

## **Customer Value Enhancement Award Enterprise Collaboration Solutions North America, 2011**

### **Frost & Sullivan's Global Research Platform**

Frost & Sullivan is in its 50th year in business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The company's research philosophy originates with the CEO's 360-Degree Perspective™, which serves as the foundation of its TEAM Research™ methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2011 North American Customer Value Enhancement Award in Enterprise Collaboration Solutions to NewsGator.

### **Significance of the Customer Value Enhancement Award**

#### **Key Industry Challenges**

Today's organizations have entered the 'virtual era' with a growing number of distributed locations, branch/remote sites and mobile, remote, and home-based workers. In this 'multitasker workforce' it's common for individual employees to have responsibilities spread across several workgroups, project teams, or committees.

With these shifts, the traditional, centralized, unidirectional corporate communications model has become outmoded. Enterprise leaders are looking for new ways of working that would engage and empower employees by better organizing and improving access to content and by making it easier to contribute, collaborate, and share information.

In their personal lives, employees are using consumer social networking to organize, collaborate, and share information. The modern professional expects similar features and functionality in the workplace as they have at home. The applicability of open, co-creative solutions in the business environment is clear to many users, influencers, and decision makers.

Enterprises are making social software (which includes social networking tools, wikis, blogs, profiles, communities, advanced search functions, and other collaboration capabilities) a strategic part of their IT investments to enhance business processes and improve business agility. They are seeking to leverage the power of relationships and to put the principles of social engagement to work as they strive to improve the flow of timely, relevant information both internally and externally.

In efforts to minimize cost and disruption, while also encouraging employee adoption, most enterprises need to leverage existing assets and processes. Leading enterprise social software developers are helping companies to solve their challenges through innovative

solutions that augment established practices and extend existing technologies. Leading developers are delivering the robust features, security, control, extensibility, flexibility, and customization that enable new ways of collaborating to ameliorate business.

## **Best Practice Award Analysis for NewsGator**

The Frost & Sullivan Award for Customer Value Enhancement is presented each year to the company that has demonstrated excellence in implementing strategies that proactively create value for its customers with a focus on improving the return on the investment that customers make in its services or products. This Award recognizes the company's inordinate focus on enhancing the value that its customers receive, beyond simply good customer service, leading to improved customer retention and ultimately customer base expansion.

### **NewsGator's Performance in Enterprise Collaboration Solutions**

Social business has received a lot of attention in the Enterprise Collaboration market recently. As a result, the 'social business' concept is gaining the attention of a much wider demographic of organizations. While some aspects are relatively new, many collaboration features that are part of social software have been available long enough to gain significant traction. Still, a majority of prospective enterprises remains wary, skeptical of the business value of "social" and they are concerned with governance, security, and compliance implications. Other valid concerns include the cost and complexity of solutions. Furthermore, as the spotlight on social business technologies grows brighter, more developers have entered the market and they are making solutions available. For enterprise customers, viability is an important consideration, especially with newer market entrants proposing unproven technology as they attempt to cash-in on current trends or "hot" technologies.

Founded in 2004, NewsGator has proven to be an early thought leader and innovator in how people consume and manage information. Focused on integrating social capabilities into Microsoft software environments, NewsGator has established a position as a stable company with a growing customer base. The company boasts nearly 3 million paid users from within an impressive roster of diverse and well-known customers, such as Accenture, Adidas, Deloitte, Ericsson, General Mills, JPMorgan Chase & Co., Kraft Foods, Merck & Co., Unisys Corporation, and the US Army, etc. Strengthening its credibility, NewsGator is a Microsoft Gold certified independent software vendor (ISV), and Portals and Collaboration partner, and the company was recognized as the 2011 Microsoft Partner of the Year for the United States.

To achieve responsiveness and agility, most enterprises realize that they need to adopt social business capabilities. However, they require an experienced provider of viable,

proven solutions. NewsGator carries the credentials, stability, focus, technology, and references that most enterprises are looking for in a provider.

## **Key Performance Drivers for NewsGator**

### **Factor 1: Adding Value to Existing Investments**

Prudent decision makers do not adopt the latest technology just to maintain the status quo. Enterprises recognize social-business capabilities as a potential remedy for the bottlenecks in information flows created by traditional top-down reporting structures. When considering any new technology, enterprise leaders have concerns about disrupting established business processes and lack of integration with existing assets.

Content management and email systems are the most entrenched and widely adopted enterprise collaboration tools. Microsoft SharePoint and Exchange are consistently ranked among the market-share leaders in their respective categories. SharePoint and Exchange are integral and critical parts of the way many companies do business. Enterprises have invested significant resources to acquire the technology, build up and maintain their databases, to certify support staff on these platforms, and to train users on how to effectively utilize them. As such, it is natural that when these vested organizations are in search of social business capabilities they demand solutions that augment and extend their established assets.

NewsGator satisfies these requirements with Social Sites 2010, which is specifically designed for easy integration into Microsoft environments. Social Sites brings new, more dynamic, co-creative, contextual communications and collaboration capabilities directly into the structured environments of SharePoint 2010 and Exchange. Tight integration also extends to the back-end where Social Sites 2010 utilizes security policies, user identities, and directories employed with SharePoint and Exchange. Social Sites 2010, therefore, allows organizations to easily and securely expand and strengthen relationships between users and content, and to create new ways of working that can eliminate the bottlenecks of traditional top-down information flows.

### **Factor 2: Competitive Feature Set**

NewsGator Social Sites 2010 incorporates business-grade variants of all the collaboration features that users of consumer social networking tools would expect to help them organize, share, and find resources more effectively. Among these are activity streams, microblogging, user profiles, communities, video, ideation, badging, expertise location, email and mobile integration, and more. The enterprise-ready Social Sites 2010 suite tightly integrates these features with content management, corporate directories, as well as monitoring, reporting, and analytics capabilities that provide the organization with improved insight and oversight to quickly identify both problems and best practices. The coupling of rich user-centric and business-centric features is a powerful combination that can help

streamline communications, and in general, enhance business processes through improved responsiveness.

### **Factor 3: Focus on User Experience**

No enterprise software implementation can be successful without user acceptance. This is particularly true with enterprise social software as a critical mass of users is required for a successful transition to become a social business. To achieve the critical mass of engagement, users must have the ability to choose the client that is most comfortable for them and that best supports their individual tasks.

Social Sites 2010 provides a selection of user interfaces that gives the user a single place to access a range of rich features and applications needed to create, share, and access content. Users can access SharePoint Mobile and Social Sites using a web browser or a desktop client. Alternatively, users can remain within their familiar email client to access Social Sites activities and features as well as via integration with the Outlook Social Connector.

### **Factor 4: Customization**

Enterprises invest in technology to improve business efficiencies and to gain a competitive edge. Since no two organizations are alike in their needs, existing assets, and personnel resources, a one-size-fits-all approach to social-business solutions does not suffice. Therefore, customization is a critical success factor for each and every deployment.

Social Sites 2010 base packages come with capabilities that are horizontally applicable across the marketplace. The features make it easy for organizations to get started on their social business transformation by providing a common set of capabilities that are useful to a majority of their employees.

Multiple value-add modules are available to quickly and easily integrate additional collaboration capabilities (e.g., Idea Stream, Spotlight, and Video Stream), Mobile support, and News Stream (via personal subscriptions and RSS - really simple syndication - feeds).

NewsGator helps decrease the cost and complexity of tailoring Social Sites 2010 to closely match the needs of industries like consumer goods & retail, government & military, financial services, life sciences, professional services, and high-tech & manufacturing.

Social Sites 2010 can be localized to support multi-national and regional requirements. The platform can be implemented to support English, French, German, Italian, Japanese, Korean, Russian, Simplified Chinese, Spanish, Traditional Chinese, and Turkish.

To accommodate varying budgets, levels of in-house expertise and other considerations, NewsGator is offering Social Sites 2010 in a number of deployment options. It can be

implemented as a premises-based platform integrated with premises-based SharePoint 2010. It can be positioned as part of a customer's motivation to upgrade from premises-based SharePoint 2007 to SharePoint 2010.

The NewsGator platform can also be implemented in cloud-based solutions, integrating hosted Social Sites 2010 with SharePoint Online as well as integrated with Microsoft Office 365.

## Conclusion

Today most enterprises realize that they need to adopt social-business capabilities to remain competitive. NewsGator helps enterprises to effectively employ social capabilities, not by disruptive rip-and-replace strategies, but by enhancing the value of existing technology assets in Microsoft environments and engaging employees to improve business processes. Through its proven approach and competitive solutions, NewsGator has been able to provide unmatched value to its customers. Based on Frost & Sullivan's independent analysis of the North American Enterprise Collaboration Solutions market, NewsGator is being recognized with the 2011 Customer Value Enhancement Award.

## The CEO 360-Degree Perspective™ - Visionary Platform for Growth Strategies

The CEO 360-Degree Perspective™ model provides a clear illustration of the complex business universe in which CEOs and their management teams live today. It represents the foundation of Frost & Sullivan's global research organization and provides the basis on which companies can gain a visionary and strategic understanding of the market. The CEO 360-Degree Perspective™ is also a "must-have" requirement for the identification and analysis of best-practice performance by industry leaders.

The CEO 360-Degree Perspective™ model enables our clients to gain a comprehensive, action-oriented understanding of market evolution and its implications for their companies' growth strategies. As illustrated in Chart 5 below, the following six-step process outlines how our researchers and consultants embed the CEO 360-Degree Perspective™ into their analyses and recommendations.

**Chart 2: 360-Degree Perspective™ Model**

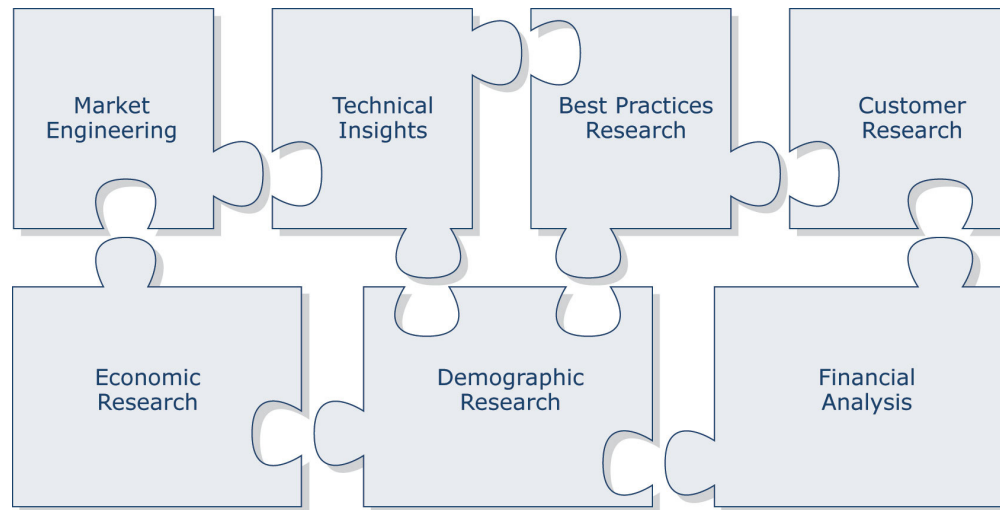


### Critical Importance of TEAM Research

Frost & Sullivan’s TEAM Research methodology represents the analytical rigor of our research process. It offers a 360-Degree view of industry challenges, trends, and issues by integrating all seven of Frost & Sullivan's research methodologies. Our experience has shown over the years that companies too often make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Frost & Sullivan contends that successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. In that vein, the letters T, E, A and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an

evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

**Chart 3: Benchmarking Performance with TEAM Research**



### About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best-practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.