E-Mail and Messaging Servers: Beyond Obvious Choices

Microsoft and IBM/Lotus are no longer the only vendors offering rich e-mail products. Challengers, visionaries and even the niche vendors have much to offer.

Competition for e-mail system seats has seemed like a race between two candidates: Microsoft and IBM/Lotus. Although Microsoft and IBM/Lotus have nearly equivalent market share, three other e-mail vendors (OpenWave, Sun Microsystems and Critical Path) each have significantly more installed seats. E-mail is a rapidly changing market where all assumptions are being challenged (see "E-Mail and Groupware — All Change, Again" and "Magic Quadrant for Messaging Servers, 2002").

Microsoft and IBM Face Big Challenges

Microsoft and IBM/Lotus have significant strength in the enterprise information worker segment, but their total cost of ownership (TCO) hinders their extension to workers with more modest e-mail needs. Both are strong vendors with significant engineering and marketing organizations and the will to win. However, major changes need to be made to Microsoft Exchange and Lotus Domino (which originated in the LAN era) if they are to be successful in an era when ease of implementation and TCO are becoming the dominant criteria.

IBM: IBM is actively evolving its offerings to meet these challenges. Lotus Domino continues to provide good collaborative services and applications, even compared with a more scalable messaging product such as Sun ONE Messaging Server. More than 80 percent of Domino servers are running Domino R5. Domino R6 (4Q02, 0.8 probability) looks to be a straightforward upgrade that will provide a significant jump in the scalability of Domino’s Web access services.

IBM's strength in application platforms, its modularization of Domino's collaboration services and its attention to scaling issues give it an edge over Microsoft. IBM is working with customers to provide cost-effective ways of adding seats within enterprises and building extranets that scale as needed. It is also
working with service providers to add functionality alongside e-mail products other than Domino, built first for scalability.

**Microsoft:** Microsoft's vision for Exchange as a collaboration platform to compete with Notes has not been fulfilled. Most implementations of Exchange don't provide significant functionality beyond e-mail and calendar, and the messaging platform still has scaling and reliability issues. The high cost of upgrading from v.5.5 to Exchange 2000 and its expensive prerequisites (Windows 2000 and Active Directory) are causing many customers to consider other options.

Less than 10 percent of the 5.5 installed base has moved to 2000, even though it's been available for two years, nor have service providers rushed to 2000. Microsoft has had difficulty replacing its own Microsoft Commercial Internet Server in service provider accounts. Exchange is not a cost-effective proposition for service providers. The next version of Exchange, scheduled for delivery in 2H03, is slated to address many of the flaws in its communications functionality and issues of scaling and TCO.

**Niche Vendors Seek an Opening**

In Gartner's 2002 e-mail Magic Quadrant, we identify many alternatives to the "big two." The options extend beyond other major infrastructure vendors such as Sun, Oracle and Novell. Niche vendors, by definition, are limited in focus. If that focus matches an enterprise's requirements, the niche vendor may provide a better fit than Microsoft or IBM.

Gordano, Samsung, Ipswitch, Mirapoint and Centrinity have won some business away from Microsoft Exchange 5.5, providing Internet-centric e-mail and calendar and mobile access on the Windows platform for less than it costs to migrate to Exchange 2000. Gordano, Ipswitch and Rockliffe are optimized for Windows 2000. Vendors looking to displace Exchange must do more than messaging; specifically, they must support Outlook users with calendar and Web mail function. Gordano, Ipswitch and Rockliffe are currently shipping calendar functionality, as are Oracle, SCO and Stalker. Two others are expected to ship calendar functionality by year-end 2002 (0.8 probability). Many of these products provide full e-mail and calendar service behind the Outlook or Lotus clients or can work compatibly in the same environment with Outlook/Exchange or Lotus Notes/Domino.

- Mirapoint sells an architected messaging product prepackaged on a hardened operating system. Its aim is to make the implementation and management of e-mail as easy as a home fax machine at the low end, while allowing broad
external storage area network (SAN) storage options at the high end.

- Gordano, from the United Kingdom, is an energetic small company that sells almost entirely over the Internet. Its vision is significantly broader than most of the other niche players, because it understands the importance of the integrated calendar, rich Web mail, and strong ties with virus control and content scanning products. Nonetheless, its size, support model and lack of channels will constrain its growth.

- Centrinity FirstClass (formerly SoftArc) provides unified communications with wireless and voice access to e-mail and calendar, as well as to some groupware tools. Centrinity (9 million seats) has a good collaborative vision, but relies on proprietary implementation and lacks strong marketing. Its strength is in the university market segment, because it has good collaborative features for the campus environment.

- SCO (shipped for the first time in 4Q01 under the name Caldera) has an understandably small market share at this point, but has good support for all the features of the Outlook client on an efficient and scalable Linux server and is expected to do well.

- Teamware (a spinoff from ICL and Fujitsu) continues to serve a small, but loyal, installed base of users in a rich collaborative environment. Syntegra (a division of British Telecom) uses its messaging servers primarily in its consulting and outsourcing implementations and does so with good scalability and reliability.

Support for Linux is also gaining momentum, especially in light of recent endorsements of Linux by IBM and Sun, and the increasing cost and complexity of providing support for the Windows platform. Sendmail, Lotus Domino, Novell NetMail, Stalker, Samsung and Caldera are putting increasingly significant energy into Linux and products from Sun ONE. Critical Path and Centrinity plan to ship their first Linux versions by year-end 2002. Stalker is used in Sun’s Cobalt appliances.

**Bottom Line:** The messaging server market is alive with options, moving toward a world of modular components built on standards, increasingly offering Web interfaces and unified communications. Full Outlook support will be offered by more than 50 percent of the messaging servers by 1H03 (0.8 probability). The standardized sharing of calendar free/busy information will allow the more price/performant messaging servers to coexist with, and extend, Exchange or Domino. Used in combination with portals or one of the new breed of team collaboration support product options, these can form a scalable,
reliable base for a rich messaging implementation serving enterprise, extranet and service provider customers.