

Microsoft's 'People-Ready' Campaign Offers New Opportunity

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The People-Ready campaign is a reasonable differentiating strategy. However, as presented, People-Ready is a marketing program for Microsoft's product launches rather than a compelling vision for the future.

NEWS ANALYSIS

Event

On 16 March 2006, Microsoft CEO Steve Ballmer announced that the company plans to carry out a \$500 million worldwide sales and advertising campaign to roll out new products and a vision of "people-ready" software. He highlighted a range of products, including Windows Vista and the Office 2007 software suite.

Analysis

Microsoft's unveiling of the 12th major iteration of its Office package suggests that a new company may be struggling to emerge. The People-Ready Business event, which accompanied Microsoft's new advertising campaign, included barrages of tactical demos. Microsoft also reinforced and restated with a new twist the theme of individual empowerment, which has led to its long-term success. While the People-Ready event is ostensibly introducing a new strategic theme, we believe it chiefly served as a tactical push to convince current customers to upgrade or migrate to a series of previously announced products that Microsoft will release during the next 12 to 18 months.

The People-Ready pitch touched briefly on too many points and failed to develop them properly. For example, it:

- Spoke of helping people innovate, in areas such as the fashion industry, but failed to adequately explain what new capabilities were tied to their analysis of innovation needs.
- Touched on the value of its "digital lifestyle" (consumer) technologies, but failed to sufficiently develop the theme.

In Microsoft's "Live" announcement of October 2005, the company laid out strategic promises with significant potential, representing fresh new thinking. At the People-Ready event, there wasn't enough fresh new thinking. The primary message delivered was a classic Windows- and product-centric view that emphasized the value of integrated Microsoft products. We believe that business executives wary of hype might have responded more enthusiastically to Microsoft commitments to automatically and transparently slip stream improvements into the technology without requiring major technology refresh cycles.

Empowering end users with software tools that enable them to excel at non-routine tasks poses a difficult challenge. Microsoft did not show what changes this shift to People-Ready means in terms of new product capabilities specifically designed to meet newly recognized needs.

Recommendations

- Examine where a focus on improving the impact of individuals and teams can significantly improve your firm's competitiveness. Start with your people, rather than with a vendor's product list.
- While People-Ready can be a compelling differentiator for Microsoft, watch for the company to better articulate: 1) How its product strategies are evolving to deliver capabilities around empowering people beyond what it has already done during the last

two decades; and 2) how it maps to other future visions within the company, such as Live.

Analytical Sources: David Mitchell Smith, Tom Austin and David Cearley, Gartner Research

Recommended Reading and Related Research

- "Microsoft's Next-Generation Platform Will Move Beyond the Desktop" — Office Live and Windows Live offer important statements regarding Microsoft's corporate strategy. **By David Mitchell Smith and others**
- "Introducing the High-Performance Workplace: Improving Competitive Advantage and Employee Contact" — Gartner's High-Performance Workplace research area focuses on raising the impact of people on the business, as well as how methods and tools influence that. **By Tom Austin and others**

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