



Lotus President and CEO AI Zollar

by [Craig Lordan](#)
and [Barb Mathers](#)

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*This month, we're proud to have our interview with Lotus President and CEO **AI Zollar**. Here, he talks to us about Notes/Domino technology, markets, and strategy.*

And during the week of July 10th, AI will be "live" in our [Developer Spotlight Forum](#), taking and answering your questions.

You've worked in several other IBM development organizations, such as Tivoli. How does Lotus compare to those?

I think Lotus is similar in a lot of ways. With software engineering, after all, there are very common elements. You have to understand what it is you're trying to build. You have to set up an environment, including a build environment that allows you to successfully get code built and integrated into a stable base, and then you have to go through a whole set of release processes including testing processes, to make sure that the software is going to work for customers. There are a lot of similarities, in terms of that, across all of the software operations that I've been in.

I would say that Lotus, because of its history and focus, is a company that first started as a PC software company, and then grew into the era of client/server, with Notes/Domino, as a provider of workgroup and now enterprise computing software.

We're now at the point where we have to make sure our processes can meet the rigorous enterprise standards that customers are demanding of us. I know that our teams have put a lot of work into that and we can learn from IBM, because this is a place that IBM has been in for a very, very long time.

What has surprised you the most about Lotus?

Just how warm the welcome I've gotten from people has been. When I got a standing ovation at one of our sales rallies, I was overwhelmed. Why would they give a standing ovation to this guy that they never heard of? I thought everybody would be sitting in their chairs with their arms folded, saying, "Okay, who's this guy?" And, I'm sure there is some of that, but it's been a wonderful reception.



Can we expect to see any big changes in the way Lotus is run, now that you've taken the helm?

I think change is a continuum. Lotus has been through changes, and Lotus will continue to go through changes. I'm in a position to influence the changes in ways that I think are right for us in terms of growing our business with customers.

Some of the things that I think we need have been reflected in some of the changes that have been announced -- we needed to have a clearer focus in terms of the sub-segments of our business, so we created business units as organizations that act as virtual teams. The teams reach out into all parts of Lotus to make sure that we're executing clearly across messaging, collaboration, distributive learning, and knowledge management.

We also need to make sure that we are truly global as a company. In the past, we decentralized a lot of things to our regions, which was a direction opposite of almost everybody else in the world, including our customers. We're adding more consistency in the way we execute globally.

Our support, quality engineering, and products -- these are areas that can always be improved. I really do believe in continuous improvement. There have been lots of improvements made in Lotus, and I think that there is opportunity for greater improvements. My bottom line message to people is that we need to be prepared for continual change because that's the market that we live in.

Do you remember when you first worked with Notes and what you thought of it?

My first encounter with the concept of Notes was actually in a customer briefing, back in 1991, at Fireman's Fund in California, where [former Lotus president and CEO] Jim Manzi and [former Lotus VP] Larry Moore were on the agenda to talk about Notes. The briefing had been organized by IBM to talk to their customers, and I was on the agenda to talk about data warehousing.

I remember listening to Manzi talk about Notes, and saying, "What is this thing again?" I came to understand that there was a database component to Notes, and I was in the database business at the time. So, I remember

saying to Larry Moore, aren't you going to have to implement database technologies, like recoverability, logging, and transactional behavior? And he agreed that Lotus would have to do that at some point in time. I tell people that story because we've now begun to implement that kind of capability in R5.

The first encounter I had with Notes as a user was probably in the 1994 to 1995 time frame when IBM began rolling it out to some of its organizations, so I've been an end user for a while now.

Do a lot of people at IBM use Notes?

Absolutely, in fact, IBM is the largest Notes customer in the world, with over 300,000 users. One of the things that we want to do is to make sure that we continue to have a great dialogue with IBM as a customer, so that we can take all the learning from IBM as a customer, and factor it into the things that we do going forward.

Can you give us an example of the coolest thing that you've seen Notes do?

I think some of the applications that I've seen here at Lotus are pretty cool. I think our Hot Sites application, which we use to maintain control over tough customer situations, is a very good and useful application.

I remember taking a [Notes] survey back at IBM, and thinking boy, this is much better than the way it was done before. Previously it was done manually with pencil and paper.

I've also become a big Sametime user. Sametime is an incredibly important addition to our products, adding the ability to have synchronous messaging that integrates with your asynchronous messaging capability in a seamless way. This is another thing that helps improve speed and responsiveness in a culture.

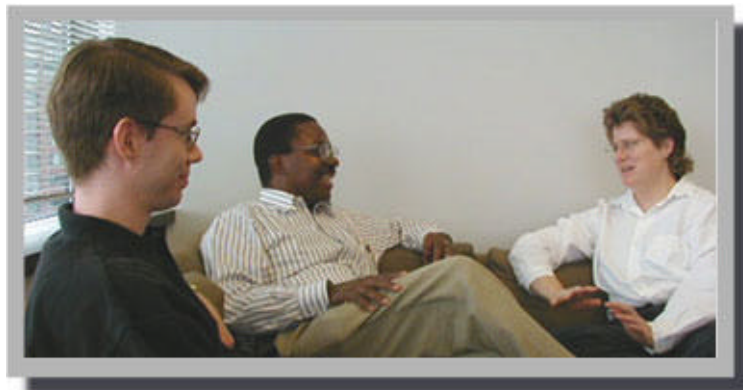
QuickPlace is also turning out to be quite valuable -- we're actually running the Lotus operating committee on QuickPlace. So, lots and lots of great stuff here.

Besides Notes.net, what are your favorite web sites?

Besides Notes.net, I do use Yahoo a lot. I use Lycos a lot, because they're one of our business partners. I do stop by Slashdot every now and then, because it's good to get a pulse on what the real technical community is talking about. I'm a big transactional user, I book almost all my family air travel over the Internet; we do all of our banking over the Internet.

I find Ask Jeeves to be pretty cool. I bought a real bow tie. You know, that you have to tie instead of those snap-on ones? And I realized that I didn't know how to tie it, so I went to Ask Jeeves to find out where I could learn how -- because it was the night of the event and I had to be someplace -- and sure enough, there was a site that illustrated the way to tie a bow tie.

Of course, almost every day I go to the Wall Street Journal, the New York Times, and the Financial Times -- those three business publications' web sites. I almost didn't think of those because they've become my substitute for reading the newspaper.



(L to R) Craig Lordan, Al Zollar, Barb Mathers

Can you tell us what Internet technologies excite you the most?

XML is a technology that really has a chance to have a huge impact. I think the evolution of the virtual meeting standards, whether it be the chat standards, H.323 standards, or T.120 standards, are incredibly important. The standards that are needed to make broadband happen and faster connections with wireless Internet devices are going to be incredibly important to our business as well.

It's just an incredible world in terms of the pace of innovation. I've been reading, for example, about 40-gigabit connections and how that's actually being deployed right now in New York City. This opens up all kinds of possibilities in terms of building e-learning and other knowledge management technologies and additional capabilities with Sametime.

What are your top priorities for the next major release of Notes/Domino, and beyond?

Well, my observation of Notes and Domino is that [Notes inventors] Ray Ozzie, Steve Beckhardt, Tim Halvorsen, and Len Kawell had a vision as to how technology was going to evolve that was probably ten years ahead of everybody else. It's unfortunate that the world of the Internet was not ready when Notes was invented, because I think they probably would have exploited a lot of the Internet technologies that have now developed.

So, what I think Lotus and Iris will be doing continually from here on is taking the technologies that we have built, embracing the Internet technologies that are evolving, and integrating them into our base.

For example, the use of LDAP as our API for directory capability is a great example of that; trying to make sure that our certificates can be interoperable with the standards-based certificates that are evolving for security; incorporating XML into the way that we build our applications, since we do a lot of forms-based applications building, and XML is ideally suited for that.

I think we're on a journey to embrace more and more of these Internet standards. Our industry has reached an inflection point where we are on an irreversible path toward greater and greater standardization.

There are a lot of dot-coms jumping into the business-to-business (B2B) and business-to-consumer (B2C) space by offering new tools to manage content on a web site. As an existing Web-based collaboration and content management tool, are we capitalizing on that?

The honest answer is no, we're not yet. The best answer is that I think we're getting clear on how we can do this. Can we turn Domino into the brand or the product that is viewed as the centerpiece of a B2B strategy? I think that might be overreaching.

But, can we go to the companies who are going to be solution providers in the B2B commerce space and convince them that rather than building a lot of these collaborative features from the ground up, they can take our technology and integrate it with their offerings? I think that's doable.

And so if you look at the strategy that [Lotus Vice President of Marketing for Messaging and Collaboration] Ken Bisconti and a lot of other people are now working on, it's really to do just that. Identify the marketplace exchange vendors -- companies like Siebel, or Ariba, or Commerce One -- and help them understand how our collaborative technologies can make it quicker for them to move to what many are predicting is the next stage of e-commerce, which is collaborative e-commerce. We can be a player here.

There is a lot of talk about Internet appliances. How do you see Domino's capabilities being expanded or used to service these devices?

I think we have a ton of capability and functionality in Domino, and some of the things that we've done like Domino Offline Services [DOLS] have relevance to any type of device that gives access to the Internet, and meets the fundamental services of mail, calendaring and scheduling, and collaborative apps that we can offer.

There are critical projects that we have going on in Lotus and Iris that will help us. In particular, I'm very excited about our next generation web client, which we'll talk about more in the coming months, because it offers the capability to have a much richer set of end user function delivered to a browser than we have today with our current web mail client. It is clear to me that this will be an attractive offering with some of these Internet appliances.

Some people say that there is not much opportunity for continued growth in the messaging market. What is your strategic direction for the messaging market?

You have to look at it in the context of customer priorities. Five years ago, customer priorities were "I've got to make a decision about my standard for a messaging system." The competitive battlefield got defined by Lotus and Microsoft to compete for those decisions, and we've won more than Microsoft has won.

And that's great, but if you look at corporations, large corporations especially -- this is less so with maybe some small or medium business -- they have pretty much made their decisions. There are still a few that are making decisions as to Domino or Exchange, but a lot of those decisions are behind them. We do see, for example, some acquisitions popping up like Exxon Mobil, where one side has Domino, and the other side has Exchange. And the good news there is that we're winning more of those -- Exxon Mobil has chosen to standardize on Domino. On the Exxon side they've taken Exchange out.

So the priorities are moving to "How do I extract more value out of the decision I've made?" For the customers who have decided with us, we have a lot that we can sell to them that will help them get more value out of their investment, whether it's instant messaging with Sametime, whether it's web-based collaboration with QuickPlace, whether it's document management with Domino.doc, or workflow management.

With our strategy, we can even go into the Microsoft base. So for those customers who made the "misguided decision" and used Exchange, we can help them see that there is more value that Lotus can provide even in that environment. So we can sell Sametime and QuickPlace into Exchange shops, and we'll be able to sell Raven and LearningSpace into

cross-infrastructure environments.

What it comes down to is that our customer priorities are shifting. Their priorities will start to be messaging collaboration, and evolve into "This is a critical part of my infrastructure and it has to work all the time, it has to be like a dial tone." We have to continue to improve the way that we engineer quality and we provide support, to meet those shifting priorities. But messaging collaboration will always be a fundamental substrate of a customer's IT infrastructure. We have a good footprint in it; we want to maintain that footprint and extend it into new things.

Notes/Domino is still the groupware market leader. How do you feel about the success of Notes/Domino in the market as a tool for delivering e-business applications?

We have done well establishing our presence in terms of messaging and collaboration and groupware. We have struggled with "Where are we in this world of being an e-business application platform?"

This market category got defined along the lines of transactional capabilities in support of things like e-commerce and those are, quite frankly, just not the things that we're good at. The good news is our colleagues in IBM had focused on this and, with WebSphere, have created a technology that's being evaluated by others as being world-class.

So our collaboration between Lotus and IBM to create a stronger offering for Domino and WebSphere together is really the right answer for us. It gives us an ability to take many of the applications that customers have wanted to build with Domino and then move to the Web, and make that even stronger. It also gives customers who want to build WebSphere applications more collaborative capability.

So I think our web app direction really is tied with IBM, with WebSphere, and that's not a bad thing, that's a good thing. It's an opportunity for us to mutually grow our base businesses.

And how does IBM DB2 enter into that?

DB2 does enter into it, as well, because it's about generations of applications. Your customers may start out by saying "Okay, I need to get something published onto the Web," and so they do something to get static HTML delivered to the Web.

As they evolve they say, "Okay, now I want to put up a catalog on the Web and have people buy from us," and a catalog is a database and DB2, of course, shines at providing that kind of capability and it can support transactions.

But then customers may say "What I really need is deeper transactional support," because of the complexities of really advanced e-business applications and complex transactions. That's where WebSphere has come into play.

If you think about it, we have the ability to offer a set of application servers to people who are interested in building really advanced web apps. The next turn of this crank, as I said before, is adding collaborative capabilities to their e-commerce applications. People still want to talk to other people or interact with other people in the firm that they're trying to do business with, and that's where the services that we provide really come to light.

So this is about the generational development of applications and what we're going to see is that these services have to be provided across relational databases, across collaborative services, and across transactional services.

As an overall team within the IBM Software Group, we are the only ones in the industry who can bring all of that to bear.

How does knowledge management fit in with Notes/Domino?

In many ways it fits from the standpoint of many of our customers figuring out they can create knowledge management applications with Notes and Domino. It gives us a natural customer base to go back into and sell our knowledge management capabilities.

Now, that being said, what also was clear to us as we were building the Raven plan is that we really needed to sell it cross-infrastructure. Raven and LearningSpace are examples of product capabilities that we're bringing to market that will be cross-infrastructure. They'll work with our Notes/Domino infrastructure, but they'll also begin to leverage other infrastructures -- web app infrastructures that customers are deploying.

How does Lotus plan to capture the attention of the market with Raven?

You get the sizzle and the attention of the marketplace by helping businesses understand that you're solving a real problem that they have. When I talk to CEOs or other business executives, I ask them if they can pass a test, which is: you have three minutes to find the top twenty experts on any given subject in your business -- go!

And they can't do it, of course. Well, with the technology that we're delivering with Raven and the expertise location capability, they'll have the ability to do that. They understand that's a valuable and powerful business capability and a competitive advantage that they want to get their hands on. The only issue I ever run into is -- they want it *now*.

Microsoft appears to be ready to release Exchange 2000 shortly. How is Domino R5 going to compete with this market challenge?

Whenever something comes out of Microsoft, it raises the bar from a competitive standpoint and that's the way we have to view Exchange 2000. That being said, despite the fact that they've added a lot of features that close the gap, we continue to maintain our lead in functionality.

So we can still offer the value proposition that says -- we think that messaging and collaboration are foundation technologies upon which you build, whereas Microsoft just comes in with an e-mail service. My message to customers these days is, if all you want is a basic e-mail service, then you probably ought to investigate an ASP model to get that e-mail service. Because if you're installing your own computers just to run a basic e-mail service, and you're making that decision today, you should be thinking about different things.

How does Lotus plan to keep the Notes client competitive with Outlook?

We have to continue the enhancement of the client because there's the experience of having the full function of our Domino server that will always be best served in the Notes client, or certainly as far as we can see. As the browser develops as a platform, the opportunities to service more of our server capability in a browser will increase. Our next generation web client is a great example of that, but we need to continue to focus on providing great capabilities in our Notes client.

The other issue we have to focus on with our Notes client is making sure that we solve what I think is really the most painful problem that customers have. The deployment time that it takes a company, especially a large company, to deploy new client software of any type, let alone just the Notes client, is becoming a big issue for customers. I've had customers tell me that "After

R5, I'm not going to deploy any client software that requires me to touch my desktop."

Now again, the good news here is that Microsoft is including features that can be exploited by any ISV, including us, that make client software easier to deploy. And I know people at Iris are focused on taking advantage of those features to make the Notes client deployment issues less of a burden on our customers than they are today.

We also recently introduced two new family members to Notes, in Mobile Notes and iNotes. How do they complement regular Notes clients and will we see more of these?

We've changed our strategy to one of having an exclusive access to our server infrastructure from the Notes client to having a much more inclusive access to our server infrastructure from the clients of choice that people will use.

And if you think about it, we have 61 million users of Notes and Domino -- that includes both of them together, but of course, most of them are Notes. And consider the fact that there are an estimated 100 million shipped copies of Outlook, but who knows how many of those are really in use because they get bundled with Office 2000.

And more significantly, I just read a report yesterday from the US Government that estimates that in the year 2000, there'll be 300 million Internet users. Many people also think that within a very short time, we're going to have a billion wireless device users.

So it's really about making our technology -- our Domino servers -- relevant to a much broader range of people than we otherwise would have with only the Notes client. It's about moving from an exclusive environment to an inclusive environment that can benefit us and give our customers more value.

In R5, Domino leverages IBM technology such as transaction logging and indexing. What other IBM technologies will be incorporated into Domino?

We have to continue to look at IBM as a technology store. And when I say store, I mean a technology wholesaler who we can go to and say -- hey look, we need a little more database stuff, how about some XML stuff. For example, we've taken the XML parser from IBM.

I think there's more that we can do in terms of the Domino and WebSphere technology. The message there is, it really doesn't make sense for us to build the same thing twice. We can take our common servlet technology, common Java server pages technology, and can take more and more of these common technologies over time. So I think we're scratching the surface of it -- there's a lot more that can be leveraged. Where it makes sense for our customers and for us in terms of deriving more efficiencies, we should do it.

Notes and Domino is a developer's platform that depends upon the success of its business partners. How is Lotus working to protect and expand its relationship with its partners?

That's an excellent question. I'd gotten a sense that our approach to our business partners was one of "let all the flowers bloom." We treated one business partner the same way we treated the next business partner and I think that has caused a lot of our business partners to become disheartened. We also had issues in terms of clarity as to how we are in the services business in contrast with some of our business partners who are in the services business.

So what [Lotus Vice President, Business Partners] Pat Hume has done is really try to step in and, in a very short time, refocus our business partner strategy to one of value creation that rewards our business partners for their ability to create more value for Lotus and for Lotus customers.

I think that's the right direction. It's about being more selective in terms of business partners who can really create value and at the same time enable a broad base of business partners who might be smaller companies, start-up companies focused on a specific niche, and still enabling them to get access to technical information and marketing awareness that we can provide.

Can you tell us what the strategy is in regards to offering unified messaging as a main capability of Domino?

That's actually an example where we thought about our options and we concluded that it's best for us to leverage business partners. We all know that customers are going to want a unified inbox, but we also know that it takes a lot of time and energy and investment to focus on all aspects of what can show up in the inbox.

So becoming really good at managing fax servers or really good at managing voice-mail inboxes or really good at managing some of the other telephony issues that you have to deal with, is something that is very difficult for us to be as good at as some of the other companies out there who are going to specialize in only that.

Our strategy is to make sure that we can partner with those companies, like AVT, who are very, very good in this area so we can focus on the things that we need to be good at, which is providing a core infrastructure and core capabilities that unified messaging really needs.

If Microsoft is broken into two parts, an OS company and an applications company, how do you think Notes/Domino will be effected by that?

Well, the first thing I will tell you is that I don't spend a lot of time trying to speculate about what's going to happen. These are interim points in time in terms of a legal process that has yet to play out.

What's interesting to reflect is that we really wind up dealing with Microsoft in multiple different ways, anyway. We are, after all, one of their largest ISVs, so we work with the people at Microsoft to provide Windows, we have support relationships, we get bug fixes, we give them advice on things they need to do to improve the product to make it easier for us as an ISV, so those relationships continue.

We're now working with the Microsoft Office group in support of iNotes, because we realize that in order to connect Outlook with some of our Domino Offline Services capability and give customers a great experience in using Domino services, we have to collaborate with them.

It's just that one little group over there that we'd really like to stamp out. But of course, that's the way business is, these days; there are parts of a company you work with and parts of it you compete with, and that's our relationship with Microsoft. So if the legal process plays out and it changes the structure of Microsoft in a way that causes us to have to react to that, we will, but I think for the most part it will be just changes to existing relationships we have that are going to continue.

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ABOUT AL

Alfred W. Zollar is President and CEO of Lotus Development Corp., an IBM company and the undisputed industry leader in messaging, collaboration, and knowledge management.

Previously, Al had been general manager of IBM's Network Computing Software Division, responsible for orchestrating IBM's push to design, develop, and deliver leading Internet infrastructure middleware for e-business.

He is a member of IBM's Worldwide Management Council. During his 23-year career at IBM, Al served as general manager, IBM eNetwork software, senior vice president of development for IBM's Tivoli Systems unit, and has held key management positions in IBM software development laboratories, including Raleigh and Santa Teresa. He joined IBM in 1977 as a systems engineer trainee in San Francisco, California.

Additionally, Al is supporter of business and community-based organizations aimed at expanding opportunities for minorities. He is a member of the Executive Leadership Council, a co-chair of the IBM Black Family Technology Awareness project, and a past member of the Durham, North Carolina Black Achievers Program Advisory Board. He has also served on the board of the Alexian Brothers Hospital Foundation in San Jose, California, helping to launch a program to provide free health care services to the children of the working poor.

Al holds a master of arts degree in Applied Mathematics from the University of California at San Diego. He spends his free time with his family, reading, playing golf, and listening to jazz.