



Microsoft's Collaboration
Strategy and Office
System 2003:

Does It Hit the Mark?

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Executive Summary

To expand its reach into the enterprise collaboration space, Microsoft introduced Microsoft Office System 2003, a comprehensive set of programs, servers and services. The new offering covers everything from traditional productivity applications such as word processing and e-mail to document management, Web conferencing and portals.

To the casual observer, it might appear that Microsoft Office System is simply a collection of legacy Microsoft products—now sharing a common “Office” brand. However, a thorough review reveals that Office System has the makings of a coordinated set of tools that, when implemented, can have a positive impact on enterprise productivity. It also represents a substantive change for Microsoft, as it sets out to meet a different set of customer requirements and challenges than the company has faced in the past.

Companies are seeking the optimal path to the creation of enterprise-wide Collaborative Business Environments (CBEs), which are the nexus between knowledge sharing, collaboration, and the business itself. Companies that build solid and well-structured CBEs are able to leverage their people and knowledge while creating environments that actually facilitate how people perform their daily work.

Microsoft Office System enables companies to build CBEs in two ways:

- Microsoft Office System uses XML (eXtensible Markup Language) as a basis for information sharing between the desktop, workgroups and the enterprise
- Collaboration products such as Microsoft SharePoint Portal Server 2003 and Microsoft Office Live Communications Server 2003 bring Collaborative Business Knowledge functionality to other Microsoft Office System applications

HP's Jim Fulkerson estimates that, since implementing Office System, HP is reducing the time expenditure for his process by 46%.

Does It Hit the Mark?

Collaborative Business Knowledge tools are used to build Collaborative Business Environments and cover thirteen related areas:

- Community and Collaboration Tools
- Content Management
- Document Management
- Expertise
- Idea and Innovation Management
- Knowledge-enabled CRM
- Knowledge Management
- Mobility
- Portals
- Search and Categorization
- Telecommunications Tools and Applications
- Ubiquitous Computing
- Unstructured Data Management

Many companies fail to recognize the various co-dependencies and overlapping functionality between these areas and end up investing in redundant technologies. With sufficient knowledge at hand, managers can avoid this trap and strive to build true Collaborative Business Environments, which are platforms satisfying the following three criteria:

- **The One Environment Rule**
Users remain in one overarching environment for their work
- **Friction-free Knowledge Sharing**
Applications require little or no user intervention to ensure appropriate disposition of information
- **Embedded Community**
Community and collaboration tools are embedded deeply within the work environment

The future, however, looks promising. Microsoft Office System is one of the first group-oriented environments with the potential to reduce the inevitable inefficiencies when people interact with others.

Companies such as American Management Systems and Hewlett-Packard are already using Microsoft Office System to this end—and seeing a positive impact on their bottom line.

Buyers have a wide range of expectations when selecting and deploying a Collaborative Business Environment. It is rather difficult—prior to the actual deployment—to know what works, and what doesn't. Vendors speak of lower costs, increased productivity, and faster time to market, but they fail to address how one may measure one CBE against another.

Does It Hit the Mark?

But how will IT buyers avoid overinvesting in technologies which perform similar functions (albeit with different names) and how can they predict which Collaborative Business Knowledge (CBK) tools will provide the greatest benefit to the user, whose productivity has a direct impact on the bottom line?



The Knowledge Worker Impact Quotient™, or KWIQ™, has been developed to help companies planning to deploy a Collaborative Business Environment understand the strengths and weaknesses of the tool(s) as they apply to the needs of the knowledge worker. KWIQ allows prospective purchasers to understand better and to predict how a Collaborative Business Environment may impact their company and its workers. Specifically, it is the measure that describes the range of positive impact a Collaborative Business Environment can be expected to have on the knowledge worker. The higher the KWIQ Index, the better a company's chances of improving the bottom line, either as a result of costs savings or from improved profits.

Basex judged Microsoft Office System both quantitatively and qualitatively. Adherence to the three tenets of a Collaborative Business Environment, i.e. the One Environment Rule, Friction-Free Knowledge Sharing and Embedded Community, had a significant role in our evaluation.

Analysis of Microsoft Office System's strengths and weaknesses is found in the detailed Knowledge Worker Impact Quotient Indices, as is a comparison to an average rating of other previously-evaluated Collaborative Business Environments.

The depth and breadth of a product such as Microsoft Office System can be daunting at first glance. Accordingly, the goal of the KWIQ Indices is not to say how well a particular feature works or doesn't work; rather, it is to emphasize the information that is crucial to the buyer, specifically the nuances and details in terms of functionality and design that can loom large and become mission critical in the deployment phase.

Does It Hit the Mark?

The components within the Office System are a set of comprehensive real-time Collaborative Business Knowledge tools, which by and large work together in a single overarching environment (in accordance with the Basex One Environment Rule), the user should not have to leave the single environment to accomplish various tasks. Of course, Microsoft Office System 2003, in its first iteration, is still multiple products and environments.

Given the fact that Microsoft Office System is a brand new offering, it is not yet possible to provide hard numbers in terms of cost savings and productivity gains. However, the experiences of such early users as HP and AMS show that companies deploying Microsoft Office System may see significant decreases in training and support, faster turnaround due to increases in productivity and an all-around improved user experience.

Of course, the market for Collaborative Business Knowledge tools is a broad and diverse one. Vendors of all kinds offer a plethora of tools, from e-mail to document management, from Web conferencing to search engines. Not every CBK feature or tool need be deployed in every organization, nor will every application fit the bill in every company.

But if this first iteration is any indication, Microsoft Office System 2003 will present both a formidable challenge to its competitors, and a unique opportunity to many companies seeking the path to an enterprise-wide Collaborative Business Environment.



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