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Lotus Software

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Lotus Software (called **Lotus Development Corporation** before its acquisition by IBM) was an American software company based in Massachusetts. Lotus is most commonly known for the Lotus 1-2-3 spreadsheet application, the first feature-heavy, user-friendly, reliable and WYSIWYG-enabled product to become widely available in the early days of the IBM PC, when there was no graphical user interface. Much later, in conjunction with Ray Ozzie's Iris Associates, Lotus also released a groupware and email system, Lotus Notes. IBM purchased the company in 1995 for US$3.5 billion, primarily to acquire Lotus Notes and to establish a presence in the increasingly important client–server computing segment, which was rapidly making host-based products such as IBM's OfficeVision obsolete.[1]

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Lotus Software

Type	Subsidiary
Industry	Computer software
Founded	1982; 35 years ago (as Lotus Development Corporation)
Headquarters	Cambridge, Massachusetts, U.S.
Products	Lotus Agenda Lotus Connections Lotus Domino Lotus Domino Web Access Lotus Expeditor Lotus Forms Lotus Magellan Lotus Notes Lotus Notes Traveler Lotus Quickr Lotus Sametime Lotus Symphony Lotus Foundations IBM Lotus Web Content Management
Parent	IBM
Website	Official website

History [edit]

Lotus was founded in 1982 by partners Mitch Kapor and Jonathan Sachs with backing from Ben Rosen. Lotus's first product was presentation software for the Apple II known as Lotus Executive Briefing System. Kapor founded Lotus after leaving his post as head of development at VisiCorp, the distributors of the VisiCalc spreadsheet, and selling all his rights to Visi-Plot and Visi-Trend to Visi-Corp.

Shortly after Kapor left Visi-Corp, he and Sachs produced an integrated spreadsheet and graphics program. Even though IBM and VisiCorp had a collaboration agreement whereby Visi-Calc was being shipped simultaneously with the PC, Lotus had a clearly superior product. Lotus released Lotus 1-2-3 on January 26, 1983. The name referred to the three ways the product could be used, as a spreadsheet, graphics package, and database manager. In practice the latter two functions were less often used, but 1-2-3 was the most powerful spreadsheet program available.

Lotus was almost immediately successful, becoming the world's third largest microcomputer software company in 1983 with $53 million in sales in its first year,[2] compared to its business plan forecast of $1 million in sales. In 1982 Jim Manzi — a graduate of Colgate University and The Fletcher School of Law and Diplomacy — came to Lotus as a management consultant with McKinsey & Company, and became an employee four months later. In October 1984 he was named President, and in April 1986 he was appointed CEO, succeeding Kapor. In July of that same year he also became Chairman of the Board. Manzi remained at the head of Lotus until 1995.

Dominance [edit]

As the popularity of the personal computer grew, Lotus quickly came to dominate the spreadsheet market. Lotus introduced other office products such as Ray Ozzie's Symphony in 1984 and the Jazz office suite for the Apple Macintosh computer in 1985. Jazz did very poorly in the market (in Guy Kawasaki's book *The Macintosh Way*, Lotus Jazz was described as being so bad, "even the people who pirated it returned it"). Also in 1985, Lotus bought Software Arts and discontinued its VisiCalc program.

In the late 1980s Lotus developed Lotus Magellan, a file management and indexing utility. In this period Manuscript, a word processor, Lotus Agenda, an innovative personal information manager (PIM) which flopped, and Improv, a ground-breaking modeling package (and spreadsheet) for the NeXT platform, were released. Improv also flopped, and none of these products made a significant impact on the market.

"Look and feel" lawsuits [edit]

Lotus was involved in a number of lawsuits, of which the most significant were the "look and feel" cases which started in 1987. Lotus sued Paperback Software and Mosaic for copyright infringement, false and misleading advertising, and unfair competition over their low-cost clones of 1-2-3, VP Planner and Twin, and sued Borland over its Quattro spreadsheet. This led[citation needed] Richard Stallman, founder of the Free Software Foundation, to found the League for Programming Freedom (LPF) and hold protests outside Lotus Development offices. Paperback and Mosaic lost and went out of business; Borland won and survived. The LPF filed an *amicus curiae* brief in the Borland case.[3]

Diversification and acquisition by IBM [edit]

In the 1990s, to compete with Microsoft's Windows applications, Lotus had to buy in products such as Ami Pro (word processor), Approach (database), and Threadz, which became Lotus Organizer. Several applications (1-2-3, Freelance Graphics, Ami Pro, Approach, and Lotus Organizer) were bundled together under the name Lotus SmartSuite. Although SmartSuite was bundled cheaply with many PCs and may initially have been more popular than Microsoft Office, Lotus quickly lost its dominance in the desktop applications market with the transition from 16- to 32-bit applications running on Windows 95. In large part due to its focusing much of its development resources on a suite of applications for IBM's new (and eventually commercially unsuccessful) OS/2 operating system, Lotus was late in delivering its suite of 32-bit products, and failed to capitalize on the transition to the new version of Windows. It now has very little market share. The last significant new release was the SmartSuite Millennium Edition released in 1999. All new development of the suite was ended in 2000, with ongoing maintenance being moved overseas.

Lotus began its diversification from the desktop software business with its 1984 strategic founding investment in Ray Ozzie's Iris Associates, the creator of its Lotus Notes groupware platform. As a result of this early speculative move, Lotus had gained significant experience in network-based communications years before other competitors in the PC world had even started thinking about networked computing or the Internet. Lotus initially brought Lotus Notes to market in 1989, and later reinforced its market presence with the acquisition of cc:Mail in 1991. In 1994, Lotus acquired Iris Associates. Lotus's dominant groupware position attracted IBM, which needed to make a strategic move away from host-based messaging products and to establish a stronger presence in client–server computing, but it also soon attracted stiff competition from Microsoft Exchange Server.

In the second quarter of 1995 IBM launched a hostile bid for Lotus with a $60-per-share tender offer, when Lotus' stock was only trading at $32. Jim Manzi looked for potential white knights, and forced IBM to increase its bid to $64.50 per share, for a $3.5 billion buyout of Lotus in July 1995.[4] On October 11, 1995 Manzi announced his resignation from what had become the Lotus Development division of IBM; he left with stock worth $76 million.

Assimilation of name, Web site, and branding [edit]

While IBM allowed Lotus to develop, market and sell its products under its own brand name, a restructuring in January 2001 [1] brought it more in line with its parent company, IBM. Also, IBM moved key marketing and management functions from Cambridge, Mass., to IBM's New York office [2].

Gradually, the Lotus.com web site changed the "About us" section of its web site to eliminate references to "Lotus Development Corporation". The Lotus.com web page in 2001 clearly showed the company as "Lotus Development Corporation" with "a word from its CEO" [3] by 2002 the "About us" section was removed from its site menu, and the Lotus logo was replaced with the IBM logo[4]. By 2003 an "About Lotus" link returned to the Lotus.com page on its sidebar, but this time identifying the company as "Lotus software from IBM" and showing in its contact information "Lotus Software, IBM Software Group" [5]. By 2008 the Lotus.com domain name stopped showing a standalone site, instead redirecting to www.ibm.com/software/lotus, and in 2012 the site discontinued all reference to Lotus Software in favor of IBM Collaboration Solutions.

IBM discontinued development of IBM Lotus Symphony in 2012 with the final release of version 3.0.1, moving future development effort to Apache OpenOffice, and donating the source code to the Apache Software Foundation.[5] Later that year, IBM announced it was discontinuing the Lotus brand[6] and on March 13, 2013, IBM announced the availability of IBM Notes and Domino 9.0 Social Edition,[7] replacing prior versions of IBM Lotus Notes and IBM Lotus Domino and marking the end of Lotus as an active brand.

Corporate culture [edit]

Mitch Kapor

Lotus's first employee was Janet Axelrod who created the Human Resources organization and was the central figure in creating the Lotus culture. As she continued to build her organization and play a central role with senior management, she eventually hired Freada Klein as the first Director of Employee Relations. Lotus was the first major company to support an AIDS walk, in 1986. In 1990 Lotus opened a daycare center for the children of its employees. In 1992 Lotus was the first major company to offer full benefits to same-sex partners. In 1998 Lotus was named one of the top 10 companies for working mothers to work for by *Working Mother* magazine.

In 1995 Lotus had over 4,000 employees worldwide; IBM's acquisition of Lotus was greeted with apprehension by many Lotus employees, who feared that the corporate culture of "Big Blue" would smother their creativity. To the surprise of many employees and journalists, IBM initially adopted a very hands-off, laissez-faire attitude towards its new acquisition.[citation needed]

However, by 2000 the assimilation of Lotus was well underway. While the mass employee defections that IBM feared did not materialize, many long-time Lotus employees did complain about the transition to IBM's culture—IBM's employee benefits programs, in particular, were singled out as inferior to Lotus's very progressive programs.[citation needed]

Lotus's headquarters in Cambridge were originally divided into two buildings, the Lotus Development Building (LDB) on the banks of the Charles River, and the Rogers Street building, adjacent to the CambridgeSide Galleria. However, in 2001, then President and General Manager, Al Zollar decided not to renew the lease of LDB. The subsequent migration of employees across the street (and into home offices) generally coincided with what was probably the final exodus of employees from the company. Later, IBM's offices at 1 Rogers St supported mobile employees, the Watson Research Center on User interface, and IBM DataPower.

The integration of Lotus into IBM continued and eventually the Lotus brand was discontinued, but many former Lotus employees still identified with Lotus and saw themselves as part of the Lotus community for a considerable period after the takeover.[citation needed]

Origins [edit]

Mitch Kapor got the name for his company from 'The Lotus Position' or 'Padmasana'. Kapor used to be a teacher of Transcendental Meditation technique as taught by Maharishi Mahesh Yogi. Incidentally, competitor Borland code-named their Quattro Pro software "Buddha", as the software was meant to "assume the Lotus position" and take over Lotus 1-2-3's market.

Products [edit]

IBM sponsors the "Lotus Greenhouse", a community web site featuring software from IBM and its business partners.

Current products [edit]

- Lotus Connections
- Lotus Domino
- Lotus Domino Web Access
- Lotus Expeditor
- Lotus Forms
- Lotus Foundations
- LotusLive
- Lotus Mashups
- Lotus Notes
- Lotus Notes Traveler
- IBM Lotus Quickr, which replaces Lotus QuickPlace
- Lotus Sametime
- IBM Lotus Web Content Management

Products in maintenance mode [edit]

- Lotus SmartSuite
  - Lotus 1-2-3
  - Lotus Word Pro
  - Lotus Freelance Graphics
  - Lotus Approach
  - Lotus Organizer

Discontinued products [edit]

- Lotus Domino Document Manager (discontinued on 30-Sep-2012)
- Lotus Agenda
- Lotus cc:Mail
- Lotus HAL
- Lotus Improv
- Lotus Jazz
- Lotus Magellan
- Lotus Manuscript
- Lotus Marketplace
- Lotus Symphony (DOS version)
- IBM Lotus Symphony[8]

References [edit]

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3. ^ Moglen, Eben; Karlan, Pamela S. (1995). *Brief of Amicus Curiae: League for Programming Freedom in Support of Respondent*, retrieved 2007-12-10
4. ^ Darrow, Barbara (12 December 2003). *Jim Manzi*. CRN.com
5. ^ Gavin Clarke (July 14, 2011). "IBM crams Lotus Symphony back into OpenOffice". *The Register*. Retrieved October 8, 2013.
6. ^ Darryl K. Taft (November 17, 2012). "IBM Drops Lotus Brand, Takes Notes and Domino Forward". *Eweek*. Retrieved October 8, 2013.
7. ^ "IBM Notes and Domino 9.0 Social Edition puts you on a solid path to becoming a social business". *IBM United States Software Announcement 213-085*. IBM. March 12, 2013. Retrieved October 8, 2013.
8. ^ Noyes, Katherine (27 January 2012). "Coming Soon: An 'IBM Edition' of Apache OpenOffice". PCWorld. Retrieved 11 April 2012.

External links [edit]

- Official website
- Lotus.com Official website (Archive)
- THE VIEW Online Knowledgebase An online knowledgebase offering expert instruction, best practices, and tips for IBM Lotus projects.
- AXLE: the Association of ex-Lotus Employees
- The Lotus Museum, artifacts and video programs from Lotus history
- Oral history interview with Jonathan Sachs discusses the development of Lotus 1-2-3, Charles Babbage Institute, University of Minnesota
- Lotus HAL.

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