Pen extensions to the draft version of the new style guide. A meeting with MS is apparently already scheduled for Monday to get additional input from Lotus on this.

We called special attention to the common dialogs throughout the demo. Said took exception to the fact that Write doesn't offer Ami's file extension as a default choice (defaults are *.txt, *.wri and *.doc). There was some confusion on the checkboxes in the font dialog in the Control Panel. "Use TrueType only" and "Use TrueType" was confusing to this group. We indicated that the issue of ATM working was a release to release issue today and that our goal is to maintain ATM compatibility with the final release.

Given their release schedules, 3.1 is compatibility is a major issue. They are concerned that MS Apps will exploit 3.1 features and/or pre-req 3.1. They are also very concerned about 3.1 upgrade pricing.

The initial release of 1-2-3/W will have a graphical (from Windows) install program but will ship without OLE support. They will follow up with an interim release to add OLE support in the Win 3.1 timeframe. Ami/Pro (with OLE support and Freelance will ship this calendar year. Several new apps (Improv, database ?) are to ship in 1992. They also indicated that 1-2-3/G would be updated this year.

Marketing Discussions

Jeff Beir explained that Paul McMulty, Director of Programs Marketing will be a critical guy to make contact with since he has ownership of many of the programs which we're suggesting cooperative efforts. McMulty was scheduled to attend the meeting but did not show due to travel. Beir's responsible is longer term ("what happens in '92", in his words) whereas McMulty owns the near term, tactical programs (eg: update program, direct programs, channel programs, events, etc.)

Jon reviewed our new policy regarding the Win registered owner list and

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reminded Lotus that they would be allowed one use under the old policy on a "grandfather" basis. We showed them the new Windows logo and reviewed our plan for usage and rollout of it.

I presented our near-term marketing philosophy and plans for Windows, covering the various customer satisfaction programs that we have in place (let champions). Windows Technical Workshops, the Windows Resource Kit and the Focus on Windows magazine were all pitched as resources that Lotus could employ to assist their users in making the transition to Windows.

Resource Kits: We offered to supply Lotus a reasonable number kits for internal use. We proposed the idea of Lotus being given a license to manufacture the current kit so that they could supply them to their "champions" (license fee would be for them to provide names to MS).

Focus Magazine: We proposed mailing the next issue to their lists. We indicated that we'd consider including a relevant article from them in a future issue. We suggested that they consider producing a special Lotus sponsored issue containing a mix of content supplied by MS and Lotus.

Windows Technical Workshops: We offered to hold special Win Technical Workshop for them at their facility for internal people. We offered to do the same for their field SAs. We suggested that they might take the standard content of HW and add to it some Lotus specific content and use it with the appropriate audiences.

Product Support: I reviewed with them the contacts that exist between Lotus Support and MS PSS today. They expressed interest in our Knowledgebase. I suggested that MS would entertain having some of their techs come to Redmond to spend some time with our people. They expressed interest in getting the knowledgebase as well as the other technical materials on Windows into a Notes database that they could replicate internally and possibly offer to Notes customers.. We agreed that separate follow up discussions, support organization to support organization are in order. (Note that these are already going on. Markke and Jimpe have been talking to their counterparts at Lotus.)

1-2-3/W and Rollout Plans

Lotus was not willing to provide us with much information on the timing or the nature of their rollout. They indicated that they would publicly announce when the product "goes to manufacturing". "General availability" will be about three weeks after that date when they have channel fill.

They were more open about their plans than they have been in the past but clearly they regard the exact timing of their general availability as very proprietary and that hampered discussions. After their announcement of RTM is should be possible to have more productive discussions.

Beir indicated that plans for their rollout are "far along" and consequently were not particularly flexible. 1-2-3/W will be the focus of a major marketing effort this fall. And since they expect to ship a large number of units this calendar year their RTM is likely this summer or very early in September.

They will take a platform neutral approach and focus on having the best cross platform solution. They will position 1-2-3/W as the best

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spreadsheet for Windows and the spreadsheet with the best cross platform compatibility.

Public Relations
Lotus is interested in our participation in their announcement PR. They would like a quote (1-2-3/W is good for Windows", preferably from Billie) and will want to explore some other possibilities.

They are eager to have Microsoft feature 1-2-3/W in promotions and demonstrations of Windows. They suggested (with a grin) that perhaps we should use 123 instead of Excel for a period of time in the technical workshops or WDD.

International

Lotus is very concerned about having a working relationship with our international subsidiaries. They plan to ship international versions in short order after US RTM. We did not make any commitments but invited Kevin Cavanaugh to come to Redmond to meet with Charlottg, Hansa and PeterW may also want to meet with them to get a sense of the impact on Windows outside the US. Interestingly they believe that after a fast start Windows has stalled in Japan.

Summary

Lotus was not well prepared for this meeting. The range and number of specific ideas that we came to the table with surprised them. Our interest and willingness to propose aggressive ideas took them back a bit. They indicated that the timing of the meeting was excellent for them since they will be having annual planning meetings next week. To our surprise they had not considered the upgrade "batteries" issue or considered Microsoft as a possible source of technical training. They did say that they have conducted field training and that 100% of their field is equipped with Windows.

Next Steps

We will utilize a single point of contact at both companies to track progress on the various marketing issues. Jay Freed agreed (somewhat reluctantly) to be this point of contact for Lotus. I will be the point of contact for MS. I will FAX out today a summary of the key items discussed at the meeting and they will do the same on Monday. I will publish a status report of programs underway every few weeks or so so we can track status.

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