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Market
Insight

Enabling Digital Transformation with the Right UCaaS Solution

Vendor Profile: RingCentral

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Digital Transformation Drives the Move to Cloud



Introduction

Digital technologies are profoundly transforming the way businesses operate and create customer value. Mobility, cloud, Internet of Things (IoT), unified communications (UC) and collaboration, artificial intelligence (AI), advanced connectivity and other technologies are enabling operational efficiencies, greater employee productivity and competitive differentiation in all industries and business segments.

Frost & Sullivan customer surveys show there also exists a strong correlation between digital technology adoption and high revenue growth rates. However, the proliferation of advanced technologies is raising business communications and IT infrastructure costs and complexity, which creates challenges for IT/telecom staff. Routine management of increasingly sophisticated technology environments often prevents IT/telecom staff from focusing on important tasks—such as aligning technology investments with broader business objectives and optimizing key workflows. To achieve desired performance outcomes many businesses are moving their software workloads to the cloud to re-assign internal resources to more strategic projects, gain operational agility and become more responsive to evolving customer requirements.

A growing number of businesses are acknowledging the considerable benefits of cloud communications and are adopting hosted IP telephony and unified communications as a service (UCaaS) solutions. Deployment success requires careful evaluation of existing provider offerings to select the best fit for their specific needs. This Buyers' Guide offers detailed profiles of 22 leading North American hosted IP telephony and UCaaS providers to help businesses make smart investments in cloud communications solutions.



Compelling UCaaS Benefits

Frost & Sullivan research shows that most businesses choose cloud communications to gain greater flexibility at times of rapid growth or downsizing, as well as to access advanced features and capabilities. However, different businesses also face unique challenges and pursue varying objectives when moving their communications to the cloud. Business size and industry vertical often determine the priorities in a cloud migration strategy. Frost & Sullivan finds that UCaaS solutions offer most businesses a broad spectrum of benefits in three key areas, as follows:

- cost optimization and risk mitigation
- operational efficiency and agility
- enhanced customer value



Cost Optimization and Risk Mitigation

UCaaS total cost of ownership (TCO) varies across deployments based on customer size, existing infrastructure, solution functionality, performance requirements, number and location of sites, and other factors. However, UCaaS delivers significant cost benefits in majority of cases. Cost optimization coupled with reduced risks enables most businesses to realize a greater return on investment (ROI) when adopting hosted IP telephony and UCaaS. More specifically, businesses can reduce costs and avoid risks as follows:

Cost Optimization and Risk Mitigation

- Reduce upfront capital investment for associated hardware and software
- Reduce service fees for initial configuration and installation
- Replace variable premises-based infrastructure and software maintenance and management costs with predictable monthly fees
- Provide cost-effective business continuity/ disaster recovery through redundant connections and mobile device integration
- Apply security patches and updates as part of monthly service programs
- Reduce the risk of technology obsolescence and sunk costs

Source: Frost & Sullivan

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Operational Efficiency and Agility

By outsourcing communications management to an expert third party, businesses may more efficiently allocate internal resources to strategic projects and priority tasks. IT and telecom staff, in particular, can focus on more strategic projects to ensure faster and more targeted impact of technology investments on key performance indicators (KPIs). Businesses can realize efficiencies and improve agility in the following areas:

Operational Efficiency and Agility

- Enable flexible, rapid and economical capacity adjustments
- Eliminate the expense and hassle of integrating multiple, disparate technologies in a premises-based UC solution
- Free up internal resources for more strategic tasks
- Provide faster, more economical access to technology updates and new features
- Provide access to superior technology expertise
- Deliver telephony and UC features based on user needs independent of their physical location or underlying infrastructure

Source: Frost & Sullivan

FROST & SULLIVAN



Enhanced Customer Value

For most businesses, technology investments deliver the greatest value when they boost customer satisfaction and loyalty. Advanced UCaaS solutions drive internal productivity and agility, which often result in better products and services, as well as faster and more reliable product and services delivery to customer. By deploying integrated cloud communications and contact center solutions, businesses can also greatly enhance the customer experience, improve customer retention rates and drive repeat business. Several factors impact customer value, as follows:

Enhanced Customer Value

-  Focus on core business activities and customer value creation
-  Accelerate innovation and development cycles through access to more advanced technology tools
-  Enable more effective communications between agents and subject-matter experts within the broader enterprise monthly fees
-  Accelerate decision making and responsiveness to customer concerns through better team collaboration
-  Improve product and service quality through enhanced internal coordination and optimized workflows
-  Improve the customer experience through application integration and custom-tailored solutions

Source: Frost & Sullivan

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Service Provider Selection Criteria

As businesses embark on their cloud migration journey, they must first inventory their existing technology assets and IT/telecom skill sets. Then they must identify critical pain points that can be addressed with advanced communications and collaboration tools and /or cloud delivery models. The next important step is to select a UCaaS solution and provider that best address specific business needs and better align with their key performance objectives. Businesses evaluating UCaaS providers must take into account the following selection criteria:



Features and Speed of Innovation

The majority of UCaaS solutions offer the essential capabilities most businesses require, including:

- cloud PBX and common business telephony features
- voicemail and unified messaging/voicemail to email
- telephony presence
- auto attendant
- audio conferencing
- mobility (simultaneous/sequential ring)

Frequently, UCaaS service bundles also include:

- instant messaging and online presence

- video calling
- basic ACD

However, fewer UCaaS solutions offer:

- online fax and traditional fax machine support
- multi-level auto attendant
- short messaging services (SMS)
- video conferencing
- web collaboration (screen share)
- robust and seamless experiences across desktops and mobiles
- persistent group chat and team spaces
- file sync and share
- voicemail transcription
- automatic call recording
- integrated multi-channel contact center

Solutions also vary in terms of support for popular telephony features such as:

- key system emulation
- call park, call forward
- wireless (e.g., DECT) phone support
- analog device support
- paging
- receptionist console
- boss/admin features

Business must invest in technology based on their long-term vision for their communications solution evolution. While certain features may not be critical today, they may become important in the future as company size, portfolio, vision and user demographics evolve. UCaaS technology roadmap and speed of innovation can determine a provider's ability to promptly address shifting customer needs. Providers employing agile software development methodologies and promoting entrepreneurial practices within their organizations are typically nimbler and better positioned to innovate more rapidly.



Service Quality and Reliability

The move to cloud communications should not entail increased risks or concerns related to service quality and reliability. Businesses must require their providers to offer financially-backed uptime SLAs of at least 99.99 percent, and also seek proof of service performance consistently meeting or exceeding this threshold. End-to-end SLAs guaranteeing service quality all the way

from the user desktop to the provider network can deliver even greater value to businesses as they cover all the links in the service delivery chain.

In addition to requesting historical service records to receive evidence of desired performance levels (uptime, MOS, etc.), businesses must inquire about the following:

- service provider data center architectures (geo-redundancy, failover, traffic route optimization, etc.)
- quality monitoring tools
- additional (e.g., analog) line failover
- intelligent edge device (e.g., gateway, SBC) use for survivability and quality control
- preventive/proactive service monitoring and management tools
- other solution design specifics

Provider response times for minor and major issues, parts replacement policies and other processes and capabilities that ensure effective service management should be included in the request for proposal (RFP). Service provider peering arrangements with other carriers are also important as they can impact both service costs and availability.

Connectivity options also determine service quality and reliability. Businesses with more stringent requirements may need to deploy UCaaS over private networks using multi-protocol label switching (MPLS) or software-defined wide area network (SD WAN) technologies to guarantee better service performance. Those choosing the flexibility to bring their own Internet connections must ensure that the UCaaS providers have engineered solutions to monitor quality over public broadband networks.



Security and Industry Compliance

As businesses increasingly adopt digital technologies, security is becoming a top concern for IT management. Multiple variables may impact UCaaS solution security, including the service provider data center setup, the WAN connection between the customer site and the service provider network, the customer local area network LAN, as well as the users' endpoints. Businesses must inquire about the methods their service provider is using to ensure greater security—e.g., encryption technologies, fraud protection, data center policies, MPLS connections, etc.

Businesses in more heavily regulated industries such as healthcare, retail, government and financial services must also inquire about solution compliance with key industry regulations such as HIPAA, FedRamp, and PCI. Better security protection and stricter compliance certifications can help businesses prevent disruption due to cyber attacks, fraud, compliance violations or other adverse events.



End-User Experience

The end-user experience ultimately determines the value of UCaaS investments. Effective use of advanced communications tools can impact user productivity and job satisfaction, as well as the company's return on UCaaS investments. Therefore, prior to deploying a new solution, businesses must carefully assess their users' technology capabilities and preferences before

choosing software tools and devices that will deliver the greatest benefits. In addition to features and service quality, other solution characteristics also affect the user experience, as follows:

- ease of use
- personalization
- control over features and settings (e.g., via a convenient graphical user dashboard/portal, intuitive telephone feature menu)
- service independence of device and network (e.g., seamless mobile and desktop experience, bring your own device support)

In addition to solution design, other factors that help improve overall user perception and utilization of UCaaS tools include:

- proper training
- smooth and efficient onboarding
- self-help tools
- conveniently accessible helpdesk support



IT/Telecom Staff Experience

The benefits of usability and manageability extend to IT/telecom staff as well. They are ultimately responsible for purchasing, deploying, customizing, integrating and managing the new UCaaS solution. Their journey starts with the provider evaluation and solution purchase processes, whereby online information, live resources (via phone or web chat) and convenient ecommerce (e.g., online ordering) options can greatly enhance their experience. For most businesses this first phase in solution deployment is a combination of self-education and consultative discussions. Businesses with more complex requirements can also benefit from white-glove implementation and training services. Providers engaging with customers via diverse teams comprised of sales, engineering, project management and other staff can significantly improve deployment outcomes. Providers offering a choice between automated provisioning and custom solution design or a combination of both are likely to address a broader spectrum of customer UCaaS deployment preferences.

When moving communications to the cloud businesses are looking to outsource complexity, yet also wish to retain a high degree of control. Advanced admin portals with multiple permission levels and a unified view of all applications within the UCaaS stack can significantly ease the burden on IT/telecom staff and empower multiple stakeholders within the organization to manage features, users, devices and billing based on pre-set policies. Distributed organizations also require the ability to manage multiple sites as a single system and the ability of multiple IT/telecom admins to log in and perform tasks (e.g., updates) simultaneously.

Proper IT/telecom staff training, onboarding support and help desk services also represent critical elements in delivering a superior customer experience. Strong professional services can better assist IT/telecom staff with integration and custom application development and thus further enhance customer value.



Communications Integration with 3rd-Party Software

Ability to integrate with third-party communications or business software, e.g., Microsoft productivity suite, Google G Suite, email, customer relationship management (CRM), enterprise resource planning (ERP), human resources (HR), and vertical apps represents an increasingly important criterion in UCaaS provider and solution evaluations. Businesses acknowledge the value of integrating communications with other software to more tangibly impact key business processes and overall business agility. Both off-the-shelf and custom integrations can considerably boost the UCaaS solution ROI. Businesses that require such integrations today or envision the possibility of integrating different types of software in the future must partner with service providers that leverage standards-based technologies and offer flexible APIs and/or Communications Platform-as-a-Service (CPaaS) capabilities. CPaaS can also enable businesses not yet ready to adopt full-fledged UCaaS solutions to embed communications features into a variety of customer-facing applications to improve customer interactions, drive sales and raise customer satisfaction.



Analytics and Reporting

To properly measure the outcomes of digital transformation initiatives, including cloud communications adoption, businesses increasingly leverage analytics and reporting tools offered either by their UCaaS providers or third-party vendors. Analytics provide valuable information to both IT/telecom decision makers and service providers about UCaaS applications, underlying networks, devices and user behavior. Reported metrics can enable businesses to more effectively leverage UCaaS to reduce costs, enhance network efficiency and employee productivity, and improve business outcomes. Analytics tools deliver helpful insights throughout the UCaaS lifecycle phases: assessment, planning, delivery/deployment, management, transformation and optimization.

Most providers offer basic analytics and reporting tools at no additional charge. Businesses looking to better correlate technology investments with actual business performance must inquire about their provider's ability to offer more advanced analytics and reporting tools. Intuitive graphical representations, customizable views and reports, sophisticated statistical analyses and predictive analytics can make a big difference in generating superior outcomes from UCaaS deployments.



Total Cost of Ownership (TCO)

TCO is an important consideration for all businesses investing in new technologies. It is necessary to look at costs holistically, rather than in isolation, since multiple cost variables can affect the solution TCO, as follows:

- installation
- onboarding
- training
- integration
- customization

- recurring monthly charges (user seats, telephony lines, per-minute charges, etc.)
- communications endpoints (personal and conferencing desktop phone, soft clients, video devices, etc.)
- Internet access services
- access lines

When comparing monthly fees across service providers, businesses must clarify which features are included in service bundles and which ones may need to be added a-la-carte (and hence entail additional charges). Frequently, bundles from different providers appear similar in both features and price, however there could be important differences in the cost of additional services—e.g., auto attendants, DIDs, toll-free numbers, audio minutes, and others. Businesses must also inquire about potential volume discounts and discounts based on term commitments.

In addition to direct costs, there are multiple other factors that can negatively affect TCO and that may need to be taken into account, including:

- disruptive outages
- service quality issues
- limited customer support

Similarly, there could be some positive factors that may be difficult to measure, including:

- greater user productivity
- Improved workflows
- better customer engagement

Assessing UCaaS TCO can be a complex undertaking, but can help businesses make better choices and more sustainable investments.



Partner Ecosystem

Most providers continually enhance their UCaaS offerings and add other services (e.g., SIP trunking, MPLS, SD WAN, contact center, managed IT) to their portfolios to offer a convenient one-stop shop to their customers. However, no provider can deliver all the services that businesses may potentially require. Therefore, it is important for businesses to ensure that their UCaaS providers can leverage broad ecosystems of technology partners that can add valuable capabilities to a UCaaS portfolio, including analytics, call recording, advanced collaboration, contact center, networking, and others.

Reseller partnerships also add value in a UCaaS provider ecosystem. Resellers often possess differentiated skills in system integration, IT management, customer premises equipment (CPE) and other areas. Also, resellers typically have long-standing relationships with existing customers and can capitalize on their in-depth knowledge of the customers' infrastructure and business challenges to select and/or help custom-design solutions that best fit specific customer needs.



Provider Business Performance






Businesses must take providers' business performance into account when evaluating UCaaS solutions. Most businesses prefer to engage with providers for the long term to avoid switching costs and ensure greater user comfort with service features and experiences. Provider financial stability can be assessed in terms of revenue growth rates, profitability, and market share. However, other metrics such as customer satisfaction, customer churn rates, and net promoter scores (NPS) provide valuable information about overall provider competitiveness.



Conclusion

Choosing a hosted IP telephony and UCaaS provider is an important decision that must be based on a robust evaluation methodology. Businesses should compare providers on the above 10 selection criteria, as well as any highly specific requirements that may be relevant to their particular circumstances. Sustainable, long-term UCaaS investments deliver superior value and can greatly enhance broader digital transformation initiatives. The following provider profile offers detailed company and solution portfolio information to assist businesses in their evaluation of RingCentral and strategic decision making.

Vendor Profile: RingCentral

Core Offerings	Price Options	Key Features/ Capabilities	Phone Terminals	Key Performance Metrics
				
<p>RingCentral Office</p>	<p>List prices: \$19.99-\$49.99/ month/ user (incl. unlimited local and domestic LD calling, conference calling, Internet fax and business SMS)</p>	<ul style="list-style-type: none"> Fully featured cloud PBX Custom greetings with voicemail, voicemail to email, voicemail to text Multi-level auto attendant Mobile apps for iOS and Android Business SMS Web collaboration HD video conferencing IM/chat/presence Team messaging & collaboration Software integrations with other leading cloud providers (Zendesk, Salesforce, Office 365, G Suite, etc.) Global cloud PBX service Global virtual numbers Contact center Quality of Service analytics & real-time Reports 	<p>A choice of desk phones, conferencing stations, and IADs from Polycom, Cisco, and Yealink</p> <p>Phone rental option available</p>	<p>2017 total annual recurring revenue (as of Q3 2017/end of September 2017) is \$514M</p> <p>Q316-Q317 total revenue (as of September 2017) is \$465.5M</p> <p>2016 installed hosted IP telephony and UCaaS users—approximately 1,000,000</p>
<p>RingCentral Professional</p>	<p>List prices: \$9.99-\$24.99/ month/user</p>	<ul style="list-style-type: none"> Mobile app for iOS and Android Virtual call attendant SimulRing call forwarding Custom greetings and voicemail 		

Company Background and Current Performance

Founded in 2003, RingCentral has emerged as the leader in the North American hosted IP telephony and UCaaS market. RingCentral was one of the first providers to acknowledge growing demand for flexible and economical cloud communications. The company was also among the first to identify a growing customer need to access company communications capabilities on both mobile devices and office desktop phones for greater user convenience, efficiency and productivity. RingCentral developed its platform and service offerings with the vision to provide the most flexible mobile and fixed-line cloud communications solutions for business customers of all sizes. RingCentral initially targeted the SMB market and has now expanded its focus to include larger enterprises. Its strategy and continued product and feature development are centered on the needs of mobile workers and distributed organizations.

RingCentral reports an installed base of over 1,000,000 RingCentral Office and Professional users, including more than 600 accounts using Global Office. Key customer logos include ADP, Aptean, Box, Del Monte, Genex, HortonWorks, and H&R Block. In 2016, RingCentral's total revenue grew by 28 percent year-over-year, with RingCentral Office (its flagship offering) annualized exit monthly recurring revenue increasing by about 38 percent over the previous year. RingCentral Office has accounted for a growing share of total company revenue since the service launch in 2010.

Key to RingCentral's implementation excellence is its proprietary cloud platform which enables cost-effective scalability, flexible feature development and fully automated service provisioning and management. The provider has also packaged services and capabilities that have a strong appeal to its target customer audience, more specifically distributed organizations and where there is steady increase of BYOD (e.g., employee-owned mobile devices) trends. RingCentral's services offerings include delivery of telephony, messaging and conferencing capabilities to mobile devices and laptops/PCs as well as IP desktop phones.

With 17 geo-redundant data centers in USA, Canada, Netherlands, Switzerland, Brazil, Singapore, Australia, and Japan, RingCentral ensures high services uptime and provides a compelling international offering with its recently launched Global Office service. In 2016 and through October 2017, the provider reported service availability of five nines (99.999 percent), which is among the highest in the industry.

Sales Model

RingCentral sells solutions through both direct sales teams and indirect channels. Since 2010, it has been expanding its indirect channel, which now consists of more than 4,500 sales agents and resellers, including distributors such as Ingram Micro, Tech Data, Zones, Westcon-Comstor, and Jenne, as well as carrier partners including AT&T, BT and TELUS. The provider continues to expand its channel reach to further accelerate growth, capture new market opportunities, and better service customers.

In 2016, RingCentral launched the Channel Harmony program, which comprises various incentives for partners selling its UCaaS solutions. The program offers 100 percent commissions on all deals and provides partners with access to vertical and segment-specific subject-matter experts. In the first and second quarters of 2017, RingCentral reported 100 percent year-over-year growth in channel bookings, which is indicative of its channel program success. In April 2017, RingCentral rebranded the program to "Channel Harmony: One to

Infinity Program” and expanded its scope to include all deal sizes, from one to infinity in terms of users. Through its efforts the provider has earned high satisfaction among partners, 98 percent of whom rank RingCentral Partner Support as “exceeding expectations”.

The company also provides an e-commerce purchase option with the ability to do a 30-day free trial.

Portfolio Description and Analysis

The company’s flagship RingCentral Office service generates the majority of the provider’s revenues. RingCentral Office is an advanced cloud communications solution, offering an enterprise-grade new-generation phone system with a broad set of additional UCC features allowing users to access their cloud communications capabilities via any device of their choice—desktop phone, desktop PC/laptop or a mobile device. RingCentral also supports traditional fax machines and other analog devices through an analog telephone adapter (ATA).

RingCentral Office capabilities offer a strong value proposition to businesses that have both office-based and mobile employees who rely on mobile devices to conduct business while commuting, travelling or otherwise working remotely. Unlike most hosted IP communications providers who lead with a desktop value proposition and offer a minimal degree of mobile integration as a value-added feature, RingCentral places a very strong emphasis on mobile capabilities while also integrating desktop devices to effectively meet the needs of the entire organization.

RingCentral’s communications services suite also includes a cloud-based online meeting solution with web and HD video conferencing, which is now included as a standard feature in RingCentral Office packages and differentiates the company’s offerings from the majority of alternative hosted IP telephony and UCaaS solutions. This feature provides great value to business customers increasingly demanding advanced collaboration capabilities to improve team work productivity and effectiveness.

RingCentral has considerably enhanced its cloud offerings throughout the past couple of years to address the more extensive requirements of mid-size and large businesses. It has added advanced contact center capabilities through a partnership with inContact. RingCentral Contact Center is a multi-channel customer-care solution, including voice, email, web chat, fax, and SMS. It supports integration with leading business applications such as Google, Salesforce, Zoho, Box, and others.

In 2015, RingCentral also enabled the integration of its cloud communications solutions with G Suite, which allows business users to access communications capabilities through their office productivity applications. This includes the ability to:

- Make audio and video calls from the user’s Gmail account
- Send and receive SMS
- Schedule conference call meetings and set up a dial-in conference line directly from within Google Calendar
- Receive voicemails as files in Gmail

- View a complete communications history including calls made, received or missed, as well as faxes and voicemail

RingCentral provides a similar capability through integration with Microsoft Office365.

RingCentral's acquisition of Glip in 2015 has further enhanced and differentiated its cloud communications portfolio with the addition of innovative team messaging and collaboration capabilities. Glip allows users to better organize their conversations around key topics through the integration of persistent chat and content management in a single user interface. Contextual information, calendar integration, task management, recording, annotations and advanced search capabilities greatly enhance Glip user productivity and improve team collaboration outcomes. Glip integrates with other productivity applications such as Dropbox, Evernote and Asana, to name a few.

In an effort to further enhance the user experience, in 2016 RingCentral announced that it would make Glip's collaborative interface the primary access point for its entire UC applications suite. The new solution also includes a chatbot, AI support, and 48 new out-of-the-box integrations in addition to 45 existing ones. Through open application programming interfaces (APIs) and software development kits (SDKs) businesses and independent developers can embed communications and collaboration functionality into business software, thus driving business workflow efficiency and automation. RingCentral Office with the new collaborative user experience also interfaces with chatbot frameworks such as Hubot, Lita, and Botkit to help customers accelerate decision making and more efficiently share information.

RingCentral Office is available in four editions—Essentials, Standard, Premium and Ultimate—with varying features, capabilities and pricing to match each organization's needs. The packages are clearly described and do not require advanced technical expertise to deploy or manage.

- Essentials includes: cloud phone system, voicemail, unlimited outbound and inbound calling, 100 minutes of toll-free calling, unlimited SMS messaging, audio conferencing and meetings/video conferencing for 4 people. This service bundle is priced at \$19.99/user/month with other pricing options available with a contract or prepaid offering. Glip comes bundled with the offer.
- Standard includes: cloud phone system, voicemail and fax to email, PC and mobile soft clients, audio conferencing for up to 1,000 people, video conferencing and online meetings for 4 people, integration with Microsoft Outlook, Google, DropBox, etc., unlimited calling, 1,000 toll-free minutes. This service bundle is priced at \$24.99/user/month with other pricing options available with a contract or prepaid offering.
- Premium includes: all Standard features with video and online conferencing support for 50 people, 2,500 toll-free minutes, as well as inbound caller ID, HD voice, automatic call recording, multi-level auto attendant, integration with Zendesk, single sign-on, etc. This service bundle is priced at \$34.99/user/month with other pricing options available with a contract or prepaid offering.

- Ultimate includes: all Premium features, with video conferencing and online meetings support for 75 people and 10,000 toll-free minutes, as well as voicemail to text transcription. This bundle is priced at \$49.99/user/month with other pricing options available with a contract or prepaid offering.

The capabilities in RingCentral's various packages match or exceed those offered by other market participants for similar price points. RingCentral includes both desktop and mobile soft clients with all of its services bundles, which allows users to access their communications capabilities anywhere, anytime on the device and network of their choice.

In 2016, RingCentral launched RingCentral Global Office. The same Standard, Premium and Enterprise service bundles are available to multi-national businesses along with DIDs and calling plans in 34 countries including: Australia, Austria, Belgium, Brazil, Canada, China, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, India, Ireland, Israel, Italy, Luxembourg, Malaysia, Mexico, The Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Romania, Singapore, Slovakia, Spain, Sweden, Switzerland, Taiwan, US, and the UK.

Each Global Office account receives 1,000 minutes of in-region calling credits per month per user, based on location. The minutes are pooled and shared with all users worldwide. In addition to the 1,000 in-region calling credits per month, all users have unlimited US, Canada, and extension-to-extension calling from anywhere in the world. The new offering facilitates otherwise costly and time-consuming processes of provisioning extension-to-extension dialing, number porting, billing, reporting, localized languages with global support, etc. for businesses with multiple locations scattered around the world. With a total of 17 data centers in four world regions, 45 peering connections with international carriers and 175 connections to ISPs, RingCentral is better positioned to serve distributed organizations and reach a broader addressable market than most of its UCaaS competitors.

In 2015, RingCentral also launched an application development platform for enterprise app developers called the RingCentral Connect Platform. This platform-as-a-service (PaaS) solution enables third-party developers and IT organizations to build and deploy custom applications that integrate with RingCentral's cloud communications services. Typical use cases include the integration of a click-to-call or SMS capability with a customer application; custom workflows or business rules; agent dispatch via SMS; and more.

The platform comes with APIs and an SDK. RingCentral also provides a portal and a sandbox for developers to test the new applications prior to deployment. In addition, the RingCentral App Gallery provides out-of-the-box integrations with popular customer relationship management (CRM) solutions such as Zoho and Salesforce, as well as storage solutions such as Dropbox. Integration with Zoom powers RingCentral and Glip video chat and video conferencing.

In Q3 2017, the provider reported that RingCentral Connect Platform now supports 7,000 developers and receives an impressive 10 million API requests per business day on average, whereas peak daily API usage for all integrations, which took place on September 26, 2017, was 12 million.

In constant evolution to meet demand, RingCentral also announced a new tier plan and expanded benefits for its Connect Platform Partner Program. Three tiers—Authorized, Premier

and Elite—match different partner needs and capabilities. The program provides developer support resources as well as the possibility to feature new apps in the RingCentral App Gallery.

In May 2017, RingCentral also launched a webinar solution, which supports large-scale web meetings across global regions. The solution provides advanced presenter controls, as well as interactive Q&A, polling and chat features, recording and post-event reporting. RingCentral Webinar supports up to 3,000 attendees and 200 presenters in an environment with a look and feel similar to that of RingCentral Meetings. It allows presenters to customize email notifications and online registration.

RingCentral Webinar is currently available in the US, Canada, and the UK. Prices range from \$40 per month per host license for up to 100 attendees to \$990 per month per host license for up to 3,000 attendees. RingCentral Webinar can be purchased as an add-on with a RingCentral Office service bundle.

RingCentral ensures compliance with various industry regulatory requirements in order to provide secure services to its customers. It complies with HIPAA with respect to those customers who are eligible and enrolled in the HIPAA BAA Program. For customers that do not enroll in a HIPAA BAA Program, RingCentral's unique HCS (HIPAA Conduit Setting) option ensures that the customer will not impact its own HIPAA compliance by using the RingCentral service.

RingCentral also undertakes SSAE-16 SOC 2 Type II audits and can make the audit reports available to customers. The audit goes beyond the data center, focusing on RingCentral's service operation controls. Since this audit report is a Type II, it examines the effectiveness of the provider's security controls over time and includes information from the third-party auditors on their control tests and any findings.

Historically, RingCentral delivered cloud services over the top (i.e., over the public Internet). In 2015, RingCentral introduced RingCentral Direct Connect, which provides a number of managed-bandwidth options to address the needs of mid-market and large-enterprise customers for assured quality of service (QoS). Businesses can choose from the following:

- Customers of AT&T Managed Internet Service (MIS+) automatically gain end-to-end QoS by bundling RingCentral's services.
- For an additional charge, RingCentral can provide an interconnect into nearly any carrier's MPLS network.
- A physical (fiber or Ethernet) link is available in cases where RingCentral and customers share data center facilities.
- RingCentral has also been beta testing virtualized connections by leveraging software-defined wide area network (SD-WAN) technologies.

While the majority of RingCentral customers continue to prefer over-the-top connections, the new managed-bandwidth options enable RingCentral to serve businesses with more stringent service reliability, security and quality requirements.

To ensure its cloud solutions deliver the desired outstanding user experience, RingCentral provides robust IT management capabilities and administrative controls. Furthermore, recently enhanced analytics tools allow businesses to accurately assess service usage and quality and preempt potential service issues. Launched in 2017, RingCentral Quality of Service Analytics allow IT staff to closely monitor voice quality globally and troubleshoot before critical problems arise. Mean Opinion Score (MOS) information, as well as jitter, latency and packet loss data help IT staff prevent disruptive service degradation. RingCentral Live Reports additionally enable line-of-business managers to track customer interactions in real time to ensure a high-quality customer experience. Both tools come with powerful dashboards with graphical representations of various metrics, including: call quality, call volume, employee availability and customer hold times, among others.

Strengths	Concerns
Rapid growth with an expanding customer base boosts market power.	RingCentral requirement for all users within a customer organization to be on the same plan may present issues to businesses with diverse user needs.
Extensive and expanding feature set addresses diverse and evolving user needs. Recently enhanced user experience and new analytics tools and webinar services set RingCentral solutions apart from most competitors.	US-based implementation services are only available for businesses with more than 16 users and only via phone or webinar. US-based support is available only for accounts with more than 20 users.
Important partnerships with large telcos and distributors enable growth and broader customer reach.	Use of proprietary technologies may present interoperability and technology viability challenges in the future.
Compelling mobile functionality addresses the pain points of the increasingly mobile workforce.	Dependence on partner technologies to power key services such as contact center and video conferencing may affect RingCentral capabilities in the future.
Tiered pre-packaged service bundles make it easier for customers to budget and to deploy the right feature set for their organization.	
Competitive pricing makes RingCentral solutions affordable for a broader customer audience.	
Unlimited voice calling, conference calling, Internet fax and business SMS reduce costs and make expenses more predictable for businesses with large communications volumes.	
Flexible cloud technology and a proprietary platform enable rapid innovation and cost-effective scalability.	
International presence and the launch of RingCentral Global Office enable the provider to more effectively serve multi-national organizations.	
Geo-redundant data centers and strong track record of service reliability ensure high service quality.	

Customer Recommendations

Best Fit

- RingCentral Office is a highly effective solution for businesses with mixed communication endpoints environments, including IP desktop phones, laptops/PC with a RingCentral Desktop App, and mobile devices with the RingCentral Mobile App. For a single monthly fee, users receive access to their hosted PBX and UCC applications on any device of their choice.
- Advanced collaboration capabilities including Web Meetings, HD video conferencing, and Glip team spaces and persistent chat packaged with RingCentral Office for a competitive monthly fee provide a compelling solution for businesses looking to enhance collaboration among geographically distributed teams and remote workers. Recently launched webinar services enable customer organizations to share information with up to 3,000 participants.
- With RingCentral Contact Center the provider is able to offer a one-stop shop for businesses looking to outsource their communications and customer-care solutions to a single cloud provider.
- With significantly expanded international presence and the new RingCentral Global Office offering, RingCentral is now better positioned to address the needs of larger, distributed enterprises, including multi-national organizations.

Caution

- Similar to the majority of hosted communications providers with no premises-based telephony background, RingCentral cannot provide the benefits of multi-instance solutions based on PBX technologies. Businesses switching to RingCentral's cloud solutions will most likely need to replace existing phone terminals with new ones. Similarly, customers looking to preserve investments in premises-based solutions at some business sites, while deploying cloud communications at other sites, may not be able to integrate those for a seamless experience and more consolidated infrastructure management as well as they could with multi-instance platforms.

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Frost & Sullivan, the Growth Partnership Company, works in collaboration with clients to leverage visionary innovation that addresses the global challenges and related growth opportunities that will make or break today's market participants.

Our "Growth Partnership" supports clients by addressing these opportunities and incorporating two key elements driving visionary innovation: The Integrated Value Proposition and The Partnership Infrastructure.

- **The Integrated Value Proposition** provides support to our clients throughout all phases of their journey to visionary innovation including: research, analysis, strategy, vision, innovation and implementation.
- **The Partnership Infrastructure** is entirely unique as it constructs the foundation upon which visionary innovation becomes possible. This includes our 360 degree research, comprehensive industry coverage, career best practices as well as our global footprint of more than 40 offices.

For more than 50 years, we have been developing growth strategies for the global 1000, emerging businesses, the public sector and the investment community.

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