Unified Communications Comes to the Cloud
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Today’s companies operate in complex and rapidly changing business environments and must constantly develop, implement, and execute strategies to improve the efficiency of business operations, boost employee productivity, and satisfy customer requirements while also growing revenue and reducing costs. In addition, employees are often geographically dispersed, working in remote offices, telecommuting, or on the road. These two trends — challenging business environments and highly distributed workforces — require a different approach to what may be the most critical business applications: communications and collaboration. Unified communications (UC), an integrated, transformational approach to business communications, not only can yield IT and telecom cost savings but also can create the conditions for more productive and efficient business processes.

The following questions were posed by AT&T to Melanie Posey, research director of IDC’s Web Hosting Services and Telecom Services programs, on behalf of AT&T’s enterprise customers.

Q. What is unified communications, or UC?

A. The term unified communications describes a new approach to business communications where capabilities previously provisioned on separate voice, data, and video communications systems are delivered, managed, and supported on a common infrastructure platform. UC solutions simplify communications across business organizations by making multiple modes of interaction — telephony, email, instant messaging, conferencing (audio, Web, and video), virtual collaboration (whiteboards, document sharing) — accessible to end users through IP-enabled networks, desktops, and fixed and mobile devices.

However, UC is more than just the aggregation of different applications running on the same IP infrastructure. The notion of presence (i.e., the ability to locate the end users one wants to communicate with, their availability status and preferred mode of communication) takes UC out of the realm of technology and makes it a dynamic enabler of business productivity and process acceleration. At the end of the day, communication is the key enabler of business processes in any organization. What UC brings to the party is the ability to establish a comprehensive, expandable framework for multimodal communications (real time and non–real time) and a uniform user interface for anytime, anywhere, any device communications within and across business ecosystems.

Q. Why is unified communications important to business?

A. Technology often overpromises and underdelivers when it comes to business value, and UC is no exception. There is only so much that any technology platform can do to fix flawed business strategies, suboptimal business models, or problematic organizational structures.
That being said, UC can be a powerful tool for enhanced business productivity, efficiency, and velocity when implemented as part of the broader ongoing process of business transformation.

UC can yield both generic business benefits and process-specific benefits. In general terms, anything that improves employees’ ability to communicate with the right person at the right time makes for more streamlined, frictionless decision making and execution environments and reduced project/function cycle time. Business now operates on a worldwide, 24 x 7 basis, requiring communications and collaboration tools that can be accessed on an anytime/anywhere basis. In addition, the broader trends toward “flexible working” (i.e., work at home, work/life balance) and flexible workspaces or "hoteling/hot desking" lend themselves to UC solutions by facilitating virtualized access to communications and collaboration functionality regardless of the user’s location or device. UC’s conferencing capabilities (particularly video and immersive telepresence) can also be leveraged to reduce the direct costs of business travel and mitigate the indirect opportunity cost of time away from the office.

Q. **What are the benefits of a cloud-based UC solution?**

A. A key benefit of a cloud-based UC solution versus an on-premises implementation option is lower up-front costs, as well as lower cost of ownership and operation. The cost elements of any premises-based solution involve not only up-front capital expenditure on hardware and software but also the cost of IT staff for deployment, operation, and maintenance. In addition, there are postdeployment costs related to change management, driven by factors such as evolving business objectives, geographic expansion, and technology evolution. With hosted UC, the service provider bears these costs and organizations gain access to the functionality on a monthly recurring fee basis.

Another benefit is scalability. Cloud-based or as-a-service UC solutions running on a service provider’s multitenant infrastructure make it easier for organizations to scale their UC usage both horizontally (adding more users) and vertically (adding more applications and feature functionality). With cloud-based UC, organizations can roll out capabilities in gradual fashion without massive up-front commitments or the risk of stranded sunk costs.

Companies also receive the benefit of standardized capabilities across the organization. Cloud-based UC simplifies the task of ensuring that a uniform set of communications and collaboration tools is available to all participants in the business process ecosystem—employees within the organization and even suppliers, partners, and customers. Similarly, the routine tasks involved in technology implementation, integration, and maintenance have little direct correlation to an organization’s overall value proposition. By sourcing functional communications and collaboration capabilities from the cloud, IT staff can concentrate on more strategic IT issues related to operational processes and applications. They can be executed even more efficiently when the relevant stakeholders have anytime/anywhere access to tools that improve the workflow from a communications perspective.

Q. **What should buyers look for in an as-a-service UC provider?**

A. Making the decision to adopt UC solutions and settling on a cloud-based implementation approach is only part of the process. The next (and arguably more difficult) stage involves selecting the right service provider. In addition to the usual service provider selection decision factors such as financial stability and industry reputation, a key issue is the provider’s approach to UC. A diverse array of providers compete in the as-a-service UC space, with different starting points for their platforms. Some are telephony based, while others are built on conferencing or messaging platforms. Buyers need to be clear about the primary
applications their converged communications platform needs to support and make sure that the provider's platform and services can support those applications and seamlessly incorporate other capabilities.

The provider's current UC functionality and features road map is also a key decision factor. Advanced telephony features are table stakes; other important service capabilities include mobile functionality, videoconferencing support, an ability to integrate with business applications such as customer relationship management (CRM) and contact centers, and collaboration tools. Other factors include flexible pricing models that align with customers' delivery and billing preferences, partner strategies with equipment vendors and the application developer community for the creation and/or joint provisioning of new service features, transition/migration assistance (especially important for large enterprise customers), integration between existing on-premises and cloud-based functionality, and customer service/support.

On the service/support front, buyers should pay close attention to the online capabilities available to both IT/telecom administrators and line-of-business end users because they are fundamental elements of the as-a-service UC value proposition. The Web-based portal for trouble ticketing, moves/adds/changes, and overall service management should be easy to use and feature reporting and SLA tracking capabilities. Client-side desktop and mobile interfaces should also be intuitive and feature rich, enabling end-user flexibility and productivity enhancement (the primary benefits of UC) while supporting the security, policy management, and compliance requirements of the buyer's organization.

Customers should also take into account the service provider's IP networking experience, track record, and skill set.

Q. What are some specific questions to consider when contemplating a cloud-based UC purchase decision?

A. For most businesses, the journey toward unified communications will occur in stages. However, companies need service provider solutions to help with this migration, given other business priorities that require time, capital, personnel, and management attention. Specific questions for potential UC service providers should include the following:

- What portfolio enhancements are planned to add value to the current slate of service offerings, and what partnership and/or internal development strategies are in place to support these initiatives?
- How is the service provider addressing emerging requirements around security, mobility, privacy, and business continuity/disaster recovery?
- To what extent does the service provider's UC solution support hybrid deployment, including integration of multivendor on-premises solutions and third-party business applications?
- What consulting, planning, and/or training solutions are available to help customers manage the transition to hosted UC and converged network platforms?
- What does the provider bring to the table to facilitate end-to-end service performance and reliability?
- How does the provider's solution help customers address the new security and policy management challenges arising from UC and converged applications, particularly on the mobility front?
ABOUT THIS ANALYST

Melanie Posey is research director of IDC’s Web Hosting Services and Telecom Services Vertical Views programs. In this position, Ms. Posey provides analysis, forecasting, and consulting on telecom and Web hosting sector dynamics, service provider positioning, technological and business model innovation, and industry evolution.

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