

## EXCERPT

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### **2008 Likely to See Broad Adoption of Microsoft Office 2007 and Microsoft Office SharePoint Server 2007 (Excerpt from IDC #209943)**

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Melissa Webster

#### IN THIS EXCERPT

This IDC excerpt is taken from a survey report entitled "2008 Likely to See Broad Adoption of Microsoft Office 2007 and Microsoft Office SharePoint Server 2007" (IDC #209943, January 2008) by Melissa Webster. All or part of the following sections are included in this excerpt: IDC Opinion, In this Study, Situation Overview, Future Outlook, and Essential Guidance. Also included are Figures 1-8.

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#### IDC OPINION

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IDC fielded a QuickPoll survey in October 2007 to gauge adoption of Office 2007 and Microsoft Office SharePoint Server 2007 and to assess the impact that Microsoft Office SharePoint Server 2007 will have on the content management market over the next year. Key survey findings include:

- 2008 is likely to be a breakout year for both Microsoft Office 2007 and Microsoft Office SharePoint Server 2007. Content management vendors will see increased competition from Microsoft; partnering and cooperation will become the norm.
  - Integration with SharePoint is key for content management vendors that hope to sell to Microsoft customers. Overall, 45.6% of survey respondents use/plan to use SharePoint, and we believe that most of them will evaluate Microsoft Office SharePoint Server 2007.
  - Organizations face significant challenges managing the content that resides on SharePoint team sites. Overall, 57% of SharePoint adopters agree/strongly agree that managing content is a tremendous challenge for their company. IDC believes that a major market opportunity exists in addressing that pain.
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## IN THIS STUDY

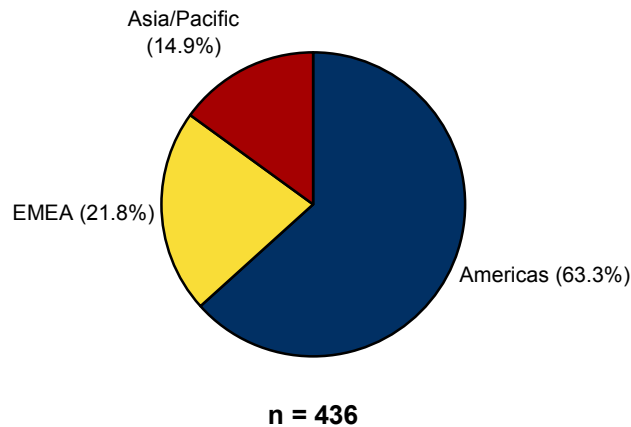
### Methodology

IDC conducted a short Web survey (QuickPoll) in October 2007 to assess adoption of office productivity tools, collaborative software, and content management software. Our findings come from IDC's Enterprise Panel. This panel is an online community of IT and line-of-business (LOB) professionals who influence the technology-related investment decisions of their organization. The panel includes worldwide businesses of all sizes and in all industries. The panel was launched in April 2007 and currently includes 5,000 active members. The panel is fully owned and managed by IDC.

Demographic information for the respondents to IDC's October QuickPoll Microsoft Office 2007 and Microsoft Office SharePoint Server 2007 Adoption Survey is shown in Figures 1–4.

**FIGURE 1**

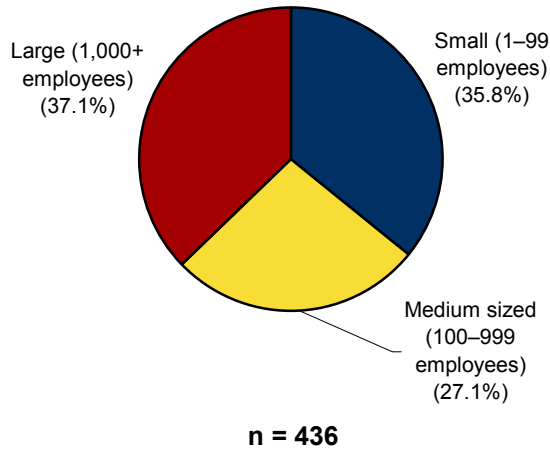
#### Respondents by Geographical Distribution



Source: October QuickPoll Microsoft Office 2007 and Microsoft Office SharePoint Server 2007 Adoption Survey, IDC's Enterprise Panel, October 2007

**FIGURE 2**

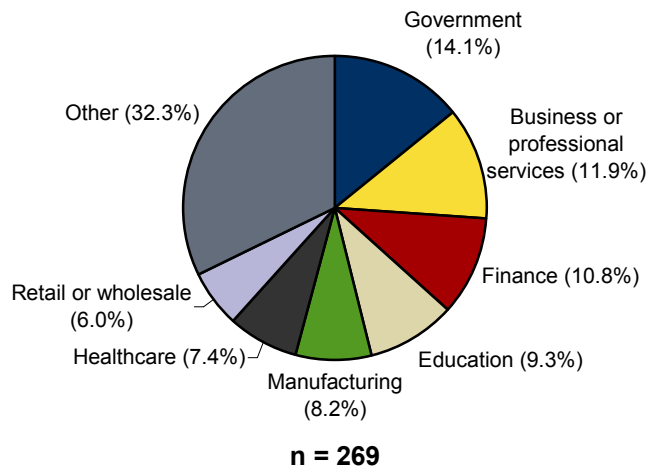
Respondents by Company Size



Source: October QuickPoll Microsoft Office 2007 and Microsoft Office SharePoint Server 2007 Adoption Survey, IDC's Enterprise Panel, October 2007

**FIGURE 3**

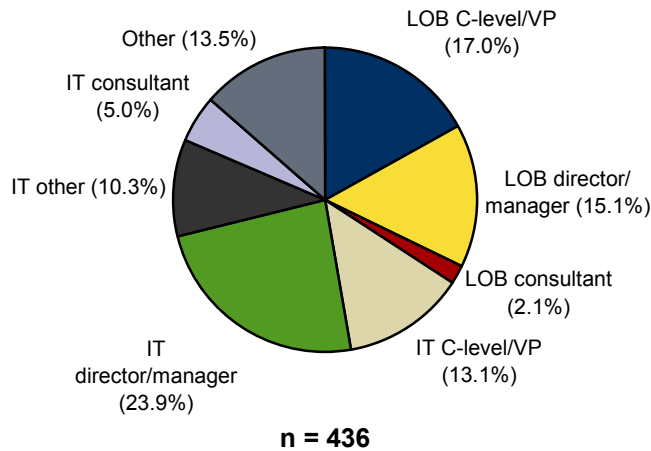
Respondents by Industry



Source: October QuickPoll Microsoft Office 2007 and Microsoft Office SharePoint Server 2007 Adoption Survey, IDC's Enterprise Panel, October 2007

**FIGURE 4**

**Respondents by Job Title**



Source: October QuickPoll Microsoft Office 2007 and Microsoft Office SharePoint Server 2007 Adoption Survey, IDC's Enterprise Panel, October 2007

**SITUATION OVERVIEW**

**Introduction**

We polled IDC's Enterprise Panel to gauge adoption of Microsoft Office 2007 and Microsoft Office SharePoint Server 2007.

Microsoft, of course, dominates the desktop office productivity tools market, and we expect to see Office 2007 deployment accelerate as we start the new year. There are barriers to adoption, however: upgrading desktops to a new Office version can imply significant costs for many organizations; Office 2007 has a brand-new user interface, so it requires some user training; and some organizations will wait to deploy Office 2007 until they've deployed Microsoft's new Vista client operating system.

We are also hearing about SharePoint adoption from customers, and many tell us the number of SharePoint team sites is mushrooming in their organization. A large financial services firm we've spoken with identified 5,000 new SharePoint sites that had sprung up in calendar year 2006 alone. Other IDC research shows that IT is increasingly concerned about establishing policies and procedures to manage and protect the content on those team sites (most organizations lack policies for archival and disposition of the content on those sites). SharePoint adoption has had a tremendous impact on the content management market: All of the major content management vendors have announced SharePoint adaptors (including those that offer their own team site solutions).

Finally, with Microsoft Office SharePoint Server 2007, Microsoft entered the content management market in a major way. SharePoint Server 2007 has complete content

and records management capabilities, and it integrates with Office 2007 to manage document metadata in a seamless fashion. Microsoft and its partners are already building vertical industry solutions atop SharePoint Server 2007 (Microsoft's Interactive Media Manager is one example). We've written in the past about the commoditizing impact that Microsoft will have with its new content management solution in SharePoint Server 2007. But on balance, we believe content management software is underutilized in most organizations, and we think Microsoft will help expand the market for content management software.

We wanted to gauge adoption in all three of these areas. We also wanted to assess adoption and enthusiasm for potentially disruptive technologies, including open source and Web-based productivity suites and hosted and open source content management solutions. Google told us in September that it had more than 100,000 Google Apps customers and that it was signing up new ones at a rate of 1,000 per day. All of them have access to Google Docs (Google's Web-based word processing, spreadsheet, and presentation applications). We've seen several new hosted content management solutions come to market over the past year, and hybrid open source/commercially packaged content management is getting some play as well. This seemed an opportune time to get a read on buyer intentions and attitudes toward these emerging technologies.

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## **Survey Findings**

### ***Office Productivity Tools Currently in Use***

We asked our panel what office productivity tools (for word processing, spreadsheets, and presentations) they were currently using (see Figure 5). Overall, 56% of our respondents are using one product/edition, 26% are using two, and 18% are using three or more products/editions.

Not surprisingly, respondents are overwhelmingly using a version of Microsoft Office (95.6% of respondents). The percentage of the sample using Microsoft Office is closer to 97% if we factor in respondents who answered "other" and wrote in Microsoft Office 2004 for Mac. Interestingly, this matches other industry estimates we have seen for Microsoft Office's share of desktops; 80% of survey respondents are exclusively using Office (any Office edition). Also, 16.2% of respondents are using Microsoft Office 2007, 79.4% are using Office 2003, and 28.2% are using Office 2000.

We see some uptake of open source desktop suites and Web-based tools, though more of the former than the latter. Overall, 16% of survey respondents are using OpenOffice.org, Lotus Symphony, or Sun StarOffice. Only 7% of respondents are using Web-based tools from Google, Zoho, and ThinkFree. Virtually all of those using Web-based tools are also using a desktop productivity suite: This supports our view that Web-based tools won't replace desktop editing any time soon but rather are complementary and add value by enabling document sharing.

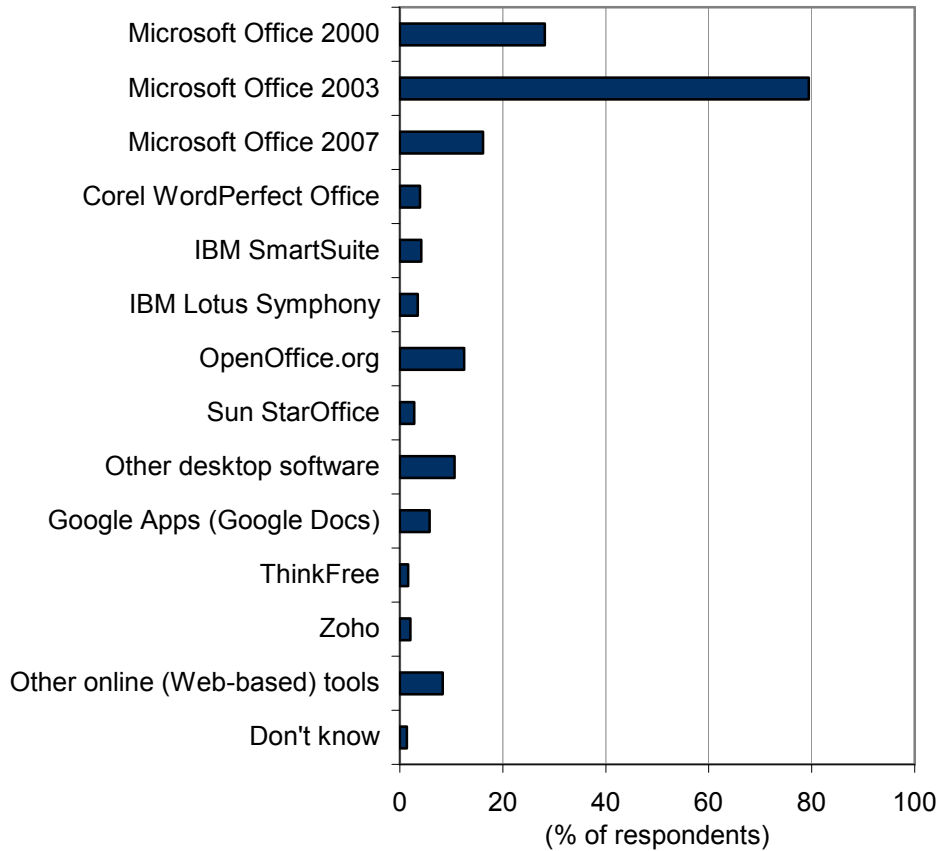
Our survey results suggest some variance in current Office adoption by region. Usage of Office 2000 was somewhat higher, and conversely usage of Office 2007 was somewhat lower, in Asia/Pacific in comparison with North America. Office is less

dominant in Asia/Pacific: There are significant installed bases of local language desktop productivity tools in both Japan and China.

**FIGURE 5**

**Current Use of Office Productivity Tools**

Q. Which of the following word processing/spreadsheet/presentation software authoring tools are widely used at your company today?



n = 433

Note: Multiple responses were allowed.

Source: October QuickPoll Microsoft Office 2007 and Microsoft Office SharePoint Server 2007 Adoption Survey, IDC's Enterprise Panel, October 2007

**Future Use of Office Productivity Tools**

We asked our panel what tools they expect to be widely using a year from now. A subset of our respondents answered this question, therefore survey responses are a better indicator of future trends than they are a prediction of "share of desktops" by tool a year hence (see Figure 6).

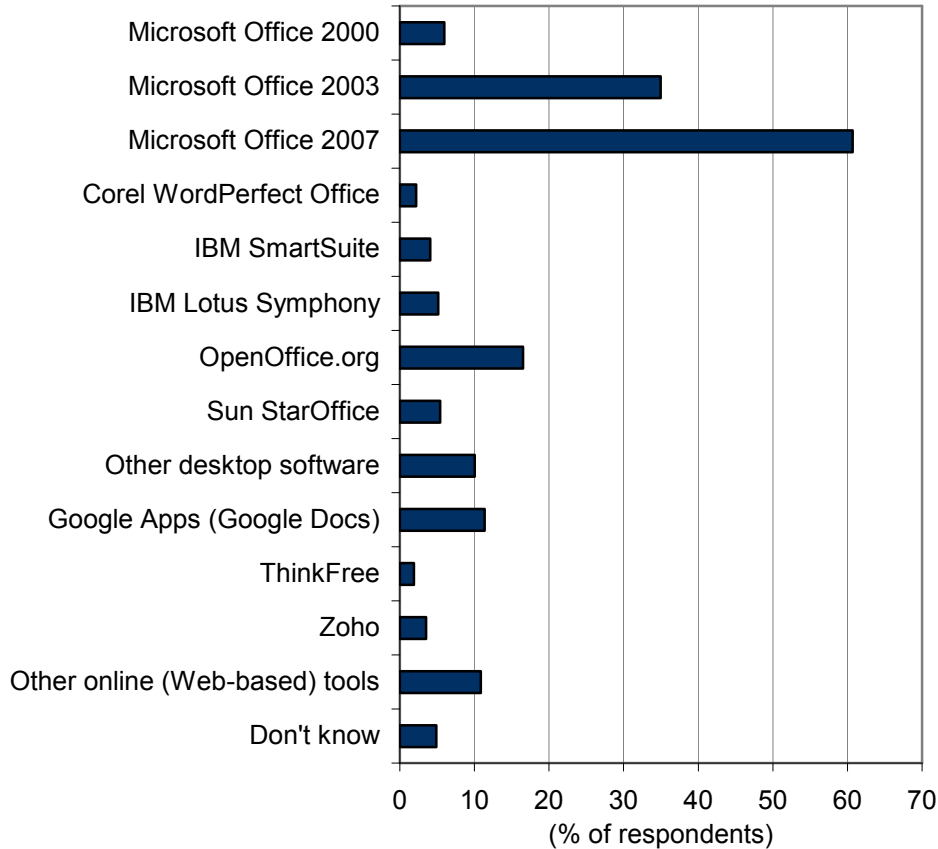
Our survey results indicate very strong adoption of Office 2007 in 2008. More than 60% of the 369 respondents who answered this question expect their organization to be widely using Office 2007 next year. Office 2000 users are prime candidates for upgrade as their software is now two releases behind. But we suspect compatibility will also be an important driver. We know from other IDC research that format compatibility is supremely important to buyers establishing their document standards. As Office 2007 adoption grows, so too will the pressure on laggards to upgrade. Although Microsoft offers a free Office Compatibility Pack for Office XP and 2003 that lets users open .docx, .xlsx, and .pptx files, we believe most organizations that are committed to Office on the desktop will adopt Office 2007 to ensure that they can open documents and exchange information with others outside their organization.

Survey responses also suggest that open source and Web-based solutions will gain some traction in the next year; however, we expect that most organizations adopting open source or Web-based solutions will continue to use Microsoft Office, especially in larger organizations and government.

**FIGURE 6**

**Planned Use of Office Productivity Tools**

Q. Which do you think your organization will be widely using a year from now?



n = 369

Note: Multiple responses were allowed.

Source: October QuickPoll Microsoft Office 2007 and Microsoft Office SharePoint Server 2007 Adoption Survey, IDC's Enterprise Panel, October 2007

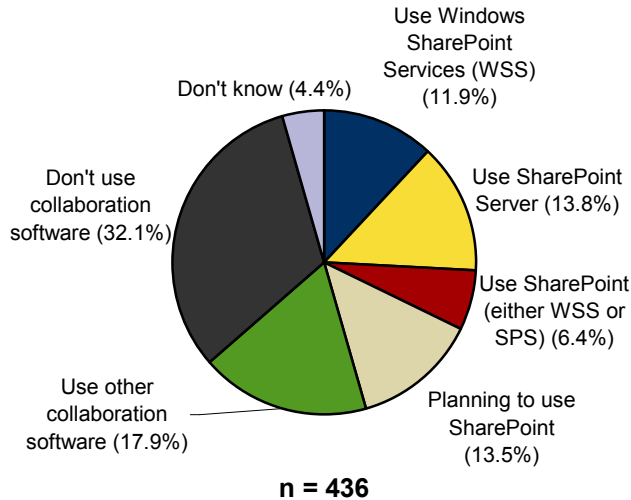
**SharePoint Usage**

Overall, 45.6% of our respondents are committed to SharePoint: 32.1% of our respondents are already using Windows SharePoint Services or SharePoint Server today for team sites; another 13.5% are planning to use it. Also, 50% of respondents either don't use collaboration software or use another vendor's solution (see Figure 7).

**FIGURE 7**

**Current Use of Microsoft SharePoint for Collaboration**

Q. *Is your company using Microsoft SharePoint for collaboration, i.e., team sites?*



Source: *October QuickPoll Microsoft Office 2007 and Microsoft Office SharePoint Server 2007 Adoption Survey*, IDC's Enterprise Panel, October 2007

**Adoption of Microsoft Office SharePoint Server 2007**

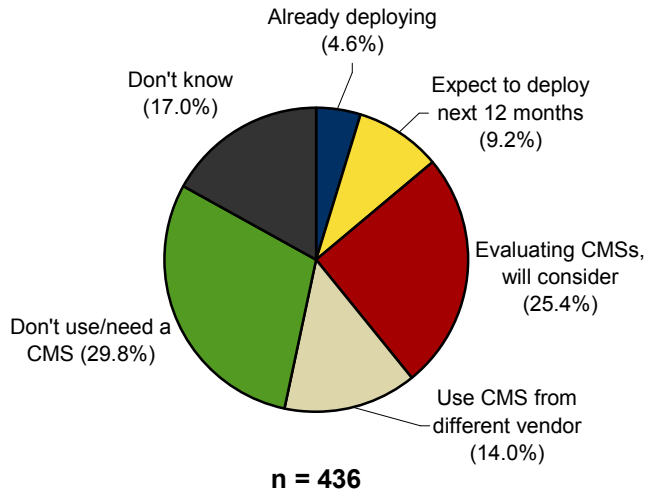
We also asked our panel about their usage of Microsoft Office SharePoint Server 2007, specifically its new content and records management capabilities (see Figure 8). Our intent here was to uncover the degree to which SharePoint Server 2007 is being used or considered for use as an enterprise content management system. Overall, 39.2% of respondents are either adopting or considering SharePoint Server 2007: A small percentage (4.6%) have already deployed it, another 9.2% plan to deploy it in the next 12 months, and another 25.4% are evaluating content management systems and will consider it. As we have written in the past, Microsoft becomes a serious content management competitor with SharePoint Server 2007, and we will see SharePoint Server 2007 on more short lists in the coming year.

As we expected, use of SharePoint correlates very strongly with willingness to consider SharePoint Server 2007. Virtually all of the respondents that are using or planning to use the ECM capabilities of Microsoft Office SharePoint Server 2007 are already using SharePoint for team sites; two-thirds of those evaluating content management systems and who say they will consider SharePoint Server 2007 are already using SharePoint. Conversely, only 15% of those who are not interested in SharePoint Server 2007 are SharePoint users.

**FIGURE 8**

**Current and Planned Use of Microsoft's ECM Offering**

Q. *Is your company using or planning to use Microsoft's new content and records management ("ECM") offering, which began to ship early in 2007 as part of Microsoft Office SharePoint Server 2007?*



Source: October QuickPoll Microsoft Office 2007 and Microsoft Office SharePoint Server 2007 Adoption Survey, IDC's Enterprise Panel, October 2007

**FUTURE OUTLOOK**

As we head into 2008, we expect to see more pervasive adoption of basic content services — what Microsoft calls "core content services" — within the enterprise. This is the opportunity that Microsoft is pursuing with Microsoft Office SharePoint Server 2007. As we've noted above, the need to better manage team site content gives Microsoft a ready market opportunity, and Microsoft will enjoy the benefits of incumbency in content management evaluations where SharePoint has been adopted.

The desire to standardize on a single content management vendor is still manifest. We believe, however, that customer needs around content management will continue to vary considerably from basic content services to full-blown content management solutions that integrate content with business processes, and we see plenty of room in the market for content management vendors of all stripes. Feature set and price points are dramatically different across the broad array of customer use cases, and the suitability of products for specific, well-funded use cases will continue to decide the winner for the near term.

The need to securely share content — intellectual property assets — to participate in the global economy will continue to be a motivator for content management purchases. Some of the leading content management vendors are already offering integrated enterprise rights management solutions to protect information that needs to be shared with others outside the firewall and the corporate network.

## ESSENTIAL GUIDANCE

The management of "unstructured" information — content — has come to the fore as a critical issue for information management in the organization. Recent IDC research predicts that by 2010, the amount of information in the "digital universe" will approach 1 trillion gigabytes, and 85% of this will be managed by organizations. The lion's share of this information is "unstructured" information.

Organizations are struggling with information management issues, and with how to manage their content throughout its life cycle. SharePoint has had — and will continue to have — a profound impact on the content management market. Content management vendors need to ensure that they have strong integrations with SharePoint, or else they risk being denied a seat at the table. But the issue is more complex than merely integrating multiple repositories, of which one might be SharePoint.

Organizations need good collaborative technologies to facilitate the process of content creation (and this is driving many to SharePoint, or to other content-collaboration solutions). Then, when the content is in final form, they need a repository of record, a place where everyone who needs to consume that content can go to find it. Finally, as content ages, they need an archival solution to manage content that must be retained for various business and/or compliance reasons. The needs around content management are different at each of these stages in the content life cycle, and so are the tools. And yet the flow of information between these stages in the life cycle needs to be seamless.

We believe that IT leaders in large organizations are actively seeking solutions that will help them manage their content through its end-to-end life cycle while leaving them free to choose best-of-breed collaboration, management, and archival solutions. This requires more than good interfaces between systems: Ultimately, it requires integration of metadata management, records management, search — and other emerging technologies such as classification engines — to fully realize.

## LEARN MORE

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### Related Research

- ☒ *Delivering Patient-Centric Care: Swedish Medical Content-Enables Its Electronic Medical Records with Oracle* (IDC #209773, December 2007)
- ☒ *Managing the Flow: Vodacom Leverages Vignette to Provision Content for the Advanced Mobile Market* (IDC #208448, September 2007)
- ☒ *A Mobile Device Supplier Transforms Technical Publishing with Contenta DITA from XyEnterprise* (IDC #207730, July 2007)
- ☒ *Worldwide Content Management Software 2006 Vendor Shares: Shakeout at the Top Sets the Stage for Market Evolution* (IDC #207518, July 2007)

- ☒ *Worldwide and Americas Content Management and Authoring and Publishing Software 2007–2011 Forecast by Vertical Market and Company Size Segment* (IDC #207058, May 2007)
- ☒ *Salesforce.com Expands Its Footprint Yet Again: Content for Everyone!* (IDC #206448, April 2007)
- ☒ *Worldwide Content Management Software 2007–2011 Forecast: Continued Strong Growth as Market Stratifies* (IDC #206149, March 2007)
- ☒ *IDC's Software Taxonomy, 2007* (IDC #205437, February 2007)
- ☒ *Speeding the Cure: Kalypsys Deploys Xerox DocuShare CPX to Accelerate Drug Development* (IDC #205356, January 2007)
- ☒ *Worldwide Applications 2007 Top 10 Predictions: The Road to Applications 2.0* (IDC #205238, January 2007)

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