

HP and Microsoft Unite for the Coming UCC War

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HP and Microsoft escalated the battle to supply unified communication and collaboration services to enterprises with a partnership that will deliver integration, sales/marketing and joint product development.

NEWS ANALYSIS

Event

On 19 May 2009, HP and Microsoft announced a four-year global initiative to deliver end-to-end unified communication and collaboration (UCC) services. As part of their Frontline Partnership, the two companies will invest up to \$180 million in product development, professional services, and sales and marketing. The program will be built around Microsoft's Office Communications Server (OCS), Exchange and SharePoint, and HP's ProCurve networking technology, Halo telepresence and Business Technology Optimization.

Analysis

One of the biggest battles in the technology sector during the next decade will surround UCC, which promises users the ability to seamlessly transition between multiple communication and collaboration modalities across a variety of form factors. Megavendors such as Microsoft, Cisco, IBM and Google are heavily investing in UCC, which represents the end stage of previously stovepiped services such as e-mail, voice, instant messaging, social software and audio/video/Web conferencing. Given the speed of change and the integration and operational complexity of UCC, integration services will be big part of the UCC movement.

The Microsoft/HP partnership makes sense for three reasons:

- Megavendor strategic rivalries are at play: HP's Procurve is competing with Cisco's networking business; Cisco is challenging the HP server business with Cisco's Unified Computing System; Microsoft entered the voice over IP (VoIP) space with OCS; and Cisco is targeting the collaboration space. An alliance between HP and Microsoft makes sense given the realities of shifting vendor dynamics.
- HP has the proven large enterprise networking and communications integration skills that Microsoft lacks.
- HP has the largest Microsoft Exchange integration and hosting business in the world (initiated when Digital Equipment jettisoned its All-in-1 offering in favor of Exchange, and when HP abandoned its own OpenMail for Exchange).

The alliance puts pressure on Cisco to build a strong services channel that can integrate its premises-based VoIP gear with its pending cloud-based collaboration suite. HP and IBM had been strong integrators for Cisco, but we see Cisco steering more of those deals to alternative vendors. IBM already has a strong field team with IBM Global Services. Google is the laggard here, but has a growing partnership with Capgemini and it is building a network of smaller field integration vendors. Microsoft already has UCC services partnerships with Nortel and smaller integrators, but those alliances lack the scope and expertise of HP, which further motivated Microsoft to pursue the HP deal.

RECOMMENDATIONS

Enterprises:

- Take a strategic approach to communication and collaboration services; otherwise, you will face a competitive disadvantage due to inefficient infrastructure and operations and subpar end-user functionality.

- Put HP on your shortlist for Microsoft UCC deployments after HP demonstrates the appropriate skills.

RECOMMENDED READING

- “Cool Vendors in Collaboration, 2009” — This report describes several companies providing products that take collaboration in innovative new directions. **By Jeffrey Mann, Matthew Cain and others**
- “VoiceCon 2009 UCC Trends: IBM and Microsoft Emerge to Threaten Communications Titans” — Competition in the UCC space reached new levels at VoiceCon 2009, as vendors such as Microsoft and IBM discussed their software-based VoIP offerings as the future for communications and collaboration. **By David Mario Smith and Daniel O’Connell**

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