

Planning Products for the Classic

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By Heidi Roizen

The low-cost Macintosh CPUs have finally arrived—an event my company (and others, I'm sure) has awaited for a very long time. But although we had waited, anticipated, and hoped, there was still a lot of work to be done to poise our company and its products (that had been birthed well before the low-cost days) to take advantage of the new opportunities the Macintosh Classic provides. We have taken the plunge and made a vigorous commitment to produce products for this machine. To help others who may be headed in a similar direction, here's a little bit about how we've gone about it.

I think that our commitment starts with our attitude about and familiarity with the Macintosh. We've been in love with the machine for many years, believing it to be the best platform on which to create great software. Why? First and foremost, at T/Maker we use the Mac extensively, so we are familiar with it and believe in what it can do. Also, the high degree of hardware integration, built-ins, and sophisticated, proven development tools make the Macintosh a terrific technical base. And because we are a longtime player in the Mac market, we are familiar with the Macintosh sales and distribution channels, the press, Apple itself, and the other constituents who can help a good product get market attention.

An Historical Perspective. Despite our love of the machine, there was always a fly in the ointment. You know the story: Not enough units were being sold to make the Macintosh the most attractive business opportunity for everyone. While Apple continued to increase its revenues by shipping more costly CPUs, we, as a developer, had a much different perspective: We could still sell only one WriteNow word processor per CPU, so we couldn't count on substantially growing our business. WriteNow's feature set, design, price, and skinny code size (it is written in 68000 assembler) made it ideal for new entry-level or price-sensitive users, but there was no similarly positioned Macintosh.

We felt it was critical to have a Mac that would be attractive to the kind of users I've just described, those who would initially purchase the low-cost machines and then upgrade to more powerful ones as their needs grew. We believed that such a Mac would be a blow-away best-seller. But we also saw that many developers had moved their products up the

food chain, so to speak, to appeal to the higher-end users that Apple was attracting with its product lineup. If a low-cost CPU were to enter the picture, there would be a void in the market—and with WriteNow, we were poised to take advantage of it. The only thing in the way was not having that low-cost CPU.

As a member of the Macintosh community, I believe in working with Apple and sharing our vision of the market. Over the years, we have bent the ear of many Apple employees, adding our voices to others (both internal and external) talking about a low-cost strategy and urging the idea of the Macintosh Classic to fruition by helping Apple realize what a tremendous benefit it would be to all of us.

Step 1: Prepare the Product. Once we had faith that there would indeed be a low-cost CPU coming to market, we had much to do to capitalize on it and meet the goal of doubling our volume. First, we had to make a big investment, because we did not own the WriteNow source code. To better manage the design and implementation of future versions, we made a multi-million dollar decision to purchase it.

Another step was to create a development plan. With these new machines in mind, we continued to revise and improve WriteNow; the design goal was to continue being able to run it from a single floppy, using a small slice of memory. An example: Version 2.2, released earlier this year, contained more than two dozen new features while increasing the core code size by only 23K.

Step 2: Allocate Resources. With code and a development team in place, we then needed to allocate sufficient company resources to handle the anticipated growth in our business. To double volume, we needed new systems for order processing, accounting, 2

inventory control, and so forth. We also needed to increase the number of knowledgeable people here at T/Maker to handle increased telephone sales and technical support.

Step 3: Finance the Plan. Needless to say, to support these changes, the financial underpinnings of T/Maker had to grow. We negotiated better terms with suppliers and created new relationships with banks. We raised more than \$2 million in a debt/venture-capital deal— with a business plan based on capitalizing on this new market! We very

carefully chose our venture backers (Hummer-Winblad Venture Partners); we needed a partner that could give us tremendous value and expertise beyond just the money. Hummer-Winblad's software and management experience brings a tremendous level of sophistication and organization to T/Maker's board.

These actions took a long time to plan and implement; we started the source-code negotiation and venture search almost two years ago. It took until the spring of 1990 to meet the product and capital goals. But beyond that, there were still other steps to take to more solidly ensure success, we had to create the marketing and sales strategy.

Step 4: Understand the Buyers. Understanding the buyer is, of course, the linchpin of any good marketing strategy. These new buyers are not like the ones we are accustomed to. They probably don't read Macworld and MacUser cover to cover before making their software choices. They won't tolerate poor interface design or buggy products. They will rely more heavily on the sales/dealer channel to help them choose products. Most of them won't have accelerators or big screens, and maybe not even a hard disk drive. And they won't upgrade at the blink of an eye.

With this in mind, we began planning our marketing and sales strategy. One consideration was the possible buying pattern of the new customers. Unlike Mac aficionados of the past, the new buyers would most likely purchase a word processor (and other primary applications) at the same place they purchased the CPU, and would base the decision on the dealer's recommendation. Therefore, our product had to be on the shelves of the large, Apple-authorized stores. And being there wasn't enough; it was also critical that dealers be both well-informed about our products and excited about selling them. In short, we had to become a much more sophisticated sales/distribution channel player. To do so, we invested heavily in support and marketing programs aimed at this channel.

Step 5: Create Products to Meet Buyers' Needs. As we progressed, we saw an opportunity to move beyond our own individual product offerings. A lot of potential lay in combining price-performing software into packages, so that buyers could get full-blown systems, complete with applications, at low prices. (After all, that's why they wanted to buy the less expensive Mac in the first place.) We wanted to offer some deals that would be difficult to refuse—not only to lead buyers to our products but also to keep them away from those PS/1s by offering software solutions that would be orders of

magnitude better than what they'd get for approximately the same price when buying "that other hardware."

So we worked with other Macintosh developers to bundle sensible combinations of terrific products at attractive prices. We created a powerful word processing bundle by combining Grammatik Mac with Write-Now, at no extra charge to the user. We also created the SmartBundle, a complete suite of business applications preselected for their appropriateness and power. It contains WriteNow, Full Impact, SuperPaint, and Record Holder Plus. With SmartBundle, the user gets \$812 worth of software for \$349 (suggested retail), or sometimes for as low as \$250 (the "street" price).

To succeed, we felt, the SmartBundle had to be perceived by the sales channel as a single, exciting, all-inclusive solution. So from a sales and marketing point of view, we treat the SmartBundle as an individual T/Maker product, with its own advertising, product brochure, packaging, and promotion.

Step 6: Help Apple Develop Its Customers. The collective products of Apple and its developers are Apple's best weapons in fighting the platform battles. I think that one of the biggest opportunities for us all is for developers to help Apple influence buyers before they even consider the Macintosh. Instead of waiting until Apple pushes a Mac out the door, we can help influence potential buyers by constantly working more closely with Apple to create and sell a whole solution, hardware and great software. We've tried to do just that with our approach to the products we produce for the Macintosh Classic. Now it is up to all of us to work with Apple as a team, to produce and promote the kinds of products Apple can use to get new customers.

The Jury Is Still Out. In the future, the trick will be to continue creating the products and marketing programs that will capture new buyers' interest and support. To succeed in this new kind of Macintosh market, the development community must have higher standards for design and testing and must design for the new buyers' less flashy hardware. Also, we should continue to refine the way we collaborate with the sales/distribution channel to attract buyers. As I write this in early December, the jury is still out on our success, but early indications are that the strategies I've discussed here will pay off quite handsomely. □

Heidi Rozen is president, CEO, and cofounder of T/Maker Company. T/Maker is best known in the Macintosh world for WriteNow, the SmartBundle, and the ClickArt series of bit-mapped and EPS electronic art portfolios. Heidi is also the past president (and current board member) of the Software Publishers Association.

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