

A Winning Formula: Driving Business Value with The 2007 Microsoft Office System



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Executive Summary



At Capgemini, we believe the 2007 Microsoft®Office system represents an important step forward in enabling the business productivity of Information Workers. Having captured the market for personal productivity applications, Microsoft is targeting the larger “Enterprise Productivity” markets of Business Intelligence, Content Management, and Collaboration. Information Workers are the backbone of business and responsible for driving the business value of most enterprises. Enabling them to be more productive is key to winning in today’s global economy.

Recently, Capgemini conducted a comprehensive research study of Office 2007 early adopters. We interviewed enterprises across a variety of industries and geographies that were early adopters of the 2007 Office system, and sorted out the winners in the race for business value. We found evidence that early adopters of Office 2007 are realizing measurable business value by coupling their deployments with mindset shifts from personal productivity to enterprise productivity, and by applying one or more of the following strategies:

- Improving product and service innovation
- Transforming business processes
- Generating new business value from old systems
- Transforming compliance from a requirement into a competitive advantage
- Collaborating with people, internally and externally

This document discusses the mindset shifts early adopters made in moving from personal productivity to enterprise productivity for Information Workers; the strategies used by early adopters to drive business value; and how the successes of these early adopters are fitting into the Microsoft vision of creating an integrated platform for business productivity. We also describe a set of strategic recommendations to help other enterprises build business value through adopting approaches similar to those used by the early adopters of the 2007 Microsoft Office system.

Introduction: The Early Adopter Experience

In the months preceding the release of the 2007 Microsoft Office system, Capgemini was engaged by Microsoft to identify compelling uses of Office 2007 technology with high business value potential. We define business value as creating positive movement in Key Performance Indicators (KPIs) that were important to the business owner of a given process.

Based on the following criteria, Capgemini selected 35 early adopters to take part in formalized business-value studies:

- Quality of proposed project vision and scope
- Fit of implementation scenario with major industry “pain points”
- Similarity of business needs to those of other enterprises
- Size of potential business value to be realized
- Ability to implement the proposed solution
- Level of involvement of business decision-makers

Capgemini worked with these companies and their implementation partners to define business key performance indicator goals prior to the deployment. After the companies deployed Office 2007, we measured KPI movement to determine how the project impacted the KPI's and drove business value. As we look back across the early adopters, we found the “big winners” in the business-value had several common traits which we categorized into three groups:

- Mindset shifts in the way people thought about process, technology and capabilities
- Common strategies for driving business value, and
- Approaches for enabling “Enterprise Productivity” for the Information Worker

We will cover these common traits in the remaining portion of the paper.

Mindset Shifts: Moving Information Workers From Personal Productivity to Enterprise Productivity

“Companies are implementing business intelligence solutions by moving from the idea of data in a spreadsheet to insight into the enterprise, from individual memory to institutional memory, and from tables and graphs to business scorecards.”

Sid Kapila
Business Value Product Manager,
Capgemini

At Capgemini, we categorize the 2007 Microsoft Office system (and other products that address this market segment) as an “enterprise productivity suite.”¹ Products in this segment are designed to improve collaboration across teams, departments, companies, and value chains, including customers, partners, and suppliers. Such products also have varying degrees of support for the following capabilities:

- Collaboration Workspaces
- Content Management
- Business Intelligence
- Mobility & Accessibility
- Information Consolidation
- Compliance & Legal Discovery
- Infrastructure Management
- User Identity Management
- Workflow & Process Management
- Intranet and Internet Portals
- Communication Tools
- Availability Presence
- Integration Services

Many analysts support the notion of an integrated productivity environment for Information Workers. Gartner Group’s groups “Smart Enterprise”², Forrester’s “Information Workplace”³ and Yankee Group’s “Extended Enterprise”⁴ frameworks all combine these capabilities to create the next generation workplace for Information Workers. Prior to the release of Office 2007, it would have taken 6-10 “Best of Breed” products to deliver the functionality now contained in an integrated suite.

The companies Capgemini identified as “big winners” in the early deployments of the 2007 Microsoft Office system implemented the “enterprise productivity suite” with process and behavior changes within their Information Worker population. These companies are seeking not only more compelling ways of helping Information Workers collaborate, but also more efficient, effective, and compliant processes—both internally and with customers, partners, and suppliers. The companies implemented processes that cross multiple business units which require extensive communication and collaboration leveraging unstructured content (primarily documents) and structured data via some reporting or business intelligence capability.

For example, such companies are implementing **business intelligence solutions** by moving from the idea of data in a spreadsheet to insight into the enterprise, from individual memory to institutional memory, and from tables and graphs to business scorecards. As for enterprise content management, they are no longer thinking about personal documents, e-mail, and file naming but rather of enterprise intellectual property, team workspaces, and document tagging. They also are moving from document creation to document-lifecycle management, intellectual-property management, and knowledge management.

When such companies tackle **communication and collaboration** challenges, they forgo individual schedules for team calendars with real-time presence indicators; they replace physical conference rooms with global virtual meetings; and they eschew fax, e-mail, and phone for team workspaces, instant messaging, and integrated e-mail/voicemail solutions. Moreover, when they think of communication and collaboration in general, they think well beyond the individual cube—to customers, suppliers, partners, and other vital players in the value chain.

To optimize **processes**, these companies focus on the entire business process instead of individual tasks. They have replaced manual routing with automated, user-initiated workflow. Most significantly, they are thinking of process compliance no longer as simply a requirement but rather as an opportunity to assert competitive advantage.

Not surprisingly, when thinking about **IT**, companies that focus on enterprise productivity think differently from companies that remain focused on personal productivity. Companies focused on enterprise productivity are transitioning from a “best of breed” and application orientation to a “suite” and infrastructure orientation. They think of deployments not in terms of departments but in terms of the enterprise as a whole. And instead of individual application software products, they think of providing a consistent user interface with integrated capabilities on an enterprise server architecture.

Finally, the companies are not just looking at the cost of their IT projects; instead, they are looking at the overall business value impact and how they deliver more capability at an overall lower Total Cost of Ownership.



1 Capgemini uses the “Enterprise Productivity” suite designation to indicate a specific collection of tools to support the Information Worker in the Enterprise context.

2 Gartner Group: The Smart Enterprise Suite is Coming: Do We Need It?, May, 2002

3 Forrester Big Idea: The Information Workplace Will Redefine the World of Work – At Last!, June, 2005

4 Yankee Group: The Impact of Microsoft’s Unified Communications Launch, Enterprise Computing & Networking, Zeus Kerravala, August 2006

Targeted Strategies to Drive Business Value

In our experience, the most successful early adopters of the 2007 Microsoft Office system used one or more the following strategies to generate business value from their deployments.

1. Improving product and service innovation

The concept of Product Lifecycle Management (PLM) from idea to production and through retirement and obsolescence applies to manufacturers and service providers. Capgemini’s 15 years of experience implementing PLM led to the development of the PLM Maturity Model. We use this model to assess our clients and to determine an appropriate short- and long-term strategy for addressing the key challenges for implementing PLM.⁵

The PLM Maturity Model

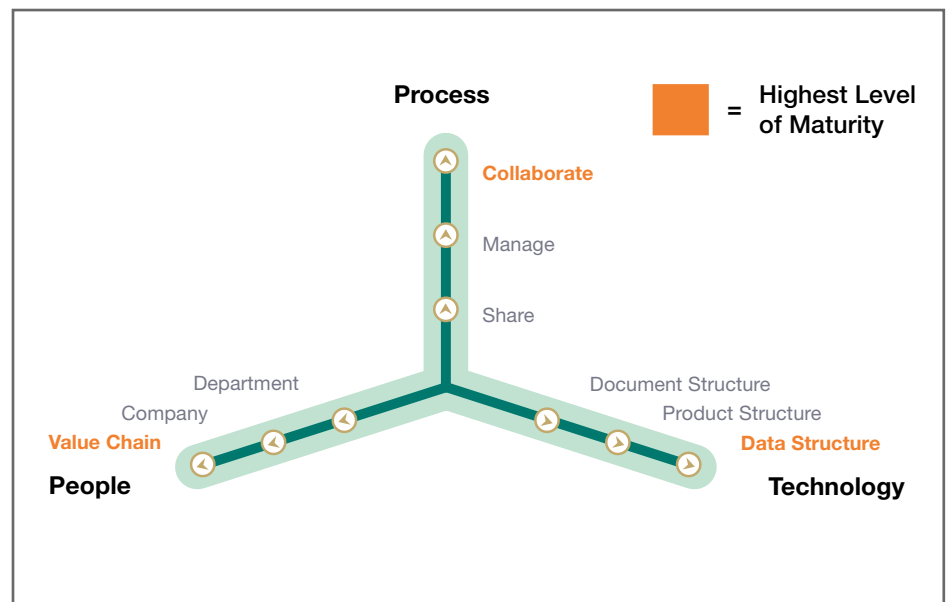


Figure 1: Capgemini defines the “three axes” of innovation improvement as people, process and technology.

⁵ “Addressing the Challenges of Product Lifecycle Management”. This Capgemini whitepaper can be found at http://www.capgemini.com/resources/thought_leadership/challenges_of_product_lifecycle_management/

The highest order of evolution is when an organization achieves “Data-Centric Collaboration across the Value Chain”. This step in the maturity of a PLM solution extends the PLM capabilities across the company’s network of partners and suppliers. As companies outsource operations, the complexity in communication increases and makes it more important to structure the information in a data-centric manner. Once this has been achieved, communication across a value chain becomes not only feasible but also practical, with a minimal amount of required change. The processes and mindsets required to make this happen in the real world require an enabling “Enterprise Productivity” platform which is engineered to support this document content structure in cross enterprise collaboration.

Several of the Office 2007 early-adoption winners have used this strategy as illustrated below:

“The software allowed us to move away from a labor-intensive process with significant duplication of work to a streamlined formula management system.”

Michael Hayes
 Director of Quality Assurance,
 Del Monte Foods



Ampacet consolidated their global Research and Development processes to enhance product innovation leveraging a stage gate-development process with global input to product innovation.⁶

Ampacet, a specialty chemical manufacturer, lacked a consistent approach to process and track projects across five separate R&D facilities and limited its ability to introduce new products. The company needed a way to accelerate product development through better collaboration, increase process automation, and implement more consistent workflows.

By deploying an enterprise wide product-development solution based on 2007 Office, Ampacet anticipates being able to develop 12 to 15 additional new products, for additional revenues of \$60 million, over a three-year period. The company also expects to reduce R&D costs and increase customer satisfaction.

Del Monte Foods shortened its formula-change-process cycle by one-third, saved money, and boosted customer satisfaction.⁷

Del Monte wanted to improve one of their division’s product lines, introduce new products, and maintain quality by streamlining its formula-change process. In the past, that process relied on manual routing, approval, tracking, filing, and archiving of documents related to development of new products.

To streamline the process and transform it into one that could serve as a model for new product development companywide, Del Monte implemented enterprise content management capabilities based on 2007 Office. The new solution provides a fully automated document management and approval workflow that simplifies the initiation and monitoring of change requests, provides a library for managing and archiving related documents, and reduces the formula-change process from 15 days down to 10.

By replacing paper-based processes with electronic forms and automated work flows, the solution also dramatically reduces the risk of errors, saving money and time in the product-development cycle.

⁶ <http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=201269>

⁷ <http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=201119>

A European Medical Device Manufacturer underscored its leadership position in the sector by deploying portals based on 2007 Office.

To maintain its market leadership, improve long-term performance, and ensure sustainable development, the manufacturer wanted to expand its online presence. With a deployment of 2007 Office, the company piloted three portals for one of its subsidiaries; innovated its online offerings, including order placement and tracking; and offered medical practitioners and other customers expanded information.

The company boosted revenues from online services; reduced marketing, administrative, and customer-service costs; and improved the quality and consistency of its online content.

2. Transforming business processes

Over the last several years, business process transformation has become a well documented field and companies have been using these concepts to drive business value. The Office 2007 early adopters combined the mindset shifts covered above with this strategy to drive enterprise productivity improvements. In today's competitive environment, speed is a source of competitive advantage. Many of the early adopters delivered large reductions in cycle time by eliminating and automating tasks.

The winners who chose this strategy looked at the end to end business

process with an eye toward identifying opportunities for:

- task elimination
- task automation
- task re-allocation
- task facilitation

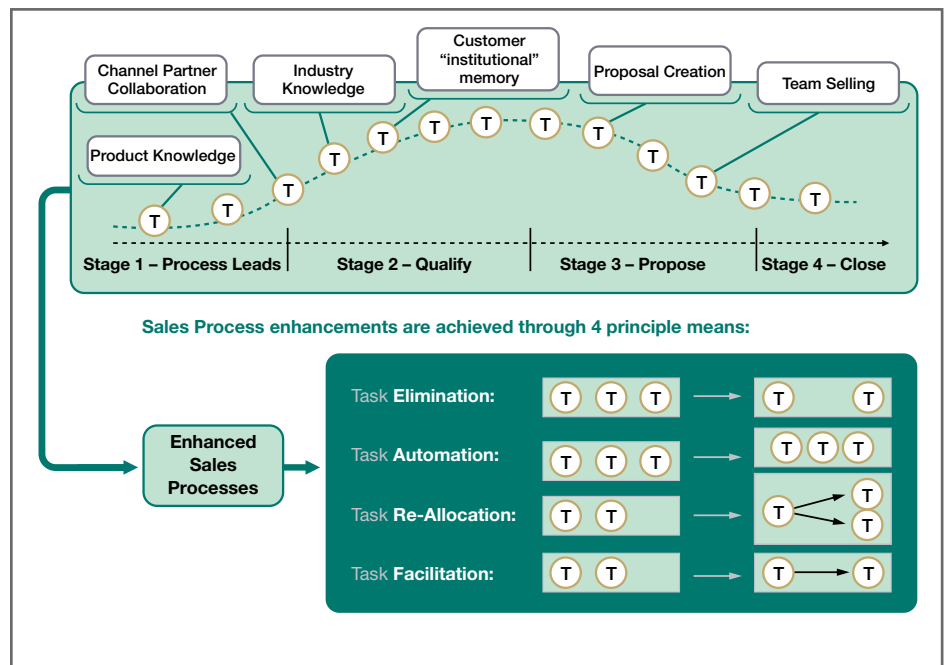
Examples of this strategy included content sharing, data sharing and collaboration which presented opportunities for task automation and re-allocation. Knowledge from communities has replaced the limitations imposed by individuals. Figure 2 (page 10), illustrates the Sales Process.

Key opportunities within the Sales Process included:

- Industry Knowledge sharing between communities focused on industry vertical accounts and solutions
- Product Knowledge sharing between product managers and the field
- Customer "Institutional Memory" and Knowledge Management within account teams
- Team selling in major or global accounts around opportunities
- Complex proposal / quotation creation leveraging global expertise and streamlined workflows
- Supplier/Channel Partner/Customer Collaboration to develop unique solutions



Sales Process Effectiveness



“It is beneficial for Banco Compartamos that the Methods & Procedures process is efficient because this will help us offer new products in less time. This gives us a competitive advantage over other banks.”

Miguel Angel Tena Calderon,
IT Development Leader, Banco Compartamos

Figure 2: Applying business process transformation to the Sales Process enabled by an enterprise productivity toolset. Giving sales teams a common, easy to use interface through Microsoft Outlook 2007 tool enables the sales process optimized around the key stakeholder: the Salesperson.

Below are some customers who successfully deployed these concepts in many process transformations across several functional process areas.

Banco Compartamos reduced the time required to open new branches from 90 days down to 80 days, enabling it to reach more than 1,000 new customers per branch opening.⁸

As an emerging leader in the Mexican and Latin American micro-loan market, Banco Compartamos wanted to expand its product portfolio and reach a customer base of one million by 2008. One of the requirements in achieving these goals was to expand branch offices in a timely and cost-efficient fashion, which in turn required overhauling the development and distribution of the bank’s “methods and procedures” documentation.

In response, the bank replaced a paper-based and manually intense process with a highly automated and fully integrated enterprise content management solution based on 2007 Office.

With this solution, Banco Compartamos has streamlined the creation, review, approval, and updating of its methods and procedures documentation; maintained and enhanced documentation security; and established the comprehensive change tracking required by banking regulations. As a result, the bank expects to cut more than 10 percent of the time required to open each new branch office. It also expects to reduce training costs and increase staff productivity.

8 <http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=201144>

“With Microsoft technology, if you put the products together in the right way, you save yourself massive development effort.”

Greg Brill, CEO for Infusion Development, Elite Model Management



“The more we can reduce redundant, time-consuming tasks, the more competitive we are.”

Kristi Maynor, Project Lead
Mary Kay Inc.

Elite Model Management created new processes to accelerate business cycles for bookings, scheduling and financial analysis of top modeling opportunities.⁹

To maintain its position as one of the world’s top modeling agencies, Elite Model Management needed to replace its booking software with a solution that was more integrated and more accessible by the booking agents who use it on a daily basis, and that would be capable of reporting financial, scheduling, sales, and other key data to managers and executives.

Elite Model Management deployed a solution based on 2007 Office that automates the workflow intricacies of the booking processes and provides an accessible and customizable reporting system to executive decision makers. With the solution, users can collaborate globally, contact clients and models instantly, and streamline and reinvent processes intuitively. They also can access critical financial information faster than ever before.

Mary Kay used the workflow capabilities of Office 2007 to automate common business processes, and anticipates reducing the procurement process from 10 days down to 4 days.¹⁰

Cosmetics giant Mary Kay Inc. needed a far more effective search engine for its corporate intranet, not only for day-to-day efficiency but also for expediting what had been a manually intense procurement process. The company also wanted a search engine it could use to integrate IT operations across regional offices, with robust out-of-the-box functionality and the ability to support a large-scale multilingual environment in the future.

Mary Kay deployed a new search engine based on the 2007 Office system to an enthusiastic welcome by users, who consider its user interface and effective search capabilities to be easier and more effective than the prior approach. Among these users are procurement professionals, who anticipate leveraging the search engine’s workflow capabilities to cut procurement time by more than half.

⁹ <http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=201115>

¹⁰ <http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=201149>

3. Generating new business value from old systems

Leveraging the enterprise productivity suite concept, early adopters looked for opportunities to make people more productive using existing systems. Most business users are familiar with the traditional Microsoft Office tools: Outlook, Word, PowerPoint and Excel. The business value winners leveraged this knowledge by providing existing data and documents to the user in a familiar format. They increased the rigor of the analysis around the data and documents. They also improved the visibility and timeliness of data from the legacy systems to users who could act on the data.

Let's take a look at some early adopters that used this strategy.

Banco de Venezuela / Grupo Santander developed a consistent claims management and monitoring process that reduced the cost of collecting process data from back-office systems for process analysis.¹¹

A leading provider of financial services in Venezuela, Banco de Venezuela, a subsidiary of Spain's Grupo Santander, wanted to improve the time to resolve customer claims and address new regulatory requirements for customer service. The existing claims system was not able to provide visibility into the claims process.

To improve efficiency of their claims management processes, the bank deployed a solution based on the 2007 Office system which fed data into workflow diagrams. With this improved visualization capability to identify bottlenecks, the bank has been able to cut claims resolution time up to 45 percent, reduce the time to process claims reports by 75 percent, meet regulatory requirements and increase customer satisfaction. As a result, of the new processes and technology, the bank expects to save nearly U.S. \$3 million per year.

“Leveraging the enterprise productivity suite, early adopters looked for opportunities to make people more productive using existing systems.”

Ken Edwards,
Vice President, Capgemini



¹¹ <http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=201227>



A Large Medical Products Company replaced a third-party reporting platform to reduce reporting costs and give sales managers more face-to-face time with customers.

The company faced challenges in providing sales managers information on volume, accounts, type of products sold, and other vital sales information and analysis. Reporting tools were complex and time-consuming to use, and the resulting information and analysis were less accurate than desired.

To resolve the problem, the company replaced a third-party reporting platform with a solution that was based on 2007 Office and that integrated multiple business intelligence systems. Now, sales managers can more easily create and submit reports using accurate, up-to-date, and consolidated data, reducing the time they spend on reporting and boosting the time they can spend with customers.

TGE Gas Engineering GmbH expedited the creation and approval of technical documentation.¹²

TGE Gas Engineering (TGE) is an independent engineering, procurement, and construction contractor specifically engaged in the design and construction of natural gas plants. The technical documentation developed by engineers must comply with contract terms and conditions. However, sometimes documents do not follow the Document Control Department rules and procedures, which result in additional time and costs for TGE to rework the documents, impacting customer satisfaction. TGE was looking for tools to improve the quality of technical documentation and accelerate the document control process.

TGE is implementing a document management solution based on the 2007 Office system. With its new solution, TGE expects to reduce the number of rejected documents, decrease the document creation and approval cycle time, improve compliance, and decrease project and administration costs.

¹² <http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=201226>

4. Transforming compliance from a requirement into a competitive advantage

Compliance and legal discovery are serious matters and organizations must strike the right balance to ensure policies, controls, processes and security do not impede the free-flow of ideas, insight, collaboration and creativity. Finding a solution which delicately treads the fine line between innovation and compliance is neither an easy nor an ‘off-the-shelf’ solution.

The starting point for most organizations with compliance requirements is to conduct an assessment into which legislations/regulations it needs to conform to and how they conflict or work together. Once this audit has been conducted the

organization needs to understand how compliance affects current policies, procedures and local regulations. The key to a sustainable business value-driven compliance program is ensuring the mindset of the organization and the business process are taken into account.

Early adopters have moved from simply ensuring compliance to using the new policies, procedures and tools to drive competitive advantage. Compliance is no longer an add-on to the business but ‘business as usual’ across all areas, activities and regions. Therefore, these new activities need to provide sustainable business value across multiple areas of the business, such as: culture, information management, IT architecture, governance and business processes (Figure 3).

Compliance Transformation Roadmap

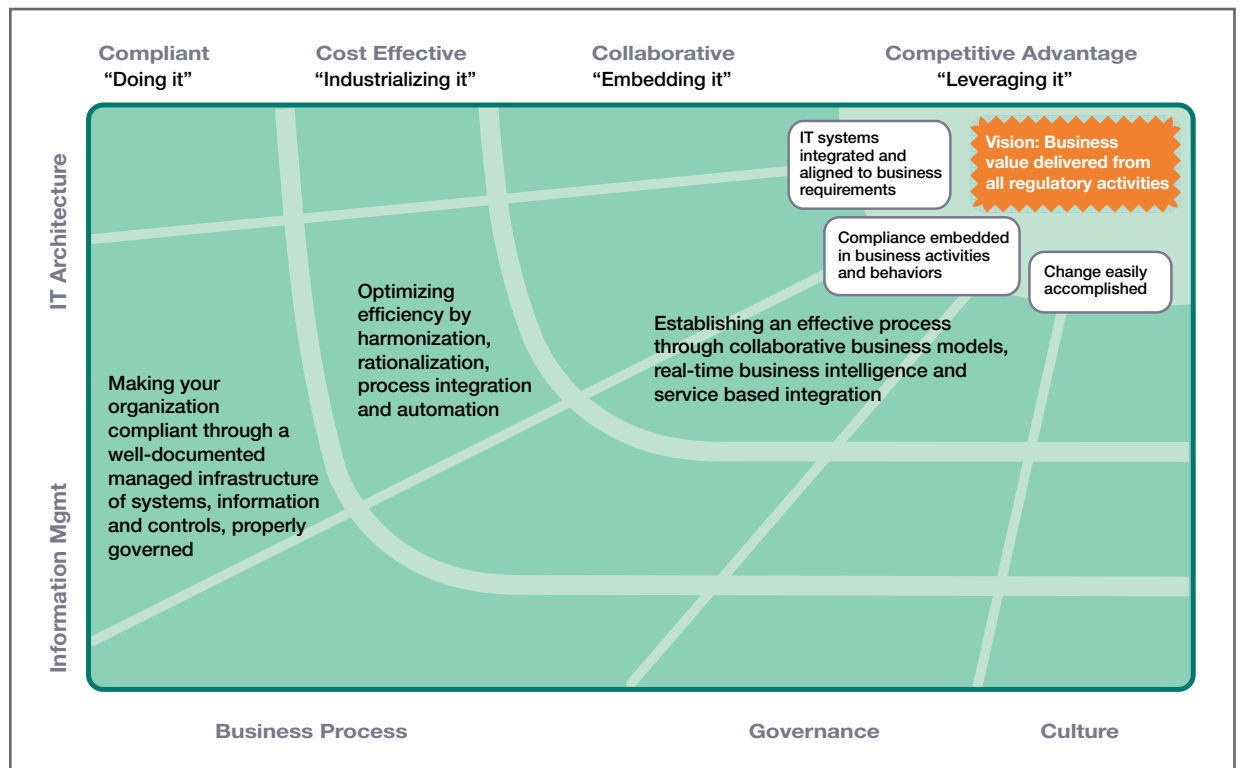


Figure 3: Capgemini’s framework for moving from Compliance to Competitive Advantage.

Below are some examples of companies successfully deploying this strategy.

A Large European Bank improved compliance with federal regulations for transparency in communications to branch offices.

The bank was faced with new compliance requirements surrounding the traceability, authenticity, and management of key communications and documents. It also needed greater efficiencies in the development and distribution of those documents over fax and e-mail.

The bank deployed a solution based on 2007 Office to manage workflow, share documents through a central online library, and accelerate document development. As a result, it has not only improved compliance but also shortened the communications-process cycle time by more than 40 percent, saving nearly €2.4 million (per cycle).



“Before, we could capture only about 30 percent of the customer data we needed for compliance with the pending Basel II regulations... [but] now we can capture 100 percent of such information.”

Lizande Vermeulen, Basel II Implementation Manager, Sasfin Bank Limited

A National Aviation Authority raised auditor productivity and effectiveness.

The authority needed a more powerful solution for its primary surveillance function: identifying and correcting high-risk, non-compliant behavior and unsafe practices before they lead to an accident or incident. Specifically, the authority needed more accuracy and completeness of surveillance data, easier access to compliance information and aviation rules stored in their systems by field-based employees, and greater automation of surveillance tasks.

The authority implemented a solution based on 2007 Office that streamlines the entire surveillance process, from the maintenance of rules through audit scheduling and completion. As a result, it expects 16 percent more efficient use of surveillance auditors' time, 5 percent improvement in the accuracy of surveillance information, and 5 percent improvement in the maintenance of that information.

Sasfin Bank created a single complete view of customer and risk data by connecting disparate systems across the bank, reduced time to create compliance reports by 10 days, and reduced errors in such reports and in credit data systems by 80 percent.¹³

To prepare for compliance with the Basel II Accord, Sasfin Bank Limited (a wholly owned banking subsidiary of Sasfin Holdings Limited) needed a faster, more accurate, and more complete way of capturing, processing, and sharing customer information. In response, the bank replaced a largely siloed approach with a consolidated content-management solution and web portal based on 2007 Office that leverages XML integration to automate processes and enhance reporting and analysis.

With this solution, the bank has implemented the completely automated reporting process that is central for compliance with Basel II. It also has expanded the volume of customer data that it can capture in line-of-business systems from 30 percent to 100 percent, as required by Basel II.



¹³ <http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=201112>



5. Collaborating with people, internally and externally

Recent studies by Capgemini have demonstrated the economic benefits of increasing the level of collaboration within teams, departments, companies and across values chains.

Cashing in on Collaboration

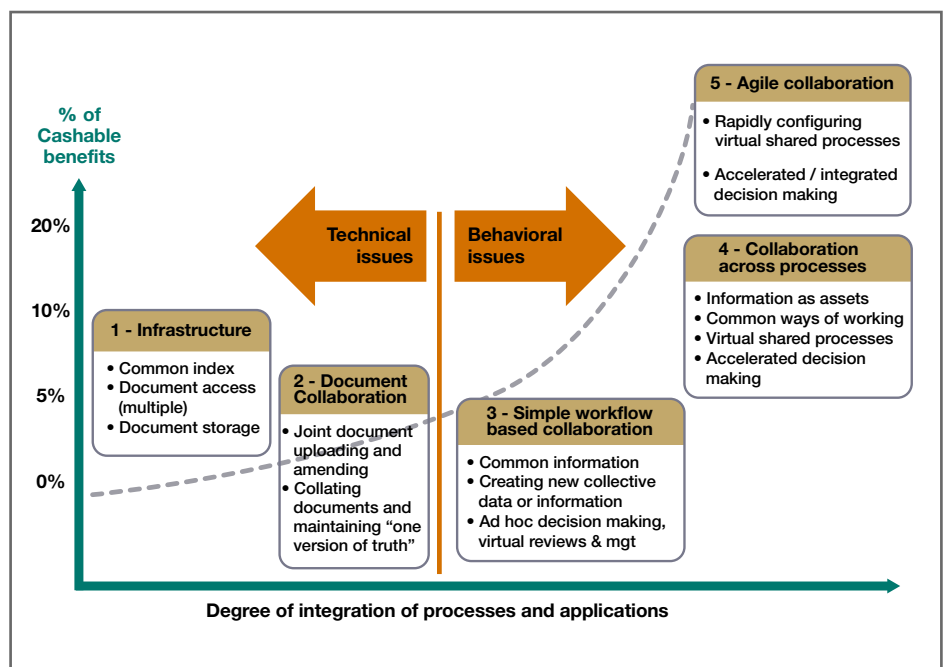


Figure 4: Driving real, cashable, business benefits with "Agile Collaboration"

Companies need to start connecting the discrete business processes and applications sitting within their enterprise – sales and marketing, customer service, finance, human resources, etc.

Imagine the following scenario: an employee logs onto her PC and is presented with an individualized home page that has all of her “line of business” applications, relevant news and updates, access to people she collaborates with, and all documents she will use in the course of her work pulled into a single view. She doesn’t go through a myriad of applications entering different authentication codes – everything has been consolidated and integrated. She is now part of a network that offers:

- centralized access to personalized information and applications
- a clean easy to use presentation of information and applications
- transparency for different user groups: public, customers, partners, suppliers, employees
- enhanced enterprise wide search functionalities
- easy integration with content and document management systems
- consolidated business information allowing intelligent decisions to be made quickly and accurately
- a role-based interface that reflects operational processes and information access privileges unique to each user
- access to enterprise information and applications by any device at anytime

Integrated Collaborative Environment (ICE)

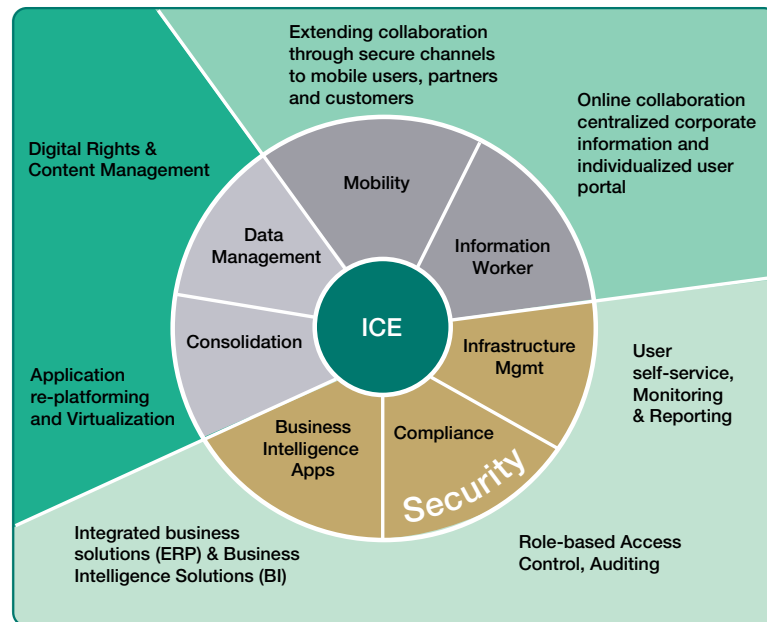


Figure 5: Capgemini’s ICE is a framework which incorporates the Office 2007 system to provide organizations new levels of “Agile Collaboration”.

Capgemini’s Integrated Collaboration Environment (ICE) has been used by organizations to bring together the required capabilities for Information Worker collaboration. Prior to Office 2007, “Best of Breed” toolsets were integrated by IT professionals to deliver the environment. Since the products came from different vendors, the user interfaces, data structures and business rules were different, causing deployment delays and less than optimal user satisfaction. Training was prolonged due to the number of products and user interfaces. With the Office 2007 system, many of these issues are being addressed by providing a common extensible platform for collaboration with a single common user interface. Since Microsoft has a 95%+ share on the desktop with previous versions of Office, the transition will have less impact to users.

“The improved information management tool will enable us to better protect our assets, service our internal and external customers, and enhance community-building for our employees.”

Dany Beaumont, Senior Project Manager of the Chief Information Officer Portfolio, Parks Canada Agency

Parks Canada Agency facilitated community building across multiple sites and units and facilitated information creation, storage, protection, and sharing.

Parks Canada Agency faced challenges in managing an ever-growing body of information generated and accessed by 6,000 employees based in 41 national parks, 153 national historic sites, and three national-marine conservation areas spread across Canada. The agency needed an easier way to manage electronic records in multiple formats and to provide systems and information access to field-based employees.

In response, the agency deployed a solution based in 2007 Office and leveraged its XML capabilities. With the solution, the agency expects to reduce information management costs, improve collaboration with partners, and enhance the visitor experience.

A Large Automotive OEM delivered a collaborative solution that integrated within and across communities to improve collaboration and provide a strong Information Management structure to scale to over 140,000 users.

The company is one of the world’s largest vehicle manufacturers. It designs, manufactures and markets cars and trucks. The automotive OEM sells products in nearly 190 countries, has manufacturing operations in more than 50 countries and employs approximately 350,000 people worldwide. The company wanted a collaborative solution to enable their Information Systems Department and other departments to work together in communities of shared common interests as well as within cross community projects. The goal was to build a solution which would grow in a controlled way, avoiding the creation of information silos which would have a negative effect on the individual’s abilities to collaborate.

The solution designed used the latest version of the Office 2007 system and made use of the many new features available including: Collaborative Workspaces, Wikis, Blogs, Full Document Version Control, Custom Lists with relational structures and the broad use of RSS feeds. Capgemini designed the solution using an iterative methodology which aligns business organizational needs to information structure and application functionality.



The 2007 Microsoft Office System as an Enterprise Productivity Suite



As noted, the “big winners” identified by Capgemini from the population of early adopters are companies that are making or have made the mindset shifts from personal to enterprise productivity. They successfully used key business-value strategies to make the most of their 2007 Office deployments, and they share a vision of providing Information Workers a common platform to enable productivity and effectiveness.

These early adopters are carefully positioning themselves for the next wave in

automation and process innovation. For example, they already were transitioning from a “physical” to a “digital” work style and productivity environment. They consider desktop productivity tools and associated training to be essential for driving efficient, effective, and compliant processes. They see such tools and training as a foundation for implementing an enterprise productivity platform for business intelligence, enterprise content management, communication, and collaboration.

Industry Analysts at Forrester defined the “Information Workplace” in their thought provoking report Forrester Big Idea, “The Information Workplace Will Redefine The World Of Work—At Last!” (June, 2005).

Key Components of an Information Workplace

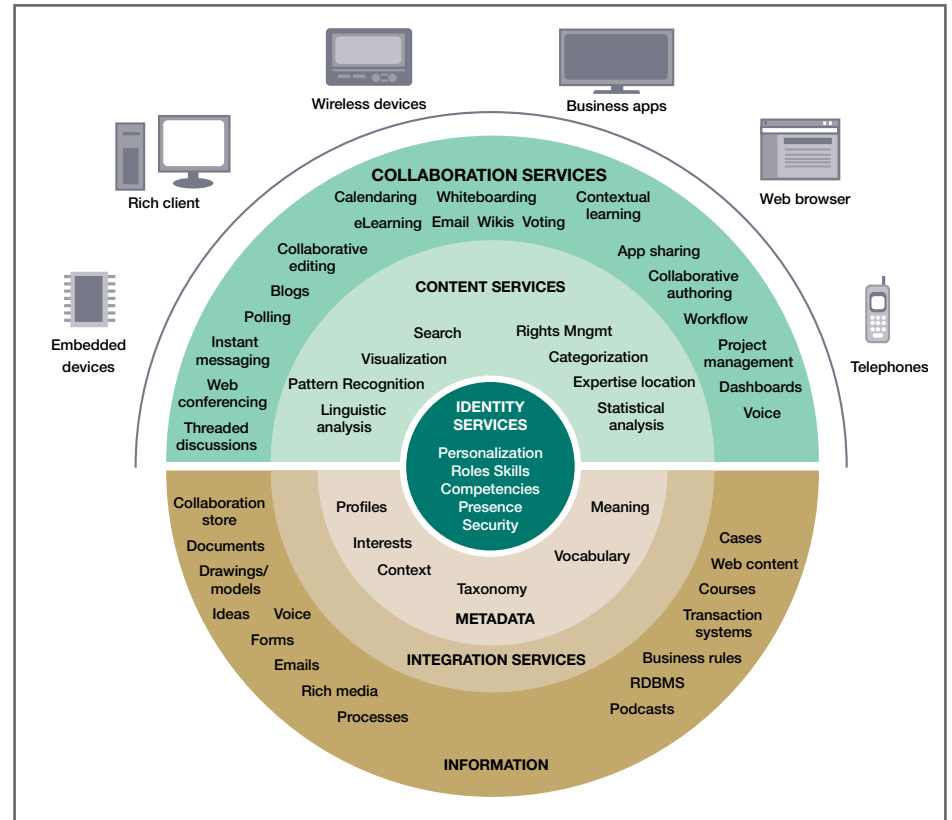


Figure 6: Information Workplace Source: Forrester

The industry is still grappling with the exact name and configuration of this new category of software. We are hearing it referred to as the Enterprise Productivity Suite, Business Productivity Infrastructure, Smart Enterprise Suite, Information Workplace and Digital Work Environment. Whatever you call it, in the early adopters, we are beginning to see a distinct set of capabilities being bundled together as a suite to improve the lives of the Information Workers and drive business value.

Reminiscent of the early application software days, “Best of Breed” software

vendors produced specialized application software that was optimized for business functions. The purchasing department used “Procurement” software, the Accounts Payable department used “AP Software” and the Personnel department used “HR software”. Applications were obtained from different vendors and the internal IT department provided interfaces and consolidated views of data. Then came innovative companies like SAP who created the concept of Enterprise Resource Planning (ERP) which combined multiple application capabilities into the “Suite of ERP Software”.

The original Microsoft Office made a similar move to consolidate the Personal Productivity software when it bundled Word, PowerPoint and Excel. In the 2007 Office system, Microsoft is now providing companies and Information Workers with the next generation of the Enterprise Productivity Software Suite which combines the capabilities of business intelligence, content/document management and collaboration into a suite of products accessed via the pervasive and easy to use Microsoft Office client.

After capturing more than 95 percent share in the “Personal-Productivity” market segment, Microsoft needed to target a new market segment to achieve aggressive revenue growth goals. The “Enterprise Productivity” segment, which integrates business intelligence, enterprise content management, and communication and collaboration capabilities, is targeted to be a new, high growth to market. These areas of potential software and services revenue may be worth some \$125 billion to Microsoft-five times the value of the old Microsoft Office market.

We see Microsoft, as a sophisticated vendor of enterprise software, driving the sales of the Office System with the following strategies:

- Providing an integrated, cost-effective platform. Microsoft has invested significantly in integrating the Office 2007 client with various server products to enable business intelligence, enterprise content management, and collaboration on a single platform and for a lower total cost of ownership than traditional “best of breed” solutions. The new user interface and XML file formats provide the easy access and management of enterprise information.
- Bundling products into price-effective suites. The Microsoft Enterprise Server Client Access License suite bundles eleven major products supporting business intelligence, enterprise content management, and communication and collaboration as well as unified communications, search, compliance, and information technology administration. While some “best of breed” solutions may offer additional functionality, most enterprises will find a business productivity infrastructure based on this suite to offer the required functionality at a far lower total cost of ownership.
- Encouraging customers and partners by providing an extensible platform. Office Business Applications (OBAs) extend line-of-business systems to the broad community of Information Workers by surfacing valuable back-end data through the familiar user interface of Office 2007. OBAs focus on unstructured, collaborative processes that have a direct impact on overall business performance. Microsoft supports customer and partner development of OBAs with Reference Application Packs and other resources to build a strong catalog of solutions that are tailored to processes and industry verticals.

Microsoft will face challenges to the Office 2007 system from traditional “best of breed” vendors (like Cognos and EMC-Documentum), integrated suite vendors (like Oracle and IBM) and companies that offer “Software as a Service” (like WebX and Google). They will need to insure that the functionality across a very large set of capabilities is kept current and meets the major requirements of the emerging enterprise suite category. Finally, it will need to insure that the sales and support organizations make the transition from technical infrastructure to business application.

Next Steps

Our experience with the early adopter population clearly demonstrates that companies are driving increases in business value with the new Microsoft Office system. But many companies are not. The difference between winners and losers comes down to three distinct attributes:

1. Making the mindset shifts required to implement new processes enabled by the enterprise productivity suite technology
2. Implementing a clear strategy focused on capturing business value
3. Having the IT leadership implement the new enterprise productivity suite concept and supporting IT capabilities

With this in mind, we believe organizations should do the following:

- **Take Inventory**
- **Innovate**
- **Don't reinvent the wheel**

Take Inventory

Capgemini believes companies should be able to answer three important questions:

1. Where is your enterprise productivity mindset?
2. How efficient, effective and compliant are your business processes?
3. Do you have the right enterprise productivity environment in place to support a higher level of integrated collaboration?

Capgemini has a variety of indices and assessments that look at your cultural mindsets by functional area. You need to know where you are and what is required to change in order to win at generating business value.

Decide where you are lacking in efficient, effective and compliant processes. Think about the people who make your processes happen and the degree to which they collaborate with others to drive business value. These processes are going to be the greatest opportunities for improvement.

Microsoft has developed the framework and assessment tools to help organizations understand where they are on the “Business Productivity Infrastructure Optimization” (BPIO) maturity curve. The BPIO model is a tool to help you map your organization’s level of infrastructure optimization and guide effective planning -- enabling you to better realize the full value of IT infrastructure investments while enabling key business solutions. Capgemini provides insights on the BPIO assessment and can put Microsoft in the perspective of a multi-vendor environment using the ICE framework and other assessment tools.

Innovate

This whitepaper outlined 5 clear strategies for generating business value. As a business process owner, you can drive this innovation within your process using the experience from the business value winners. Take a new look at how you work today and get help to innovate new ways of working from your internal staff or external consultants.

Business productivity is not addressed by an IT platform in a company-wide implementation. It requires:

- Executive sponsorship within a targeted business audience
- Innovation to identify the mindset changes from the current thinking to the new world of work
- Innovation to re-engineer the business processes to add business value

RAIN, or Rapid Innovation, is Capgemini's way of showing how collaborative solution environments, Rightshore™ approaches, rapid prototyping techniques and state-of-the-art technological solutions can be combined to create a vivid and compelling visualization of an optimized business process state... in just 4 days!

Don't reinvent the wheel

Before overhauling your organization through a radical program of technology investments to deliver an integrated collaborative environment, Capgemini proposes that you first look at how to exploit your existing IT infrastructure more intelligently, using Microsoft as the platform. Many times, we find that customers have licensed software that they haven't deployed into the business process. We suggest turning those non- or under-utilized assets into productive investments.

Capgemini's Integrated Collaborative Environment (ICE) is designed to maximize the opportunity of collaborative tools and processes within organizations. ICE is built on a number of core Microsoft platforms and maximizes their potential through integration. The deployment of these platforms can be broken down into manageable modules that can be used to exploit investment, thereby harnessing the potential of existing implementations.

Capgemini recognizes that few companies will run Microsoft throughout their entire enterprise. We have the necessary technological understanding to unite heterogeneous technologies – from Sun and Novell through to Oracle and IBM – in order to deliver a single, manageable and user-centric collaborative environment. Through capturing business process requirements as well as technological requirements, Capgemini ensures that the consolidation process is done with minimum risk to the business, understanding that there may be a number of tactical steps before you can achieve total application and information consolidation.

Good luck in the race!





About Capgemini and the Collaborative Business Experience

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, called the Collaborative Business Experience.

Backed by over three decades of industry and service experience, the Collaborative Business Experience is designed to help our clients achieve better, faster, more sustainable results through seamless access to our network of world-leading technology partners and

collaboration-focused methods and tools. Through commitment to mutual success and the achievement of tangible value, we help businesses implement growth strategies, leverage technology, and thrive through the power of collaboration.

Capgemini employs approximately 68,000 people worldwide and reported 2006 global revenues of 7.7 billion euros.

More information about our services, offices and research is available at www.capgemini.com.

For more information on Capgemini's approach to driving business value with Microsoft products, please contact:

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For more information about the 2007 Office System, please visit www.microsoft.com/office.

For more information about other companies realizing business value from their use of the 2007 Office System please visit www.microsoft.com/casestudies.