

Workgroup

To: List
 Fr: Laura Jennings
 Re: Microsoft Workgroup Strategy: Our Response to Notes
 Date: 04/15/92

The purpose of this document is to consolidate the various workgroup-related activities and messages within Microsoft into one cohesive overall plan. It attempts to answer the question "what are we doing about Notes?" from both a product and marketing perspective, and to serve as the starting point for our "workgroup marketing thrust" in FY93. This document does not replace individual marketing plans for Sparta, MS Mail, etc. but rather supplements and consolidates them within a global company context. Please send comments to LauraJ. Thanks.

Microsoft must develop a single, compelling collaborative computing message in FY93:

- Lotus is effectively using Notes as the cornerstone of its focused "Working Together" message to challenge both our desktop applications and systems businesses. Notes poses a problem for Microsoft on a number of dimensions: 1) Notes is the best "group memory" product on the market today, 2) Lotus is effectively using Notes as a Trojan horse for its suite of desktop apps, 3) Notes is being sold not just as an application, but as an operating system itself, establishing competitive APIs to the native Windows APIs, 4) Notes FUD is allowing Lotus to establish itself as a technological innovator and distract attention from weaknesses in other areas of its business.
- "Groupware" strategy has become a critical dimension upon which corporate customers are selecting applications partners¹, and which press and analysts use in evaluating software vendors.²
- Our workgroup applications strategy has been favorably received by analysts³ and named accounts, however, we have not succeeded in bringing nearly the company focus to this message as Lotus has to their working together story,⁴ and the vast majority of our target market is unclear about our strategy in this area.
- In lieu of a product to compete head-to-head with Notes⁵, Microsoft must instead focus on changing the rules by which successful collaborative computing strategies are judged.
- The introduction of Sparta in CQ392 will tangibly demonstrate Windows' strength as a groupware development platform alternative to Notes. However, careful positioning is key.
- Although the primary market for groupware solutions to-date has been large accounts, a small-to medium sized company market is emerging, fueled by low-end networking products, the new generation of more approachable networked applications and industry press obsession with "groupware." Sparta and other easy-to-use, end-user focused applications can be used to capture leading market share in groupware among this price-sensitive segment unlikely to invest in Notes. This is the market Microsoft is best prepared to dominate.
- Although a more demanding market to satisfy, a significant opportunity to gain market share for critical Microsoft APIs and build momentum behind our workgroup strategy exists in capturing large account sales, specifically the "downsizing" market. Consisting of 17 million nodes, or 62% of the current installed base of messaging-type applications users, this market is currently struggling with overall networking, connectivity and migration problems which Microsoft is better positioned to solve than Lotus.⁶

Our product strategy to combat Notes can be summarized as follows:

- Obsolete it as a groupware foundation with a replicated object file store in Windows 4.

¹ Intel serves as a good example of this. Intel concedes that we have the best Windows applications, yet selected the Lotus line of applications over ours because Lotus sold an entire "working together" solution while we sold only best-of-breed applications.

² This is true with financial as well as industry analysts, as demonstrated by our recent 3-hour conference with David Readerman at Shearson.

³ Refer to recent Gartner report, for example.

⁴ For example, Manzi recently personally conducted a VIM corporate accounts briefing tour, and >75% of the recent Lotus press/analyst briefing focused on integration and collaborative computing issues (sources: David Readerman, Shearson; David Coursey, InfoWorld.)

⁵ The obvious but often ignored within Microsoft itself. Even if we began developing such a product today, Notes would have a 5+ year head start—not exactly a recipe for success—and in mimicing Notes we'd only fuel its acceptance.

⁶ A recent Forrester study indicated that 80% of the F1000 has a messaging connectivity problem today.

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- Ship a powerful, easy-to-use workgroup development kit -- Sparta/MAPI SDK, CQ392
- Ship tactical product releases built around Sparta between now and Win 4 to systematically solve the most common problems for which users buy groupware:
 - Graphical UI for enterprise-wide communication -- Mail 3.0, CQ392;
 - Forms routing -- Calvin & Hobbes, CQ392
 - Windows-based remote communication -- MSMAil Windows Remote, CQ492
 - Group Memory: File sharing: Sparta, CQ392
 - Basic enterprise-wide BBS: MSMAil 3.2 and Sparta Extensions Kit v. 2.0, CQ193
 - Full-featured Conferencing: MSMAil 3.5, H293
 - Superior Notes-type conferencing: Delphi, Win4 timeframe
 - Scheduling -- Sparta and Schedule+, CQ392
 - Access to unstructured information -- InfoBuddy, CQ492
 - Workflow -- Torque, H293
- Build Simple MAPI support into the entire line of Microsoft Windows applications in FY93 (including MS databases) and aggressively explore additional opportunities to leverage Sparta as a groupware platform in our desktop apps.⁷
- Develop a short list of key messaging drivers for Sparta/Bullet (PROFS, DEC AI1, DEC X.400, ATT, MCI etc.) to extend MAPI's reach onto desktops currently controlled by host- or public messaging providers (market size = 21.5 mil nodes)

Our marketing strategy to combat Notes can be summarized as follows:

- Utilize Sparta as the cornerstone of our workgroup platform in FY93 as a vehicle for redefining the objectives by which good "groupware" solutions will be judged by press, analysts and customers. Implement a single, company-wide campaign to position Microsoft as the premier supplier of workgroup computing solutions, kicked off with a major event in August/September and sustaining through aggressive advertising, PR and speaker placement through the remainder of FY93.
- Utilize MCS and Workgroup Specialists as a Notes hit squad responsible for identifying groupware customer needs and Microsoft alternatives to Notes for meeting those needs.
- Aggressively pursue Sparta/MAPI ISVs in FY93. Establish a Workgroup Alliance Foundation of MAPI ISVs to become the leading industry voice on groupware issues. Change/extend the Windows application logoing program to indicate Windows for Workgroups support.
- Develop a "Workgroup 2000" product demo which demonstrates our vision of the collaborative office and how Microsoft's workgroup platform enables it now and into the future. Use this demo as the cornerstone of the August/September workgroup event; as a dedicated theater presentation at trade shows; and as a videotape which can be used at seminars, by the field during sales calls and as an advertising response tool.
- Sponsor a series of groupware research reports in conjunction with leading industry analysts.

Microsoft's primary workgroup message should be that Windows for Workgroups provides a powerful, open foundation for groupware application development:

- Windows for Workgroups allows users to share information and work together more productively than before:
 - Windows for Workgroups includes easy-to-use groupware services, including file and printer sharing, electronic mail, real-time chat and multi-user games.
 - Microsoft Schedule+ is the first of a series of workgroup-productivity applications from Microsoft designed on top of the powerful Windows for Workgroups infrastructure. For a limited time, Schedule+ for Windows is included FREE in Windows for Workgroups as a promotional offer.
 - Microsoft's line of Windows desktop applications support specific Windows for Workgroups features to allow users to work together more easily and productively
 - Over ### ISVs are now developing Windows for Workgroups applications
- Windows for Workgroups provides the richest groupware development environment available.

⁷JohnLu recently published a great document on this subject.

- The Windows for Workgroups infrastructure extends the Windows development environment to include MAPI, Net DDE and other services.
- The Windows for Workgroups Software Development Kit provides the most powerful groupware development environment available
- Windows for Workgroups provides a scalable solution through a series of advanced service offerings from Microsoft to meet the needs of complex environments:
 - Windows for Workgroups SDK: powerful software development tools to support an extensive groupware ISV community.
 - Windows for Workgroups Advanced Messaging Server: provides DOS, Mac and OS/2 email clients; server-to-server messaging transport; gateway and remote user connectivity hooks.
 - Microsoft Messaging Gateway Series: connects Windows for Workgroups and Microsoft Mail networks to all leading third-party messaging systems.
 - Microsoft Mail Windows Remote(CQ492): allows asynchronous communication with Windows for Workgroups and Microsoft Mail networks.
 - Microsoft LANManager (NT in the future): extends Windows for Workgroups to support advanced client/server applications

The overall workgroup marketing campaign provides a company-wide strategy and message within which product-centric messages can be supported. For the lead products encompassed within the workgroup campaign (WFW, MSMail, MAPI, overall DEC company relationship, WGBU forms routing tool, Bandit, NT) the workgroup umbrella campaign serves as their primary sustaining and MIS-focused campaigns for FY93, but does not replace product-specific launch and ongoing end-user campaigns. For other Microsoft products included to a lesser extent in the workgroup campaign, workgroup activities are purely supplemental to their traditional marketing activities. The total first-draft workgroup campaign budget for FY93 is \$4.58 million, which includes \$2.1 mil for trade show activities (including Interop & NetWorld), \$1.1 mil in advertising expenditures, \$275K for PR, and \$455K for collateral.

Next Steps:

<u>Due by:</u>	<u>Activity:</u>	<u>Owner:</u>
April 20	FY93 workgroup brainstorming discussion (4:00, 16/3000)	LauraJ
April 22	Comments on this memo, workgroup marketing draft due	All
April 24	Form workgroup campaign committee with members from NBU, Windows marketing, WinLine marketing, WBGU and SMSD	Hankv
May 8	Second draft of workgroup marketing plan published	LauraJ

Please refer to the following related documents for additional information:

<u>Document:</u>	<u>Author:</u>
WGA FY93 Product Plan	LauraJ
Workgroup Marketing Plan Draft and Budget Requirements	BruceRy
"Workgroup 2000" demo outline	TomD
Lotus Notes Marketing Perspectives	TomD
Sparta vs. Notes Competitive Comparison	TomD
Sparta Marketing Plan Draft and Budget Requirements	RussS
MSMail/Bandit FY93 Marketing Plan and Budget Requirements	BruceRy
ISV/MAPI FY93 Marketing Plan	SuzanF/ShirishN
DEC Relationship FY93 Marketing Plan	Conniecl/ShirishN