

MySpace Gets a Corporate Makeover

IBM Lotus Introduces Connections

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EXECUTIVE OVERVIEW

Following a rock and roll cover band rendition of David Bowie's "Changes," IBM Lotus unveiled its latest collaboration portfolio during the opening ceremony of Lotusphere 2007. The rousing wakeup call kicked off Lotus' reinvigorated return to its roots as a business collaboration software provider and what Michael Rhodin, General Manager of IBM Lotus, introduced as its "most dramatic expansion of collaborative technology ever." As Rhodin announced the upcoming releases of Lotus Quickr, Sametime 7.5.1, Notes and Domino 8, he also introduced an entirely new and revolutionary platform: Lotus Connections.

Rock and roll took the world by surprise in the 1950's and enterprise social networking is likely to do the same during the 21st Century - with IBM on the path of becoming the Alan Freed of the industry. Lotus Connections promises to be the modern day rock and roll of the collaborative business environment. With a rich array of Web 2.0 components that collectively establish a powerful collaborative knowledge base within an organization, Connections is set to become the most prominent fully integrated social software platform for businesses. This business grade social computing platform aims to help enterprises increase their productivity, and in doing so, will metamorphose into the MySpace of corporate America.

The platform works by facilitating the gathering and exchange of information among knowledge workers through professional networks. It provides a dashboard view of projects and connects users to pertinent communities in a single, integrated, open, and real-time software package. Connections features five Web 2.0 components designed to allow users to collaborate on activities, communities, bookmarks, profiles, and blogs. Although designed to work for Microsoft's database, email, and web software customers, it is also positioned as an open alternative to Microsoft.

While Microsoft dominates the real-time communications and software competitive landscape, IBM, Oracle, WebEx, Adobe, and a few key others trail behind it. With its latest release, IBM is bound to get a leg up in the collaboration market with its entrance into this relatively untapped industry. However, IBM has an intensive uphill battle to win with Microsoft, as its fiercest collaboration competitor has used Lotusphere as a medium to meet the challenge. Microsoft initiated a new campaign aimed at convincing Lotus users to switch over to Microsoft Exchange Server 2007, which contains real-time collaboration and communication tools. With intensive rivalry and an array of innovative companies moving into the space, collaboration in the workforce is on course to become a key trend for 2007. However, Lotus' 30% Q405-Q406 collaboration software revenue growth earned it its best year ever and will enable it to lead the trend in 2007.

IBM plans to release Lotus Connections in the first half of 2007. Pricing has not yet been disclosed.

PRODUCT DESCRIPTION

The Lotus Connections platform, referred to by IBM as the “industry’s first business-ready social software platform,” enables knowledge workers to gather and share information through professional social networks. The networks are integrated into a single software package which provides dashboard views of projects, people, and communities. Using this medium, knowledge workers are able to connect and create new relationships based on their professional needs, save time by utilizing easily accessible pre-qualified information, and increase their speed of learning. When employed effectively, Lotus Connections is designed to improve worker productivity by ensuring that tasks are never duplicated, mistakes are never made twice, and valuable resources are never overlooked.

Lotus Connections employs five Web 2.0 components to promote this collective enterprise-wide knowledge base, including Activities, Communities, Dogear, Profiles, and Blogs.

Activities, developed by IBM Research, fosters community-centric collaboration via a Web-based dashboard for managing tasks within a professional network of knowledge workers. By aggregating all the information about a specific project, it enables team members to organize, share, and collaborate on files, instant messaging chats, email messages, Dogeared Web links, to-do lists, and deadlines. Activities also allows teams to save their projects for future reference and open it up to the greater community to incorporate best practices across the organization.

The Community component enables colleagues (and selected external partners) with common interests, business responsibilities, or industry know-how to unite and collaborate in work assignments. Inside a Community, members join a virtual conference where they can discuss pertinent issues, share resources, embed community-specific tags, and provide input. Employees have the ability to create communities, invite colleagues’ participation, and restrict access.

The Community also offers a medium for companies to retain knowledge from those who have left the company or transitioned into different roles. By leaving information and business ideas behind, knowledge workers bequeath a learning environment for future employees to draw upon.

Dogear, also developed by IBM Research, is social bookmarking software which facilitates the identification and sharing of knowledge workers’ pre-qualified bookmarks (documents and Web sites) within a commonly shared intranet. Similar to the popular web navigation technique of “tagging” found in Yahoo’s del.icio.us, Dogear enables knowledge workers to bookmark relevant Web sites, subscribe to other knowledge workers’ Dogears, or gain access to other Web sites users have labeled noteworthy. It frees up data stored in remote databases and saves time by allowing users to analyze sources of information identified by experts who may not have time to allocate to discussing the topic on an individual basis. In essence, this

enterprise version of del.icious.us is designed to facilitate users to track business topics and identify colleagues who possess expertise in a particular field.

Knowledge management applications traditionally mandate that users make use of a list of pre-programmed and pre-categorized metadata tags. In juxtaposition, Dogear allows knowledge workers to enter their own tag labels, while simultaneously providing them with the option of utilizing popular in-house tags provided via a drop down list.

The Profile component enables knowledge workers to post information about their particular expertise, business projects, and interests. Simultaneously, it empowers users to search for colleagues by name, expertise, or keyword. The resulting search provides names, contact information, and reporting structure details. In addition, it displays the searched party's links to blogs, communities, activities, and bookmarks.

Profiles contain a picture of the individual user. This enables large organizations and geographically dispersed teams to humanize their workforce - thus better promoting teamwork and fostering collaborative efforts.

The Blogging component enables users to share knowledge and opinions in an interactive business community. Lotus Connections supports Atom Syndicated Format Feeds (ATOM) that enable users to automatically track the ongoing commentaries they find interesting. It also provides integrated blog searching functionality to simplify searches.

Lotus Connections is positioned as an independent software platform for both existing and potential Lotus customers. Although distinct from other Lotus software systems, it can be used as an enhancement with users' current Lotus systems. It is also designed to operate with Microsoft's database, email, and web software.

COMPETITIVE LANDSCAPE

IBM, Oracle, WebEX, and Adobe are among the industry leaders competing against Microsoft for market share in the real-time communications and software space. Microsoft's Exchange 2007 and SharePoint/Live Spaces currently dominate the market by delivering integrated social networking functionality. However, IBM's upcoming release and positioning of Lotus Connections will likely springboard it in the collaboration front as a result of its pioneering commitment to business collaboration software.

Lotus Connections brings IBM to the forefront of the relatively untapped social networking for enterprise market. Although young players like JotSpot, SocialText, and Zimbra have made concerted efforts to bring select social computing tools to the enterprise market, IBM has become the first company to holistically offer a full suite of programs in a single, integrated software package. Visible Path and Spoke Software Inc. made strides in this direction prior to IBM, but IBM has been the leading company to truly bring a complex social computing platform, coupled with business specific networking tools to the marketplace. In doing so, it has nearly single handedly built the competitive landscape and opened up an exceptionally competitive race to transform traditional social networking into an enterprise

specific industry. It promises to be a high opportunity and high growth market in 2007.

By integrating across the Lotus portfolio, Connections is expected to challenge Microsoft's current dominance in the collaboration and email messaging market. Lotus' mature collaboration portfolio will also be positioned as an open alternative to Microsoft's.

STRENGTHS

- Research indicates that the market is highly attracted to incorporating social networking tools to bolster productivity.
- IBM is a leader in developing an integrated package of enterprise social networking tools.
- Lotus Connections is "battle-tested," both in-house via IBM's internal Blue Pages and externally via 20 partner companies. Customer feedback for the beta version has been extremely favorable (e.g. The Film Foundation, Deutsche Bank).
- Product is easy to use, robust, self evolving, and value adding.
- Lotus Connections is compatible with many Microsoft programs, including instant messaging and other communication tools.
- Lotus Connections is based on open, standard components.
- Product offers security, access control, and an array of review features.

WEAKNESSES

- The debate about whether social computing will add or subtract value to organizations is still very much alive, as well as the impact it will have on worker productivity.
- Whereas consumer social networks do not have a ceiling placed on the number of users allowed to join, corporations do. Resultantly, the restricted scale of a corporation may inhibit the value it is able to deliver to users.
- Corporate adoption rates tend to move slowly in embracing new, controversial technologies.
- Without incentive to participate in the enterprise social network, a knowledge worker may not contribute to the applications, thus limiting the value it will be able to deliver to users.
- In juxtaposition to IBM, Microsoft supports a customer friendly approach to delivering social networking functionality. Whereas Microsoft incorporates its tools into its core products, IBM positions them as an additional suite of tools, separate from Sametime and other Lotus platforms. Microsoft also supports search functionality that enables users to find content within all of its platforms; IBM does not because Lotus Connections is decentralized from the rest of its Lotus offerings.

CONCLUSION

Lotus' new array of offerings in the real-time collaboration and communication arena has the potential to revolutionize collaboration in the business world, with Lotus Connections leading the way. Although the adoption of an enterprise social software platform may not occur overnight, it will certainly raise the bar in collaboration technology and open the door to a flood of competition.

The upcoming year promises to demonstrate that the qualities that made social networking so popular in the consumer market can pertain to the business market as well. Just as rock and roll threatened the older generation in its introduction, enterprise social networking too will likely be met with similar skepticism. However, the pace at which social computing becomes an accepted and deeply interwoven thread of business culture will move much faster because those rock and roll rebels are now running the business world. With its first mover advantage, IBM is likely to offend some viewers with its suggestive hip swivels, but it will likely ensure a leading position in the industry for many years to come.