Back in February 1989, when I got the first rumors of Windows 3 being pushed as
an alternative to OS/2, I raised the first warning that our product strategy
needed a serious response to the boost this gave Excel. I think we can be a
little bit proud that we succeeded in delaying this by working our relationship
with IBM. As the author of the first (August 1989) of many design proposals for
making a Windows 3 version of release 3, I feel saddened by the fact that
serious work on this project did not start until August 1990 (a 1 year delay)
and I attribute this in large part to "believing our own bullshit" or a tendency
to regard winning a customer or IBM officer away from Windows as indication of
"peace in our time." Even today, we may rationalize the agreement by thinking
that IBM and MS remain on a path to divorce (merely papered over). While that
is true, I would point out that IBM and we do NOT share the same goals. IBM
sells hardware, not software, and needs Lotus less and less.

A strong position calls for diplomacy AND preparations for war. Admittedly it
is hard to marshall sales and marketing to "sell what's available today" and at
the same time keep top management focussed on contingencies -- but that is what
we are paid to do.

The next battle is over what Microsoft calls "Application Architecture".(see
note below) This actually started in MS's response to our (Lotus-Wordperfect)
DDE standards effort. The threat is that we are left outside the pale, and all
of MS's products fit this neat umbrella. Frankly, we have little today to
offer. We do not have the market presence that would let us marshall other apps
developers to an alternative standard with similar functions (for example, New
Wave).

I have in mind an application architecture based in Windows that is "spreadsheet
based". That is, we expand our concept of our business from "rows and columns
of numbers" to "Smart Paper", with a sequence of evolutionary steps. The key to
this is taking MS's extensible Compound Document Architecture (eCDA) and making
it the fundamental method for incorporating information into a spreadsheet.

For a lot of reasons, a spreadsheet is a better host for compound documents than
is a word processor. I'd be happy to expound on why, but take it on faith from
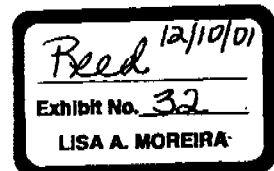a spreadsheet bigot.

The result, if we do it right, is an application (most explicitly NOT an
"environment") that is simultaneously the "world's best spreadsheet" and the
"user's primary product". Consider the similarity between a desktop publisher
(Pagemaker) and a spreadsheet with Impress-like draw layer. If your desktop
publisher had formulas and macros that could manipulate and automate the
production of documents, but is also just good at calculating with words or
numbers, you have a universal and more importantly an elegantly simple metaphor.

While our current business problems are not readily susceptible to product
design, the design and timely realization of this concept is what I think I can
best contribute to Lotus's long-term success. I'd be happy to spend some time
with each of you discussing the best way to do it.

(note) The other area of major contention between Lotus and MS's apps business
relates to the "entry-level GUI spreadsheet". I.E. — where do new users first
learn about a spreadsheet, assuming that most new users are fitted out with
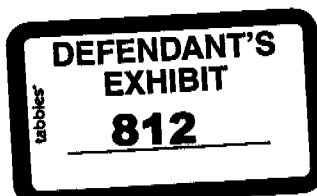Windows or the Mac as their standard environment. In the WP area, you get

LOTUS

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either MS Windows Write or MacWrite for FREE with the system. There is an obvious upgrade path that relates to "ease of learning the next one" that leads to MS Word in both cases. Similarly, there is the "integrated"/Works approach.

One obvious thing is to make sure that Apple includes a "good enough" entry level spreadsheet with each Mac sold. (there is some reason to believe that they might not want to license it from MS)

The other obvious thing is to make a "good enough" spreadsheet for the Windows environment and package it in some integrated package, or get it into IBM's version of Windows 3.0.

I'd be happy to help design the "good enough" spreadsheet, also.

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