
Google Mounts a Big WAC Attack on Microsoft in the Enterprise

Microsoft's financial results and its deal with Yahoo have motivated Google to launch a marketing campaign aimed at Microsoft's enterprise revenue. Microsoft's profitability depends on applications and enterprise software.

The marketing will escalate because Microsoft and Yahoo now threaten Google's crown jewels of search and advertising. Google, in turn, wants to gut Microsoft's strongest money machines. Google has been moving slowly into a position from which an attack on Microsoft's core asserts could be launched. With the forces in place, Google's on the offensive.

Microsoft has for years made clear its intentions to challenge Microsoft in Web search and advertising. The tie up between the Microsoft and Yahoo search teams seems likely to be approved by regulators. When the green light flashes, Bing.com becomes the Yahoo Web search engine. Microsoft gains access to Yahoo's ad sales platform. The goal is to take a bite out of Google's Web search and online advertising share.

Microsoft's commitment to Web search and online advertising comes at a time when revenues across Microsoft's lines of business have softened. The release of Windows Version 7 will provide a boost to the consumer business, but it will take months for the impact of the new release to generate significant revenues in its enterprise sector. Organizations are often unwilling to upgrade to new versions of operating systems and software until the vendor has had time to shake out the bugs.

The question is, "Will Google see the direct threat of Microsoft-Yahoo as sufficient motivation to put increased pressure on Microsoft's enterprise business?"

My view is that Google has already begun to rev its enterprise engines. What is surprising to me is that quite a few analysts and Microsoft watchers have not seen the pattern of the late 2009 assault forming.

Let me identify the three prongs of this stepped up effort to bleed revenue from Microsoft's enterprise revenues. Google provides little information about its strategies, but the company's technical documents available from Google Labs at <http://www.googlelabs.com/> and in its public documents such as Securities & Exchange Commission filings and patent applications offers tantalizing clues about what it has in its rapid attack force. I monitor these sources, and I have identified three technical initiatives that suggest the broad outlines of how Google will probe the underbelly of Microsoft's enterprise revenue.

Google wants to WAC (no misspelling) Microsoft where any revenue traction can have larger implications for Microsoft's profitability. It is my contention that Google needs to make steady progress within the customers of its Google Search Appliance, Postini and Gmail

services, and its Google Apps like mappings and word processing, among others, to inflict significant pain on the Microsoft enterprise hegemony.

The W represents Google Wave. In my study of Google's publicly available technical documentation, Wave is a next-generation SharePoint. Microsoft SharePoint is one of Microsoft's most successful enterprise applications.

It is low cost and easy to install. The basic system bundles collaboration, content management, search, and work flow functions. A basic SharePoint installation can be scaled to handle thousands of users. The system requires a Microsoft Certified Professional to handle some of the nitty gritty of scaling, but this is standard operating procedure for

Microsoft. Its Certified Partners grab a significant portion of the consulting and engineering support SharePoint requires. Once an organization embraces SharePoint, those who can manage and customize the system often have a permanent job or consulting engagement.

Wave, which is just now in August 2009 becoming more widely available, is a next-generation SharePoint. The principal differences between the Microsoft SharePoint approach and the Google Wave approach are the system's fundamental plumbing. Wave is a cloud application. SharePoint, on the other hand, is now an on-premises application and Microsoft is working to re-engineer the system to operate in this manner. The other important difference is that Google is making Wave an open source project. Microsoft's for-fee approach to software has required Microsoft marketers to explain that open source is not the same as commercial software. Whether Microsoft's arguments are right or wrong is irrelevant. Google wants to tap the vibes of the open source world which has implications for developers and bean counters looking to reduce Microsoft CALS or client access license fees.

A, stands for Android, which is Google's polymorphic software for mobile devices. Keep in mind that Android is described in newspapers and magazines as a mobile phone operating system. However, the Android technology can run on any mobile device. Google's approach has been a late starter, but the Microsoft mobile technology has lagged. Will Google gain traction against the corporate mobile giant BlackBerry from Research in Motion? I don't think there will be significant shifts in the short term. But for some organizations, the appeal of a low cost mobile device that connects seamlessly with Google services may warrant test installations. If the tests are favorable and reduce costs in a significant way, Google could easily expand into organizations with Android on a range of third party computing devices. The CEOs might carry a BlackBerry, but certain members of the work force might find Android equipped devices useful and more desirable. Unlike Apple, Google is bridging the consumer – business functionality gap. Any foothold in the enterprise allows Google to upsell its other services. Microsoft may find itself squeezed in the mobile market and in the mobile device enterprise business sector without a quick, economical way to thwart Google. Microsoft's phone initiatives have not become the success that Apple iPhone or even Android have achieved in terms of catching the interest of the young at heart and technically wise buyers.

C is a mnemonic for Chrome. The newspapers and trade publications describe Chrome as a browser. Like Wave and Android, this simplistic description seems to explain the product fully. Chrome is installed on a computing device. It looks and feels like a browser, but it is more like a digital air lock. Chrome can connect a computing device to the Google data center. Developers can use Chrome to deliver applications that run on the computing device so that the line between local and cloud based services becomes irrelevant to the user. Once the device is connected, Chrome can support different virtual Google machines and make the operating system irrelevant. The user gets functionality. In the enterprise, Google savvy developers can use Chrome to create applications that mimic fully the older, increasingly expensive on premises enterprise systems. Microsoft is working to move its enterprise applications to the cloud. The problem is that Google is cloud ready and moving to the enterprise with an "as is" service. Microsoft is working in "to be" mode.

What the WAC?

I see four thrusts taking place over the next four to five months. If successful, these will be escalated and amplified in 2010.

First, Google will allow developers, Google partners, and early adopters to explore, test, and provide services and applications based on all or some of the WAC components. There's no charge for a programmer to develop with Google technology. Google partners are becoming increasingly aggressive in developing applications for Google's enterprise search products. My son, who owns Adhere Solutions in Chicago, sells a Google adapter that hooks a GSA into an enterprise's proprietary content. A couple of clicks and the GSA gets a turbo boost. He's not alone. Bearing Point, Onix Networking, and dozens of other firms are pushing forward with Google enterprise products and services.

Second, start ups and innovation centers in larger organizations are now looking at Google's products and services as viable test beds for certain applications and services. One large firm known for its expertise in retail is shifting to Google products and services. When a brick-and-mortar firm goes Googley, it is clear that Google is in a position to find a way to pound pitons into the monoliths that Microsoft has put in place.

Third, Google's Wave, Android, and Chrome components play together well. Each can tap into other Google functions such as Checkout (back office billing and payments) and Google Apps (word processing, presentations, spreadsheets, email, and calendar functions) without any additional coding. For clever technologists, WAC provides a playground with quite a few bright, shiny toys and a giant jungle gym. Innovation, therefore, is not Google's responsibility. Google will let others find interesting ways to use Wave, Android, and Chrome. When one of the developers or innovators hits a proverbial digital home run, Google will be quick to capitalize on that initiative.

Finally, organizations want to use Google. The top management hears that "search should be like Google" and "email should work like Gmail" and my word processor should not lose documents because Google Apps not usually discard, spindle, or mutilate an employee's document or other work.

In closing, Google will let the Google users carry the battle to Microsoft in the enterprise. In my opinion, Microsoft has to be prepared to lower its license fees, work hard to keep Microsoft Certified Professionals in the fold, and deliver products that work and work well quickly. If the value is not immediately evident, Google will be waiting to whack a solid double, maybe a home run in the enterprise game.

Stephen Arnold, ArnoldIT.com