



Background

The Office of the Chief Information Officer, Consolidated Technology Services, and the Department of Natural Resources worked collaboratively to complete a business case analysis for Microsoft Office 365 (O365) in October 2012. The recommendation at that time was for the state to continue using the CTS Shared Services Email (SSE) service and finish migrating remaining agencies to Exchange 2010 and the Symantec Vault.

Shortly following the release of the O365 business case, similar evaluations were made for SharePoint and Lync and a decision was made to continue with on-premise solutions for these services.

It has been three years since SSE was first implemented. The original equipment purchase will be fully depreciated by October 2014 and CTS is positioned to begin planning for an upgrade to Exchange 2013.

Business Question

Several triggers have occurred that warranted a re-evaluation of our email strategy. The SSE hardware environment is scheduled to be refreshed, Exchange 2013 is now available, and Microsoft asserts that functional improvements have been made to O365. Given this information, CTS posed the question once again: Is there a business case at this time to adopt a cloud-based solution?

Assumptions

CTS approached the question using the following assumptions:

- There are no new functional or technical requirements. The previous assessment was completed approximately 18 months ago and the original requirements are assumed to be relevant.
- Like the original assessment, this review focused on either an all-cloud solution or an all on-premise solution.
- The technical design for integration with the O365 service, particularly the on-premise infrastructure requirements, was assumed to be still relevant.
- Service functions and features that “passed” the evaluation before pass now.
- Functions and features that “failed” before were an area of focus.

Findings

CTS reviewed the previous Business Case Analysis to identify any changes that have occurred since the original assessment was concluded.



Service Offering Comparison

CTS did not complete a detailed feature-by-feature comparison of the CTS service offerings and O365. However, since the last assessment, 61 agencies have completed the move to SSE, bringing the total mailbox count to over 63,000. 53 agencies, accounting for over 45,000 mailboxes, are now using the Vault. Eight additional agencies are in various stages of testing or in pilot. In addition, CTS is in the process of migrating customers to a new SharePoint 2013 environment, and work to implement Lync 2013 is underway. These changes bring the CTS offerings more in line with the O365 feature set.

Requirements Gap

The O365 solution still does not meet the records retention requirements outlined in the original Business Case. Microsoft has acknowledged that the gaps related to records retention remain in the current O365 service offering. These gaps include:

- The ability to prevent a record from being deleted
- The ability to place individual records on legal hold; and
- The ability to search records in a timely manner

Microsoft is recommending the use of Gimmal or a comparable specialized records management product to assist in closing this critical gap.

Technical Architecture

The conceptual design outlined in the original Business Case remains the same. Technical considerations previously identified as areas of concern remain and will need to be evaluated more closely when a transition to the O365 service is anticipated. These areas include:

- Security – Preliminary information from Microsoft indicated that required security controls are in place for the O365 service. A full security review will be needed to validate this information. In addition, a complete security design review will be required for the state's corresponding on-premise infrastructure.
- Network bandwidth – CTS will need to perform a more thorough assessment of additional bandwidth needed for Internet access to O365.
- Enterprise Active Directory attribute remediation – Key attributes must be standardized to support seamless synchronization of account information.



Financial Comparison

CTS did not update the detailed financial analysis for this review. However, we have determined that:

- Costs for on-premise infrastructure will remain the same.
- The initial investment in Exchange 2010 infrastructure will be fully depreciated in the next year.
- Based on evidence from other organizations, migration may take longer than expected potentially increasing project and migration costs.

Gartner Research

With more organizations moving to O365, Gartner now has a body of research to guide organizations in their assessment. CTS leveraged Gartner research for this review.

Gartner published a document in January 2014 titled, What IT Needs to Know about Office 365: In-Depth Assessment, which evaluated O365 against Gartner's required, preferred, and optional SaaS criteria. Microsoft did not meet all required criteria for production-grade enterprise SaaS providers due to, in part, the lack of overall maturity of the service. Gartner called out weaknesses such as:

- Customer concerns with O365 support resolution
- Lack of contractually guaranteed service level agreement
- Little transparency into how and where services are provided
- Inadequate management capabilities, and
- The lack of customization capabilities for multitenant offerings

Gartner also provided a September 2013 document titled, Will Microsoft Exchange and SharePoint 2013 Meet Your Archiving and E-Discovery Requirements? which confirmed the information in the Requirements Gap section above.

In follow up calls with Gartner experts, Gartner recommended that CTS continue with one more iteration of our on-premise email solution and monitor Microsoft's O365 improvements as an option for the following iteration.

Recommendations

Based on the findings outlined above, CTS will proceed with the following:

- Continue forward with our Lync 2013 and SharePoint 2013 services.



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- Prepare for upgrading our on-premise service to Exchange 2013.
- Proceed with implementing FIM and establishing an ADFS connection to a single, shared O365 tenant. EAD attribute remediation will be addressed as part of this effort.
- Continue to work with customer to eliminate public folders.

In addition, for the purposes of informing our customer base, CTS will prepare the following:

- A detailed comparison between features of the CTS SSE, Lync, and SharePoint services, and the O365 suite of products.
- A 3-5 year CTS services roadmap for the same services – SSE, Lync, and SharePoint.