



'Presenter' Project

Status Update, August 1986

Robert Gaskins
Forethought, Inc.



Two-Year Review for Presenter

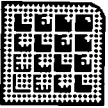
- First proposal by Bob Gaskins after recruited by Rob Campbell
- Earliest product and market description issued 14 August 1984
- Predictions of market and growth have proved correct
 - Latest market research data is even more positive
- Predictions of technology trends have proved correct
 - MS-Windows environment, laser printers as gating items
- Product features/capabilities still the same as envisioned then

⇒ ...But then why on earth did we take two years?



Progress So Far—Tied to Fundings

- **August '84–May '85 (10 months): On Hold**
 - Using ~\$1,000,000 remaining from 12/83 funding (as of 8/84)
 - Rapid introduction of MacWare products committed summer '84
 - No people or dollars to work on Presenter—\$0K expended
- **June '85–October '85 (5 months): Product Definition**
 - On receipt of \$1,000,000 from debentures, June '85
 - Assigned one person part time—\$20K expended (over 5 mos)
- **November '85–April '86 (6 months): Development Began**
 - On receipt of \$250,000 from debentures, November '85
 - Assigned that one person full time—\$35K expended (over 6 mos)
- **May '86–July '86 (3 months): Development Continued**
 - On receipt of \$408,000 from Preferred C, May '86
 - Hired a second person full time—\$40K expended (over 3 mos)
- **Plan: August '86–February '87 (6 months): Development Will Complete**
 - On receipt of \$800,000 from Preferred C, expected July '86
 - Requires more people, resources—spending up substantially
 - Product will ship after 15 months of development, on schedule



Results Achieved So Far

- *Business plan for Forethought, built around Presenter*
 - Overall framework for product planning
- *Product marketing analysis (and presentation)*
 - New original analysis, seems insightful to industry veterans
- *Development and introduction budget and sales forecasts*
 - Conservative, based on conventional distribution only
- *Task schedules for Macintosh and MS-Windows versions*
 - Based on actual project schedules just met for FileMaker Plus
- *Full written specification of the product's features*
 - Has permitted rapid development without backtracking
- *Software implementation more than 50% complete*
 - On schedule (result of much work by D. Austin and T. Rudkin)
 - Includes the performance-critical parts (drawing, text handling)
 - Sufficient to demonstrate now that we can do what we say
- Total investment to this point: \$95,000
 - ⇒ Fully prepared now to use further investment wisely and rapidly for a specific—and profitable—result



Direction is Exactly Right

- Explosion of interest in Presentation Graphics category has produced interest from multiple “strategic partners”

Apple

—Has given us development equipment, says it’s prepared to give Presenter a giant marketing endorsement on Mac

Xerox

—Preparing a line of Presentation Workstations (computer, monitor, laser printer and color overhead printer, etc.)
—Needs integrating software for that task, doesn’t have any
—Proposal: variant Windows Presenter, pre-pay Feb–July 87

Ashton-Tate

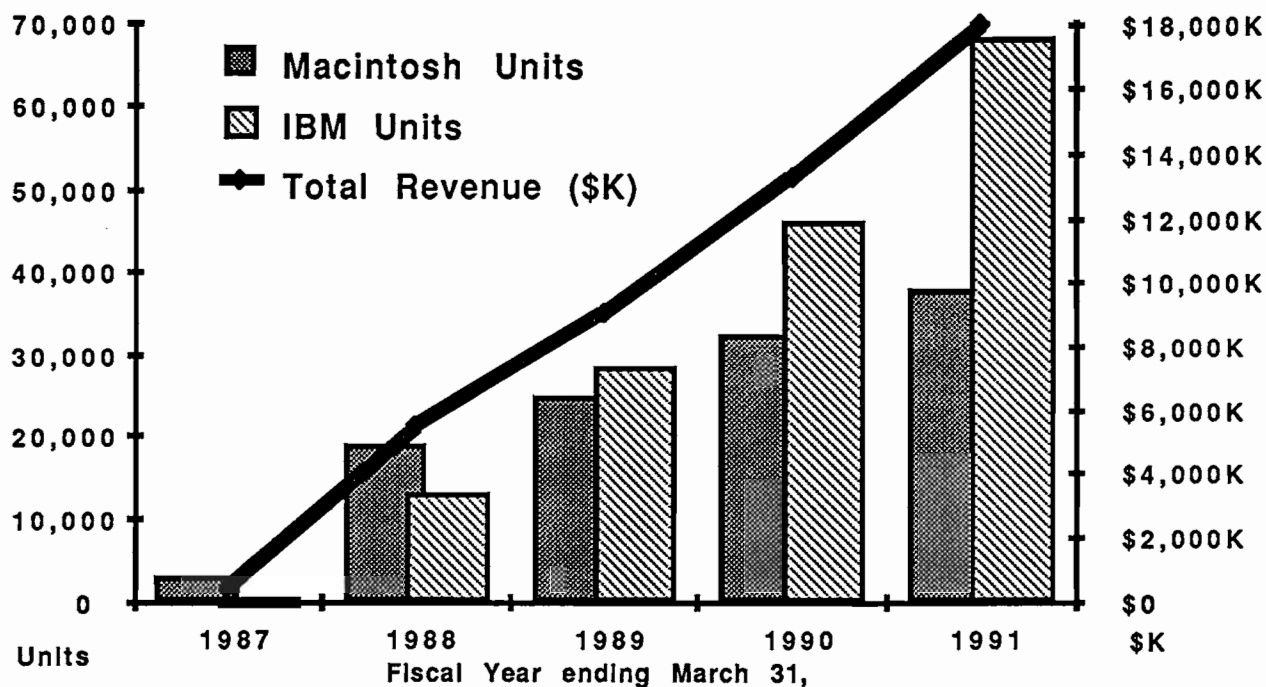
—Proposal: distribution deal (Mac & Windows), gives muscle for penetration of retail and Fortune 500 direct channels (even more likely since their bid for Decision Resources—“have a trademark, now need a product to go with it”)

- Others getting interested as MS-Windows and Presentations take off

⇒ Presenter will be a very important product;
our success will be limited only by our ability to exploit it



Presenter Sales Forecast

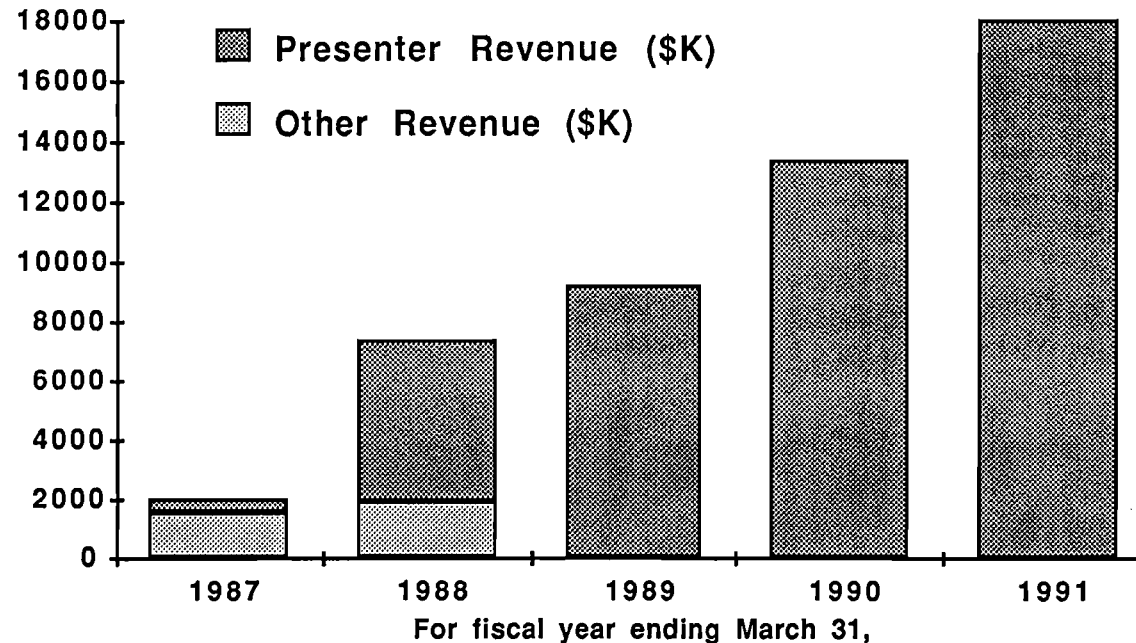


—Forethought Business Plan, June 10, 1986

- \$50 million revenue over first 5 years (@\$395 list, \$170 net [43%])
- A hedged forecast—actual unit sales should be 2–3 times our forecast
- Based on Forethought efforts alone—strategic partners are extra



Presenter Revenue and Profits



—Forethought Business Plan, June 10, 1986

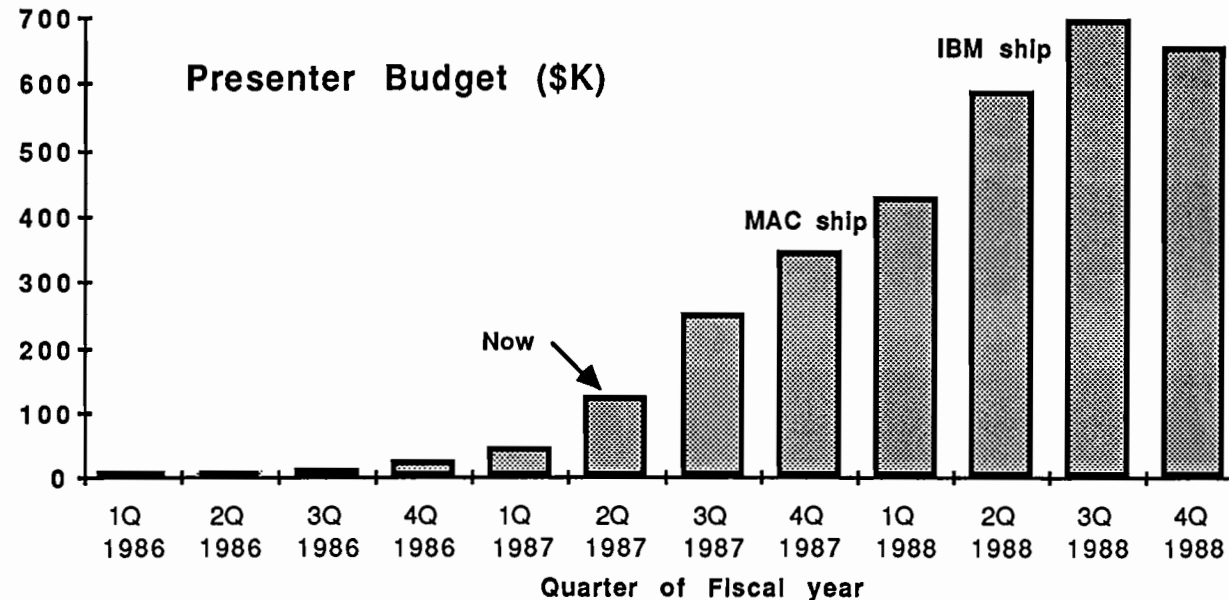
- In next 9 months, 24% of Forethought FY87 revenue (in last 2 months)
- In following year, 75% of Forethought FY88 revenue (86% of profits)
- In succeeding years, 100% of Forethought revenue and 100% of profits

We have no alternative products identified to produce any revenue

⇒ Right now, our business plan is to succeed with Presenter



Presenter Spending and Budget



—Forethought Business Plan, June 10, 1986

- Total budget for development, marketing, sales, operations, G&A
- Spending rises now—final development, testing, packaging, manual, ...
- Plan/budget called for spending to rise in July to meet FCS targets

➡ We've completed all the low-cost activity on Presenter



Guaranteed for a Limited Time Only

- We had planned to start sooner, and finish sooner—by about 6 months
 - We have had to delay resources, yielding our present schedule
 - Our market perceptions say we cannot delay further:
 - Interest in presentation graphics already growing very rapidly
 - Lotus just bought GCI, Ashton-Tate to buy Decision Resources (the two older product lines established in the category)
 - Opportunity to enter category will close in the next 12 months
 - Leading products established by then will have built up momentum too large for a start-up's resources to overcome
 - After that, our (very real) product superiority could not be enough
- ⇒ We believe it is almost certainly not too late for us right now, but any further delay would jeopardize success