

# Enterprise collaborative technologies: competitor profiling and market analysis

Determining the market potential for the development of  
a continuity management support system for retirees

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## **Executive Summary**

The following report identifies the main competing enterprise collaborative technologies available in the current marketplace and determines the market potential for the development of a continuity management support system for retirees. These products include various collaborative features that can support and allow for older workers to transfer their knowledge prior to and/or after retirement.

The first section of this report comprises of 19 pervasive enterprise collaborative software present in the current enterprise social network (ESN) market. In some cases, the annual revenue, growth and market share of products that hold a significant portion of the current ESN market have also been included. Additionally, this section includes the in-depth profiles and analyses of 4 top competing enterprise collaborative software: *Slack Technologies* - Slack, *Microsoft Corporation* - Yammer, *IBM* - IBM Connections, and *Salesforce.com* - Chatter.

A market analysis was then conducted to determine the viability of developing a new technology that can prevent the loss of organizational knowledge and effectively transfer retiree knowledge. This analysis looks closely at the degree of competition in the ESN market, current market size, rate of market growth, leading vendors and the percentage of shares they've held.

Sources utilized within this report vary; information on the industry and market were obtained through sources such as Ibisworld, International Data Corporation, Gartner and Statistics Canada. In terms of competitor profiling, Mergent Online and International Data Corporation were essential in acquiring company financials and market shares; competitors' websites, social media, online reviews, press releases and news sources were also utilized.

## Competitor Profiling

Technology	Main Features	Price	Customers
<b>Bitrix 24 - Bitrix Inc.</b>	<ul style="list-style-type: none"> <li>- Social Network: activity stream, like button, conversations, badges, announcements, photo gallery, workflow, collaborate by email, and integrates with other social networks</li> <li>- Communications: instant messenger, group chat, voice and video calls</li> <li>- Screen sharing and HD video conferencing</li> <li>- Email</li> <li>-Project Management: workgroups, tasks, calendars, checklists, Gantt charts and more.</li> <li>-Document Management: private and shared documents, document collaboration, versioning, Drive</li> <li>- HRMS: company structure, employee profiles, search</li> <li>- E-learning: create online training courses, conduct tests and certify users</li> <li>- Web forms</li> <li>- Help Desk Service</li> <li>- Mobile Apps</li> </ul>	<u>Cloud Version:</u> Free Plus: \$39/month Standard: (most popular) \$99/month Professional: \$199/month  <u>Self-Hosted Version :</u> BizPace: \$4990 one-time fee BizPace Enterprise: \$14 990	Das Auto Xerox Panasonic Lumix Cosmopolitan Agnitum Famatech Evraz Alawar Games
<b>Communifire – Axero</b>	<ul style="list-style-type: none"> <li>-Content and Collaboration Tools: article and news manager, blogs, file and document management, wikis, pages, events, photo sharing and albums, video sharing, polls and surveys, smart search and homepage</li> <li>- Company Profiles/Directory</li> <li>- Social and Productivity Tools: activity streams, notifications, chat and instant messaging, task Management, personal and shared calendars, forums</li> <li>- Spaces and Groups</li> </ul>	Starter: \$ 50 a month Plus: \$ 250 a month Pro: \$ 500 a month Max: \$1000 a month	Toyota Bravo Web.com About.com Hyundai Dannon
<b>eXo PLATFORM – eXo</b>	<ul style="list-style-type: none"> <li>- Enterprise Social Network: user profiles, connections, activity streams</li> <li>- Collaborative Software: spaces, wikis, forums</li> <li>- Content Management: documents, website creation, unified search</li> <li>- Productivity: dashboards, calendars, task management</li> <li>- Add-ons : instant messaging, video conferencing, application sharing</li> <li>- Mobile Apps</li> </ul>	Professional Plan: starts as 2400 \$ per year  Enterprise Plan: By Quote	CAIXA Mutavie Ona Investigation CITET Ampliato
<b>Facebook at Work- Facebook Inc</b>	<ul style="list-style-type: none"> <li>- Groups</li> <li>- Newsfeed</li> <li>- Instant Messaging</li> <li>- Events</li> <li>- Search: Allows for users to find answers, past group posts or files</li> </ul>	Free	RBS IJM Corporation My Little Paris Telenor Group Heineken

	- Mobile: Work chat app allows user to message instantly, and use voice and video calling			Coldwell Banker
<b>GoToMeeting - Citrix Systems, Inc</b>	-Personal Meeting Rooms (claim a permanent custom URL) -HD Video Conferencing (share up to 6 video feeds per session) -Desktop/Application sharing -Hand over control -One-Click recording -Drawing Tools (use drawing tools while sharing screens) -Virtual Whiteboard -Mobile Apps		Starter: \$24/month Pro: \$39/month (most popular) Plus: \$49 month/month	Unavailable
<b>*Google Apps for Work – Google</b>	Communicate: Gmail, Hangouts, Calendar, Google+* Store: Drive Collaborate: Docs, Sheets, Forms, Slides, Sites Manage: Admin, Vault, Mobile		Google Apps: \$ 5 per user/month Google Apps with unlimited storage and vault: \$ 10 per user/month	Shaw Industries Ocado All Recipes
<b>Worldwide Enterprise Social Networks Revenue (2012–2014 ) (IDC, 2015)</b>				
	2012 : -	2013 : 10.9 million	2014 : 16.6 million	2014 Market Share % : 1.1 2013-2014 Growth % : 52.7
<b>HipChat - Atlassian</b>	- Group Chat and IM, Video chat, Audio chat - Screen sharing - File Sharing and Storage - Search: searchable by keyword, including text, links, files, history and more - @mentions - Mobile Apps		Basic: Free Plus: \$2 per user/month Enterprise for Small Teams: \$10/year for up to 10 users Enterprise All Teams: \$1800 per year (25-5000 users)	Twilio SourceOne Francetv Aeria Games Viadeo Jamf Software Sonatype
<b>*IGLOO - IGLOO Software</b>	- Blogs - Calendars - File Sharing - Forums: liking, brainstorming or problem solving, search and sort - Tasks - Social newsfeed: @mentions, embed links, images, and attachments, conversations by topic - Wikis - People Directory - Spaces: creates areas of collaboration - Search		Standard : \$12 per user/month/billed annually  Expert : Quote	Justfab Golin Ten-x BDO User Testing PROS Saje TigerText Barefoot Proximity Home Instead Belstaff
<b>Worldwide Enterprise Social Networks Revenue (2012–2014 ) (IDC, 2015)</b>				
	2012 : 10.4 million	2013 : 13.5 million	2014 : 16.0 million	2014 Market Share % : 2013-2014 Growth % :

				1.1	18.0
<b>*Jive-n - <i>Jive Software Inc</i></b>	- Team Collaboration through: real-time chat and instant messaging, profiles, blogs, groups, discussions, document collaboration, smart search, events, polls - Employee Directory - News: users can create personalized activity streams - Engagements and Rewards: users can earn points, levels and badges - Integrations: integrates with Outlooks, Gmail, Microsoft Office, Google Docs, SharePoint, Dropbox, Box, Jabber and more. - Analytics: impact metrics on content, sentiment score, views and shares - Mobile Apps			Select: starting at \$5 per user/month  Premier: starting at \$9 per person/month  Premier +: starting at \$16 per person/month	MarketStar Bluegreen Vacations FICO T Mobile Lafarge
	<b>Worldwide Enterprise Social Networks Revenue (2012–2014 ) (IDC, 2015)</b>				
	2012 : 102.3 million	2013 : 130.5 million	2014 : 162.2 million	2014 Market Share % : 11.1	2013-2014 Growth % : 24.3
<b>*Jabber – <i>Cisco</i></b>	- Instant Messaging (1:1, group, within and outside organization, and instant messaging history ) -Desktop Share - IP Voice and Video Telephony: video display and voice conversation with a soft phone - Conferencing: group chat and audio conferencing - Mobile Apps - Integrates with Microsoft Office			Contact Sales	Odeabank Eagle Investment Systems Pella Corporation Avodaq AG Sonora Bank TechSpace
	<b>Worldwide Enterprise Social Networks Revenue (2012–2014 ) (IDC, 2015)</b>				
	2012 : 2.0 million	2013 : 1.4 million	2014 : 1.6 million	2014 Market Share % : 0.1	2013-2014 Growth % : 18.0
<b>Kaltura – <i>Kaltura</i></b>	- Web Conferencing and Analytics - Interactive Video Quizzing - Video Upload and Ingestion: includes audio, images and documents -Video Transcoding and Processing -Lecture Capture: capture and manage recorded videos of lectures -Video Management and Video Publishing -Video Discovery, Search and Accessibility			Starts at \$ 1000 per month	HBO TMZ Philips MetLife SAP Paramount Walmart Nestle WB Dartmouth NYU Stanford University
<b>Oracle Social Network – <i>Oracle Corp</i></b>	- Real-time chat - Multimedia: text, content, video and voice all within a stream			Part of Oracle Sales Cloud Standard Edition: from \$ 100	Apex IT Kinglai Group

	<ul style="list-style-type: none"> <li>- Sharing: internal and external collaboration</li> <li>- Application Integration</li> <li>- Information feeds</li> <li>- Real-time, Share Document Markup</li> <li>- Web and Application Conference Sharing</li> <li>- Search</li> </ul>	user/month Enterprise Edition: from \$ 200 user/month Premium Edition: from \$ 300 user/month	Crm Now
<b>Redbooth- Redbooth</b>	<ul style="list-style-type: none"> <li>- File Sharing</li> <li>- 1:1 and Group chat</li> <li>- HD Video Conferencing ( up to 100)</li> <li>- Screen sharing</li> <li>- Task Management</li> <li>- Gantt Charts and calendars</li> <li>- Mobile apps</li> </ul>	Small Teams: PRO \$5 \$/user/month Companies: BUSINESS \$15/user/month Highly regulated Industries: Private Cloud \$30/user/month	Penn State University Atech Nectere Kelly services Brightfield Strategies Fenexy MobileZApp
<b>Samepage - SamePage</b>	<ul style="list-style-type: none"> <li>- Messaging (1-on1, team, or alongside content)</li> <li>- Video Call with Google Hangouts</li> <li>- File Sharing: content management, cloud content integration</li> <li>- Pages and Project Management</li> <li>- Workflow Tools: task management, shared calendar</li> <li>- Mobile Apps</li> </ul>	Free: \$0/ unlimited users  Pro : \$10/user/month OR \$100/user/year	The University of Tokyo WindStar Cruises REGUS Shillington
<b>*Social Cast- VMware Inc</b>	<ul style="list-style-type: none"> <li>- File Sharing and Discussion</li> <li>- Chat</li> <li>- Email Notifications</li> <li>- Groups: share information, projects and self-organize</li> <li>- Challenges: brainstorm new ideas or tackle complex problems with the entire organization</li> <li>- Project Management</li> <li>- Search</li> <li>- Company Profiles</li> <li>- Mobile Apps</li> </ul>	Hosted SaaS: \$2.58* user/month, 1000+ users  On-Premise: \$7.58* user/month, 500+ users	3M Archant FactSet Humana Philips Psi Sas DirecTV Siemens Global Blue
<b>Worldwide Enterprise Social Networks Revenue (2012–2014 ) (IDC, 2015)</b>			
	2012 : 4.7 million	2013 : 6.6 million	2014 : 8.0 million
			2014 Market Share % : 0.5
			2013-2014 Growth % : 21.7
<b>*Socialtext - Socialtext</b>	<ul style="list-style-type: none"> <li>- Customizable Dashboard</li> <li>- Idea Voting, Idea Tracker, Idea Creator</li> <li>- Mentoring Assignments: assigns experts and pairs them with employees</li> <li>- Social Networking: Profiles pages and Groups</li> <li>- Content Creation : wikis, online spreadsheets, and blogs</li> <li>- Project Management</li> <li>- Advanced Search</li> <li>- Interactive Video: record, host, stream videos</li> </ul>	Per user/per month subscription	McKesson Avaya Blue Man Group Western Bulk PeopleFluent iCrossing RelayHealth Epitaph Records

	- Mobile Apps				
	<b>Worldwide Enterprise Social Networks Revenue (2012–2014 ) (IDC, 2015)</b>				
	2012 : 34.6 million	2013 : 34.8 million	2014 : 35.2 million	2014 Market Share % : 2.4	2013-2014 Growth % : 1.4
<b>*Tibbr – TIBCO</b>	<ul style="list-style-type: none"> <li>- Chat</li> <li>- Content Sharing</li> <li>- Microblogging</li> <li>- Profiles</li> <li>- Subjects: link projects or teams together with tasks, discussions and documents. Allows users to follow subjects and add subjects to a directory</li> <li>- Events: coordinate and plan events</li> <li>- Search: search for users, subjects, discussions or documents</li> <li>- Notifications</li> <li>- Insights: allows users to discover discussion, polls, updated profiles etc.</li> <li>- Mobile Apps</li> </ul>			Contact Sales	Men's Wearhouse Yellow Pages Macy's CGI Thomson Reuters Kronos Tieto InterPortPolice
	<b>Worldwide Enterprise Social Networks Revenue (2012–2014 ) (IDC, 2015)</b>				
	2012 : 10.0 million	2013 : 12.2 million	2014 : 14.9 million	2014 Market Share % : 1.0	2013-2014 Growth % : 22.2
<b>*Zimbra Talk -Zimbra</b>	<ul style="list-style-type: none"> <li>- Audio and Videoconferencing</li> <li>- Chat</li> <li>- File Sharing</li> <li>- Collaborative document creation</li> <li>- Screen sharing</li> <li>- Automatic Contact List Population</li> <li>- Mobile Apps</li> </ul>			By Quote	Ring Line TIGC XMission Hola
	<b>Worldwide Enterprise Social Networks Revenue (2012–2014 ) (IDC, 2015)</b>				
	2012 : 39.1 million	2013 : 47.9 million	2014 : 65.3 million	2014 Market Share % : 4.5	2013-2014 Growth % : 162.2
<b>Zyncro – Zyncro</b>	<ul style="list-style-type: none"> <li>-Microblogging and Activity Streams: personal, corporate and department news, private messages, work group messages, events</li> <li>- Document Management</li> <li>- Task and Project Management</li> <li>- Profile Management</li> <li>- Groups: share messages, upload and edit files</li> <li>- Search Function</li> <li>- Mobile Apps</li> </ul>			By Quote	Telefonica Aon Sage Starbucks Coffee Audi Eat out Adecco Kokuyo



## IBM Connections - IBM

Background					
<b>Type:</b> Public Company <b>Founders:</b> Charles Ranlett Flint <b>Company Established:</b> 1911 <b>Connections Launch:</b> 2007 <b>Headquarters:</b> One New Orchard Road, Armonk, NY 10504 United States   Phone: 914 499-1900   Fax: 914 765-4190 <b>Other Locations:</b> Latin America, Africa, Middle East, Europe, Asia Pacific <b>CEO:</b> Virginia Rometty  (Mergent Online, 2016a)			<b>Key Events:</b> 2015– Ranked # 1 market share holder for 5 years in a row for Enterprise Social Networks software (IDC, 2015) 2015– Named a leader in the Gartner Magic Quadrant for Social Software in the Workplace (Gartner, 2015) 2015– IBM commissions Forrester Consulting to research into the Total Economic Impact and the potential return on investment for companies utilizing IBM Connections (Schick, 2015). 2016– IBM and Cisco announces that they will work together to develop enterprise collaboration software. Initial products will integrate Cisco's Spark and WebEx with IBM’s Verse and Connections. Both companies hope to gain a larger share of the enterprise collaboration market from competitors like Microsoft and Slack Technologies (Lunden, 2016).		
Market Capitalization	Revenue	Net Income	Revenue per Share	PE Ratio	#of Employees
155,581,041,3400 (Mergent Online, 2016a)	80,836,000,0000 (Mergent Online, 2016a)	12,876,000,0000 (Mergent Online, 2016a)	84.06 (Mergent Online, 2016a)	12.2967 (Mergent Online, 2016a)	377,757 (Mergent Online, 2016a)
Worldwide Enterprise Social Networks Revenue 2012–2014 (\$Million) (IDC, 2015)					
2012 :142.7	2013 :172.7	2014 :185.5	2014 Market Share % : 12.7	2013-2014 Growth % : 7.4	
IBM Connections					
<b>Product Mission and Objectives</b>  "Business social network platform helps improve knowledge sharing, decision-making and innovation" “IBM Connections is a leading business social network platform that helps you get work done. Connections allows your organization to engage the right people, accelerate innovation and deliver results. Using this business social network, you can confidently share knowledge beyond traditional organizational boundaries. Connections can help you improve decision-making, increase productivity and			<b>Features:</b> - IBM Verse email and Calendar - includes spam and antivirus - Blogs - Communities - Profiles - Wikis - Instant messaging - Web Meetings ( up to 200 participants) which includes video		

<p>accelerate time to market on a platform that is delivered on premises or as software as a service on IBM Cloud.</p> <p>IBM Connections can help you:</p> <ul style="list-style-type: none"> <li>• Empower people. Innovate anywhere—mobile, web and desktop, even offline.</li> <li>• Engage people. Filter out the noise and illuminate ideas.</li> <li>• Inspire innovation. People-centric platform allows ideas and communities to thrive.</li> <li>• Trust people and extend technology. Safely collaborate with customers and partners, bringing them into the conversation”</li> </ul> <p>(IBM, 2016c)</p>	<p>casting, desktop and application sharing and polling</p> <ul style="list-style-type: none"> <li>- File sharing and Collaborative Document editor</li> <li>- Ideation, Forums, Surveys, Activity Streams, Desktop Plugins</li> <li>- Up to 1 TB for files, 50 GB for communities and 50 GB for Verse</li> <li>- Mobile apps</li> </ul> <p>(IBM, 2016a)</p>
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Pricing	Notable Customers	Social Media	Website Traffic Rank
<p>IBM Connections Social Cloud: \$6 month/user</p> <p>IBM Connections Cloud S2: \$8 month/user</p> <p>IBM Connections Cloud S1: \$10 per month/user (most popular)</p> <p>IBM Connections 5.0 On-Premise: Contact Sales</p> <p>(IBM, 2016b)</p>	<p>Gwinnett County Public Schools</p> <p>Bengt Dahlgren</p> <p>Ibml</p> <p>SSP</p> <p>Yamato Financial co., LTD</p> <p>Havas</p> <p>Mears Group</p> <p>Squarepeg Leadership</p> <p>(IBM, 2016d)</p>	<p>Facebook (IBM): 824 835 likes (2016b)</p> <p>Instagram(IBM):92.2 k followers (2016a)</p> <p>Twitter(IBM): 315 k (2016b)</p> <p>LinkedIn: (IBM) 3,025,318 followers (2016a)</p>	<p>- IBM.com</p> <p>Global: 618</p> <p>USA: 412</p> <p>(Alexa, 2016a)</p>

## Analysis

Recognized as an innovator in collaboration and communication software, IBM is a well-established and reputable competitor in the enterprise social networking market (Gartner, 2015). IBM's collaborative solution, IBM Connections, has dominated the ESN market for 5 years in a row – in 2014, IBM earned a revenue of 185.5

million and controlled a 12.7% worldwide market share. In 2015, IBM Connections was ranked second to Microsoft's Yammer, as one of the ESN market leaders in the Gartner Magic Quadrant for Social Software in the Workplace. IBM Connections is also one of the few products to offer customers both an on-premises and cloud-based solution; this has allowed IBM to maintain a competitive edge in the current ESN market. Although IBM's standing may change as cloud-based solutions become more pervasive, IBM Connections is at a competitive advantage because of the comprehensiveness of its system. This system allows for effective collaboration through a variety capabilities such as blogs, wikis and instant messaging while also including content management features such as file sharing and editing.

When considering IBM Connections as a viable solution for the transfer of retiree knowledge, a few key issues must be carefully taken into account. Although IBM Connections is praised for its comprehensive system, the technology's numerous capabilities can make it quite difficult for users to navigate – this can prove to be particularly challenging for older workers or retirees of an organization. Although IBM's Connections is aimed at specifically allowing users to communicate and collaborate across organizational boundaries, the product's design does not consider intergenerational differences nor how the knowledge of older workers can be effectively shared. The various product and deployment options can also create complex costs, configuration and support needs for both the on-premises and cloud-based deployments (Gartner, 2015). This can make it difficult for an organization to maintain and integrate IBM Connections into their daily workflow (Gartner, 2015). Moreover, IBM is currently focused on promoting Verse as its "next-generation business email solution," a marketing

strategy which may be viewed by customers as a move away or a lack of specialization in enterprise

collaborative networks (Gartner, 2015). However, this may be alleviated by IBM and Cisco's joint venture in developing enterprise collaborative software in the coming years.

## Yammer - Microsoft Corporation

Background					
<b>Type:</b> Formerly a private start-up <b>Founders:</b> David O. Sacks and Adam Pisoni <b>CEO:</b> David O. Sacks <b>Company established:</b> 2008 <b>Microsoft's Acquisition of Yammer:</b> June 25, 2012 Headquarters: 1355 Market St Ste 300, San Francisco, CA 94103-1314   Phone: (415) 968-5851 <b>Other Locations:</b> London and Redmond <b>Microsoft CEO:</b> Satya Nadella  (Mergent Online, 2016b)			<b>Key Events:</b> 2012 – Microsoft acquires Yammer for 1.2 billion (Worth, 2013) 2014 – Microsoft moves Yammer into Office 365 and Outlook Development teams; Yammer Co-Founder David O Sacks leaves Microsoft and Yammer (Wilhem, 2014) 2015 –Ranked # 4 market share holder for Enterprise Social Networks software (IDC, 2015) 2015 – Named #1 leader in the Gartner Magic Quadrant for Social Software in the Workplace (Gartner, 2015) 2016 – Microsoft integrates Yammer into Office 365, making it available to all Office 365 customers (Moore-Colyer, 2016)		
Market Capitalization	Revenue	Net Income	Revenue per Share	PE Ratio	#of Employees
444,666,618,190 (Mergent Online, 2016b)	86,886,000,000 (Mergent Online, 2016b)	10,179,000,000 (Mergent Online, 2016b)	11.01 (Mergent Online, 2016b)	44.1953 (Mergent Online, 2016b)	118 000 Microsoft total (Mergent Online, 2016b) 201-500 Yammer specific (LinkedIn, 2016d)
Worldwide Enterprise Social Networks Revenue 2012–2014 (\$Million) (IDC, 2015)					
2012: 44.0	2013: 76.0	2014: 97.2	2014 Market Share % : 6.7	2013-2014 Growth % : 27.9	
Yammer					
<b>Product Mission and Objectives:</b>  "Where Teamwork happens - Bring your team together on Yammer. Make better decisions, faster."		<b>Features:</b> - Groups: creates workspaces for teams and communities by providing a place for conversations, files, updates and more.		<b>Pricing:</b>  Basic: Free	

<p>1. Bring your team together: Yammer makes it easy to quickly bring your team together so they can have conversations, collaborate on files, and more.</p> <p>2.Work smarter and faster in teams: Yammer is built around open communication so team members can get up to speed, have greater context around the work they are doing, and make better decision</p> <p>3. Scale your impact across teams: Yammer provides one view across teams so you can manage multiple projects and share your knowledge across your company.</p> <p>(Microsoft. (2016a)</p>	<p>- External Collaboration: add partners, customers and vendors to group conversations. Feature also allows for the creation of dedicated external groups and networks</p> <p>- Search: search for experts, conversations, and files</p> <p>- Inbox and Notifications</p> <p>- Discovery Feed: keeps users up to date on people, information and groups relevant to that specific user</p> <p>- Integrates with Microsoft Office</p> <p>- Mobile Apps: IOS, Android and Windows</p> <p>(Microsoft. (2016b)</p>	<p>Enterprise: \$3 user/month</p> <p>Yammer Enterprise is free with the select Office 365 plans</p> <p>Microsoft (2016c)</p>	
Customers	Social Media	Awards	Website Traffic Rank
<p><b>Number of Users:</b></p> <p>- Prior to Microsoft's acquisition in 2012, Yammer already had 5 million corporate users (Reuters, 2012)</p> <p>- 2013, 8 million users (Wiens, 2013)</p> <p>- 2014, As a part of Office 365, over 500 000 organizations are using Yammer (Foley, 2014)</p> <p>- 2016, 85% of Fortune 500 Companies use Yammer (Microsoft, 2016a)</p> <p><b>Notable Customers:</b></p> <p>EBay, Razorfish , 7 Eleven, Nationwide, Capgemini, Shell, DHL, British Airways, Buckman, Finnair, Goodyear, Heinz, Modcloth, Telefonica, Suncorp, Red Robin, Verizon, UNICEF, Xerox (Microsoft, 2016a)</p>	<p>Twitter: 62.2 k followers (2016d)</p> <p>Facebook: 58 044 likes (2016d)</p> <p>Instagram (Microsoft): 547 k followers (2016b)</p> <p>LinkedIn: 18,629 followers (2016d)</p>	<p>(2008) TechCrunch50 (Schonfeld, 2008)</p> <p>(2012) V3 Award</p> <p>- Best Business Social Media Product</p> <p>- Best Acquisition (Page, 2012)</p>	<p>-Yammer.com</p> <p>Global : 1972</p> <p>USA: 1497</p> <p>(Alexa, 2016d)</p>

## Analysis

Microsoft's Yammer is another important player in the current enterprise social software market. Similar to IBM, Microsoft is a securely positioned competitor that has developed a diverse product line, which targets a

wide audience and incorporates many social capabilities (Gartner, 2015). In 2014, Microsoft's solution earned a revenue of 97.2 million and held a 6.7% worldwide ESN market share. A key difference between IBM Connections and Yammer is that in addition to holding the 4th most market share in enterprise social software, Yammer is also featured frequently in the press as a well-reviewed, top enterprise social collaborative software. Yammer's popularity and pervasiveness is evidenced by its current customers – 85% of Fortune 500 Companies are currently using Yammer. In 2015, Yammer was ranked as the #1 leader in the Gartner Magic Quadrant for *Social Software in the Workplace*.

Yammer is recognised for its clear interface and easy to learn and use design (PC, 2016). Yammer also provides customers with a Basic version of the product free of charge. This freemium model strategically lowers pre-sales overheads and allows for many cross-sell opportunities, which has aided Microsoft to maintain a secure standing in the market (Gartner, 2015). Additionally, there is a mounting interest among organizations to adopt and utilize Office 365 and Microsoft's related products, including Yammer – it will be very difficult for Microsoft to lose its status as a leader in social software (Gartner, 2015).

Several weaknesses could influence Yammer's position in the current ESN market and affect the product's viability as solution that can support and encourage the transfer of retiree know-how. Yammer does not include a real-time chat capability, unlike competitors IBM Connections and Slack. Features in Yammer and other Microsoft products have, for example, been mismatched. Microsoft has implemented a "group" concept differently in both Office 365 and Yammer; Microsoft's SharePoint news feed functionality also overlaps with Yammer's activity stream (Gartner, 2015). These mismatches have caused confusion for many users. As

Microsoft continues to develop new products and ways to access all of Office 365's features, the overall product becomes harder to utilize and understand. This is made even more complicated with the integration of Yammer into Office 365. Although Yammer encourages and enables enterprise collaboration and knowledge sharing, like IBM, its purpose is not to bridge the technological gap between older and younger workers. The increasing complexity of Microsoft's collaborative and social products will make it difficult for users of all generations to navigate all of its capabilities; IT managers, for example, are already finding it difficult to navigate Microsoft's products (Gartner, 2015). In order to compete with competitors and maintain its position in the marketplace, Yammer is largely centred at meeting the collaborative needs of large enterprises/businesses.

## Chatter - Salesforce.com

Background					
<b>Type:</b> Public Company <b>Founders:</b> Marc Benioff and Parker Harris <b>Company established:</b> 1999 <b>Chatter Software Launch:</b> 2010 <b>Related Software:</b> Salesforce Communities <b>Headquarters:</b> Suite 300, The Landmark @ One Market San Francisco, CA 94105   Phone: 1 415 536 6250   Fax: 1 415 901 7040 <b>Other Locations:</b> Over 40 other locations - in the United States, Canada, South America, Europe, Middle East, Africa, and Asia Pacific <b>CEO:</b> Marc Benioff (Mergent Online, 2016c)			<b>Key Events:</b>  2013— Salesforce adds a 'Topics and Expertise' tool to Chatter in order to increase expert discovery (Miller, 2013) 2015— Named a leader in the Gartner Magic Quadrant for Social Software in the Workplace (Gartner, 2015) 2015 – Ranked # 3 market share holder for Enterprise Social Networks software (IDC, 2015) 2015— Salesforce is ranked #8 as one of Fortune's 100 Best Companies to Work For; seventh year in a row (Fortune, 2016)		
Market	Revenue	Net Income	Revenue per	PE Ratio	#of Employees

Capitalization			Share		
55,927,625,000 (Mergent Online, 2016c)	7,072,652,000 (Mergent Online, 2016c)	-12,759,000 (Mergent Online, 2016c)	10.44 (Mergent Online, 2016c)	NE (Mergent Online, 2016c)	19 000+ employees (Mergent Online, 2016c)
Worldwide Enterprise Social Networks Revenue 2012–2014 (\$Million) (IDC, 2015)					
2012 : 29.6	2013 : 91.2	2014 : 161.6	2014 Market Share % : 11.1	2013 - 2014 Growth % : 77.2	
Chatter					
<b>Product Mission and Objectives:</b> "Take action at the speed of social." 1. Drive Productivity: Connect employees to work efficiently across organizational boundaries. 2. Accelerate Innovation: Ensure that the best ideas come to light. 3. Share Knowledge: Capture the wisdom of your entire organization. 4. Take Action Anywhere: Whatever you need, whenever you need it.  (Salesforce, 2016c)		<b>Features:</b> - Groups: create groups for teams, events and more. Allows for files, records with groups, integrate video and invite new members. Messenger unavailable after the 2016 spring release. - Feeds: keeps users up-to-date. Files, videos, images and other assets can be posted directly onto the feeds - Topic Pages: collects and presents up-to-date content to the community through the network. Topics gather posts and answers, suggest groups, experts, files and more -Recommendations: recommends people, files and information based on the user’s activities and interests. Content is presented in a personalised feed or profile page - File Sharing and Collaboration (documents, videos and presentations) - Shared calendar, events and polls - Answers: structure and publish answers to common questions that users can easily access - Actions: feeds that allow users to ie. approve expense reports, update order and more - Engagement: contribution scoring and badging to encourage employee participation -Mobile Apps  (Salesforce, 2016c)			<b>Pricing:</b>  Chatter Free (non-Salesforce users can access basic features such as people, profiles, groups, and files)  Chatter-Plus: \$15/user/month  Chatter is included in all paid Salesforce licenses  (Salesforce, 2016b)
Customers		Social Media	Awards		Website Traffic Rank



<p><b>Number of Users:</b>          2010, 6 months after its launch, over 60 000 companies has subscribed to Chatter (Salesforce.com, 2010)          2012, 150 k Chatter Networks (Bort, 2012)          2013, 195 k Chatter Networks (Salesforce.com, 2013)</p> <p><b>Notable Customers:</b>          Advanceit , Canon, City of Boston, Delta , Duha Group, Electronic Arts          Esri Canada, G Adventures, Kimberly-Clark, LivingSocial, L’Oreal USA          Mindfield, NBCUniversal, Philips, Sun Life Financial, TELUS, Toms, Wells Fargo Bank, Yamaha Corporation          (Salesforce, 2016d)</p>	<p>Twitter: 17.6 k followers (2016a)</p> <p>Facebook: 18 532 likes (2016a)</p> <p>Instagram (Salesforce): 21.9k followers (2016c)</p> <p>LinkedIn (Salesforce): 652,016 followers (2016b)</p> <p>YouTube (Salesforce): 69 573 subscribers (2016)</p>	<p>(2010) TMC Social CRM Award:          - Social CRM Award          - Up-Start Awards: Audience Award – Most Innovative Cloud Provider</p> <p>(2012) Software Satisfaction Award in the Social and Collaboration Categories</p> <p>(2013) UBM Social Business Awards: GE Capital          (Salesforce, 2016a)</p>	<p>Salesforce.com</p> <p>Global: 132          USA: 40</p> <p>(Alexa, 2016b)</p>
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## Analysis

Salesforce.com's Chatter is another collaborative software that is both reputable and holds a significant share of the worldwide ESN market. In 2014, Salesforce.com controlled the second most market share of 11.1 %, valued at \$161.6 million (IDC, 2015). Chatter was also named a leader in the Gartner Magic Quadrant for *Social Software in the Workplace* and the software has won several awards including a Software Satisfaction Award in the Social and Collaboration Categories (2012), and a UBM Social Business Award (2013)(Gartner, 2015; Salesforce, 2016a). Salesforce is positioned well in the collaboration and communication market because the company specializes solely on developing collaborative social software such as customer relationship management, online communities and enterprise social networks.

Chatter delivers an enterprise social network that is reminiscent of social networking sites like Facebook and Twitter – there is a familiarity to Chatter’s interface which makes the product well-liked (Bradley, 2010). Like Yammer, Salesforce.com also provides non-Salesforce users with a Chatter free option. The technology itself includes an extensive list of interactive capabilities and has recently incorporated features like file sharing and real-time collaboration. Chatter is also frequently featured in the literature as a leading enterprise social collaborative software. Chatter's pervasiveness and popularity is made apparent by the diverse list of well-known companies that are currently using Chatter, which include LivingSocial, L’Oreal USA, NBCUniversal, Philips, Sun Life Financial, TELUS and more (Salesforce, 2016d)– however, like its competitors, Chatter is a product that is marketed and aimed exclusively at meeting the collaborative needs of large enterprises.

It is important to note that Salesforce.com primarily develops and sells customer relationship management (CRM) software. Therefore, among competitors, Salesforce.com is positioned and known as a company in the market that specializes mainly in CRM software rather than social enterprise networks (Gartner, 2015). Additionally, the adoption of Chatter as a stand-alone is rather uncommon unless users have already subscribed to Salesforce's other CRM products – Chatter is automatically included in all Salesforce paid licenses which can account for the product’s pervasiveness (Gartner, 2015). To truly benefit from all of Chatter’s features, organizations are almost expected to subscribe to a Salesforce licence. Though Salesforce argues that Chatter is a general-use solution that is independent from sales and other CRM applications, Chatter is commonly viewed as application-specific rather than a general-use solution (Gartner, 2015).

Like Yammer, Chatter is also at a disadvantage due to its lack of real-time chat feature; this feature was removed in the Spring 2016 edition of Chatter. Chatter and Salesforce's other products also aim at primarily meeting the needs of large corporations focused on CRM, collaboration and knowledge-sharing. Although Chatter's features include key methods for knowledge transfer such as Groups, Feeds, and Topic Pages, the technology does not consider seniors as its main target group nor does it take into account best ways to transfer knowledge across generations.

## #slack- Slack Technologies, Inc.

Background				
<b>Type:</b> Private Start-up <b>Founders:</b> Stewart Butterfield, Eric Costello, Cal Henderson, Serguei Mourachov (Kumparak, 2015) <b>Company established:</b> 2009 in Vancouver, BC, Canada (Bloomberg, 2016) <b>Slack Software Launch:</b> 2013 <b>CEO:</b> Daniel Stewart (Steve) Butterfield <b>Headquarters:</b> 155 5th ST FL 6, San Francisco CA 941032919   Phone: 415 373-8825 (Bloomberg, 2016) <b>Other Locations:</b> Vancouver and Dublin		<b>Key Events:</b> 2013– Upon its launch, Slack signs up 8000 companies in only 24 hours (Koetsier, 2013) 2014 – Slack receives a 120 million investment from Keline Perkins Caufield & Byers and Google Ventures - the company's valuation reaches 1.12 billion (MacMillan, 2014) 2014 – Slack is named the "Billion Dollar Accident" (Levy, 2014) 2015 – Slack signs a deal that increases funding to \$160 million, valuing the company at 2.76 billion. New investors included in this deal are: Institutional Venture Partners, Horizons Ventures, Index Ventures and DST Global (MacMillan, 2015) 2015– The company is ranked the fastest growing enterprise software ever by Business Insider (Kim, 2015)		
Annual Revenue	Company's Valuation	Funding Raised	#of Employees	Website Traffic Rank
\$64 million (Chernova, 2016)	3.7-3.8 billion (Gage, 2016)	Over \$ 540 million since the launch of #slack (Gage, 2016)	369 (Chernova, 2016)	- Slack.com Global: 284 USA: 168 (Alexa, 2016c)

				(Alexa, 2016c)
<b>#slack Software</b>				
<b>Features:</b> <ul style="list-style-type: none"> <li>- Channels: ability to make a channel for a project, topic, team and more</li> <li>- Private channels: for sensitive information private channel can be created. Users must receive invitation to join these particular channels.</li> <li>- Direct messaging: 1:1 and groups calls and a unified directory</li> <li>- Sharing: drag, drop and share all files, images, PDFs, documents and spreadsheets. Includes files storage. Slack can be synced with Google Drive, Dropbox or Box</li> <li>- Indexing: everything stored in Slack is automatically indexed, archived, and can be searched</li> <li>- Mobile Apps : IOS, Android and Windows Phone</li> </ul> <p>(Slack, 2016b)</p>		<b>Pricing:</b> <p>Free: \$0</p> <p>Standard: \$6.67/user/month (includes everything in Free)</p> <p>Plus: \$12.50 user/month (includes everything in Standard)</p> <p>Enterprise: coming soon (2016) (includes everything in Plus)</p> <p>(Slack, 2016a)</p>		<b>Number of Users:</b> <p>Feb 2016: 2.3 million and over 675,000 paid users (Chernova, 2016; Yeung, 2016)</p> <p>May 2016: 3 million and growing and over 930,000 paid users (Kokalitcheva, 2016; Yueng, 2016)</p> <p>May 2016: 77 of Fortune 100 use Slack (Yueng, 2016)</p> <p><b>Users Locations:</b></p> <p>48% in the U.S. and Canada.</p> <p>30% in Europe</p> <p>20% in Asia (Wall Street Journal, 2016)</p> <p><b>Notable Customers:</b></p> <p>Airbnb, CNN, Buzzfeed, Dow Jones, EBay, Expedia, Harvard University, Intuit, LinkedIn</p> <p>McKesson, Conde Nast, NBC Universal ,Ogilvy</p> <p>Samsung, Ticketmaster, TIME, Urban Outfitters, Wall Street Journal, NASA (Slack, 2016c)</p>
<b>Awards</b>		<b>Social Media</b>		<b>Advertising</b>
<p>(2015) 8th Annual Crunchies Awards</p> <ul style="list-style-type: none"> <li>-Fastest-Rising Start-up (Runner-up)</li> <li>-Best Enterprise Startup (Finalist)</li> <li>- Best New Startup of 2014 (Finalist)</li> <li>- Founder of the Year (Winner) (TechCrunch, 2015)</li> </ul> <p>(2016) 9th Annual Crunchies Awards</p> <ul style="list-style-type: none"> <li>-Best Overall Startup (Runner-up)</li> <li>-Fastest Rising Startup (Winner)</li> <li>-Founder of the Year (Winner) (Lardinois, 2016)</li> </ul> <p>(2016) InfoWorld's Technology of the Year Award (Info World Staff, 2016)</p>		<p>Twitter: 240 k followers (2016c)</p> <p>Facebook: 35 772 likes (2016c)</p> <p>Instagram: 1910 followers (2016d)</p> <p>LinkedIn: 35,445 followers (2016c)</p>		<ul style="list-style-type: none"> <li>- Initially, Slack did not employ salespeople. The company largely relied and continues to rely on word-of-mouth and some paid advertising. 70% percent of its new customers are based on referrals.</li> <li>- CEO Stewart Butterfield argues that "this is how we have grown so far, and we'd like to continue this forever, which is — people really like it and so they tell other people about it, and then other people start using it"</li> <li>- In November 2015, Slack launched its first billboard campaign</li> <li>-2016, Slack has hired a sales team and is in the process of hiring more sales people (Kim, 2016)</li> </ul>

Corporate Strategies	
<b>Product Mission and Objectives</b> "Team Communication for the 21 <sup>st</sup> Century" "Slack brings all your communication together in one place. It's a real-time messaging, archiving and search for modern teams. " (Slack, 2016b)	<b>Growth Plans</b> 2015– Slack prepares for an Initial Public Offering and has launched a "IPO readiness" Program. The company may go public by April 2017 (Constine, 2015)

## Analysis

It is important highlight that Slack Technologies is a private start-up that was only established in 2009 and its collaborative solution, #slack, was only recently launched in 2014. Slack is, therefore, not yet considered a major player in the ESN market. However, not being aware of Slack, nor considering it as an important competitor would be an inaccurate evaluation of Slack's position among other competing technologies. In only two years, Slack Technologies is already valued at 3.8 billion and in 2015, the company made a revenue of 64 million (Gage, 2016; Chernova, 2016). Slack is overwhelmingly referred to and positively reviewed as one the fastest growing and most successful collaborative software by various technology review outlets such as PC Mag, GetApp, G2crowd, and Finances Online. Slack has received a lot of press and is often compared and pitted against Microsoft's Yammer, Salesforce's Chatter, Facebook's Facebook for Work, and Atlassian's Hipchat – Slack is appropriately recognized as a software to look out for. Slack has an incredible following on social media and is already utilized by many notable companies such as Airbnb, CNN, BuzzFeed, Dow Jones, EBay, Expedia and more. Slack has also won several awards at the 8<sup>th</sup> and 9<sup>th</sup> annual Crunchies awards and the company won

the 2016 InfoWorld's Technology of the Year Award. With such a backing, Slack is considered an effective tool for enterprise collaboration and communication.

Although Slack has a popular following, the private start-up is at a considerable disadvantage when competing with large and well-known corporations like Microsoft, IBM and Salesforce.com. Slack may need to consider going public especially in light of recent developments in the ESN market place. Atlassian, an important competitor that has had a similar starting to Slack has recently gone public and now holds a significant portion of the ESN market. New emerging competitors have also entered the ESN market like Facebook's Facebook at Work.

A major criticism that Slack has to contend with is the overall design of the technology, which makes this collaborative solution a poor choice for the transfer of retiree knowledge. The design of Slack has been described as counter-intuitive, requiring thoughtful use for this tool to be effective (Duffy, 2015). The design is unclear, complex and disorganized, and relies on employees to understand the nuances of the software such as tagging and creating and maintaining topics (Duffy, 2015). Slack, arguably requires hours, perhaps even weeks for users to fully adjust to the software (Duffy, 2015). For these reasons, this solution is not considered the most user friendly competitor in the market and would pose considerable difficulty for older employees using this software. Although a popular choice for many companies, it is important to emphasize that Slack is not intended nor designed to manage and transfer retiree knowledge.

## Industry/Market Analysis

### Software Publishing - NAICS 5112

The Canadian Software Publishing industry comprises of organizations dedicated to publishing computer software. Software publishers may be involved in a number of activities such as designing software, marketing and disseminating products, producing and distributing support materials and providing installation and support services to customers (StatsCan, 2016).

### Enterprise Social Network Market Definition:

The Enterprise Social Software Market is geared towards providing users with social/collaborative capabilities. An ESN enables a business to establish a social workflow (inside or outside the organization's firewall) (IDC, 2015). ESNs can be independent, standalone and/or APIs, or an integrated application that works with other business and communication tools (IDC, 2015).

Within the Software Publishing Industry, the development of Enterprise Social Software is a division within the Business Analytics and Enterprise Software segment. Business Analytics and Enterprise Software is the second largest segment and makes up 25 % of this \$8.8 billion industry.

### Features in an enterprise social network may include:

- instant messaging
- file sharing
- video/audio conferencing
- activity streams
- blogs
- wikis
- microblogging
- forums
- groups
- ideas
- directories/profiles
- recommendations
- search engines
- and more

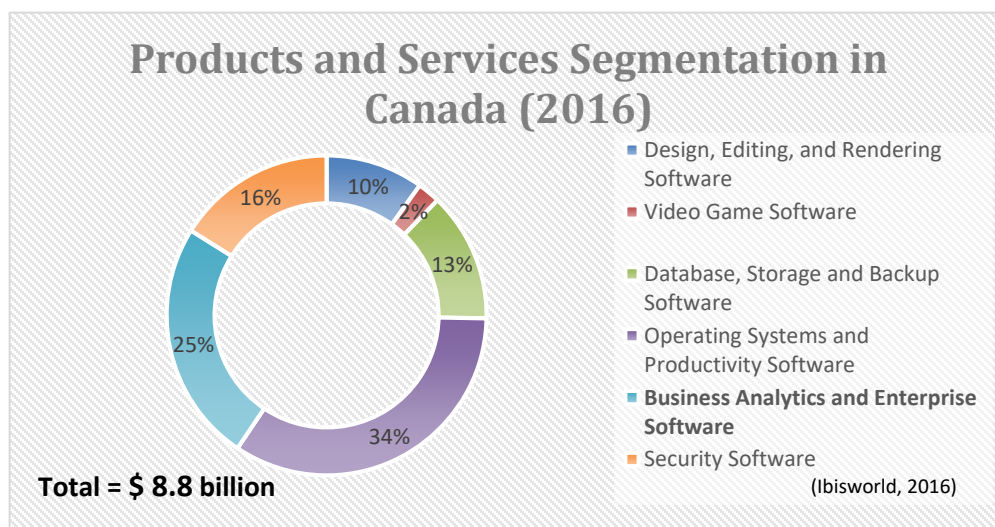


Figure 1

## **Threat of Entrants**

### **Barriers to Entry in the Software Publishing Industry are Moderate and Steady.**

Barriers to entry into this industry are moderate, however, certain product segments can have stronger barriers than others – this is the case for the Operating Systems and Productivity Software segment. (Ibisworld, 2016).

Products in Software Publishing, generally, require substantial investments – this can act as a barrier to entry (Ibisworld, 2016). Comparatively, in terms of investment for start-up companies, the barriers to entry are quite low. Companies can easily establish themselves with only a few computers and programmers; however, the scarcity of innovative and skilled programmers can act as a barrier, as this leads to high wages and expensive compensation plans (Ibisworld, 2016).

## **Threat of Substitute Products (specific to ESN Software)**

The threat of substitute products is a possibility as enterprise applications become more social and integrate greater collaborative capabilities (IDC, 2015). As a result, the development of both standalone and embedded ESNs may slow down (IDC, 2015).

Features that define ESNs can also be substituted and found in other collaborative technologies such as project management tools, online communities, video conferencing technologies and enterprise content management systems that allow for knowledge sharing.

In the coming years, it is possible that ESNs may not be considered a separate market (IDC, 2015).

## **Bargaining Power of Suppliers**

In order to develop new software products, companies must hire highly skilled and creative programmers. This increases wages and competition between companies who work to attract these skilled workers (Ibisworld, 2016).

Most software companies require limited goods like computers and office spaces – however, the intangibility of software necessitates that the industry depend primarily on employees' talents and time (Ibisworld, 2016). Skilled labor, therefore, has significant bargaining power.

## **Bargaining Power of Buyers**

**Businesses purchase the most software in this industry**



Generating 48.8 % of the Software Publishing Industry's total revenue, businesses have the greatest bargaining power. Businesses largely purchase operating systems, application software, and virus protection (Ibisworld, 2016).

Additionally, businesses have also increasingly sought business analytics and enterprise software catered towards enterprise resource planning, customer relationship management and database management (Ibisworld, 2016). Importantly, an inclination towards collaborative work spaces has increased the demand for networking and applications software such as ESNs (Ibisworld, 2016).

Although the enterprise software market is large, there is mounting dissatisfaction among customers who have difficulty comparing competitors' prices (Ibisworld, 2016). Company acquisitions has led to overlapping products with unintuitive names and features (Ibisworld, 2016). Customers require clearer and simpler product descriptions and easier access to prices.

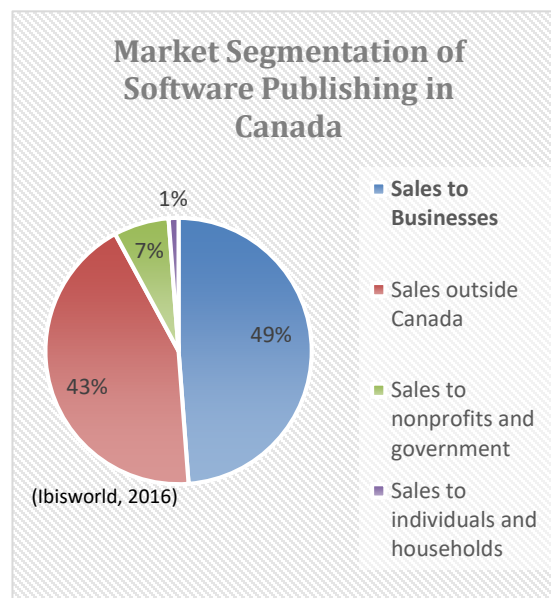


Figure 2

## Degree of Competitive Rivalry

**Competition in the Software Publishing Industry is High and Increasing. The Market Share concentration is Medium.**

Software publishing industry is highly competitive and is marked by rapid technological change (Ibisworld, 2016). The overall market share in Canada is concentrated around Microsoft Corp, Oracle, SAP Canada, and IBM Canada; these 4 companies generate % 47.4 of the industry's revenue.

Larger software publishers have been active in acquiring smaller companies who have developed innovative products or patents – an

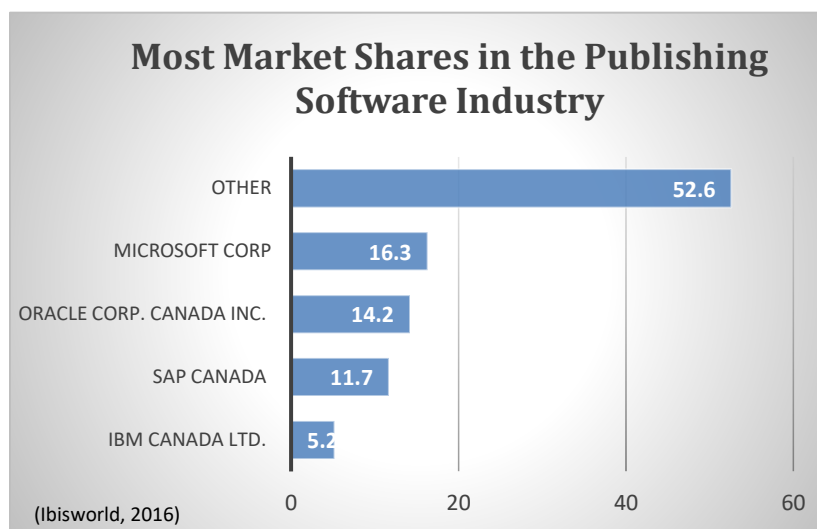


Figure 3

example of this is Microsoft's acquisition of Yammer in 2012 (Ibisworld, 2016). These consolidations have provided companies with a competitive edge and have allowed them to acquire larger customer bases (Ibisworld, 2016).

Cloud computing also stands as an important source of competition – companies that make use of cloud technology will benefit from the cloud's increasing pervasiveness in the market (Ibisworld, 2016).

## Software Publishing Overview in 2016

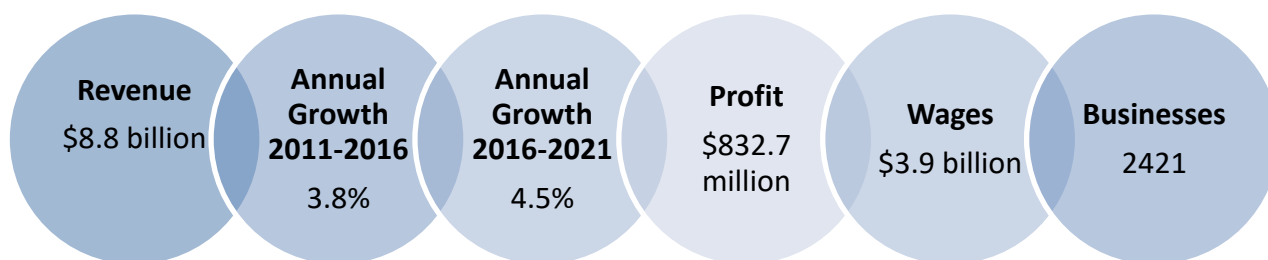


Figure 4

(Ibisworld, 2016)

### Software Publishing is considered a *growth* industry

From 2011 to 2016, the industry grew at a steady rate and revenue increased by an annualized rate of % 3.8. In 2016, the industry is expected to grow by % 0.9 and generate a revenue of \$ 8.8 billion (Ibisworld, 2016). The shift to cloud computing, has led to new growth opportunities in the ESN market and the Software Publishing industry at large.

Revenue in Software Publishing is expected to grow at an annual rate of % 4.5 and will reach \$ 10.9 billion by 2021 (Ibisworld, 2016).

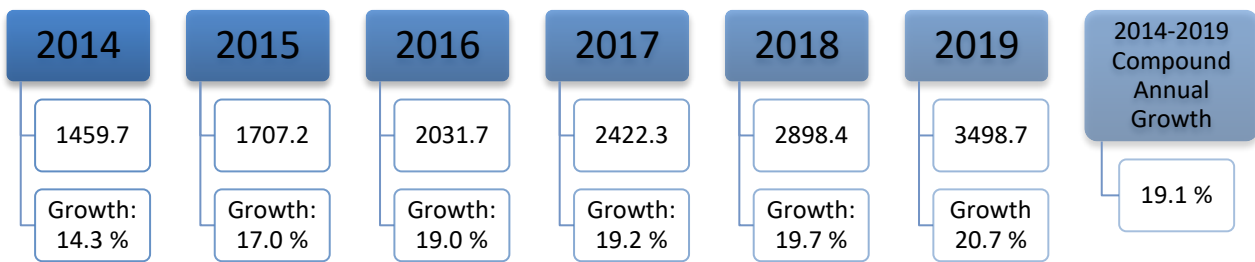
## Enterprise Social Network Worldwide Market Share

The ESN market is expected to make a revenue of \$2.03 billion in 2016 and reach \$ 3.6 billion in 2019. This represents a compound annual growth of % 19.1 (IDC, 2015).

The ESN market will continue to grow as ESNs continue to be commonly used among enterprises.

Figure 5 outlines the expected growth of the ESN worldwide market from 2014 to 2019.

## ESN Revenue Forecast (2014-2019)



(IDC, 2015)

Figure 5

## Market Share for Leading ESN Vendors

### ESN Market Concentration is Medium.

#### IBM controlled the largest ESN market share of % 12.7 in 2014

Jive Software and Salesforce.com each claimed % 11.1 of the ESN market share, followed by Microsoft with % 6.7. In 2014, the ESN market was valued at \$ 1.46 billion (IDC, 2015).

Concentration in the ESN market is moderate, with the leading 4 vendors generating % 41.6 of the market's revenue (IDC, 2015). There is no particular vendor that dominates the shares in this market.

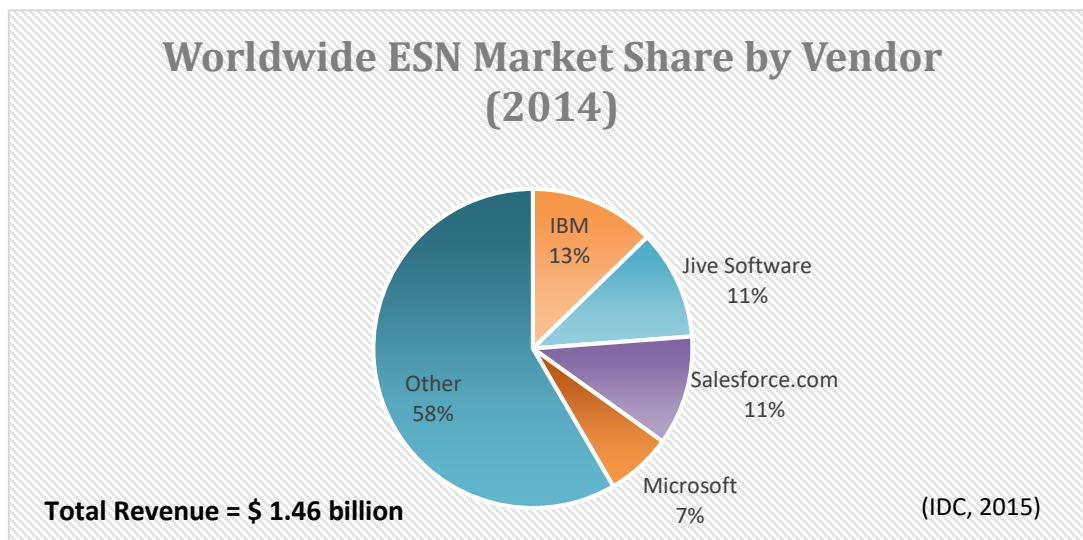


Figure 6

## ESN Market Share by Geographic Region

**North America dominates the ESN market, holding % 71.7 of the total worldwide market share in 2015.**

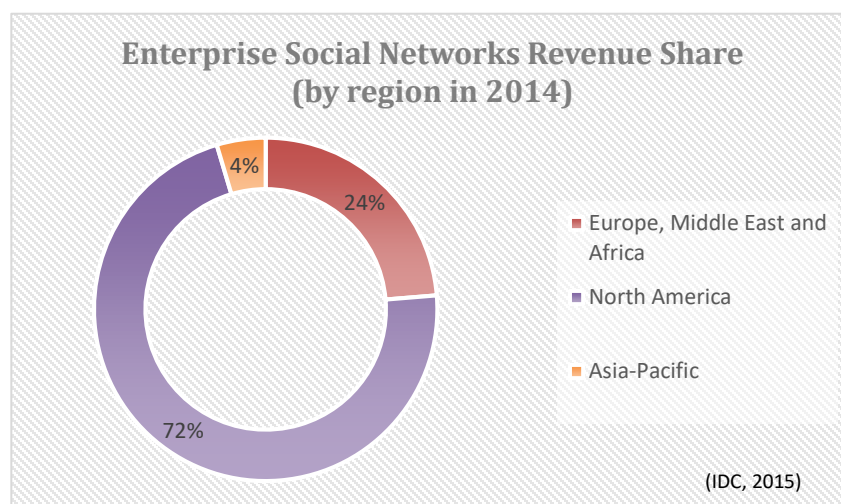


Figure 7

## Forecast for ESN Market Share by Region

Although North America will continue to hold a significant market share in the coming years, it is expected that by 2019, Europe, Middle East and Africa will come to dominate the ESN worldwide marketplace. This region will increase from a % 23.7 market share in 2014 to a % 52.3 worldwide market share by 2019 (IDC, 2015). This is compound annual rate of % 39.5 (IDC, 2015).

The North American ESN market share will decrease from a % 71.7 share in 2014 to % 44.3 by 2019 (IDC, 2015).

Table 1 outlines the expected growth in revenue and market shares for the ESN worldwide Market in detail.

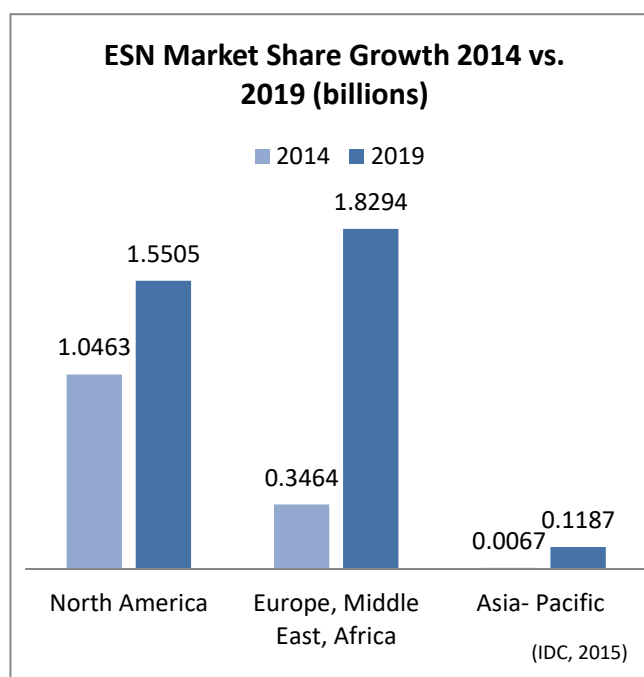


Figure 8

Table 1. **ESN Revenue by Region (2014-2019 Million)**

Region	2014	2015	2016	2017	2018	2019	(2014) Market Share %	(2014- 2019) Compound Annual Growth Rate %	(2019) Market Share %
North America	1.0463	1.1384	1.2453	1.3478	1.4524	1.5505	71.7	8.2	44.3
Europe, Middle East and Africa	0.3464	0.4939	0.7024	0.9799	1.3398	1.8294	23.7	39.5	52.3
Asia-Pacific	0.0670	0.0749	0.0840	0.0946	0.1063	0.1187	4.6	12.1	3.4
Total	1.4597	1.7072	2.0317	2.4223	2.8984	3.4987	100.0	19.1	100.0

Total = \$ 1.46 billion

(IDC, 2015)

## Forecast for Key Market Trends (2015 -2019)

### Global Megatrends –

#### Cloud:

Cloud technology will continue to grow in the coming years, gradually accounting for a significant percentage of IT spending (IDC, 2015). This adoption will have a positive impact on the industry as a whole, as it could lead to new avenues for business revenue and competitiveness for vendors catering to small and medium businesses and developing markets. (IDC, 2015).

#### Digital Marketplace:

The influence of the digital marketplace could lead to faster advances of SaaS and composite applications, and quicken the emergence of more competitive software (ie. social network platforms) (IDC, 2015).

### Specific Market Trends –

#### Converged Modality:

In order to meet the collaborative needs of the new enterprise workplace, technologies are increasingly incorporating conferencing and messaging features into social/collaborative

workflows. This convergence will have a moderate impact on the market and will drive competition as new applications and capabilities are made accessible to customers (IDC, 2015).

**Enterprise Decision Making:**

Companies are increasingly looking for technologies that can allow for ad hoc decision-making (IDC, 2015). Features that enable collaboration and productivity are becoming extremely important and are being integrated in order to meet the evolving needs of enterprises (IDC, 2015). This trend will have a moderate effect on the ESN market in the coming years.

**User Centricity:**

The integration of consumer devices and Web applications into the workspace will remain an enduring trend (IDC, 2015). ESN competitors are increasingly interested in developing products that primarily meet the needs of users, rather than IT (IDC, 2015). ESN developers will, therefore, continue to take steps towards launching collaborative/social features that can complement existing communicative and business applications (IDC, 2015). This focus on user centricity will have a high impact on the ESN market.

## **Conclusions**

- Currently, the competing collaborative technologies available in the market are geared towards meeting the needs of a younger, tech-savvy generation and are targeted towards large enterprises – these technologies aim exclusively at communicating and sharing knowledge across organizational boundaries which encourages productivity, innovation and decision-making. This is evidenced by the designs, features and main mission/objectives of these products.
- Additionally, there is no available technological solution in the market that aims specifically at transferring the know-how of workers who are about to or have already retired – and no solution aims at bridging/balancing the technological gap between baby boomers and generation-Xers/millennials. This is not the goal of these products.
- The need for technologies that allow for enterprise social collaboration can be seen by the numerous companies that have already adopted and integrated enterprise social networks into their daily workflows.
- Customers utilizing enterprise social software come from a wide-range of industries including automotive, financial services, health, media, government, education, manufacturing, and more.
- A new technology that incorporates many of the features of the discussed technologies above, while also including a unique design that is preferred by both older employees and their successors, will establish a newly, competitive product in the market.
- The importance and relevancy of enterprise software can be seen by the expected market growth geared towards the development of enterprise social software – the ESN worldwide

market is expected to increase from 1.4597 billion in 2014 to 3.4987 billion by 2019 – a growth of 20.7%.



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