



Technology Brief...

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RIM's Quickr Connections with IBM/Lotus

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At the recent Lotusphere, Lotus's annual user conference, IBM and RIM made some substantial mobile partnership announcements. IBM has long pursued the secure, enterprise social media applications space with its Lotus brands of Sametime, Connections, and Quickr, building on the Domino platform that powers its Notes email and its Travelr mobile email client. Lotus Notes has been losing email market share to Microsoft Exchange for several years. In a survey of companies deploying mobile email to its users we conducted (see, Corporate Email: What are Mobile Companies Running, J. Gold Associates Technology Brief, July 2009), we found that Exchange was supported by 78% of companies while Notes was supported by 28%. Lotus nevertheless sees the emergence of social media (IM, presence, location awareness, directories, shared work space, etc.) as an opportunity to present enterprises with a compelling reason to launch a secured environment like Domino, rather than rely on public unsecured sites like Facebook, Twitter, Yahoo, Google, Skype, etc. None of these products meets the extensive security and compliance issues enterprises must deal with on a daily basis. Further, Lotus has targeted Microsoft and its suite of social media and communications capabilities (i.e., Communicator, Sharepoint) in a bid to impact the market for Exchange infrastructure which Communicator utilizes (Lotus has demonstrated Connections running with Exchange). And it's looking at mobile workers as a key entry point.

IBM/Lotus rightfully understands that enterprises no longer are satisfied with a desktop only approach to communications. They require a viable mobile component before they implement any solution. And the BlackBerry platform represents the preeminent mobile platform in enterprise deployments (our research indicates that approximately 65% of companies deploy BlackBerry). Blackberry has supported Notes email connectivity with its BlackBerry Enterprise Server (BES) for years, and a highly functional BlackBerry mobile component is critical to IBM/Lotus' success (Lotus will also make clients available for iPhone, Android, etc.).

BES is the most secure mobile email platform available. And by extension, RIM has created the Social Network Applications Protocol (SNAP) that sits on top of BES, providing a secure push capability in a highly manageable environment. By IBM/Lotus building its mobile clients on top of this protocol, they achieve a level of security and manageability that would be difficult to duplicate, and that provides a product differentiator targeting those companies that must meet the highest levels of security and compliance (e.g., financial, banking, insurance,

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government, retail - all markets IBM and RIM share as market leaders).

Working with RIM provides IBM/Lotus with significant benefit. RIM provides an expertise in mobile client creation, management and deployment that IBM alone can't duplicate. And building a native client, as RIM has done, achieves a level of performance and integration not available via a "patched" addition to the BlackBerry platform. This approach also allows companies to use the same mechanism of deployment and manageability they have grown accustomed to with other BlackBerry apps and BES. Finally, IBM/Lotus needs a counterbalance to Microsoft's mobile push with Communicator and Sharepoint, which are currently optimized for Windows Mobile devices. However, Windows Mobile market share has fallen precipitously over the past couple of years, and few companies are now standardizing on Windows Mobile as their platform of choice. This provides IBM/Lotus with an opportunity to leverage BlackBerry's strength and Microsoft's relative weakness by partnering with the industry leader.

Bottom Line: The partnership between RIM and IBM/Lotus should benefit both and should be attractive to enterprises, particularly those who understand the ramifications of corporate social media and its future implications. IBM/Lotus products are often perceived as difficult to install and costly and needing to employ IBM services. Nevertheless, for those companies who are Domino users, or those companies looking at a "green field" deployment of social networking, this partnership could offer an attractive implementation opportunity.

PC Clients Add Smartphone-Like Capabilities. But Should They?

Companies are diversifying the numbers and range of clients they are deploying to their business users. While the majority of organizations still provide their users with standard PCs (increasingly notebooks rather than desktops), they are also looking at alternatives like tablets, netbooks, smart phones, etc. We do not expect the move to smart phones (e.g., BlackBerry, iPhones, Android) to herald a large decrease in the number of traditional PCs deployed in businesses. However, increasing user familiarity with smart phones and the features and capabilities they provide has altered the view that many companies and users have of the PC, questioning why they are so power hungry and hard to manage.

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Many mobile workers now consider smart phones as a primary platform, given the high level of app capability and integration. Mobile device users have become accustomed to having their devices work for one or more days before recharging, and are increasingly asking why PCs can't do the same. Further, users also know that smart devices can be managed through the IT infrastructure, largely transparently (e.g., BlackBerry Enterprise Server). And they have grown accustomed to having nearly instant on and no crashing/blue screening of the devices. This is putting increasing pressure on PC vendors and component suppliers to offer equivalent capability.

The PC industry is responding to these requirements in several ways. First, the core processor companies (e.g., Intel, AMD) understand that in the future processors will often be measured not in raw processing speed but in processing power per watt deployed. This is the only way to achieve the needed reduction in power to dramatically increase battery life (getting to 8-12 hours or more with reasonable sized batteries). This need for more efficient power management is true not only of the processor, but storage (hence a move to Solid State Drives),

displays (e.g., OLEDs) and graphics (integrated vs. discreet).

Companies are also examining whether the benefits of instant on can be brought to the PC world. Phoenix Technologies' BIOS-based and DeviceVM's co-processor-based technologies now supply OEMs (e.g., Lenovo, Dell) with a way to create PCs that boot almost instantly to a working state (running a subset of Linux, a browser and simple PIM apps), and only bring Windows into the picture when needed to run apps.

Traditional PC processors are also adding more manageability and security features to ramp their efforts at mimicking and even exceeding the smart device market where lower power ARM-based devices dominate. Intel's vPro technology allows companies to turn off machines remotely to save power (especially helpful with large fleets of desktops for saving energy), and also allows remote access and management of machines through LAN or wireless connections (especially helpful for notebooks in the field). However, these features are implemented only on higher end machines, and add cost to the purchase price (e.g., \$50-\$100), making them less attractive to cost conscious PC buyers. Further, this technology is not always easy to access, making utilization difficult.

Many of these features are desirable in a PC platform, and we should expect to see more smartphone-like features appear. But some of these features may not be able to live up to their claims of increased end user productivity and lower TCO. Further, many of these features will be implemented in different and potentially non-compatible ways across vendors, as standards often do not yet exist. Before specifying such features, companies should examine the true benefits and costs, and solicit end user feedback on how advantageous these features may be.

Bottom Line: We expect PC's to continue to implement more smartphone-like capabilities over time. We don't expect enterprises to substantially reduce the use of PCs, especially notebooks, for the majority of their workers. Businesses should examine which of these features will make users more productive and lower overall cost to the organization. Companies should also require their PC vendors provide them with a roadmap of features, a statement on any cross-platform compatibility and/or standards initiatives, and a justification of why these features should be deployed.

Mobile Services Outsourcing: Our Research Identifies What Companies Want

Many companies are examining increasing the role of outsourced services for their mobile users in order to contain costs and limit risk. Indeed, the growth of the mobile outsourcing services market has been accelerated by the need of companies to support multiple device types and a growing installed base of application-centric users who are equipped with more than just email. Further, multiple network support is also becoming common as companies attempt to find the best coverage providers to meet geographically dispersed workforces.

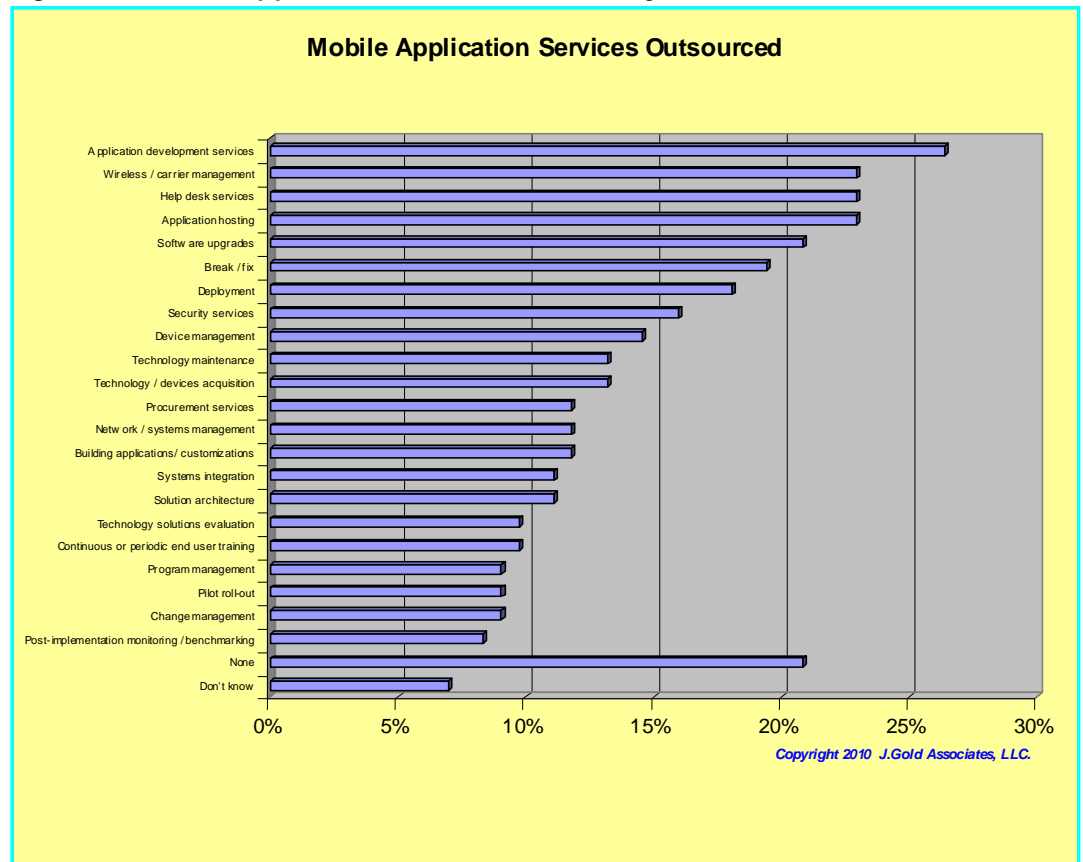
We conducted a survey to discover the attitudes and desires of organizations for mobile services outsourcing. We found that the majority of enterprises interviewed have a limited amount of mobile management capability in-house. For these companies outsourcing is an attractive option. Further, mobile budgets are under pressure, along with IT budgets in general, even as companies struggle

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to meet the growing needs of increasing numbers of mobile users. Fixed price per user contracts are popular ways for companies to implement such services, rather than initiating large capital expenditures for internal projects.

Our research has examined what companies require for outsourced services to compliment their mobile deployments. Figure 1 below is an excerpt from a wider study we conducted (see Mobile Business Applications: A Study of Strategies and Adoption Trends, J.Gold Associates, LLC., Nov 2008). This study included information on many more factors involved in organizational decisions around mobility and outsourced services. Contact us for more details and benchmarks or for the wider implications inferred from this study.

Figure 1: Mobile Application Services Currently Outsourced



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Major Market Studies

- Enterprise Mobile Applications: A Study of Strategies and Adoption Trends (Complete Report)
- Mobile Business Applications: A Study of Strategies and Adoption Trends (Executive Summary)

Technology Reports

- Solid State Drives in Notebooks: Cost Advantage or Cost Liability?
- Keeping Notebooks Past Their Prime: A Study of Failures and Costs
- Survival of the Fittest: Will Windows Mobile Go Extinct?