

Understanding the Potential of Microsoft Online Services

Gavin Williams

January 2010

Table of Contents

Business Productivity Online Services	3
The Benefits to the Organization	3
The Journey to BPOS	4
Strategy and Planning	5
Transition	5
Run and Operate	6

In the early 2000s, a new model of utility computing defined “at Internet scale” emerged. So-called application service providers (ASPs) promised to provide the sort of scalable and reliable computing that the new Internet economy demanded. This first iteration of computing from the cloud was not successful in achieving the scale needed to truly affect the market, as ambition overreached technological capability.

Fast forward about a decade; and we see ourselves in a much different landscape, where several prerequisites for distribution of software over the Internet now exist.

- **Virtualization:** Perhaps most important, the technology of virtualization is now mature, enabling the abstraction of servers and applications from the underlying hardware. This has brought a new level of manageability and flexibility to services provisioning.
- **Scale and commoditization:** Thanks to Moore’s Law, it is now possible to source huge quantities of flexible, high-performance, low-cost servers at a significantly lower price than was previously the case. Coupled with virtualization, which removes specific hardware issues, online providers can now achieve dynamic provisioning and scalability.
- **Industry acceptance:** In the past 10 years, the advent of consumer services such as Hotmail, Gmail

and Skydrive removed many cultural and psychological barriers to online computing.

- **Ubiquitous broadband:** Network connectivity has undergone an order-of-magnitude change, improving speed, cost and bandwidth availability.

Exploring the Business Productivity Online Suite

While these changes have meant the accessibility of cloud computing across all elements of enterprise IT service needs, this perspective paper is tightly focused on business communications, collaboration and productivity. We will address how Microsoft Online Services support an optimized workplace, specifically focusing on the Business Productivity Online Suite, or BPOS.

Microsoft has for a number of years been judged as the market leader in vision and capability of full-suite enterprise communications and collaboration.¹ BPOS is quite simply Microsoft’s software-as-a-service (SaaS) communications and collaboration offering to the market and delivers:

- Instant messaging, communications, and collaboration through Office Communicator Online and Live Meeting;
- E-mail services through Exchange Online;
- An integrated collaboration environment with Microsoft Office SharePoint Online

To many organizations, BPOS is a highly attractive proposition to turn collaboration services into a utility. Doing so can vary the cost structure—which can be a real benefit in times of recession—and ensures always up-to-date software and the latest features. Finally, it simultaneously delivers a consistent collaboration experience across the organization, including office, remote or mobile workers.

In addition, you can benefit from a fully architected and tested collaboration platform, removing the need to do extensive and expensive conceptual designs, prototyping, and hardware/storage selection processes.

While something that seems too good to be true usually is, a large number of organizations can nevertheless benefit significantly as long as they understand the journey and steps involved.

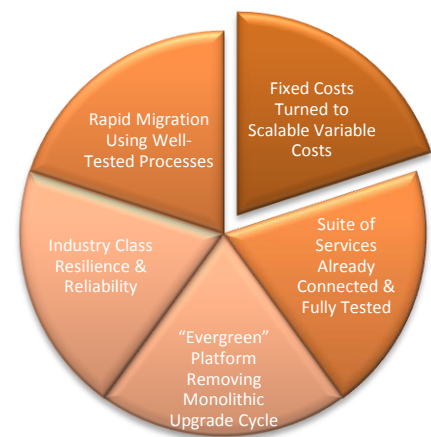


Figure 1: Benefits of moving to online services

Some caveats

This is not to say there are areas that do not require your careful consideration. As with any service provision or partnership outside the organization, you may lose a measure of control over the following:

- Possession of the data
- Data security
- Delivery of the services
- Changes to the services
- Ability to move back in-house or to another supplier

Nevertheless, these are not reasons to dismiss the online option. Instead, a number of these important issues can be addressed through due diligence as well as mitigated through the efforts of the provider.

For example, security reasons no longer support the dismissal of online services out of hand. We live in a world where data is already portable and is more likely to be lost while in a laptop than through corporate espionage or via an online services provider. All too common are headlines mentioning lost or stolen notebook computers. Some studies have even predicted that upwards of 10 percent of notebook computers will be lost or stolen in their lifetime. Indeed, in 2008, 10,000 laptops were lost every week at U.S. airports alone.²

The journey to BPOS

Email has truly become a critical enterprise service with huge integration implications across IT systems as well as business processes. And collaboration services are fast becoming even more critical to business operations. For

organizations considering the transition to software as a service, the major hurdle is usually assessing and understanding the full implications and necessary activities. "It sounds interesting, but how do I start?" they might ask.

The journey to Microsoft BPOS can be divided into three major phases:

1. Strategy and planning
2. Transition
3. Run and operate

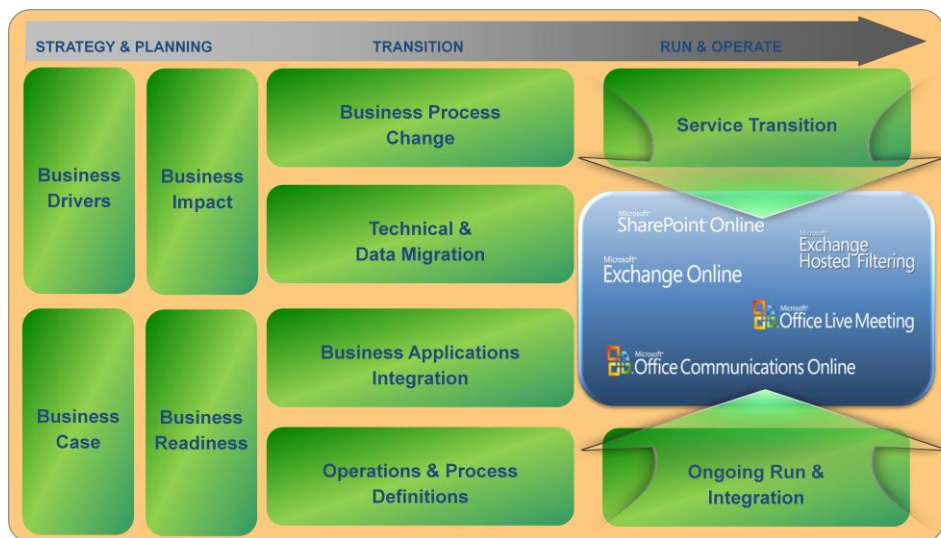


Figure 2: Three steps to improved collaboration and business productivity

Avanade's Approach to Migrating to BPOS

If you are thinking about migrating to Microsoft BPOS, the next section outlines how Avanade can help your organization through the major steps.

Strategy and planning

As with any major project, this phase is critical to the overall success and will address key planning questions, such as: if, why, how, how much and when. Avanade recommends that the following considerations should guide the strategy and planning process.

- a) **Business drivers:** Rather than simply rushing to the cloud because of the hype in the market, upfront analysis will help you to determine if the services are relevant to your business. Typically the answers are sourced from the business objectives encapsulated within the strategy of the organization and often already shaped in the public disclosures such as those filed within formal company submissions and annual reports.
- b) **Business requirements:** Leveraging assessment tools to make the business case can prove very valuable. For example, Avanade has built a series of assets and calculators that can help you decide if there is a beneficial business case to undertaking a business productivity migration. This consolidated, comprehensive assessment comparing cloud

versus on-premise environments can be done rapidly.

- c) **Business analysis:** Understanding the impact to your business is critical. How will you need to adapt? What changes may be necessary to security policies? What changes may be necessary in terms of architectural and operational models? What effects might there be on integrations with existing services?
- d) **Business readiness:** This goes hand in hand with the business impact services, by providing an answer as to how ready your organization will be to make the change. Are there specific factors that would assist or restrict your business from making this journey to an optimized workplace? How much help would you need? And where should this assistance be applied to provide the greatest effect to minimize business disruption as well as secure the business case?

Transition

There is huge pressure on controlling costs, and moving to BPOS enables you to contain and constrain these costs. However, the expectations on IT usually are to deliver "more for less," and new changes in business processes generally accompany any systems change to take advantage of new capabilities.

The transition phase encompasses all of the activities necessary to move from your existing estate and architecture to

online business productivity architecture. This includes the migration and co-existence phases.

Avanade can help you design and define new use cases for collaboration to leverage the cloud platform that can help you enhance productivity and performance, reduce costs and align IT with business strategy. A typical mandate from business leadership is to increase knowledge sharing up and down the supply chain to external customers, suppliers and business partners as well as driving new internal sharing for virtual teams. At the same time, any project change can only be successful when accompanied by the correct level of training, communication, and change management. We can guide you through this journey and help with transformation.

- a) **Technical and data migration:** At this stage in the process, you should consider a business technology services firm. In Avanade's case, our consultants have developed and delivered more than 20 million platform-to-platform and/or version-to-version mailbox migrations (Microsoft® Exchange, Lotus Notes, GroupWise, etc.). We have participated in some of the largest and most complex SharePoint and Active Directory implementations. Microsoft chose Avanade as its first partner to deliver Microsoft Online Services to large enterprises. Our BPOS transition and operational services deliver the following advantages to you:

- Create fixed unit-cost migration estimates for migration.
- Bring prescriptive project plans to drive predictable delivery on time and on budget.
- Plan the migration through our “mission control” deployment services.
- Schedule, plan, and control the entire migration rapidly using our Messaging Migration Engine, fully integrated where appropriate with Microsoft Online migration factory.
- Bring scale and always-available, low-cost expertise to a rapid migration using our global network of delivery specialists, blending the right mix of onshore, near-shore and offshore skills to meet your business requirements.

Whether it is a critical technical and delivery augmentation to your team or a full turnkey solution, we can help you achieve your migration swiftly and successfully.

- b) **Business applications integration:** A collaboration environment rarely operates in isolation from business-critical applications. Collaboration has an integration point with mail, Web 2.0 applications, and ERP and messaging systems. Avanade can help you realize the benefits of BPOS within your organization’s application architecture and application portfolio through the use of our rapid analysis techniques. These techniques will categorize

your applications under consideration for migration into those that:

1. Require no change
2. Are easily remediated
3. Require migration or custom integration scenarios

Avanade has proven assets that we bring to bear on BPOS projects. Using the Avanade Applications Mass Migration Orchestrator asset, we can coordinate all dependencies and critical inputs to the applications and manage the integration program to greatest effect, thus reducing time and effort in getting your application into the BPOS environment. Using Avanade Connected Architectures, we can rapidly make the necessary changes to the applications suite using predefined, industry-leading frameworks that create a consistent approach in development, which reduces the poor cost of quality. With our global delivery team, we can provide expertly skilled resources at a high-value scaling from the simplest to the most complex of applications to provide a high-quality service at a competitive price.

- c) **Operations and process definitions:** Migration to an online service will have implications upon your IT operations. The primary benefit is that it will relieve your organization of the burden of operating and managing the lion’s share of your collaboration platform. Through our Service Mapping process, we can assist you in defining and designing your new operational processes in this area. This will help ensure that the full

benefits of your business case are achieved and your organization is placed on an agile footing for the future.

Run and operate

The final phase of the transformation journey is the transition to a stable platform for ongoing operational services. Avanade can assist you in two areas of this phase.

- a) **Service transition:** Executing the transition from an in-house platform to an online platform follows a number of processes so that service-level agreements (SLAs) can be transferred completely and with ease. Some key components include.
- Confirm service readiness for transition (go/no-go)
 - Manage transition program
 - Implement contract management
 - Implement service management
 - Manage communications
 - Enable people

Once the service transition has taken place in a structured fashion, the business can operate under the new model, according to the new SLAs and with the new cost factors.

- b) **Ongoing run and integration:** Up to this point in the journey, you will have identified any necessary changes for operations. Where necessary, we can complement your existing services through provision of management/monitoring services, helpdesk services, or ongoing

enhancement services through application outsourcing.

Making BPOS work for your business

Collaboration with a partner that provides a clearly defined, phased road map, as well as ongoing quality assurance, will help ensure project implementation success. As you make the journey to SaaS services for business communications and collaboration, a results-driven provider with deep expertise can help you achieve your workplace improvement objectives.

From strategy and planning to transition, migration and operation, Avanade can help you realize the cost benefits and improved productivity of implementing Microsoft BPOS. Contact Avanade for a Business Value Assessment Overview to gain an understanding of your anticipated return on investment.

Avanade customer achieves swift cost reduction

This company is one of the leading insurance groups in the world. It has more than 54,000³ people in 27 business units serving 45 million customers. As part of its business strategy, the company decided to create a globally accessible collaboration platform and implement this in the shortest time possible. The company faced a few challenges to implement its plan: lack of in-house expertise in creating and running this platform and a non-contiguous network infrastructure.

The company selected BPOS as the best solution to overcome its challenges and turned to us to help. Avanade was selected to support Microsoft in the first major European implementation on the SharePoint cloud collaboration platform. The customer was able to roll out the new platform to a global audience within 150 days.

Our customer is very satisfied with the results of this investment and is now able to manage costs on a per-user basis. The company is already seeing reduced costs on significant collaboration projects and has been able to increase collaboration, reduce domestic and international travel, and improve inclusion, visibility and contribution from diverse business units.

Footnotes

¹ Gartner Magic Quadrant for Horizontal Portal Products, 2007-8; Gartner Magic Quadrant for Unified Communications, 2007-8

² The Ponemon Institute, July 2008, www.networkworld.com/community/node/29548

³ OneSource, March 2009



About Avanade

Avanade provides business technology services that connect insight, innovation and expertise in Microsoft technologies to help customers realize results. Avanade's services and solutions help improve performance, productivity and sales for organizations in all industries. The company provides unsurpassed Microsoft expertise through a global network of consultants, and applies the right mix of onshore, offshore and near shore resources to deliver results faster, at lower cost and with less risk. Avanade, which is majority owned by Accenture, was founded in 2000 by Accenture and Microsoft Corporation and serves customers in more than 20 countries worldwide with more than 9,000 professionals. Additional information can be found at www.avanade.com.

Americas

Seattle
Phone +1 206 239 5600
America@avanade.com

Europe

London
Phone +44 0 20 7025 1000
Europe@avanade.com

Asia-Pacific

Sydney
Phone +612 9005 5900
AsiaPac@avanade.com