

Office XP — The Collaborative Dimension

Microsoft Office is evolving from a personal productivity tool to a desktop client for group-based work. It is an attractive proposition, but proceed with caution.

Core Topic

Knowledge Workplace: E-Workplace
Systems and Technology

Key Issue

How will personal productivity tools evolve during the next five years?

Microsoft

Headquarters: Redmond, Washington

Web Location: www.microsoft.com

Founded: 1975

Ownership: Public

Employees: 48,030

Financial Data: Net revenue for fiscal year ending June 2001: \$25.30 billion

The collaborative features of Microsoft Office XP provide the most-compelling reason to upgrade for enterprises that can take advantage of these new features. In this domain, Office faces a range of competitors; enterprises need to consider whether the advantages of a single-vendor approach outweigh the flexibility to pick and choose features from multiple vendors.

The collaborative dimension of Office started in Office 2000 with the ability to annotate documents and pass them around for review within a group. This used Internet Information Server (IIS) and SQL Server to provide server capabilities. The Office 2000 collaboration features were limited and of marginal value (see "Office 2000's Collaboration Features Not Enough," SPA-06-7539). Office XP makes more of the collaboration features with the introduction of SharePoint Team Services. The naming emphasizes the relationship with SharePoint Portal Server, which provides collaboration support on a more-extensive basis, in terms of functionality and enterprise scope (see "SharePoint Portal Server: For Microsoft 'Shops' Only?" P-14-4621, and "Microsoft and Lotus: Two Paths to Knowledge Management," COM-12-9241).

Which SharePoint?

- SharePoint Team Services is designed to provide an ad hoc collaborative environment: Teams or workgroups can use the Web to share information, while working in the Office environment. A SharePoint Team Services Web site can serve as a shared repository of project information — documents, contacts, tasks, discussions and other listlike materials.
- SharePoint Portal Server is an intranet portal solution that enables users to find, share and publish information at a business unit or enterprise level. As a portal solution,

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SharePoint Portal Server is designed to provide access to enterprise data, whether housed in documents or business applications. Although Office supports some interaction with SharePoint Portal Server, the emphasis is on browser-based access.

SharePoint Team Services does not require SharePoint Portal Server (it can operate using IIS and SQL Server), but the intent is to create a link from the personal environment of Office, to a limited group environment with SharePoint Team Services, to more-comprehensive capabilities with SharePoint Portal Server. The snag is that one can achieve the same or more with other products, and that Microsoft cannot bind Office too tightly to its other products without destroying its potential for exploitation by third parties (wherein lies much of Office's strength).

New in XP: Some collaboration features in Office XP are equivalent to Office 2000, others are new.

- Host in-line document discussions on Office 2000 or XP documents. Available with Office 2000 and XP using IIS and SQL server; supported from SharePoint Portal Server; no change in functionality for Office 2000 user with SharePoint Portal Server
- Store and retrieve documents directly from Office applications to the SharePoint Portal Server store from Office 2000 or XP
- Save, Open, Check-in, Checkout and Publish from the file menu from Office 2000 or XP
- New — Save documents as Web parts from Office XP only
- New — Search SharePoint Portal Server from Office XP only

Search is a major feature of SharePoint Portal Server, but it does not support search of SharePoint Team Services-based Web sites, i.e., material created using Office XP (or 2000) and placed in IIS/SQL Server. We expect Microsoft to fix this in upcoming upgrades.

A key area of synergy between Office and SharePoint Portal Server is the exploitation of the Web Parts architecture, introduced in the Digital Dashboard. This leads toward a much more component-oriented view of Office, with individual features deliverable via the Web. Although these features are presented to the user via Internet Explorer (IE), they still require Office DLLs and a license for Office on the desktop if anything beyond "read only" functionality is desired.

Outlook: Outlook continues to be delivered as part of the Office suite. For small enterprises, it can be used as a peer-to-peer

system, but most enterprises will use it as a client for Exchange. This version of Outlook has better editing functionality (more consistent with Word), improved navigation and search, and more granular mechanisms to control access to attachments that may pose a security threat. Improvements that have been made in Exchange communications are incremental and deliver no substantial breakthroughs. The use of Outlook to access other mail systems via standard protocols (POP3 and IMAP4) is also emphasized.

The fundamental problems with the MAPI-based protocols and Exchange-Outlook replication (see "Outlook 2000 Communications Shows Some Improvement," SPA-07-4854) have still not been addressed. Microsoft's failure to deliver a local version of the Web Storage System as originally planned in this version of Office means these weaknesses will continue. This issue will now not be addressed until after Microsoft delivers the unified storage system (code named "Yukon") combining the Web Storage System (from Exchange and SharePoint Portal Server) and SQL Server by YE03 (0.6 probability).

The Web Storage System has already been renamed as the Exchange Storage System, demonstrating that this version is not on the main line of future database development. Interestingly, Mobile Information Server has addressed some of the more-egregious problems of Outlook-Exchange communications, showing that improvements are possible. The failed attempt at a grand solution via Local Web Storage System means Microsoft continues to lag behind Lotus in replication and offline capabilities.

Smart tags as delivered in the base product (see "Microsoft Office XP: Better Than Just Good Enough?" COM-14-5901) provide limited functionality, but their extensibility creates an opportunity for enterprises to incorporate database "lookup" and "create" interactions with other applications. In this way, Office also becomes part of an extended enterprise infrastructure as another form of client software.

Office has clearly expanded beyond its origins as a personal productivity tool. The challenge for Microsoft is whether it can continue to encompass such a broad scope within a single product without creating so many interdependencies that further enhancement becomes stultified (and the difficulties with the Local Web Storage System are an illustration of the problem). The challenges for user organizations are how much to exploit the capabilities offered by Microsoft in the increasingly complex interdependencies between its products, and how much to maintain clearer lines of functional demarcation, allowing best-of-

Product Strategy:

Leverage the dominant presence of Office on desktops as a basis for collaboration rather than just personal productivity

Strengths:

- Ability to use Office components as Web parts
- Availability of SharePoint Team Services
- Integration with SharePoint Portal Server
- Outlook access for third-party e-mail services (using POP3 or IMAP4)
- Third parties starting to take the Microsoft platform seriously as a basis for delivering collaborative applications

Challenges:

- Increasing engineering dependencies, making it difficult to deliver new releases
- Confusion of product capabilities stifling product acceptance
- Weak capabilities for offline use of collaborative functions, for Outlook and Office SharePoint Portal Server functions

Consider This Product When:

An enterprise is looking to support collaboration with an all-Microsoft strategy

Consider Alternatives When:

An enterprise wants to maintain a best-of-breed strategy for delivery of collaboration support

breed product selection and greater independence from enforced software upgrades.

Bottom Line: Office XP delivers interesting and potentially valuable collaboration capabilities. However, the “bag is about to burst,” and Microsoft will likely have to significantly restructure this product in future releases. Even core features, such as the Web Storage System, will change substantially. Exploitation of these features should be regarded as tactical, rather than strategic, for at least the next 12 months.