The agreement with Jostens is now signed. They have agreed to purchase 16,000 units each of WinWorks and MacWorks over the next four years, representing revenues of $.5 MM. They will be paying $16.00 per workstation (same for Mac and WinWorks) and it is strictly OEM (no packaged product).

Even though the revenue does not appear huge, the strategic importance of this deal is enormous. Jostens is now a $200 million dollar/year software company and has been growing by approx 50% each year. Approximately one out of every ten dollars spent for educational technology in K-12 goes to Jostens. I also expect them to far exceed their forecasted, guaranteed amounts. In addition, Jabe and I will be investigating whether there might be opportunities for a joint venture of education specific software for this market.

Mikehal, thank you for placing that call to John Kernan. It settled his fears that he wasn’t getting a “good deal”.

Mikemap, thanks for your outstanding announcement at MacWorld!

Microsoft and Jostens Learning Team Up to Provide Educational Productivity Enhancing Systems

Microsoft Works for the Macintosh Chosen as Standard Tool for New Integrated Learning Systems

REDMOND, Wash. -- Jan. 13, 1992 -- Microsoft Corporation and Jostens Learning Corporation today announced an agreement in principle to make Microsoft Works for the Macintosh available with all Jostens Integrated Learning Systems (ILS) networks, in place at more than 6,000 schools and accessible to more than three million students nationally. With this arrangement, instructors and students will be able to access an online teaching/learning program that now includes the multi-function, easy-to-use software capabilities of Microsoft Works for the Macintosh.

"We are committed to placing a concentrated emphasis and substantial resources toward the development of exceptional educational solutions," said Mike Maples, senior vice president, Microsoft Corporation. "Our offering with Jostens Learning, the leaders in educational software, will provide teachers with the tools needed to stimulate creative learning and will help encourage
students to get the most from their educational experience. We are particularly pleased to be paired with Jostens Learning, who believes as we do that technology is instrumental in the learning and teaching process.

Microsoft Works on the Macintosh will be made available with Jostens Learning ILS networks. Additionally, Works will be offered in specific curriculum areas; e.g., reading, mathematics, language arts and science. The availability of Works on network systems such as Jostens Learning's ILS heralds the reality of schools choosing to run a paperless classroom.

"As the largest provider of K-12 instructional technology solutions in the United States, it gives us much pleasure to offer Microsoft Works, a product that we believe to be the software tools standard both now and in the future on our Integrated Learning System networks," said John Kernan, chairman and CEO of Jostens Learning Corporation. "We place tremendous value in developing superior instructional technology solutions, believing that every student can succeed and learn; and that every teacher should be afforded the resources to empower a student to learn. We chose Microsoft Works for the ILS because Works has proven itself in the education market."

The agreement provides teachers and administrators with a new productivity tool never before available on an ILS. Teachers will be able to use Microsoft Works to coordinate lessons, track student records and seamlessly communicate information to parents and administrators. School administrators will have the tools to create budgets, format expenditures, or track enrollments. Students can write and edit their own stories, chart the results from a class experiment or design the program for their class play. They can also save files to their own document portfolio and share files with their peers and teachers.

The agreement also represents a new level of integration in educational materials. For the first time, teachers at levels K-12 will have the ability to integrate word processing, spreadsheet, database and graphic capabilities into their students' curriculum. Microsoft and Jostens Learning will develop customized education templates that can be used by each audience. For example, teachers will have templates to create individualized awards certificates, accompanied by mailing labels and a personalized letter to parents. Other templates will allow a teacher to develop class newsletter or compile the results of classroom learning objectives and students progress. A template for an administrator might, for example, be a staff evaluation form which incorporates word processing information with personnel specifics as contained in a database.

Microsoft Works: The Integrated Software of Choice in K-12

Microsoft Works is a multi-function, powerful, yet easy-to-use software package that contains word processing, spreadsheet, charting, database and drawing capabilities that work seamlessly together. All features of the program are instantly accessible from day one, which allows users to be productive within minutes. An exceptional productivity tool for teachers and students alike, Works is currently being utilized by more than half a million Macintosh users worldwide; more than 300,000 members of the educational community are currently using Works on the Macintosh.

Microsoft Works is the integrated software program of choice for educational purposes for a variety of reasons. Works provides all the basic tools educators need to manage their
classrooms and augment curriculum goals. Since all of the tools work seamlessly together, teachers and students can use them for productivity, higher order thinking, creativity, hypothesis testing and problem solving.

Works also includes an online training and online Help function. The Help feature, available from anywhere within the program, assists the user on more than 200 topics, offering step-by-step procedures. The online tutorial offers conceptual overviews, demonstrations and hands-on practice.

Microsoft Works is the only integrated software package available on three platforms: Windows, Macintosh and MS-DOSR platforms.

Microsoft Committed to the Future of Education

Microsoft and Jostens Learning’s relationship is a solid example of Microsoft’s commitment to developing products that help students to learn and teachers to teach. This commitment is most openly demonstrated through Microsoft’s emphasis on developing products that are easy to learn and use, its offering of training materials and special pricing for schools. The Microsoft vision of a “computer on every desk” can reasonably be extended to a “computer on every desk in every school.”

Jostens Learning Corporation: A Renaissance in Learning

Jostens Learning Corporation, the largest educational software company, offers integrated learning systems for students in K-12. Their product line features a complete line of CD-ROM instructional courseware including reading, language arts, math and science. Jostens Learning is a subsidiary of Minneapolis-based Jostens, Inc., listed on the New York stock exchange as JOSTEN.

Availability

Microsoft Works’ inclusion in Jostens Learning’s ILS will be available in the fall of 1992.

Microsoft Corporation (NASDAQ "MSFT") develops, markets and supports a wide range of software for business and professional use, including operating systems, network products, languages and applications, as well as books, hardware and CD-ROM products for the microcomputer marketplace.

Microsoft and MS-DOS are registered trademarks and Windows is a trademark of Microsoft Corporation. Macintosh is a registered trademark of Apple Computer Inc.

From ellenm Wed Jan 15 20:19:01 1992
To: johnsage mikemap
Subject: Re: Josten's license
Cc: ellenm melindaf richardf susanb
Date: Wed Jan 15 20:18:37 1992
Mail-Flags: 0000

The language in the contract was drafted so that for a period of one year, we will not enter into another OEM deal with another ILS company. The only other companies that qualify as ILS are CCC, Wasatch, and WiCat.

We made sure that IBM and Tandy were not included on the exclusive just in case there was any attempt to call IBM and Tandy an ILS.
You can expect to get a letter from Sid Limerick, Manager of Integrated Desktop Environment for TI. He and Jim Powell, Manager of Distributed Services, attended an OEM executive briefing in Redmond and came back with several concerns. As the MS executive attached to TI Sid felt you were the appropriate person to receive the letter. He wants to express concern about the gap between our OEM and Applications/SMSD groups. He is questioning MS's ability to work with a world wide organization like TI with our groups being so separate. His model is IBM and doesn't understand why we can't deliver the same degree of service in a direct fashion to TI.

After you get the letter can we talk to put a game plan together?

thanks

glen

To: mikemap
Subject: Bruce Berger
Date: Mon Mar 25 08:19:12 1991
Mail-Flags: 0000

Lewisl left me rather cryptic mail suggesting that I talk with you about getting Bruce Berger as PM for the Office stuff. Would be happy to do so. Can we conduct this discussion over email or should I set up a time with Cathy?

From betsyd Mon Mar 25 09:43:54 1991
To: mikemap
Subject: UE Director stuff
Date: Mon Mar 25 09:40:29 1991
Mail-Flags: 0000

We discussed 4-month stints as UE Director, so the next one would start up in May. Can you "officially" name the next person so they can reserve times in their schedule for staff meetings.

Thanks,

betsy

From steveve Mon Mar 25 11:44:02 1991
To: mikemap paulma
Subject: Re: support of OS/2 with MS applications
Date: Mon Mar 25 11:44:08 1991
Mail-Flags: 0000

>From paulma Mon Mar 25 06:23:43 1991
To: steveve
Subject: Re: support of OS/2 with MS applications
Date: Mon Mar 25 06:22:13 1991
The plan is to use WLO. Thunder should ship 3q, PowerPoint after rel 3 (sch for 4q), Project sch for 3q. Everyone is heavily dependent on WLO making the job easy. Project is actively working WLO. Thunder will begin in June. The tough one will be PP because it uses so much of Win3 new stuff. There is no plan for Cirrus.

One of the toughest problems is BillG always telling the teams that OS/2 is not important and not to do anything to go to OS/2. He generally feels that using WLO will be very easy, however his comments lead the teams to not want to do anything.

Do we need to spend more time with the WLO group? How well do you think it will work?

From our discussions with the Proj and Word groups, we should be in pretty good shape from a function/quality/performance perspective. The PPoint group will be more difficult since as you suggest we need to make sure we have adequate WIN 3.1 support.

My main concern is the sooner the app groups get started, the better support will be able to give them. We start to wind things down mid '91 and by the end of the year will be less able to provide direct support to your team for debugging, specific fixes, etc. As an example, the WORD group has indicated that they will be unable to spend anytime on WLO until Nov/91.

Thanks for following up on this issue. Unfortunately, I wish I could give you good news but it appears that we are no further along on this problem than when we were seven months ago. I received a message from Chris Peters restating the problem as I already knew it and telling me that Gerard Baz is the group manager that could help. The problem with the filter is that it will not hold tabs when converted through the filter and the text is completely out of alignment. TI always uses a Courier 10 to type their messages with, so the problem should not be that hard to solve. TI is more than willing to get the code and either fix it themselves or hire ITIS to resolve it for them. I need to have a date of resolution for them on this as it has been dragging on for too long a time and Johnnie Nero has been extremely patient. Can you advise me on the action I need to take next?

Thanks very much,
Susan Shanks-Dallas