



50 Years of Growth, Innovation and Leadership

Unified, Efficient, Agile: Three Hallmarks of the Future Digital Workplace

A white paper by Frost & Sullivan

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INTRODUCTION

There's certainly no shortage of coverage about how technology is reshaping our world today. The lion's share of the discussion in mainstream media these days often focuses on the incredible possibilities of advancements in the consumer realm. And while those advancements can be astounding, there's also another less-publicized angle to the story that is, in many ways, equally—if not more—remarkable. In particular, the tools we use every day at work continue to undergo as much change as any area of our lives.

From analog technologies and paper-based workflows to an entirely digital landscape centered on always-on connectivity, multiple mobile devices, and an ever-growing number of communications modes, the way we work is forever changing. In particular, how effectively we communicate and collaborate at work with co-workers, partners, and customers will likely be the most important point of differentiation between companies that innovate and grow, and those that become obsolete.

That's why it's critical to begin thinking now about how communications and collaboration will redefine the future of work. This white paper discusses the trends shaping those changes and how your company can set a foundation today to achieve long-term success.



FACTORS DRIVING THE FUTURE OF WORK

There's a lot changing with respect to how we work today and how we'll work in the future—automation, jobs shifting and/or lost. That's why it's important to recognize that the future of work is really about employees and how they can work together to drive new ideas and innovation. Innovation, agility, and bringing people together are the reasons companies pursue the future of work and the digital workplace. In particular, we feel the following six trends will most impact the future of work:

Demographics and preferences: The global workforce is increasingly diverse and comprises a shifting mix of generations. Generations Y (aka Millennials) and Z are the majority populations in the current workforce. The number of Millennials in the workplace surpassed Gen Xers in 2015 (Source: RetailWire) and is expected to comprise 75% of the labor force in 2024 (Source: Forbes). Generation Z, those born between 1995 and 2015, is even larger than the Millennial generation.

This demographic shift is important because each generation brings its own preferences for how they prefer to communicate and collaborate in the course of their work—spanning phone calls, email, and instant messaging to audio, video, and web conferencing, as well as newer applications, such as cloud-based file-sharing services and team spaces. Matching your technology to your employees' preferred communications capabilities is essential for higher levels of employee engagement, productivity, happiness, and loyalty.



- A keen focus on the employee experience is already impacting the nature of work. Companies that deliver a great employee experience outperform the S&P 500 by **122%**. Today, **51%** of business leaders plan to create individualized employee experiences comparable to consumer experiences (Source: Accenture).



- A survey of 4,000-plus office workers showed **a majority believe** that technology makes them more productive, improves work-life integration, and helps them better connect with co-workers (Source: Adobe).

Technology can indeed move the needle to deliver these outcomes, yet a successful strategy is about much more than technology—it's about the *right technology* that addresses pain points without causing other problems.

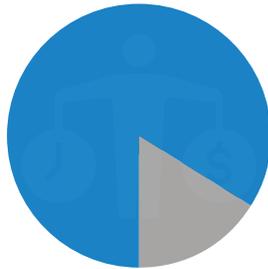
Technology is supposed to help employees become more efficient, but according to Pegasystems, can actually make them less productive. The average Global 2000 employee uses 35 different tools a day, switching back and forth more than 1,100 times. There's an application for everything, and the resulting app glut is just too much. (Source: CIO)

Flexible workstyles: Work is quickly evolving from a “job” or a “place” to tasks and workloads that can be performed from anywhere at any time. As the nature of work evolves, so will the need to ensure employees have access to robust suites of on-demand, real-time and persistent voice, video, and data communications functionality to make that possible.

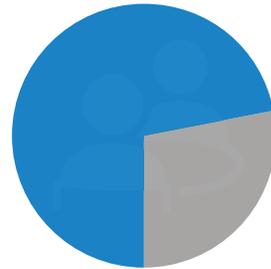
The growing diversity of workstyles (desk-bound, conference-room dweller, road warrior, campus roamer, teleworker, etc.) makes it evident that contemporary workers value choice and flexibility.



89% of Millennials prefer to choose when and where they perform their work. (Source: Quartz at Work)



84% of Gen Z ranks work-life balance as a top career priority. (Source: Quartz at Work)

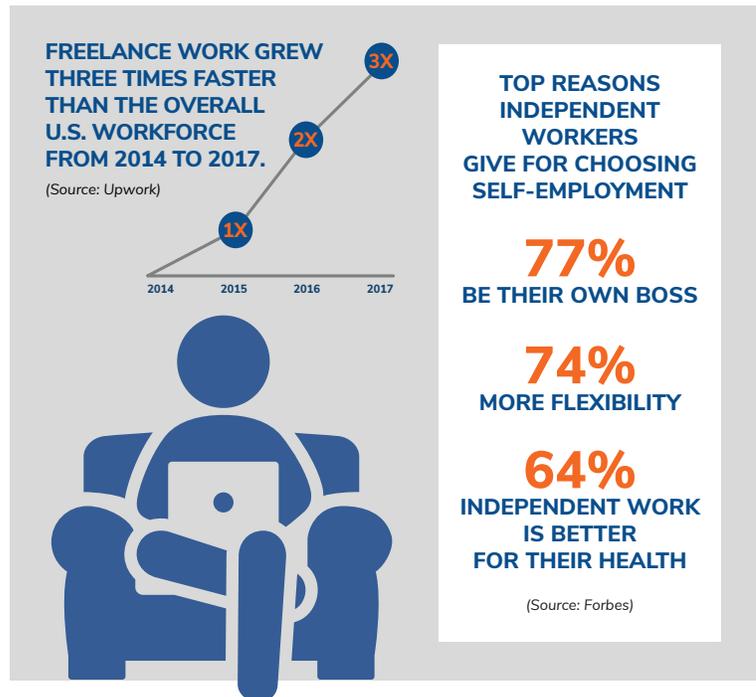


72% of Gen Z wants to communicate face-to-face at work. (Source: Inc.com)

Gig economy: Freelancing is also increasingly shaping the future of work. According to a significant study of freelancing in the US, commissioned by Upwork and Freelancers Union, 57.3 million people, or 36% of the workforce, are already freelancing in some way (full or part time). Research shows that within the next 10 years, the number of freelancers in the United States will grow to more than 50% of the workforce.

The use of purpose-built project teams is also on the rise. Seventy-nine percent of executives agreed that the future of work will be based more on specific projects than roles (Source: Forbes). As a result, teams composed of employees, contractors, and partners will more routinely form and disband on a project basis. These fast-evolving, distributed teams need rapid access to a common set of seamless communications capabilities to collaborate and complete tasks effectively.

The rise of a distributed workforce, an era in which companies now have more access than ever to a global talent pool, is likewise driving the need to connect and collaborate in rich ways with colleagues located anywhere using a common set of communications functionality.



Business technology development is both driving and being driven by the evolution of work. Pervasive high-speed internet and mobility have long been table stakes. Several newer technologies thought by some to be futuristic are already well established in live deployments within leading organizations.

Cloud computing: The cloud has changed almost everything in the information and communications technology industry. Leveraging more efficient and powerful cloud infrastructure, businesses are shifting the responsibilities of systems ownership and operation from their IT departments to expert cloud services providers. CAPEX avoidance, predictable billing, rising operational complexity, and access to more rapid innovation are among the drivers for the exploding adoption of all types of cloud-based IT and communications solutions.

A 2018 Frost & Sullivan survey of 401 IT decision-makers in the US determined that the majority recognize the importance and benefits of cloud services consumption, such as empowering IT to become a services broker to the business, cloud is critical to remaining competitive, and cloud is an essential element of digital transformation.

IMPORTANCE AND BENEFITS OF CLOUD SERVICES CONSUMPTION

	Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree or Disagree	Somewhat Agree	Agree	Strongly Agree	TOTAL
Our cloud strategy will enable IT to become a “service broker” to the business	3%	3%	6%	12%	28%	28%	19%	100%
Cloud is appropriate only for less critical or less sensitive workloads	12%	12%	16%	11%	17%	22%	9%	100%
Cloud is the most critical part of our Digital Transformation strategy	2%	4%	6%	12%	24%	30%	21%	100%
A cloud strategy is essential to remaining competitive in our industry	4%	1%	5%	7%	20%	32%	30%	100%
We’ve adopted a “cloud-first” approach for new apps, but are less likely to migrate legacy apps	5%	4%	9%	20%	24%	20%	17%	100%

Source: 2018 Frost & Sullivan survey of 401 IT decision makers in the US. Totals are rounded.

Multimedia: In many scenarios, voice- and text-only communications are ineffective and inefficient. Additional context is required for more productive and accurate information-sharing. Businesses of all stripes are adding rich multimodal solutions featuring audio, video, and web-based capabilities to their asynchronous and real-time collaboration toolsets. Overall, Frost & Sullivan research finds companies increasingly demand an integrated suite of apps to address a variety of use cases. However, businesses must find ways to tie these multimedia elements together (e.g., integrated software suites and open systems) in a way that powers their communication through continuous and persistent content and context even as they shift from mode to mode.

Frost & Sullivan research shows:

The global hosted IP telephony and unified communications as a service (UCaaS) user base is expanding as service provider offerings proliferate and businesses gain confidence in the functionality and performance of cloud-based services.



The global UCaaS market achieved 57.4 million installed users in 2018, an increase of 27.4% or 12.4 million additional users compared to 2017. User growth is forecasted at 24.1% from 2017 through 2024.

Collaboration clients are emerging to offer a better user experience, with access to both real-time and asynchronous communications capabilities within persistent team space environments.



Seat sales for team messaging solutions are forecast to experience an explosive 38.4% CAGR from 2016 through 2021 and will reach nearly 23 million seats worldwide just a few years after these applications became available.

The traditional, standalone audio conferencing market is losing market share to more robust converged web and video conferencing services segments.



Overall conferencing services seat growth is strong, with 17.7 million seats sold worldwide in 2018. The number is expected to reach 47.2 million seats globally in 2024, driven largely by multimedia web and video conferencing adoption.

AI and automation: Demand for greater accuracy, speed, and productivity is driving the infusion of artificial intelligence (AI) and automation into business processes and collaboration apps. Examples include:

- AI to improve call quality and network routing.
- Automated transcription of voice and video calls to transform recorded interactions into valuable, searchable content.
- AI capabilities to analyze transcriptions to identify best practices of successful calls and communicate that info to other agents.

AI and automation will not replace many job functions. Rather, the use of AI and automation will make people and processes more efficient.

A ‘PHONE SYSTEM’ IS NOT ENOUGH

Basing communications technology purchasing decisions solely on the simplicity and cost-effectiveness of an inflexible and largely siloed legacy “phone system” leaves too many needs unaddressed.

Yesterday’s phone systems lack sufficient support for the enhanced mobility, multimedia apps, connectivity, customer care, extensibility, and elastic scalability required in the current business climate. Today, and increasingly in the future, facilitating effective communications both internally and externally is critical to success.

Not only are employees and operational requirements changing, so are customers—they are more informed and have more options than ever before. Today’s customers want to communicate via the channel of their choice, from anywhere at any time. They expect fast, efficient, and personalized service—and if they don’t get it, they will quickly seek alternatives.

Microsoft’s 2017 State of Global Customer Service survey polled 5,000 people across Brazil, Germany, Japan, the UK, and the US. In it, 96% of respondents said customer service plays a role in their choice of and loyalty to a brand.

At the same time, company leaders are increasingly aware of the correlation between engaged employees and satisfied customers, making the former a crucial component of achieving greater customer loyalty.

Employee engagement affects your bottom line as employee behavior and attitude are among the most significant drivers of customer satisfaction. Companies in the top quartile of employee engagement experience 10% higher customer ratings (Source: Gallup).

Most forward-thinking companies are viewing these interlocking dynamics holistically. Business decision-makers recognize application-rich cloud communications services as a means to address the challenges that traditional “phone systems” cannot. IT leaders increasingly seek cloud-based communications and collaboration services to alleviate CAPEX and support burdens, while delivering a menu of functionality that can easily be tailored to different users, lines of business, and location requirements. That helps create more productive and engaged employees, leading to higher customer satisfaction.

A recent Frost & Sullivan poll of 1,934 IT decision-makers worldwide determined their top challenges and investment drivers to be:

Top IT Challenges	Top IT Investment Drivers
28% Aligning IT with business strategies and/or lack of clear IT strategies	33% Reduce operational costs
26% Systems integration; managing multi-vendor solutions	32% Improve customer experience
24% Developing a cloud strategy	28% Boost creativity and innovation
23% Improving digital presence	26% Improve sales and marketing effectiveness

Everything about the workplace is changing. Why shouldn't your mission-critical communications technology leap forward, too?

THREE HALLMARKS OF THE FUTURE DIGITAL WORKPLACE—HOW TO PREPARE YOUR COMPANY

To achieve the elements of the Future of Work discussed above, there are three key areas that successful companies will likely have in common. The degree to which they innovate will determine which companies create a united work environment that makes learning faster, thinking more decisive, and innovation second nature.

Companies that drive innovation and growth focus on three critical characteristics when it comes to how they communicate and collaborate: unified, efficient, and agile.



Unified: Unification speaks to a unified user experience (UX) that seamlessly connects communications tools—calling, messaging, and meetings—allowing for the consolidation of many applications into one. Such environments make it seamless for employees, customers, and partners to switch modes and carry context from one application or device to another. Unification also streamlines and speeds key business processes and offers engagement with customers that drives business value and customer loyalty.

Look for:

- Access to voice, video, and data applications from a single user interface (UI), as well as the ability to seamlessly switch modes with persistent content and context as needed (e.g., from instant messaging to voice, video, multi-party, etc.).
- A standards-based, open platform that enables seamless integration with popular productivity tools.
- The ability to integrate communications with best-of-breed or purpose-built tools for specific industries, lines of business, and user roles.



Efficient: Efficiency is about making people in all roles more highly functional and productive. Open platforms further drive business intelligence for faster, more informed decisions, as well as operational efficiency and productivity through third-party integrations with all business applications (e.g., CRM and file/data storage systems) and the ability to create customized integrations using robust APIs.

Look for:

- The ability to consolidate providers for pricing and support efficiencies.
- Click-to-call and conference capabilities from within productivity and business apps to reduce switching fatigue and enable contextual discussion within workflows.
- AI to streamline the surfacing of data—based on caller, interaction, and database history—and automate actions within workflows.
- Rapid, on-demand capacity adjustments.



Agile: Agility is about the cloud and how it creates nimble business operations models, enables access to the latest innovations, and supports the ability to augment and customize, particularly with open platforms. Cloud-based unified communications and collaboration services are empowering businesses to realistically re-think their capabilities by deploying their communications solutions anywhere, quickly and as needed. Agility lets large companies appear small enough to provide local, personalized service, while small companies can appear larger, more resourceful, and cutting-edge.

Look for:

- Consistent deployment capabilities across sites and users.
- Enhanced mobility that provides access to a full range of communications features across desktop phones, soft clients, and mobile devices.
- A single directory for user identity and management, and a single converged voice, video, and data network to manage and maintain.
- Agile IT with the ability to quickly implement system-wide capabilities and perform moves, adds, changes, and deletes (MACDs) from a centralized, cloud-based portal.
- Intuitive and customizable call routing for users, departments, and sites based on available resources, time of day, caller ID, geography, and more.
- A steady stream of enhanced and new functionality pushed from the cloud to keep your business on the cutting edge.

CASE STUDIES FROM THE FIELD

TouchBistro Implements Conversation-Intelligence

Industry: Retail software

Type: Business to Business

Background: TouchBistro designs, sells, and supports point of sale (POS) solutions for restaurants worldwide. The company's iPad POS solution has been implemented in over 15,000 restaurants globally. TouchBistro employs 300 staff distributed throughout the world.

Needs: As one of Canada's fastest-growing technology companies, TouchBistro has expanded quickly, opening additional offices around the world. TouchBistro needed a reliable, scalable communications solution to connect its locations and mobile workers. Specifically, TouchBistro sought a solution to arm new sales staff, no matter where they are located, with best practices and tools to close sales. The company wanted to record the conversations of its best salespeople, understand what made them successful, and share those findings with the rest of the global sales team.

Solution: TouchBistro deployed RingCentral MVP cloud-based UCaaS to quickly and easily connect all its employees worldwide. The company leveraged the call recording feature on Central Office to record sales reps' calls, then utilized RingCentral's open API platform to integrate the call database with Gong.io, a conversation analytics tool, to identify patterns and strategies that top salespeople used to make more sales. The Gong.io app analyzed the content of calls representing each stage of the sales cycle and identified the structures and substance of the calls that were successful versus those that weren't.

Results: In 2018, TouchBistro recorded and analyzed 155,000 calls, 189,000 emails, and 66,000 text messages through the RingCentral/Gong.io integration. The solution helped the company identify patterns within interactions to understand which tactics led to successful sales and which ended in a non-decision. TouchBistro then developed practices that are now shared with the company's sales reps. In the first month, the company saw a 10% increase in sales close rates and an increase in lead-to-opportunity rates of 12%.

W2O Group Embraces Single-source Unified Communications and Collaboration

Industry: Advertising/Public Relations

Type: Business to Business

Background: W2O is a global agency with 13 offices worldwide, including headquarters in San Francisco, Calif. The company has 650 employees to support a full suite of marketing services, including analytics, strategy, creative, and engagement, through five subsidiary agencies.

Needs: Serving the marketing needs of various segments of the healthcare industry, including pharmaceuticals, providers, and professional associations, requires a lot of collaboration between customers and W2O's distributed global staff. W2O grew dissatisfied with its online web meeting solution, which had a complicated user experience that made it hard for people to start and join meetings on time and made it impossible to disable pop-up alerts (incoming emails, texts, chats, etc.) during screen sharing. The older meeting solution also lacked the mobile capabilities required by W2O staff when they were on the road, and adding new users increased costs significantly.

Solution: W2O moved all its communication and collaboration tools (PBX, text, team messaging, video, and online meetings) to a single integrated cloud solution in RingCentral MVP.

Results: Each employee now has a RingCentral Meetings ID to set up or join meetings, without the need to share logins. Users report a much better experience, which is enhanced by click-to-join capabilities, robust mobile support, and content sharing that makes it easy to disable pop-up alerts. Remote and mobile workers worldwide now use a single business number wherever they are, on any device, without ever needing to give out their personal cell or home phone numbers; they use the same business number for team, SMS text, and e-fax messages. The RingCentral app provides all the integrated communication services from a single UI, making it convenient for users to access the various features. Finally, employees have quickly adopted RingCentral Glip team messaging, which is built into the RingCentral app, to invite colleagues and outside guests to immediately start messaging, add comments, share files, and add links to their conversations.

CUTTING THROUGH THE NOISE: BEST-IN-CLASS PROVIDERS

As the UCaaS market continues to grow, the number of providers and range of solutions continue to proliferate. There are well over 100 vendors offering cloud-based UC services in North America alone and exponentially more worldwide. However, few offer truly best-in-class solutions and support.

One size does not fit all. This proven adage is particularly true when considering the potential impact, positive or negative, that implementing mission-critical communications services can have on your operations, employees, customers, and partners. To quickly narrow the list of vendors, focus on the characteristics of best-in-class providers and solutions:

Must-have Attributes for Your Cloud Communications Solution	
	Robust, consistent functionality and service support for all user personas and locations. You must have the ability to match functionality to operations, IT, line of business, mobility needs, as well as projects and user roles, rather than compromise based on location.
	Solutions that offer multiple tiers of functionality through licensing, intuitive administrator provisioning and out-of-box customization to ensure the right fit without sacrificing capabilities or paying for unused functionality.
	Support for rapid scalability, up or down, to accommodate seasonal business fluctuations and growth.
	Feature-richness, including cloud voice, voice and video conferencing, AI, analytics, reporting, team collaboration/messaging, call control, mobility, contact center, management utilities, security, endpoint selection, and more.
	Depth of functionality that goes beyond the basics. Implementing more functionally rich solutions ensures that you're leaping ahead of the status quo.
	A range of integration options, including standards-based "out-of-box" plug-ins and APIs to enable customization and integration into your business's workflows easily and cost-effectively.
	Out-of-box integrations with leading office productivity suites, CRM, field services, cloud file sync and share, paging and notification systems, vertical apps, voice assistants and other third-party solutions that you have invested in or will deploy in the future.
	A long-term partner, not a vendor, to ensure an ongoing relationship throughout the solution lifecycle.
	Custom implementation expertise to ensure end-to-end performance globally, if needed, with 24/7/365 support.
	Lifecycle services that include pre-sales assessment, implementation and onboarding; ongoing technical support; and consulting to develop and embark on a roadmap to ensure flexibility, efficiency, and success as the future of work evolves.
	Security and compliance capabilities that address both broad requirements (e.g., PCI, GDPR, etc.) as well as vertical-specific requirements (e.g., HIPAA, FINRA, etc.).
	A strong track record of service reliability (e.g., 99.999% uptime) and meeting or exceeding robust service-level agreements.

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