VMware: capitalizing on its collaboration plays

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VMware is pulling its collaboration products together under one umbrella. Initially, it was just the 2011 acquisition of enterprise social network (ESN) vendor Socialcast and the divestment of Zimbra. Then, in early 2014, VMware completed the purchase of AirWatch, bringing more elements to the collaborative picture. We look at the various pieces in the VMware portfolio; how it may piece them together in a coherent fashion; and whether now, with rival Syncplicity dumped from the EMC fold, these products may finally come to the fore. We also examine the overall market potential and some of the challenges it may face in leveraging these assets.

The 451 Take

VMware didn’t buy AirWatch for its collaboration and file-sync and -share products; it bought it for enterprise mobility management. However, it is now figuring out what to do with the extra acquired products and its own ESN, Socialcast. Yet even as it tries to bundle these under a broad collaboration umbrella of its own, new options have opened up. With EMC dumping the loss-making Syncplicity division, it could become the go-to option for EMC sales folk, in addition to providing functionality and expertise to VMware-EMC joint venture Pivotal. That being said, neither EMC nor VMware has a successful track record selling this kind of technology, but the potential is at least there to explore.

Context

VMware is a publicly traded company that remains majority-owned by EMC. Its core business is virtualization, but over the years it has dallied with collaboration on the side. It acquired Zimbra from Yahoo in 2010 (which it sold to Telligent Systems in 2013). In 2011 it acquired Socialcast and
SlideRocket, an online slideshow service (which it sold to ClearSlide in 2013). In 2014 it acquired AirWatch primarily for its enterprise mobility products, but along with those came Content Locker, a secure enterprise file-sync and -share (EFSS) product. At the same time, VMware had been developing its own EFSS system, Project Octopus (announced in 2012), which later transitioned into Horizon Files and then integrated with Content Locker. Meanwhile, the EMC mother ship acquired Syncplicity, another EFSS system, in 2012, which it sold to Skyview Capital this year after running up a series of losses and gaining little market share.

**Technology**

Socialcast is the ESN acquired in 2011, and it provides a Facebook-like collaboration system with good real-time chat functionality. It also has some good task management capabilities and ‘town hall’ (employee communication) features, to enable virtual meetings and capture employee feedback. Overall, it is a good ESN, with most (if not all) of the features one would expect to find. Similarly, Content Locker is a full-featured FSS product built as a multi-tenanted environment, with integration points into other repositories and DLP (data loss prevention) functionality.

It is in combination that these products are differentiated from the crowd, and that is increasingly how they will be bundled. The key here again is integration points, in that Socialcast and Content Locker don’t see themselves as being ‘the one and only.’ They are built to play an aggregating role in the social and sharing mix, so there are many integration points with repositories such as SharePoint, Box and Dropbox, as well as with legacy repositories via NFS and CMIS. We expect to see more integration with common business applications in the future.

We stress the integration element here because VMware also has an initiative called Horizon 6, which provides virtual and hosted desktops. Content Locker and Socialcast could play a part in enhancing this service further in the future.

In summary, Socialcast is a good ESN, and Content Locker a good EFSS tool – working together, and potentially in harmony with bigger initiatives like Horizon and Pivotal, they should have a solid future ahead. At a practical level, we would like to see Socialcast explore more integration with voice and the UC (unified communications) world, to really take collaboration to the next level.

Finally, we also note that there is 'AirWatch Video' in the portfolio – essentially a sort of enterprise-level mini-broadcast system. Although there are integration plans for AirWatch Video and Socialcast, it is not clear to us exactly how this fits into the broader collaboration picture, other than adding some employee-communication tools.
**Strategy**

Up until now the EFSS and ESN applications have not had a lot of visibility within VMware, but both Socialcast and Content Locker are good products - the challenge for the firm is to fully align them with existing VMware buyer requirements. In this regard, the team there is stressing a few key themes that may resonate with the IT buyers that know VMware and AirWatch best. However, recent events at EMC in the divestiture of EFSS division Syncplicity should play a role in forming a forward strategy because, if anything, Syncplicity proved that there is not enough money in EFSS as a stand-alone player for big firms like VMware to care about. It needs to find a place where it can enhance large deals by:

- Providing secure business mobility.
- Offering multiple integration points.
- Bridging client server architectures to the mobile cloud.

**Competition**

There is no shortage of competition for VMware in the collaboration world. At one end of the spectrum are giants Microsoft and Google, which both offer broad and comprehensive low-price collaboration products. Then there are the other giants, such as Oracle, SAP and IBM, which are happy to bundle 'free' collaboration software into broader enterprise offerings. Last, but certainly not least, are independent specialists such as Citrix, Box, Dropbox, Accellion, Intralinks, Jive, Slack, HipChat and a host of others.

**SWOT Analysis**

**Strengths**

Content Locker and Socialcast are two of the stronger and more established collaboration and sharing tools available.

**Opportunities**

Content Locker has an opportunity to gain the attention of EMC sales reps now that Syncplicity has gone. There is also an opportunity to work with Pivotal and to enhance Horizon on future social applications.

**Weaknesses**

The strategy, positioning and market visibility are still works in progress.

**Threats**

The biggest threat to any vendor in the enterprise collaboration space is commoditization of software - of similar or 'good enough' functionality being bundled into broader applications and infrastructure for free.