
One Big Role for OneNote

By Stephen O'Grady

With the beta release of its OneNote application, Microsoft is finally taking the wraps off what could be the next big driver for the Microsoft Office franchise. Although final details such as list price and status within the Office family have yet to be finalized, it's clear from the surge of coverage from the media, not to mention the huge crowd around a demo at Microsoft's recent analyst conference, that if nothing else OneNote is an application that most knowledge workers are likely to be interested in.

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OneNote, which assists in the gathering, collection and organization of notes, is a potentially groundbreaking application in an office productivity space sorely in need of some fresh ideas. The other ideas underpinning Office were found elsewhere first. Xerox Parc invented the GUI and mouse combo. Lotus introduced the notion of the productivity suite. But with OneNote Microsoft gets a gold star for innovation.

The logistics behind the release will be critical in determining the initial success of the launch. Pricing, which is expected to be between \$100 and \$200, will be an important factor, as will the status of the product within the Office family. By releasing OneNote as a standalone product, Microsoft is opening the doors to users who may not be ready to upgrade their office suite (and hardware!) but are interested in the productivity gains the new product will allow. This go-to-market approach could provide an immediate new revenue stream for the vendor.

We believe, however, that OneNote's importance is actually greater than it first appears. The product offers a fresh infusion of functionality to the Office family, which in recent years has been long on performance and stability enhancements but perhaps a little short on exciting new features or approaches. It's easy to see implications in OneNote's functionality that cut right to the heart of the collaboration and productivity questions that are so important to today's enterprise. Where does content meet collaboration meet context? In note-taking and brainstorming, that's where, the very space that OneNote is zooming in on.

A Clear and Present Danger

While many in the media today focus on the growing threat of Linux as a threat to Microsoft's Windows operating systems – not without cause, certainly - that focus has obscured a potentially greater threat to Microsoft's revenue stream: open source office productivity software.

Microsoft, in its recent filings with the SEC, has conceded that open source software is a significant threat. While Microsoft remains the standard on the desktop, enterprises under budget pressure and frustrated with Licensing 6.0 are increasingly open to the possibility of using open source

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software in areas where they haven't before. Add to this the fact that aside from a few "power users", these organizations' workers are using only a fraction of the functionality they are paying for, and some tough questions arise. These companies are asking, why not go with an open source package? Other options such as Open Office can be used to handle tasks such as basic document editing, presentation creation and spread-sheeting adequately, and for the first time are being considered seriously as a potential alternative to Microsoft Office. 'Good enough' computing is very much in fashion now, primarily as a result of limited budgets and frustration with application complexity.

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But with the release of Office 11, Microsoft has the potential to infuse its flagship productivity suite with some brand new functionality that isn't available in any Office alternatives. Microsoft can attempt to outrun the "good enough" alternatives by offering more compelling capabilities in Windows and Office than are available elsewhere. InfoPath, for example, another new application, is designed to enable the creation of documents that are template driven. It is able to pull in and incorporate data from a variety of sources and is one technology without an obvious equivalent. But the learning curve for the technology is likely to weigh against immediate interest, at least until compelling reference customers become available.

In the meantime, however, Microsoft can offer its OneNote application as something non-technical Office workers can appreciate. The product has an immediacy about it that will appeal to knowledge workers of all different shapes and sizes.

A Clear and Present Advantage

For information workers used to collecting meeting notes, or to-do lists on some combination of Post-It notes, Word documents, legal pads, audio files, etc., OneNote is likely to represent a substantial upgrade; after all, paper can be awfully difficult to search across and organize. The application, which allows for handwriting recognition on the tablet PC although not limited to that platform, is a flexible interface which allows users to contribute information in a variety of ways – via handwriting, text, web site insertion, and audio among others.

Designed from the ground up around the simple but compelling scenario of taking notes, OneNote includes a variety of functions that streamline the process of note-taking dramatically. While Microsoft Word often is pressed into service as the enterprise note-taking application by default, everyone knows it wasn't designed for that purpose. OneNote, on the other hand, allows users to select from a variety of input methods. Prefer handwriting? OneNote can accommodate that medium when coupled with a tablet PC. More typing oriented? A mix of audio and text? OneNote can handle those formats too. It also includes subtle but crucial usability

ity improvements over other productivity tools – there is no need to save documents, for example – they’re recorded as you go.

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Structurally, OneNote attempts to mirror a binder, notebook or Filofax format – notes are stored as pages, which are a subset of sections. Pages can be swapped from section to section, and content can be dragged and dropped anywhere on a page, unlike Word text. This allows for the type of flexible restructuring of thoughts and ideas that note-taking often requires.

But while OneNote attempts to replicate the notepaper experience for users, it also improves on it by making all of the content available for cross-referencing and searching. The utility of this function is immediately apparent to anyone who’s has to wade through a legal pad full of content looking for a particular phrase only to be unable to locate it.

Because of its flexibility, we expect OneNote to be a hit among such varied constituencies as students, project managers, engineers, business analysts, journalists and virtually anyone else who’s stuck taking notes in meetings. OneNote may thus provide a variety of buyers with another reason to stick with Microsoft instead of going the open source route, and it couldn’t have come along at a better time for Redmond.

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Noting Collaborative Opportunities

Beyond its immediate appeal to general information or knowledge workers, OneNote’s functionality also offers some tantalizing glimpses of potential gains for collaborative technologies. From simple elements such as the writing area that allows the placement of text anywhere on the workspace to its text-to-audio synchronization, OneNote’s abilities to enhance worker productivity can clearly be leveraged beyond the single user that OneNote is designed to service.

If, for example, Microsoft was to expose the underpinnings of the "write anywhere" canvas or audio synchronization functions as .NET enabled controls, developers could then leverage them in a variety of ways. Collaborative team portals, for instance, could leverage the controls to allow a distributed development team to access a shared whiteboard, record the audio from a conference call and synch the shared notes with the audio.

The classification abilities of OneNote, in which a user can highlight strings of text across a distributed set of notes as an "action item" and have those action items aggregated in a single location, also have implications from a Content Management (CM) perspective. Instead of the typical CM workflow, where a user reads and approves or rejects content on a document level, a OneNote enabled CM application could hypothetically highlight individual sections or even sentences for approval and aggregate

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them into a single interface for review. Busy VPs and directors, over-worked corporate counsel and a host of others are likely to appreciate the ability just to look at the pieces of content that concern them. Leading CM vendors have addressed this weakness in different ways – Documentum partners with iMarkup, Interwoven went the acquisition route in picking up iHarvest – but neither of those tools matches the depth of functionality available in OneNote.

Bumps Ahead

For all of the application's potential, significant challenges remain. Technical reviews indicate some potential problems with usability – particularly in navigating the somewhat complex maze of sections, pages, and toolbars. But for the most part these concerns are minor and addressable. This initial product beta, however, will be crucial since the company is seeking to establish a reputation as a designer of stable, reliable products. Because of its high profile nature, for good or ill, OneNote will potentially impact the public's perception of Microsoft's TwC initiative.

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The pricing of the application is also a possible stumbling block, particularly for the highly price-sensitive student market. Having said that, Microsoft is almost certain to offer extremely favorable terms to academic institutions and individual students in order to seed the market.

OneNote's role within the Office family needs to be clarified. Although Microsoft's intention to release the application as a standalone product is likely to benefit the product's adoption numbers, it may, ironically, hurt Office 11's numbers.

RedMonk Take

From our initial experiences, despite some potential UI issues the application will prove to be one of the most important applications for knowledge workers, along with the email client. It's almost surprising in hindsight that it has taken this long for someone to address what is a very basic and long running problem for consumers and enterprises alike – a simple way to collect and retrieve information gathered in an ad hoc fashion. But address it Microsoft has, and, provided it can weather the remaining challenges in execution and delivery, it stands poised to add a powerful weapon to its war against 'good enough' computing.

So while we see OneNote as a significant tactical release for Microsoft, in the long term its importance may yet be the strategic importance of some of the core functions it brings to the table. With the potential to benefit Office, not to mention Sharepoint, Content Management Server, and Jupiter, it's no wonder that so many people are interested in the little application that takes notes.

About RedMonk

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RedMonk is a research and advisory services firm that assists enterprises, vendors, systems integrators and corporate finance analysts in the decision making process around today's enterprise software stacks. We cover the industry by looking at integrated software stacks, focusing on business and operational context rather than speeds and feeds and feature tick-lists.

Founded by James Governor and Stephen O'Grady, and headquartered in Hollis, New Hampshire, RedMonk is on the web at www.redmonk.com.

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