

ThinkFree Server: Productivity in a World Untethered to Microsoft

A New World of Work Demands a New Office



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Introduction

Researchers have begun to raise a question that many in the business world will consider apostatical: Will Microsoft Office will continue to dominate the office software marketplace? As this paper shall examine, there are many good reasons to raise this question. The Microsoft Office Suite, now in its 14th incarnation, was originally envisioned for a world that no longer exists in the way it did. Simply put, the world of work is different today. We have more choices in terms of *how* we work (alone, in formal collaboration teams, in ad hoc collaboration teams, in the same location with others, remotely with others around the world), *where* we work (from an office, from home, from a plane, and more), and *what* we use to get work done (thick client and thin client desktop and laptop machines, tablets, smart phones, and more).

To be sure, the Microsoft Office suite has evolved, but Microsoft Office also drags along the burden of its past just as Microsoft Windows 7 still drags along support for MS-DOS based routines.

If Microsoft were to build an Office Suite from scratch, one designed from inception to support the world of work in which we find ourselves today, it might be a very different creature. As of this writing, however, there has been no indication that such a creature is incubating.

That said, the aging nature of Microsoft Office is not in itself a sign that its demise is imminent. In certain ways, Microsoft Office is embedded in the very fabric of business today. Companies and users around the world may chafe at the tethers that bind them to Microsoft Office, but until truly viable alternatives to Microsoft Office are available they realize that they must continue to deal with Office in the way they have for years.

This paper will examine the nature of this dependence on Microsoft office and consider the characteristics that an alternative to Microsoft Office would require in order to become a truly viable alternative that companies could use.

The Nature of the Tether

The Microsoft Office Suite has set the standard against which all other office software suites are measured. It is easy to say that it simply has more features and functions than other office software products, but that is an insufficient explanation for the hold Office has over the business world. For a majority of users, most of those features and functions remain unused.

Most users do little more than create, save, and share documents. They use the “Normal” paragraph style throughout a document, add bold and italic styles for emphasis, and increase the size of a font to cause this line or that to look like a headline or subhead. Ask most users about paragraph style libraries, .dotx versus .dotm templates, or how and when to use page background watermarks and you’ve invited them into a world with which they are largely unfamiliar. And, frankly, most users simply do not want to go there. It’s too geeky and too far removed from what they really want to do, which is to write a document in which they can capture their ideas.

Ultimately, what has enshrined Microsoft Office in the computers of users around the world is

not the number of features and functions but the proprietary natures of its document file structures. While Microsoft can rightly claim that today’s Office file structures are based on open industry standards, that was *not* true before the release of Microsoft Office 2007 (the Open Office XML standard *became* a standard after Microsoft released the specifications it had used to create the new file formats for Office 2007). Until the release of Office 2007, the .doc, .xls, and .ppt formats in which users routinely saved the documents, spreadsheets, and slide decks they had created were proprietary file formats.

As a consequence of these proprietary formats, unless User A and User B were both using Microsoft Office, User B could not open a document, spreadsheet, or slide deck that User A had created. As sharing electronic versions of files became more common than sharing paper print-outs of files, the ability to open shared documents became a very real issue. Effectively, that meant that everyone sharing documents—internally as well as externally—needed to use the same Microsoft Office tools.

Compatibility is the Key that Unlocks Real Choice

Given this history, and despite the facts that Microsoft Office can be expensive to license and deploy *and* that it runs well only on Windows- and Macintosh-based computers, businesses will continue to rely upon Microsoft Office unless another office software vendor offers a solution that can ensure file-level compatibility with other users. That means not just the ability to share files with other users in the company, but with users in other companies who may still be relying on Microsoft Office.

Overcoming the compatibility hurdle is critical to the viability of any alternative office software product—and it *is* possible. Companies such as Google, Zoho, and Hancom have all developed office software products that can open files created in Microsoft Office. Users working with office products from Google, Zoho, and Hancom can also save their files in native Microsoft Office formats, which other users can easily open.

Compatibility is the key that unlocks real choice in office software. It frees an organization to reconsider its office productivity software needs in light of today's business realities. We said

earlier that the world of work is different than it was when Microsoft Office first appeared. We have more choices in terms of *how* we work (alone, in formal collaboration teams, in ad hoc collaboration teams, in the same location with others, remotely with others around the world), *where* we work (from an office, from home, from a plane, and more), and *what* we use to get work done (thick client and thin client desktop and laptop machines, tablets, smart phones, and more).

That is a world for which the Microsoft Office suite is in many ways ill-suited. Commitment to traditional desktop and laptop computers running Microsoft Windows, even the Macintosh OS, is dwindling. Organizations are adopting more mobile, more flexible devices based on Apple iOS or Android at very rapid rates, yet the mainstay Microsoft Office applications do not run on either of these operating systems. Moreover, as of this writing Microsoft has made no formal announcement about porting Outlook, Word, Excel, or PowerPoint to either iOS or Android.

The Cloud is Important, but Not Enough

A number of alternative software offerings have been developed with the new world of work in mind. We've mentioned Google Docs and Zoho already. Both are Microsoft Office compatible office solutions that run in the cloud and can be accessed from virtually any device that can run a browser.

Neither of these offerings, however, lends themselves to a *private* cloud deployment, and neither can be run from within an organization's own data center in a more traditional client/server implementation. Moreover, Google and Zoho have only recently begun to enable offline access to their tools. Until now, both companies'

offerings depended on a persistent network connection, rendering them useless when an individual had no network connectivity. While both companies have recognized the need to enable offline access to their applications, the early offline applications from both companies lack features that users will have been accustomed to in the online versions. Thus, using both online and offline versions of these applications feels like using two different sets of applications that are not fully compatible.

A New View on the New World of Work

At Hancorn, we look at trends in business and technology and we see a world that needs new options. The infrastructures of yesterday—with Windows PCs on each desk and servers in the back office—are still with us and still have a place. A good desktop PC with a full-sized keyboard and monitor can provide office workers with a very comfortable environment in which to create, review, and collaborate on documents. Yet these infrastructures can also be costly and difficult to manage efficiently. Many organizations are looking at options to move their applications off the desktop and into more efficient delivery structures (centralized servers for branch offices or private cloud based solutions for a distributed enterprise). Network throughput—in both LAN and WAN environments—has become robust enough that accessing office productivity software from a remote server using a thin client is no longer the painful, high-latency experience that it once was—so in office environments with good network connectivity a remote, centralized office software deployment may be quite viable. A centralized deployment of an office productivity suite can lower administrative and maintenance costs and ensures that all users have instant—and simultaneous—access to any updates or patches that might be applied.

Yet, as noted, users are also finding themselves still wanting to work when they might not be near that desktop system. They may want to continue working from home or from an airplane on an iOS or Android-based device. To do that requires either remote access to applications and data stored in the enterprise or native applications on the mobile device that can interact seamlessly with the applications and data used within the enterprise. Using remote access on a plane would require a persistent network connection that, as mentioned earlier, may not always be dependable. Having native applications on the mobile device would overcome that problem and enable individuals to work even when they were completely disconnected from the enterprise.

This fast moving world is the world for which Hancorn has refined its ThinkFree suite of Microsoft Office-compatible business applications. Like Microsoft Office 2010, ThinkFree Office includes tools for word processing (Write), spreadsheet (Calc), and presentations (Show). Unlike Microsoft Office,

however, ThinkFree Office can be deployed in a variety of ways to meet evolving business and user requirements:

- [ThinkFree Office](#) delivers the full suite of ThinkFree office productivity tools running in a traditional desktop or laptop deployment — but from Microsoft Windows, Mac OS, or Linux-based systems.
- [ThinkFree Mobile](#) delivers the ThinkFree tools as a native app for Android-based devices (with support for iOS-based devices later in 2012).
- [ThinkFree Online](#) offers a public cloud-based deployment of the ThinkFree suite, enabling access from any device through a browser (or ThinkFree native client, if one is present).
- [ThinkFree Server](#), offers a central server-based implementation of the ThinkFree suite, supporting thin client access to the office applications that users need. ThinkFree Server can also be accessed from the ThinkFree Mobile native app. It can also act as a private cloud deployment of ThinkFree Online that can be accessed through a browser.

The strength and elegance of the Hancorn ThinkFree approach to office productivity is that users can interact and share files regardless of the deployment modality in use. A user can create a document on a desktop deployment of ThinkFree Office, save it in cloud storage associated with ThinkFree Online, and then access it via ThinkFree Mobile from an Android-based phone or tablet, and continue working on the document on the tablet during a transatlantic flight, even if the plane has no Internet connectivity. Whenever the user next gains access to the Internet, the changes made to the document on the tablet are automatically synchronized with the file in cloud storage. Other individuals and groups with whom the user is collaborating will always have access to the latest version of the file. If the user creating the document wants to share the file with someone that still uses Microsoft Office, the user can simply save the file and send it as an attachment in email, which the recipient can open seamlessly in Microsoft Office.

Research from Gartner

How Will the Office Suite Evolve, and Will Microsoft Continue to Dominate the Market?

Organizations continue to look for less expensive alternatives to Microsoft Office, but few have adopted other products. How vendors address browser and mobile solutions will help shape the market for the rest of the decade.

Overview

Organizations continue looking for less expensive alternatives to Microsoft Office, but competitive products have yet to gain much traction. Compatibility continues to trump price, and if Microsoft navigates upcoming market changes well, it will continue to dominate the market throughout the decade.

Key Findings

- Microsoft dominates the market for office productivity products.
- The office products of the future must run on any device, offer offline functions and include robust collaboration features.
- Browser-based applications had been considered to be likely successors to traditional, rich-client products, but mobile device apps will make browser-based applications less important.
- Microsoft must make significant progress toward a viable offering in the mobile device app space by YE12 to maintain its dominance.
- Google has many of the elements that Gartner believes are important in the future, and is ultimately in the best position to challenge Microsoft Office's hegemony.
- By 2015, Google will have a slim, but important, share of the office productivity market.

Recommendations

- Understand which devices your users will need office functions on, and what functions they will need, and ensure that you have product recommendations for each.
- Consider your users' needs for offline use and collaboration as you make investments in office products.

- The mobile device app market for office products is immature; make only tactical investments in the products you select, until Microsoft's intentions in the market are clear (which needs to happen by YE12).
- Don't automatically assume that Microsoft has all the answers. Pilot competitive products for possible solutions, and to apply pressure on Microsoft (i.e., regarding pricing for software and maintenance).

What You Need to Know

Market requirements are changing. It once appeared as though browser-based office suites were what organizations wanted, but mobile platforms are now becoming a higher priority. Collaboration, while increasing in importance, should be seen as orthogonal to the platform choice. Microsoft is best-positioned to take advantage of new market conditions, but only if its Business Division is serious about addressing the office suite market beyond (and potentially at the expense of) Windows. However, even its success is not certain. Microsoft will be challenged to maintain prices and margins as the office suite market matures, and has successfully done so in the past. If Microsoft makes significant progress in addressing the market for mobile office productivity apps successfully, by YE12, it will have a good chance of remaining dominant in the market.

Analysis

Microsoft began its domination of the office productivity suite market in the early 1990s, as the industry picked Office and its file formats as the de facto standard. The market for office productivity products has not changed much since then. Microsoft still dominates the market and has remained relatively unscathed, despite numerous attempts from competitors.

In the early 2000s, Microsoft was challenged by open-source office (OSO) products that could be downloaded or used with low or zero acquisition costs. Even after Microsoft spurred resentment in 2001 by eliminating upgrade licenses, forcing organizations to pay full price for new versions of its products, the company was able to maintain its dominance. Beyond a lot of hype and some

success in government and developing markets, Microsoft lost relatively little share to OSO.

In the latter half of the past decade, Google emerged with a browser-based product to challenge Office, and organizations expressed lots of interest in running a low-cost office suite that they would not have to deploy or manage on users' PCs, as well as an interest in Google's then unique coauthoring capabilities. These benefits piqued user curiosity; however, although Google Docs adds new features every two weeks or so, its compatibility with Microsoft Office is insufficient for moderately complex documents or those that need to be shared for editing with users running Microsoft Office.

Browser-based products are still promising, however — promising enough that Microsoft invested in a (stripped down) browser-based edition of Office, Office Web Apps, that includes built-in coauthoring (powered in the enterprise by SharePoint). Not only do browser-based office products provide the semblance of a self-managed, coauthoring-enabled product, but they also empower users on phones, or any other devices with a browser, to potentially collaborate.

Google Apps remains a persistent threat — some enterprises have chosen Google Apps for email, and those Gmail users are increasingly drawn to the Google Docs components in the suite (see "Google Gmail Emerges as a Significant Threat to Microsoft in the Enterprise"). Other vendors compete in the browser-based office market, too, including Adobe, Zoho, IBM, Oracle and ThinkFree. At one point, it looked like browser-based office applications would be successors to the traditional thick client office suite.

More recently, tablets and mobile device apps have become extremely popular. We believe that apps will result in the office suite market heading in a new direction. Users and organizations will reconsider whether browser-based applications are what they want, or if mobile device apps can combine the strengths of browser-based applications with those of rich-client applications to provide the functions they want and need.

There are several important concepts/requirements when it comes to the office suite of the future.

Run on any device. It's clear that users want to carry a variety of devices and want to be productive, no matter what devices they carry or shift between. In most cases, the new breed of device they want to carry is smaller and/or lighter than a traditional notebook PC.

The logical answer to this problem a few years ago was to build browser-based applications, but now the market has shown an affinity for tablets and the app store model. Users would probably be OK with a browser-based product if it was as rich as the PC application model they were used to. But if a native app is available that provides users a better experience than a browser application, users will likely prefer the native app. With the vast majority of the market shaping up to be Windows, Windows Phone, Mac OS, iOS, Android and BlackBerry, an independent software vendor that can produce apps for those platforms would have as good or better coverage than browser-based applications (albeit with higher development costs).

Available when disconnected. Many people mistakenly assume that a browser-based application is only available when a network connection is available. That's not the case, because browser applications can be architected with offline capability. In fact, Google Docs and other browser-based applications have or have had offline capability. A browser-based office suite cannot be successful without read/write capability while offline. Similarly, mobile device apps will also need online and offline capabilities to be successful. It may seem counterintuitive that a tablet application might not have offline capability, but there are examples of such applications today. As with browser-based applications, a tablet-based application will need online and offline capabilities to be successful.

Collaboration will be required. Google Docs was arguably the first mainstream office product with real-time, simultaneous collaboration capabilities. The fact that it was browser-/Web-based and (by definition) always online meant anyone working on a document could see any other user working on the document. Perhaps that is the reason many people equate "browser-based" with real-time collaboration. However, as Microsoft proved with Office 2010, an office application can be a rich client and still have coauthoring capabilities. Collaboration is orthogonal to the client device, OS and application, or at least it should be. Office applications need to be smart enough to allow real-time collaboration if the user is online, and not offer the feature (and warn the user) if a network connection is unavailable. Furthermore, some form of collaboration should be possible whether or not the user is online (of course, not all features, like real-time coauthoring, can be available offline), meaning that, until network connectivity is pervasive (and even after), users that are not available at the moment can still have robust ways of collaborating with their

peers. Users on a plane or halfway across the world sleeping in Hong Kong while their peers collaborate on a document in New York must still be able to have their input considered as seriously as someone working live with everyone else. Without that capability, users in other geographies may become alienated, and good ideas may be lost.

Microsoft's role in the office market of the future. For quite awhile, the office suite market has been Microsoft's to lose, and that has never been truer than it is now. Compatibility with Microsoft Office is the measure by which all competitive products are judged, and even free products have not been able to loosen Microsoft's stranglehold.

The most central compatibility requirement is document format compatibility. Microsoft's formats (followed by user comfort with the familiar) cement Microsoft's hold on the market. Although the mapping between features and understanding who needs them is typically complex, losing certain Microsoft Office features could be less of an issue. Nonetheless, features and functions provide nowhere near as strong a lock for Microsoft Office as do document format compatibility and user comfort with the familiar. While the document formats used in Office (OOXML) are an International Organization for Standardization (ISO) open standard, it would be difficult to flawlessly implement the massive, 6,000-page specification; no one has yet come close, and Gartner believes it is unlikely to happen.

Microsoft currently has Windows and Mac OS X products, some browser-based products, and a very small foothold on iOS (with OneNote for iPhone). The mix of devices that users run is changing. For Microsoft to compete and maintain its position going forward, it would need to radically improve its browser version or make a significant move in the iOS (and possibly Android) space soon. Such a move would be a huge statement that answers the question, "Does Microsoft's Information Worker group want to address the broadest market possible and maximize revenue, or is it in business to protect Microsoft's Windows hegemony?" The integration of Microsoft's Mac Business Unit into its Business Division business unit in 2010, and the subsequent release of a much-improved Office 2011 for Mac, would indicate that the answer is more likely to be the former.

Microsoft has flirted with Web apps and mobile apps thus far, but a flirtation is not a commitment. If Microsoft decides to address the

market for mobile device office productivity apps by YE12, and does so with robust applications, then it will make it difficult for competitors to gain significant market share, and it will have a good chance of retaining its dominance. However, if Microsoft responds with a weak attempt aimed at protecting its desktop applications or takes too much longer, then competitors can gain ground. Thus, Microsoft's future success is still in question.

If Microsoft is to compete in the mobile app market, its biggest problem will be protecting the price it gets for its Office products. The retail price of Microsoft Office is about \$150 for Office Home and Student (which cannot be used for business purposes), \$280 for Office Home and Business (which cannot be purchased, activated or imaged through volume licensing), around \$300 per device for Office Standard, and \$400 for Office Professional Plus. With many of the more advanced mobile device apps selling through app stores for \$10 to \$50, it would be difficult for Microsoft to ensure that revenue for Office from enterprise sales of apps would be similar to that of Office Standard or Professional Plus. As tablets get more capable and applications get more robust, they will increasingly be seen as alternatives to PCs, and it will be difficult for Microsoft to justify price differences between the platforms. Furthermore, users have been clamoring for less expensive Office stock-keeping units (SKUs), with fewer features for users that do not need the full Office functionality. Microsoft has been able to avoid providing this option, but a mobile device app that has fewer features at a lower price would almost surely provide the cost equation that companies are looking for, which could cannibalize Office sales.

Today, Office Web Apps (such as the Microsoft Word Web App) are less capable than Google Docs, and Google Docs is less capable than Microsoft Office Standard. Microsoft Office Web Apps are in their infancy (version 1). What remains to be seen is if Microsoft will continue to enhance them to the point where they meet or exceed the functional capabilities of Google Docs, or are able to approach the capability of Office Standard, so they can be sold on their own at a similar price to Office Standard.

Microsoft needs to move away from device-based licensing and move to price per user, independent of the devices the individual is using (few people or organizations will be willing to pay again to use the same application on an additional platform). Such a move should include native apps and browser-based apps. Given the complexity of its offering catalog, that transition

will be difficult (but not impossible) for Microsoft to make.

Another risk for Microsoft is that mail clients that work sufficiently well with Exchange for many users are coming with most mobile devices. At Microsoft's Build conference, which showcased Windows 8, a Metro-based mail client was shown, although it's not clear if it will be included with Windows 8. Unless Microsoft adds significant functionality to Outlook, Outlook will become less necessary and the value of Office will decline, unless Microsoft replaces it with something else.

Other vendors. To date, competitors (even those offering free software) have not been successful competing against Office. The combination of a low price, fewer functions and a reasonable amount of compatibility has not been sufficient to lure most organizations away from Microsoft Office. We believe there are two items that could potentially woo customers away from Microsoft: (1) near 100% compatibility, to the extent that organizations don't have to worry about help desk calls and unhappy users having issues with office documents they send and receive. Less functionality would be OK, as long as visual fidelity is maintained for content already created. This has, thus far, been very difficult, with many vendors attempting it and coming up short; and

(2) develop a product with true innovation that dramatically changes the way people work and improves their efficiency in a way Microsoft Office cannot. This alternative is probably more likely. Google Docs has probably come closest; however, at this point, it is not clear that it will succeed.

The mobile device app market has several new players providing Office-compatible apps, including DataViz (which has historically provided Mac connectivity products), Quickoffice and Apple. Products range from \$10 to \$30, and if compatibility is sufficient and users get too used to the functions provided and the low price, it will get harder for Microsoft to compete at the prices it needs to charge. However, it is unlikely that these vendors will offer products for Windows, so it will be difficult for them to compete broadly. Vendors with browser-based applications will continue to compete with Microsoft, but may feel forced to ship mobile device apps to get market share, and even simply to get visibility in a market where mobile devices play an increasingly important role.

Gartner RAS Core Research Note G00218114, M. Silver, T. Austin,
21 October 2011

A History upon which to Build a Future

While Hancom may not be a well-known name in the West, it is one of the most well-known names in the East. Hancom has been developing enterprise-grade office applications for more than 20 years. Today it is the leading venture-backed software company in South Korea, and more than half of all South Korean companies use Hancom software products to meet their day-to-day office productivity needs.

The office productivity tools that Hancom began developing in 1989—the 17th generation of which is available today as Hancom Office 2010—provide a depth of knowledge and insight into the use of office productivity tools that is, today, rivaled only by Microsoft itself. But unlike Microsoft, Hancom began to broaden access to its office productivity tools nearly a decade ago. In 2003, Hancom acquired ThinkFree, Inc and coupled its expertise in desktop-based office productivity applications with the web-oriented, platform-independent office productivity tools that ThinkFree had created.

What has emerged from this union of Hancom and ThinkFree is a set of office productivity tools that is uniquely positioned to support the needs of today's dynamic, hardware-agnostic organizations. The ThinkFree family of products offers a range of deployment options: the tools can be accessed from a broad range of desktop and mobile devices, while connected to a network as well as while roaming unconnected. Data can be stored in the cloud and synchronized with a local data store, so regardless of where someone wants to work, the data and the applications are always at the user's fingertips.

This combination of flexibility and productivity has proven to be popular with more than just users and their companies, too. Several major manufacturers designing devices for the Android cell phone and tablet marketplaces are pre-installing ThinkFree Mobile on their devices—and to date more than 60 million units with ThinkFree Mobile pre-installed are in use around the world.

Hancom also offers a ThinkFree software developer kit (SDK) called the ThinkFree Server Integrator that enables an enterprise to integrate ThinkFree office productivity tools with other key business applications. Using the SDK, an organization can integrate office productivity functionality such as document or spreadsheet editing and viewing into internally- or externally-facing web applications, groupware, and other tools. Imagine taking Microsoft Office Word and incorporating its document creation and editing capabilities into a proprietary web app. Such a fantasy is not likely to be realized soon. But integrating enterprise-grade document, spreadsheet, or presentation creation and editing capabilities is easy if the organization is using ThinkFree Server and the ThinkFree SDK. This opens the door to a whole new world of productivity-enabled solutions that are tailored to the needs of individual organizations. It facilitates the flexibility that lies at the heart of an organization's need going forward in this new world of work.

Source: Hancom

Enabling Productivity in the New World of Work

The new world of work demands options and viable alternatives to office productivity suites that are now growing long in the tooth. Hancom is trying to provide those options, with enterprise-grade office products designed to support organizations striving to succeed more effectively and cost-efficiently in today's real world business environment.