

## **Why I STILL Recommend Domino Over Exchange**

by Ron Herardian

In the United States it seems that the decades-long Lotus versus Microsoft battle is long over. Certainly, it is no longer news. Microsoft Excel has all but replaced Lotus 1-2-3, Microsoft Office dominates corporate desktops compared with Lotus SmartSuite and, for a variety of reasons, most IT customers in the US use Microsoft Exchange and Outlook rather than Lotus Notes and Domino. But is Domino a technology belonging to the past? With 130 million licenses sold, it's hard to make that argument. In fact, Domino is the most important alternative to Microsoft Exchange today.

Perhaps the most significant development in the historic Lotus-Microsoft epic was the explosion of web technologies in the mid to late 1990s. Lotus embraced Internet standards and extended Notes and Domino to the web, which made intranets a natural extension of Lotus' groupware technology. Microsoft made Windows and Internet Information Services (IIS) a platform for both Internet and intranet applications by logically expanding Microsoft's operating systems and development tools to bring legions of Windows developers onto the field. While Microsoft made simple messaging a strength by tying Outlook to Windows and Office they couldn't catch up to Lotus Notes as an intranet solution with the Exchange product and eventually introduced SharePoint and NetMeeting along with wireless and instant messaging solutions to challenge Notes, SameTime and Domino Everyplace.

In parallel to the battle over intranets, Lotus and Microsoft continued the fight over core applications: messaging, calendaring, and directory services. Microsoft attacked all three targeting messaging and calendaring with Exchange and Outlook, and directory services with Active Directory. Lotus improved its messaging and calendaring solutions but never moved into directory services while at the same time focusing on collaborative applications.

Including SharePoint, Microsoft's lineup against Notes and Domino includes Exchange and Outlook, Active Directory, IIS, NetMeeting, Mobile information Server, and Live Communications Server. Additionally, Microsoft coupled IIS and Microsoft SQL Server through its Active Server Pages (ASP) technology providing a relational database back-end for Internet and intranet applications as compared with Lotus' NSF database and SQL database integration through Lotus Enterprise Integrator (LEI) and similar data integration tools. Obviously, Notes was outnumbered: enter IBM WebSphere with a long list of related products for Internet and intranet solutions.

In comparison to Microsoft's barrage of separate products (9 and counting), Lotus Notes and Domino currently represent a less complex, better integrated solution from the standpoint of IT customers, but one that is capable of delivering similar applications on intranets by leveraging the integrated server platform of Domino rather than a variety of different products from the same vendor. Nonetheless, Notes and Domino cannot challenge major J2EE application server platforms.

In general, Microsoft based solutions that can do everything Notes and Domino can do, but they require a massive, 100%-Microsoft infrastructure; not only Exchange and Outlook but Active Directory, SharePoint, SQL Server, etc., etc. The glaring fault in many analyst studies comparing Notes and Exchange, i.e., Microsoft sponsored studies,

is that they only compare the cost of the Exchange and Outlook products ignoring the other 5-7 products that will be required to deliver the same breadth of solutions.

The massive infrastructure (often dozens of dedicated servers) is not a problem for IT organizations already committed to Microsoft as a standard—and accustomed to managing countless Windows servers to support their intranets—but clearly this would be a questionable strategy for other companies that might benefit far more from Notes and Domino.

When Notes and Domino make sense, most IT customers can readily see the many benefits. In fact, for most IT customers Lotus Notes and Domino have compelling advantages including:

- Maturity and stability resulting from a consistent architecture
- Choice of hardware platform
- Choice of operating system platform
- Superior scalability
- Superior security
- Deep integration of Internet standards
- Upward and downward compatibility
- Easy to use, built-in clustering
- Tightly integrated, groupware-specific development tools
- Support for multiple programming languages, including Java
- Modular, extendable server design
- Rich APIs

With all of its strengths one might wonder why Lotus Notes and Domino have not fared better in recent years against Microsoft Exchange and Outlook, i.e., why Notes hasn't taken market share away from Exchange instead of the reverse.

The answer, unfortunately, is that the worst enemy of Lotus software has been not Microsoft, but IBM. For example, when IBM decided not to support J2EE on Domino they signaled to customers and business partners that Domino—which was literally the first application server product—had no future as an application server platform. The beneficiaries of this decision included not only IBM WebSphere and Microsoft SharePoint, but as a consequence Microsoft Exchange.

Generally, once Lotus Notes was removed as a platform for Internet and intranet applications it was also eventually removed as a messaging solution. The (false) perception created is that Domino is a technology belonging to the past. Where IBM has lost the application business they have also tended to lose the messaging business. Ironically, this reflects the fact that Lotus historically maintained that the superior value of Notes came from the fact that it is an application platform and not merely a messaging solution. Ironically, IBM could leverage the application platform capability of Domino not to beat the dead horse of Notes-based collaborative applications but to greatly enhance its e-mail and messaging solution potentially making Notes and Domino into an Exchange killer.

Looking back, in response to fears on the part of customers that IBM would replace Lotus Notes and Domino as a groupware development platform with IBM WebSphere

based applications, IBM assured customers that they were investing heavily in Lotus Software. The Lotus Software division of IBM then released a series of WebSphere-based products branded “Lotus Workplace”. At the same time, IBM moved to integrate legacy Domino data and functionality into WebSphere based applications using new Java-based WebSphere development tools. IBM also later added the option (in Domino 7) of replacing the highly flexible NSF database format with IBM’s DB2 database, which had been used in the Lotus Workplace solution.

Today, much of the software developed as “Lotus Workplace” is part of the IBM WebSphere product line rather than Lotus Notes and Domino. It would seem in retrospect that customer fears were well founded indeed. Although there are no official numbers available from IBM, the overall result appears to have been a reduction in the total number of Lotus Notes and Domino customers. Since IBM has not released any data it is unclear if IBM has retained these customers as WebSphere customers or if they are now customers of other companies, such as Microsoft. It probably hasn’t helped IBM’s case that Ray Ozzie, co-creator of Lotus Notes, is now Microsoft’s Chief Technology Officer.

Recently, rumors and speculation in the press that Notes and Domino are “end of life” products have become widespread, although IBM officials adamantly deny that Domino is at the end of the line. In fact, Notes and Domino have continued to improve in a series of new releases, as is typical of a mature product. IBM officials argue that Notes and Domino are going strong and are always quick to point to new features that will be available in the next release.

Unfortunately, a pattern of incrementalism, where minor features and bug fixes are made available in a series of relatively insignificant point releases, could also indicate an “end of life” product. Microsoft and other competitors have exploited IBM’s mixed signals, i.e., WebSphere versus Domino doublespeak, with gusto; so much so that members of the press sometimes take it for granted that Domino is a dead platform and have said that competitors smell blood in the water. In response, IBM seems constantly on the defensive. Unfortunately, they have no one to blame but themselves.

How might IBM put an end to customer fears, rumors, and speculation in the press? The answer is very obvious: go on the offense. IBM has been doing relatively little to position and promote Lotus Notes and Domino versus Microsoft Exchange. IBM’s marketing materials focus too much on Notes and Domino as an application platform and at every trade show except the dwindling Lotusphere show one cannot find Notes and Domino—or any e-mail and messaging solution—at an IBM booth.

At the same time, the Lotus business partner community is smaller than it once was. In addition to economic and competitive forces IBM itself has courted Lotus partners to move them to other product lines, principally to WebSphere and Tivoli. The highly successful Lotus Business Partner Program is a thing of the past. Nonetheless, IBM has pushed business partners to tackle new markets and to promote Domino over Exchange, but they have not created the kind of buzz that partners need to expand the market and take back market share from Microsoft. It is IBM that should be aggressively taking customers away from Microsoft—creating momentum—not merely encouraging partners to do so.

For example, IBM could revitalize its virtually unknown (to IT customers) Move to Lotus program with better migration tools, a superior co-existence model, up-to-date whitepapers and customer testimonials, new analyst studies based on the latest version of Domino, and last but not least with a serious marketing effort. Move to Lotus hasn't succeeded because it is incomplete; focusing on discounts instead of the competition. To succeed the program has to go much further: IBM has to go out there and get the customers. The current approach relies too heavily on partners to win customers away from Microsoft merely offering discounts and supporting marketing materials. If IBM wanted to actually beat Exchange with Domino there would have to be a greatly expanded "Move to Lotus 2.0" campaign. It is unrealistic to expect partners to succeed where IBM has failed.

The most obvious question may be whether Domino—as a product—is up to the task. The answer is: absolutely! Unfortunately, the pattern of Lotus inside IBM might be compared to the all too common progression of acquisitions where focus on the core product of the acquired company is lost and whatever momentum the acquired product had before the acquisition simply dissipates under the bureaucracy and politics of a larger entity. If nothing else, it would be fair to say that Notes and Domino have lost momentum in the marketplace.

In the larger picture, the issue is lack of focus on the problem of how to beat the competition, i.e., Exchange, with Notes and Domino, rather than focusing almost totally on the larger problem of winning Internet and intranet business with WebSphere and DB2 indirectly (at the expense of Notes and Domino). This doesn't mean that IBM should expend more resources on Domino versus WebSphere. Based on what products generate revenue and represent a strategic application platform for the future, IBM should be aggressively promoting WebSphere, just as they are. That doesn't mean, however, that Domino cannot win new market share.

There are many things IBM could do to win e-mail and messaging business against Exchange. Here are few obvious ways IBM might try to re-build the momentum of Lotus Notes and Domino and take customers away from Exchange:

- Improve the directory services capabilities of Domino by developing an identity management strategy based on server-side directory integration rather than client-side single sign-on.

- Bundle Domino Everyplace and extend it to support the SyncML standard making Notes and Domino an out-of-the-box wireless messaging solution.

- Embed SameTime so every customer would be a Lotus Instant Messaging customer. Making wireless and instant messaging more accessible and attractive would make an enormous difference competitively.

- Leverage Domino's built-in capabilities, e.g., workflow and messaging related APIs, to build in integrated regulatory compliance monitoring and enforcement capabilities.

- Lotus' enterprise search technology could at the same time be re-launched as a legal discovery tool with live search of message stores and archives.

Extend Domino's real-time collaboration tools to make it easy for Notes customers to connect with each other, i.e., instead of using WebEx or NetMeeting.

Support the PST file format under the Notes client for better integration with and easier migration from Exchange solutions.

Buy J2 Global Communications and integrate eFax with every Domino client and server making a new push into unified messaging.

Integrate an X.509 PKI certificate server as part of a new directory services initiative so that customers could easily leverage the Domino directory for standards-based e-mail security and perhaps provide an option, e.g., in Domino 9, to use 100% PKI technology for authentication and encryption.

The list goes on. The problem at IBM is a lack of willingness to aggressively and directly pursue the e-mail and messaging business. What is clear, however, is that maintaining focus on Notes based collaborative applications is a losing proposition versus WebSphere and other J2EE application server platforms, not to mention the entire Microsoft arsenal.

Most of the new features in recent releases of Notes and Domino have been incremental improvements focusing on existing capabilities, solutions and customers: not focusing directly on the competition or trying to break new ground within the e-mail and messaging market. Internal improvements to a mature product have virtually no impact competitively. The differential between IBM's focus and what's happening in the e-mail and messaging market might be described as insular or 'out of touch'. At the same time, IBM's current positioning of Notes and Domino looks to be little more than a 'holding pattern': a rear-guard action that they cannot possibly win versus Microsoft—following other Lotus product into the virtual grave.

The problem is not one of having viable new directions—new market opportunities—that can move Notes and Domino away from the past and towards the future by capitalizing on new revenue opportunities and current trends. The challenge at IBM seems to be one of focus and strategy. The focus and strategy is not on e-mail and messaging but on a dying collaborative applications business that IBM itself is quietly, implicitly cannibalizing for the benefit of WebSphere while practically ignoring a major infrastructure play in e-mail and messaging.

The only plausible explanation for IBM's strategy seems to be that IBM continues to push Notes and Domino as a collaborative application platform alongside WebSphere solely to create customer "lock-in". Setting aside the question of whether investment in a highly proprietary development platform dating back to the 1980s makes sense, the fact is that once a company has deployed applications on Domino it becomes virtually impossible to migrate away because the cost of rebuilding the applications is prohibitive. Conveniently, IBM provides a suite of tools and APIs to integrate and port Domino applications to WebSphere.

In any case, the seemingly pervasive belief at IBM, and even among business partners, that Notes and Domino cannot compete directly with Exchange on e-mail and messaging, i.e., that it is only a viable product because it is “more than e-mail”, is plainly wrong. Today, there are dozens of growing companies and startups focusing on e-mail and messaging related technologies. The e-mail and messaging space is alive and well. Obviously, IBM could easily add new e-mail and messaging features to Notes and Domino to generate new revenue and to take on Exchange directly, but not if IBM fails to pursue it.

It is ironic that the significance of such a strategy (focus on e-mail and messaging) could escape IBM today since that is the very strategy that Microsoft used to take away cc:Mail customers from Lotus 10 years ago. Now, the tables are turned. The Microsoft story is complex, expensive and convoluted with many hidden costs—the same criticism that Microsoft leveled against Lotus in the past—but it is now IBM that can capitalize by maintaining a sharp focus on e-mail and messaging to cut through the thick underbrush of Microsoft products.

In conclusion, IBM is the only party ultimately responsible for ongoing rumors and speculation over the future of Notes and Domino, as well as for the perceived internal competition between Domino and WebSphere, which is clearly a real issue when it comes to intranets. Domino cannot be and will never be IBM's intranet or Internet platform. The confusion, and the erosion of the Lotus customer base, is the result of IBM's failure to face that reality and to address it directly with customers and partners. Instead, they strive to maintain the ephemeral illusion that Notes and Domino are 'business as usual'; an illusion that no one finds credible and that ultimately benefits only Microsoft.

To win against Exchange, Domino must focus on e-mail and messaging, e.g., extending into regulatory compliance. If IBM were serious about making Domino into an Exchange-killer instead of a legacy application server platform withering away in the shadow of WebSphere there would have to be an appropriate product roadmap and an aggressive marketing program, e.g., a Move to Lotus 2.0 program.

The fact is that collaborative applications ("groupware") based on the proprietary Notes programming model originally developed in the 1980s are a legacy technology due to the rise of Internet standards based intranets, i.e., Java and web application servers, and IBM is therefore losing market share because of Domino/WebSphere doublespeak and lack of focus on messaging. IBM needs to either re-focus the product on e-mail and messaging or the product will continue to gradually die of stagnation. IBM cannot both maintain the Domino story as “more than e-mail”, positioning Domino as a groupware development platform competing as a technology with Internet standards based Intranets, and at the same time exclusively promote WebSphere as an intranet solution. This fundamental contradiction, unless it is corrected, will be the end of Notes and Domino because it undermines IBM's credibility and opens the door to Exchange. If Lotus Notes and Domino are one day gone, it will have been IBM—not Microsoft—that was responsible.