

Creating Business Value through Better Collaboration

A Microsoft White Paper

Table of Contents

- Executive Summary 3
 - The New World of Work 3
 - Tangible Business Value..... 4
- The Microsoft Collaboration Vision..... 4
 - Addressing Business Challenges 5
 - 1. Integrated Communications 5
 - 2. Collaborative Workspaces 6
 - 3. Access to Information and People..... 8
 - 4. People-Driven Processes 9
 - Microsoft Uniquely Positioned for Collaboration 10
- Conclusion 11

Executive Summary

The world is becoming more interconnected and organizations that want to succeed in this new environment need to become more connected as well. This is not simply an information technology (IT) architecture issue, but a challenge to individuals, teams, businesses, and the wider world: How can we work together better? How can we pool our knowledge to improve results? How can we make processes more efficient, while delivering personal care and service when it matters most? How can we manage the flood of information that's overflowing our inboxes, our mobile phones, and our lives?

Microsoft believes that the critical factor for organizational success is empowering people: specifically, those people who create, analyze, distribute or consume information as part of their jobs – the information workers. In a time of rapid change, agility depends on the ability to adapt and align quickly. Rigid, centrally-managed systems can't do that. Neither can organizations running yesterday's technology as if it were "good enough" for today's challenges. But give information workers powerful tools that put them in control of their business environment, tools that make working together as natural as working alone, and as familiar as the basic applications they already know – then you have the kind of *agility at the point of contact* to drive innovation, drive insight, and drive success.

The Microsoft collaboration vision is about providing software and services that deliver pervasive capabilities to enable people to work together more effectively. Microsoft is addressing challenges in four areas that are critical to effective collaboration: integrated communications, collaborative workspaces, access to information and people, and people-driven processes. Microsoft has emerged as a leader in collaboration services because of its 30-year history in understanding end-user needs, best-of-breed productivity applications, proven infrastructure-level integration of collaboration services, extensive partner and developer ecosystem, and commitment to standards-based interoperability. Microsoft's competence and experience providing rich, connected information worker tools can give customers the collaborative capabilities they need to meet the challenges ahead, and compete and win in a more interconnected world.

The New World of Work

Today's global economy is presenting organizations of all sizes with new challenges:

- **Global permanently-connected** customers, partners, and suppliers that are continuously driving the need for continued agility in processes and people.
- **Increasingly mobile** global project teams that are capable of working in multiple locations, time zones, and across organizational boundaries.
- Pressures to become **more transparent** (to government, to customers, suppliers, and partners), yet at the same time reducing information risk.
- A global **competition for talent** as today's workforce ages and the Millennial generation arrives with its own values and expectations.
- Ongoing **technological innovation**, and the accompanying challenges of integrating useful new capabilities smoothly with existing systems and practices.

Organizations need strong, secure networks that extend across their enterprise and beyond, while workers must manage constant demands on their attention, master new skills, and find new ways to be productive in a more deeply connected, transparent workplace.

In the New World of Work, organizations that can work together effectively will enjoy competitive advantages in a number of areas. Those who sell information or expertise can draw on a wider pool of human talent and data to generate new insights and new innovations, and bring them to market more quickly. Those whose businesses are built around fixed processes – manufacturing, distribution, resource extraction – can discover and drive new efficiencies that bring down costs. Those who rely on expertise can cast a wider net for talent, seamlessly extending rich capabilities and access to remote and mobile users.

For information workers, the New World of Work means new opportunities to add value, and a global marketplace in which to offer their skills and expertise. Better collaboration tools can connect them easily with colleagues, managers and customers, minimize the time spent on low-value administrative activities, gather resources from disparate systems and applications together in one productive environment, and reduce the burdens of “information overload.”

Tangible Business Value

Results of business value studies conducted independently by Navigant Consulting¹ during 2003 at some of the world’s largest organizations demonstrate the tangible business value achieved by implementing collaborative solutions built with Microsoft technologies. These studies demonstrate:

- **Shorter project cycle times.** Cycle times reductions averaging 34 percent were projected for document creation processes.
- **Fewer meetings.** Enhanced visibility into project status helped profiled organizations reduce meeting times by an estimated average of 35 percent.
- **Lower travel expenses.** Improved access to information is expected to reduce travel expenses by an average of 37 percent.

Although these results are specific to the organizations at which the analyses were conducted, they demonstrate the value that can be achieved by an integrated approach to implementing collaboration and communication services.

The Microsoft Collaboration Vision

Microsoft believes that collaboration is a strategic capability that requires a strategic approach. Our vision is about providing an infrastructure of software and services that deliver pervasive capabilities to enable people to work together more effectively. This allows our customers to maximize their unique business value by enabling their employees to do the same—focus on expressing their unique talents rather than chasing down information and people.

¹ For more information about the Microsoft Windows Server System and Microsoft Office System business value studies conducted by Navigant Consulting and to download the white paper, “Process Goldmine: Microsoft Office System Integrated Solutions Delivers Business Value,” see the [Microsoft Office System Solutions Deliver Business Value](http://www.microsoft.com/office/business/value.mspx) page at <http://www.microsoft.com/office/business/value.mspx>.

The Microsoft collaboration infrastructure embraces a complete and unified information worker experience, which includes rich functionality from the desktop, mobile devices, Web browsers, and line-of-business (LOB) applications. While the specific capabilities of Microsoft's collaboration solutions are embedded in various software products, the goal is to enable customers to realize the benefits of a *collaborative environment* at every level of investment. Microsoft collaboration technology is integrated by design, so that each new set of capabilities can be implemented in modular fashion, leveraging all investments to date in infrastructure, applications, end-user skills and technical support.

Once deployed, it can be extended and customized at low incremental cost through Microsoft's extensive ecosystem of partners. There are also numerous ways that end-users can rapidly create custom tools (such as forms and templates) and environments (e.g., team or document sites) to meet their business needs via self-service, without IT involvement. This design feature represents Microsoft's core belief that business value rests with empowered information workers and flexible tools for business, not regimented IT control and costly integration services.

Microsoft recognizes that collaboration services will only empower individuals and organizations if they can be readily adopted within the existing cultural and social framework on which information workers rely.

Addressing Business Challenges

The Microsoft collaboration platform addresses challenges in four areas that are critical to effective collaboration:

- Integrated communications
- Collaborative workspaces
- Access to information and people
- People driven processes

Each of these areas represents a set of requirements and implies a set of capabilities central to Microsoft's strategy of delivering pervasive, comprehensive collaboration across the range of workplace scenarios. It's important to note, however, that the solutions individual customers and partners develop with Microsoft collaboration technologies are almost certain to incorporate facets of several or all of these areas, and the benefits customers experience will be measured in metrics critical to their own industries.

1. Integrated Communications

Customer challenges: Information workers currently use many devices—landline phones, cellular phones, Smartphones, PDAs, desktops, laptops, and Internet kiosks—to communicate and access information. To become more responsive, customers want to connect this complex array of devices, simplify communication and collaboration, and enable roaming connectivity. Workers don't want communications to be interrupted. They demand the same rich experience whether they are working at their desks, connected remotely, or fully disconnected. In addition, IT staff want a simpler environment that is less expensive to maintain and support.

Microsoft solution: The Microsoft solution simplifies and integrates the myriad of communication options available to teams and individuals. E-mail, instant messaging (IM), voice mail, telephones, mobile devices, and Web conferencing merge into a single unified experience that is available regardless of location or type of network connection. Rich presence information, which displays more than just current online status to ensure that people are connected in the most productive and useful way, is incorporated across the Microsoft Office System and can be integrated directly into LOB applications. Microsoft delivers intelligent software that manages communications within the context of a person's real-time availability, existing toolset, and individual preferences. It helps customers build stronger connections and reduce travel, IT, and support costs at the same time.

Customer example: Fair Isaac, a firm that creates and markets analysis tools to large financial and retail organizations, began to expand into new markets and found itself facing multiple communications challenges. Fair Isaac looked to Microsoft to improve the flow of information within the company and to provide a real-time collaboration solution that would facilitate the efficient launch and sale of its products. With Microsoft Office Live Meeting, the company can now engage thousands of prospective customers that it otherwise could not have reached—opening new markets, reducing the sales cycle, and lowering travel costs by \$500,000. Fair Isaac uses the Microsoft Office Live Communications Server 2005 Instant Messaging (IM) and presence capabilities to launch and support products. This collaboration solution has helped Fair Isaac decrease its sales cycle by 30 percent and speed the introduction of new products to market.

"Today, our sales close an average of 30 percent faster. The faster sales cycle means we collect an additional \$1.5 million in revenue annually by closing deals quicker."

- Eric Herson,
Vice President United States Origination and Scoring Sales, Fair Isaac

Integrated Communications: Industry-Leading Interoperability

Microsoft has taken a leadership position in evolving two key standards promoting borderless IM: the Session Initiation Protocol (SIP) and SIP for Instant Messaging and Presence Leveraging Extensions (SIMPLE). Microsoft Live Communications Server 2005 allows you to open secure, auditable communication channels with trusted organizations and even allows you to extend the reach of integrated communications, in a more secure and managed manner, to the key public IM service providers—MSN, AOL, and Yahoo.

2. Collaborative Workspaces

Customer challenges: Information workers use multiple tools to collaborate today—e-mail, phone, Web conferencing, portals, and specialized point collaboration applications. Switching frequently between these tools, learning and remembering how to use them is often frustrating and unproductive for end users, often obstructing the very collaboration they are meant to facilitate. Deploying, upgrading, maintaining, and securing the diverse tools is time consuming and costly for IT staff, who also have to worry about managing and protecting sensitive information and providing resource-efficient ways to share documents. Individuals need to be able to easily create and manage their own collaboration spaces, and teams need to be able to archive and access information as projects complete and teams move onto other work.

Microsoft solution: Microsoft provides two virtual workspace software solutions to improve team performance by enabling people to share information and work together in a common environment: Windows SharePoint Services and Groove Virtual Office. Each is optimized for specific work modes.

Windows® SharePoint® Services, an integrated part of the Microsoft Windows Server™ 2003 operating system, provides robust, instant, easy-to-use team workspaces from within the operating system infrastructure—at no extra cost and with no additional software to deploy. Windows SharePoint Services integrates with the Microsoft Office System out of the box, allowing information workers to create collaborative workspaces without IT assistance, for meetings, project management, document authoring, and any other activity for which it is critical to keep teams on the same page. Windows SharePoint Services can be integrated with LOB applications to enable instant collaboration from within key business applications that workers use every day. LOB data may also be integrated directly into collaborative workspaces, allowing team members to access and update the data they need without ever leaving the team workspace or having to learn how to use another application.

Groove Virtual Office provides enterprise organizations with PC-based workspace collaboration tools that enable *mobile* workers and *cross-organizational* teams to work together on projects, share files of any size, stay in sync and access information while online or *offline*.

Customer example: Gilbane Building Company uses Microsoft collaboration technologies to complete massive construction projects on time, reduce costs, and boost customer loyalty. A Microsoft-based portal cuts the time it takes to complete bids by 75 percent. The company has slashed the total time it takes to complete projects by 10 to 15 percent and the costs of those projects by 5 percent. The company also saves by consolidating its e-mail servers and developing an employee distance learning solution for continuing education. Gilbane is even developing portals for customers, enabling them to manage their buildings more effectively over the structures' lifetime. The result: greater customer satisfaction and loyalty; increased business opportunities, and revenues, and U.S. \$1.5 million in annual savings.

"Our customers want us to reduce the pain and uncertainty associated with major construction. By managing projects faster and more cost effectively, and by giving customers better tools to manage their facilities throughout their useful lives, we are reducing their pain. That's what it's all about. We're increasing customer satisfaction. Microsoft is making this possible through technologies for better communication and collaboration among our employees, with our subcontractors, and with our clients."

-- Lance Osojnicki, Chief Technology Officer, Gilbane Building Company

Collaborative Workspace: Industry-Leading Interoperability

Microsoft's commitment to standards-based Web services allows other applications to easily reuse the valuable information that teams create within their collaborative workspaces. It also allows teams to embed Web services from any other application directly within their collaborative workspaces so that they have a single place to access and update the information that is critical to their work. For example, Microsoft is working with Siebel to create easy-to-use collaboration capabilities from within the Siebel CRM application. If a help desk technician needs help solving a customer problem, he can auto-provision a special SharePoint site and invite others to collaborate on the problem. SharePoint automatically pulls needed information about the customer into the site. By embracing Web services, Microsoft enables companies to extend the value of their LOB systems and data to more people, while simultaneously reducing the errors and inefficiencies inherent in working across multiple systems.

3. Access to Information and People

Customer challenges: With the rise in volume of information in all industries and the number of constituents of virtual teams continuously increasing, information workers need a way to rapidly locate the right information and experts at the right time, across multiple information sources and organizations. A recent IDC report stated that information workers spend roughly a quarter of their time searching for information and another quarter analyzing it. These workers need to know not only where team members are but if they are available for immediate contact and the best way to contact them. They need a way to self-serve their information needs, and to automate the process of combing information sources while culling critical information on a customizable schedule.

Microsoft solution: Microsoft empowers individuals with a personalized view for accessing information and people across the organization. Microsoft portal and content management solutions offer timely, centralized access to knowledge through a wide variety of content aggregation and content surfacing capabilities. SharePoint MySites enable workers to customize their own SharePoint sites to personal needs, giving them a single place to access information of interest such as documents, news, directories, and updated LOB data. Microsoft provides integrated search and browsing technologies to help users quickly locate information and people throughout an organization. Notifications and alerts provide a convenient way of staying informed when relevant content has been added or modified.

Customer example: Providing solutions for the business needs of its clients has made Capgemini one of the leading consulting firms in the world. Despite its success, the company wanted to bring its people and knowledge together globally to form highly efficient teams that could quickly access information to win new business and complete projects productively. With the help of Microsoft® SharePoint Products and Technologies Capgemini has improved team productivity. SharePoint sites provide access to critical information, experts, and colleagues, reducing delays and increasing productivity. As a result, teams respond to new opportunities faster and have increased their new business close rate. The ability to win business and work smarter and faster is expected to result in a payback of eight months and a net present value per user of more than U.S. \$2,700.

"The Microsoft Office System is more than just a group of integrated software tools; it is a productivity platform. The software is ideal for automating workflow and improving employee productivity."

- John Parkinson, Chief
Technology Officer, Capgemini

Access to Information and People: Industry-Leading Interoperability

The single sign-on feature in Microsoft Office SharePoint Portal Server 2003 saves credentials such as account names and passwords, relieving users of the need to authenticate repeatedly when accessing multiple applications from within the portal. This helps employees concentrate on accessing information rather than on the details of using individual applications. The out-of-the-box search capabilities in SharePoint Portal Server provide the ability to search across many popular data types, including, web sites, file shares, Microsoft® Exchange Public Folders, and Lotus Notes databases, in addition to any SharePoint site. SharePoint Portal Server search is also extensible, so that other data sources can be searched with third-party add-ins, many available at no cost.

4. People-Driven Processes

Customer challenges: Many organizations have spent a great deal of time and money automating back-end business processes—linking business systems so that they communicate and exchange information without human intervention. Now they want to push business process automation workflows out to information workers through existing desktop applications to improve worker productivity and eliminate paper-based, error-prone processes. Employees need easy access to LOB data without having to worry about licensing rights and permissions to standalone LOB applications, constant application switching throughout the workday, or bogging down the IT staff with constant information requests.

Microsoft solution: Microsoft brings business process automation to the desktop by connecting end users to LOB information through familiar Microsoft Office programs. The IT staff can integrate backend systems such as SAP, Siebel, and Microsoft Business Solutions such as Microsoft Great Plains and Microsoft Solomon with Microsoft Office programs, allowing workers to create and submit invoices, process orders, and respond to customer problems from within Microsoft Office, without constant application switching. Industry-leading XML support throughout the Microsoft Office System provides a tremendous opportunity for businesses to define intelligent information workflow and provide sophisticated management capabilities for document-based processes. And because the Microsoft solution for people-driven processes is based on the common framework enabling pervasive collaboration, information workers can easily be empowered with tools that allow them to rapidly address and resolve process *exceptions*. That is, the call-center worker or branch bank teller can, for example, escalate customer engagements to the appropriate people in the organization using presence detection and instant messaging – without having to leave the business application environment. All the features necessary for unstructured collaboration and information access are close at hand. Empowering the employee at the point of customer contact with rich tools for exception-handling and issue resolution allows organizations to build more sophisticated workflow systems that are more resilient to unexpected conditions and better able to meet internal and customer demands for rapid, responsive service.

Customer example: Digitas, a leading integrated marketing agency, relies on financial activity codes to track billable hours spent on accounts. As its client list grew, Digitas needed to simplify the activity code process. The agency also wanted a group workspace so teams could pool resources, increase collaboration, and reduce dependency on e-mail for document exchange and storage. Working with Microsoft Services and Internosis, Digitas implemented a Microsoft Office System solution using Microsoft Office InfoPath™ 2003 to streamline distribution of activity codes. Digitas also deployed Windows SharePoint Services to create a centralized site for teamwork. Using these innovative, timesaving techniques, the agency expects to save approximately U.S. \$1 million annually—\$675,000 in saved employee time and \$325,000 in decreased IT storage costs.

“The time and cost savings we will receive from our new Microsoft Office System solution are amazing. We expect to save \$675,000 annually in employee time by automating one of our key business processes, which is performed more than 7,800 times per year.”

- Erik Dubovik, Vice President, and Director of IT, Digitas

People-Driven Processes: Industry-Leading Interoperability

Microsoft has a longstanding commitment to XML as the standard method for exchanging information between applications. With XML support built into the Microsoft Office System, companies are able to extend the power of XML by putting it into the hands of information workers. Today, more than 300,000 developers are building Microsoft Office-based solutions that use XML to automate business processes across heterogeneous systems, platforms, and applications.

Microsoft Uniquely Positioned for Collaboration

Microsoft has emerged as a leader in infrastructure-level collaboration services and is uniquely positioned to further its lead based on several critical differentiators:

- **Deep understanding of end user needs.** From its 30 years creating desktop software, Microsoft has developed an unparalleled understanding of end user needs and behaviors. The Microsoft Office productivity products are world-class, market-leading products that continue to lead because of a tremendous R&D investment--\$600 million annually. Collaboration is the place where technology and people meet, and Microsoft has demonstrated success in creating software that works the way people work.
- **Proven infrastructure-level integration.** Microsoft was a pioneer in integrating collaboration capabilities into the operating system infrastructure with the introduction of Windows SharePoint Services. Microsoft is expanding infrastructure-level collaboration by making capabilities such as presence and personalization integral to all Microsoft products. This gives information workers instant access to collaboration capabilities through products they already know and use, providing immediate productivity improvements. It also provides IT with a way to deliver new functionality while minimizing effort and cost.

- **Vibrant and extensive partner and developer ecosystem.** The Microsoft ISV, developer, and partner ecosystem is the richest in the world, providing more choices and lower costs for companies seeking to customize Microsoft-based solutions. Partners are critical to the Microsoft business model, providing extensive local resources, innovation, and support for Microsoft customers all over the world.
- **Commitment to standards-based interoperability.** Microsoft has a longstanding commitment to standards such as XML and Web Services that allow organizations to create heterogeneous solutions that rely on Microsoft solutions working seamlessly with third-party applications.

Conclusion

To cope with today's always-on, always-connected business environment, organizations need to equip information workers with the tools they need to focus on high-value work. Empowered information workers can produce high-value work more efficiently, work together in teams anywhere, anytime to arrive at business-critical insights or spread best-practices, forge better relationships with customers and partners, and effectively manage unexpected situations as business conditions change. Enabling this kind of productivity requires a strategic approach to collaboration – one which allows organizations to streamline their operational environment and reduce the number of point collaboration solutions that require vast amounts of IT staff time to integrate, maintain, upgrade, and troubleshoot.

Microsoft collaboration technologies can help companies provide workers with integrated communications, collaborative workspaces, access to information and people, and people-driven processes. A key Microsoft advantage is the existing investment most companies have already made in Microsoft systems and productivity software. Microsoft collaboration solutions extend from this investment, which workers already know how to use and require minimal IT staff time to deploy and maintain.

To learn more about the Microsoft collaboration vision, and how customers all over the world are using Microsoft products to create innovative collaboration solutions, contact your Microsoft account team or local Microsoft partner.

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