MICROSOFT ONEDRIVE FOR BUSINESS SURGES AHEAD

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THE BOTTOM LINE

With recent advancements made by Microsoft to its enterprise file sync and share (EFSS) solution, OneDrive for Business, the solution wins over competitors Dropbox and Box, particularly with regards to mobile functionality, integration, and a commitment to increasing usability. As seen over the past 24 months, Microsoft is focused on bringing weight to its products across its portfolio. The vendor has emerged ahead by leveraging Office 365 and cloud investments to improve user experience.

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The document storage and collaboration space led by OneDrive for Business, Dropbox, and Box is increasingly requiring vendors to adopt cost-cutting enhancements that drive increased value beyond expected functionality and usability increases. In order to assess the value to be expected from the vendors in the changing cloud landscape, Nucleus analyzed the vendors' current offerings to elucidate which vendor will likely deliver the most long-term value.

MICROSOFT ONEDRIVE FOR BUSINESS

With its releases and investments, Microsoft has clearly caught up with the cloud movement and with the modern ECM/EFSS user. By focusing on usability (via OneDrive for Business's streamlined user experience for users looking to leverage all of its features) and on a robust sync client, the vendor is establishing itself as a true enterprise-focused provider. Microsoft has also streamlined compliance and security with its compliance certifications, data loss protection, and mobile device management tools.

MOBILE ADVANCEMENTS

Over the last year, Microsoft has focused on providing mobile functionality to its OneDrive for Business users. The file content management user experience is one of Microsoft's key priorities in this vein as it continues to invest in its next generation sync client which became available for deployment on December 2015. The investment in the client was driven by the goal to provide improved performance for cloud users at the same level of the performance provided to users by the previous sync client.

Beyond investing in the new sync client, the company also announced plans to further improve the facilitation of integration of key Microsoft instances to its mobile applications. Specifically, Microsoft will establish Office integration that will enable the co-authoring of Office documents as well as seamless sharing scenarios for users to be able to both comment on and share documents in real time via their mobile devices.

THE OFFICE 365 FACTOR

Importantly, the full gamut of features offered by OneDrive for Business are available natively as part of Office 365. This is important given the sheer market share Office still claims in the enterprise space and the fact that an EFSS product with deep integration and streamlined usability is an attractive and convenient option to customers who already leverage Office 365 for enterprise needs. Also inherent to this product is business process management (BPM) functionality, which, coupled with its smooth integration with Microsoft SharePoint for ECM functionality, results in a well-rounded ECM deployment.

Nucleus estimates that only one fourth of Office users also use Microsoft OneDrive for Business. In order to maximize OneDrive for Business's reach and impact, Microsoft needs to make efforts to ensure it is embraced by its sixty million monthly active Office 365 users, all of whom already have access to OneDrive for Business by virtue of their Office 365 subscription. In order for them to continue to thrive, these customers must learn how to fully leverage the application and become active users that embrace the functionality already at their fingertips.

Enterprise users that are looking to adopt Microsoft Office 365 stand to make a solid and likely cost-saving decision considering the extended benefits at play when users leverage the rest of the Microsoft portfolio.

ADDRESSING ENTERPRISE NEEDS

As an enterprise-focused vendor, Microsoft currently offers five TB of storage space for premium enterprise, education, and government customers. The company is

planning to move this to unlimited storage in 2016. Well worth noting is the pricing advantage from adopting a solution that comes prepackaged with Office 365, something that could deliver key cost savings for organizations that plan to deploy Office 365 and are in need of suitable EFSS functionality. The potential for increased value over time from adopting OneDrive for Business is rich. This is a result of Microsoft integrating key applications from its product ecosystem such as Office Graph for driving better contextual document search and discovery.

Microsoft's OneDrive for Business solution has been enabling real-time document co-authoring in Office Online since 2013 and recently added this functionality to desktop applications in Office 2016. This is an essential feature for those looking to address approval needs, compliance, or cases that require multi-party involvement. Beyond that, organizations in industries such as finance, government, and healthcare in particular continue to depend on both on-premise and cloud functionality for such co-authoring. Addressing this enterprise need, Microsoft's deployment approach for OneDrive for Business has won them points for facilitating the connection of on-premise and cloud file access.

On the product development side, Microsoft heavily relies on enterprise customer feedback to refine the OneDrive for Business user experience. The company is very involved in deployment and has campaigns to drive increased user adoption across organizations. Currently, with Microsoft integrating its web access Office Online product with Dropbox and Box, it seems as though the company is focusing on strengthening integration options for its Office users though given the extensive functionality offered by OneDrive for Business, Office 365 users will likely find the full range of capabilities needed without needing to link their deployments to external applications such as Dropbox and Box.

By announcing plans to further integrate OneDrive for Business with Microsoft SharePoint to connect file sharing between websites and ECM instances, the company further doubles down on connecting its own rich ecosystem to provide value and convenience.

DROPBOX ENTERPRISE

Dropbox continues to be a popular choice for users requiring simplified document storage and collaboration capabilities. The real test for the company however, has been providing proof of legitimacy for its enterprise approach beyond the table-stakes file storage service users have come to expect.

ENTERPRISE UPDATES

In the past, Dropbox has scored points for its simple interface and usability but, at the time, the vendor was in need of specific enhancements to its products that reflected the enterprise expectations of the growing EFSS market. In the past year, the company made some key announcements addressing these opportunities.

In November 2015, Dropbox announced the next tier of its business document management and collaboration solution. Providing the collaboration tools of Dropbox Business, Dropbox Enterprise also includes the ability to rapidly migrate data from personal employee Dropbox accounts to enterprise accounts.

Dropbox has also recently delivered more usability for mobile users with the June announcement of the Active Directory connector and features for iOS users to share and collaborate on documents.

While Dropbox stands to deliver more value by extending its functionality and adopting a more aggressive cloud update cadence, the company has recently made efforts to deliver even more usability for users. Particularly worth noting as a solid benefit provided by Dropbox Enterprise is the personnel benchmarking feature available as part of its domain insights feature that allow administrators to gain more visibility into employee Dropbox usage and measure productivity as well as ways to boost it. This can be done by assessing which documents are being overlooked and need more time spent on them for faster processing, for example.

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IBM AND SALESFORCE PARTNERSHIPS

While Box has made strides with its mobile application and its significant security features, which offer deep granular governance over files and data. Especially worth considering is the company's Box Capture feature which enables users to scan documents and pull metadata from them. However, the bulk of the vendor's recent focus has been on its expanding its partner network.

On November 5, 2015, Box and IBM announced updates to their previously established partnership that includes significant e-discovery gains through leveraging IBM StoredIQ (Nucleus research – *p204 – IBM updates Box partnership*, November 2015). In addition to the increased focused on industry-specific features like this, with this announcement, Box has continued to take steps towards legitimizing itself as an enterprise-ready player in the enterprise file-sharing market.

Beyond the incentive of enabling Box users to save content on the IBM Cloud, by leveraging IBM's Watson Analytics, Box provides users with ways to optimize the sorting of data and files via tagging and contextual searching. This caveat of the partnership is key as it provides customers with the opportunity to visualize data regarding content via either holistic or granular views that allow users to gain more insights. Given ECM and EFSS market trends to increase visibility into the content that they govern, it is becoming essential to address these needs and Box has made strides in this vein. The opportunity for data bloat reduction inherent the Box-IBM partnership is essential as users can easily track down irrelevant or outdated files and save on maintenance costs associated with deleting these files.

Box also announced new enhancements for its partnership with Salesforce including Salesforce Files Connect for Box. This feature enables Box users to search, share, and collaborate on Box files together within the Salesforce platform. On the developer side, Box SDK (software development kit) for Salesforce enables developers to embed Box content management functionality into any app built on the Salesforce App Cloud. Organizations looking to leverage industry-specific solutions can use Box SDK to build custom apps within the App Cloud user interface (UI). The financial services and healthcare industries, for example, can derive value from this capability and may even be able to cut costs associated with more standalone ECM and EFSS deployments.

CONCLUSION

Microsoft's investments in mobile apps and the new sync client seem poised to deliver even easier-to-use EFSS and ECM capabilities while driving further functionality increases resulting from the integration of its Office product suite. Most importantly, Microsoft has demonstrated that it understands how enterprises work and the best way to maximize their deployments in order to boost productivity and streamline cross-departmental document collaboration. While Dropbox and Box are taking steps to challenge Microsoft, even with significant investments across their product lines, it will be difficult for Dropbox and Box to establish comparable competition to Microsoft's breadth of offerings.