*Working Knowledge*

# Microsoft vs. Google: What Every Federal Manager Should Consider Before They Choose Their Path

*By Kareem El-Alaily, Behrad Mahdi, and Mike Fabrizio*

## What You Need to Know

- Microsoft and Google are in a two-horse race to claim the lion's share of federal agency capability around email, desktop productivity, and collaboration.
- While some agencies have found success in negotiating contracts, protests of contract awards are up across the board.
- Many agencies remain paralyzed when attempting to select the right solution. Federal managers can utilize several strategies to avoid acquisition challenges and implement a successful solution.

## The Microsoft vs. Google Apps Challenge

Microsoft and Google are in a two-horse race to claim the lion's share of federal agency capability around email, desktop productivity, and collaboration. Most federal agencies currently operate an on-premise, traditional Microsoft environment around email and desktop productivity, with a few notable exceptions such as pilot platforms deployed in small cells within larger organizations. In Censeo's experience, nearly every agency has or will face the challenge of preparing for and transitioning current Microsoft environments to better harness Microsoft's cloud capabilities, or switching to their most viable competitor, Google Apps.

The Microsoft/Google challenge is not unique to the federal market. According to Gartner, the number of business users utilizing cloud-based productivity systems will grow 28 percent annually, with Google securing an increasing portion of market share. As a result of this fierce competition, private sector organizations are working to determine which solution best maximizes service levels while minimizing costs and business disruption. The most diligent of these organizations have identified solutions by profiling their user base, collecting their productivity requirements, determining current costs-to-serve, and assessing the impact of each solution on their architecture and infrastructure.

## Making the Right Choice as a Federal Agency

In addition to the IT challenges faced by the private sector, federal managers deciding between Microsoft and Google also encounter issues unique to the federal government:

- Limited visibility into licensing, usage, and cost-to-serve within the agency or organization
- Lack of unified approach to capabilities across offices, bureaus, and administrative units, leading to different and unique requirements across each agency
- Stringent acquisition rules requiring well-documented and competition-appropriate communication between suppliers and buyers
- Critical security and infrastructure compliance concerns
- Unclear policies on bundling of products and features (which have directly led to an increased number of protests)

Consequently, federal agencies have had mixed results in choosing a technology option. Some agencies have found success implementing a single Microsoft or Google Apps solution across organizational units, choosing to maintain their current capability for as long as possible to minimize cost and implementation risk. Most, though, have faced significant challenges in executing a department-wide approach. Protests of contract awards have increased among the federal sector, driven by the novelty of cloud contracts and inconsistent viewpoints on bundling. Swift resolution has been further impaired by the lack of precedent in reviewing and settling these protests, slowing down the government's ability to adopt cloud-based productivity technology.

## Our Insights

Integrating key acquisition strategies and considerations – from initial planning to final execution – can help federal managers overcome barriers to effective IT contract negotiation to execute the best technology program for their agency or department:

1. **Involve the right people.** Navigating a potentially long technology transition will require the expertise of not only acquisition professionals, but also program and technical leads. Agencies committed to results are able to increase organizational capacity to facilitate cross-agency dialogue, conduct analyses (pricing, market research, course-of-action comparisons, etc.), and communicate an optimal path forward that empowers agency leadership to enact change.

2. **Evaluate your visibility challenges early.** Federal managers who make a clear-headed assessment of their agency's visibility and usage deficiencies can quickly understand what the transition to a new cloud capability will require. For example, one of Censeo's recent clients was able to determine that their device-based environment was well-understood and defined, but that developing a robust understanding of how users utilize their licensing would take significant effort. By understanding this limitation early-on, federal managers recognized that any near-term solution would both need to address the visibility issues and develop a future "on-ramp" for users who require licensing but were not visible at the time of the agreement.

3. **Understand what "cloud security" means to your organization.** Cloud security is the area of least certainty and most controversy within most agencies. Both Microsoft and Google tout strong federal security qualifications, but government leaders and IT personnel still do not agree on defined best practices for cloud security. Defining what security means for your agency, and communicating those requirements clearly to any potential offeror in advance of acquisition activity, can help federal managers avoid challenges.

4. **Engage with software publishers early and often.** Poor communication between government and industry and confusing acquisition requirements are cited as key drivers of contract protests, particularly for cloud contracts. Low comfort levels with cloud technology makes writing requirements difficult, and unclear requirements translate to weak acquisition justifications. Despite commonly-held beliefs, pre-solicitation engagement with software publishers (otherwise known as "OEMS – Original Equipment Manufacturers") is allowed under FAR Part 10 Market Research clauses. This engagement channel with Microsoft and Google should be used liberally to prevent miscommunications and streamline the contracting process.

5. **Get out in front of the bundling issue.** Both Microsoft and Google know each other's products extremely well. If a solicitation is released that bundles non-critical (or "bolt-on") products or requirements, or features that appear to favor a vendor, a protest is to be expected. Diligence in planning the requirement will avoid unnecessary delays to the acquisition timeline due to contract protests.

6. **Learn your hidden costs ahead of time.** Each set of products comes with hidden costs that are not included in the cloud-based subscription cost per user. This may include additional costs due to archiving, security, internal resourcing, or training. Hidden costs can potentially double an agency's total cost of ownership. To avoid post-award surprises, effort is required to understand and calculate these hidden costs while factoring them into an agency's evaluation decisions.

## Final Thoughts

Migrating email and productivity to the cloud has been shown to be a cost-effective approach that can enhance service levels without compromising security. But any acquisition must be done carefully. As the Microsoft vs. Google dynamic continues to evolve in the federal market, there are lessons to be learned from previous agency efforts that can help avoid decision paralysis and potential protests. Federal managers who are proactive in understanding their environment from a financial, technical, and programmatic standpoint will be best able to chart a viable path forward while avoiding the numerous obstacles related to a cloud-based productivity acquisition.