

IHS TECHNOLOGY WHITE PAPER

# Delivering a Modern Communications Experience on a Global Scale

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## Introduction

Enterprise communications has been undergoing a transition and is no longer just voice and phone features. The last decade saw a tremendous rate of adoption of new types of communication, making today’s communications experience richer and more complex than ever before: we send e-mails, text messages, and instant messages, make phone calls over the Internet, and enjoy high-quality video calls. The general idea behind unified communications (UC) is to organize this arsenal of tools and integrate the various fragmented modes into a single communications experience. Companies are deploying UC to improve employee productivity and response times and reduce operational costs. So, instead of connecting phone numbers or devices, UC providers are working to connect people in the manner most effective for the situation.

With workforces that are increasingly mobile and using highly integrated applications in their personal lives, the expectation of being able to chat, talk, video conference, and share documents from a single application is increasing. We want these tools across any device, anywhere, and at any time, making UC ideal for a cloud services model. The truth is businesses have been steadily migrating voice and UC to a hosted model for a number of years. At the end of 2016, there were 41M hosted PBX and UC seats in service worldwide, growing 22% as more businesses migrate to cloud-based services. That installed base has only begun to tap the potential with over 140M premises-based PBX (private branch exchange) lines installed.

There has been a rise of businesses using cloud solutions across the board, and UC is no exception. Cloud solutions drive the complexity of implementing a UC solution into the hands of the service provider, which is appealing to a number of businesses. By 2018, according to IHS Markit’s February 2017 *Unified Communication (UC) Strategies and Vendor Leadership North American Enterprise Survey*, in which we surveyed IT decision-makers at 207 North American organizations, 60% of respondents will have some part of their UC applications in the cloud (UCaaS or private). There are more hosted options available from a variety of sources than ever before to fit a growing set of needs.

### UC: A Mix of Deployments

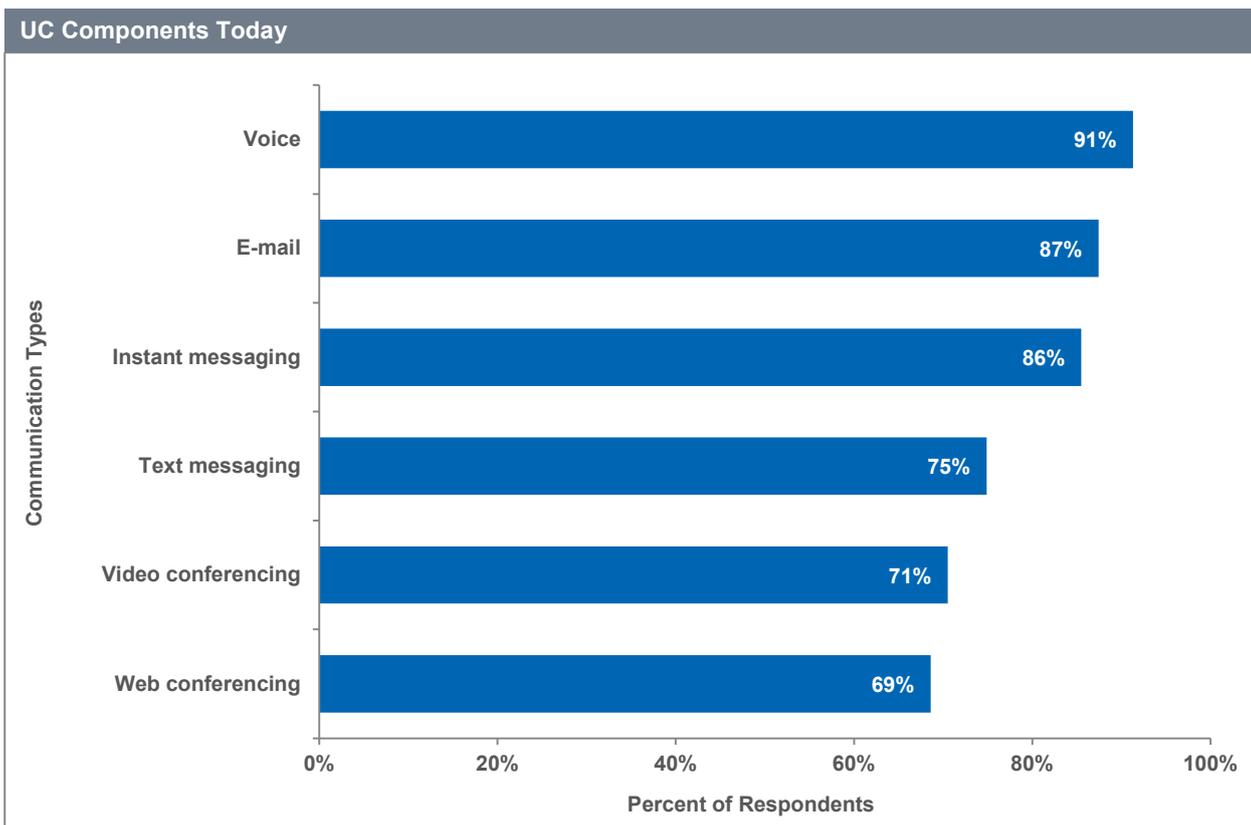


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## UC and Collaboration Capabilities

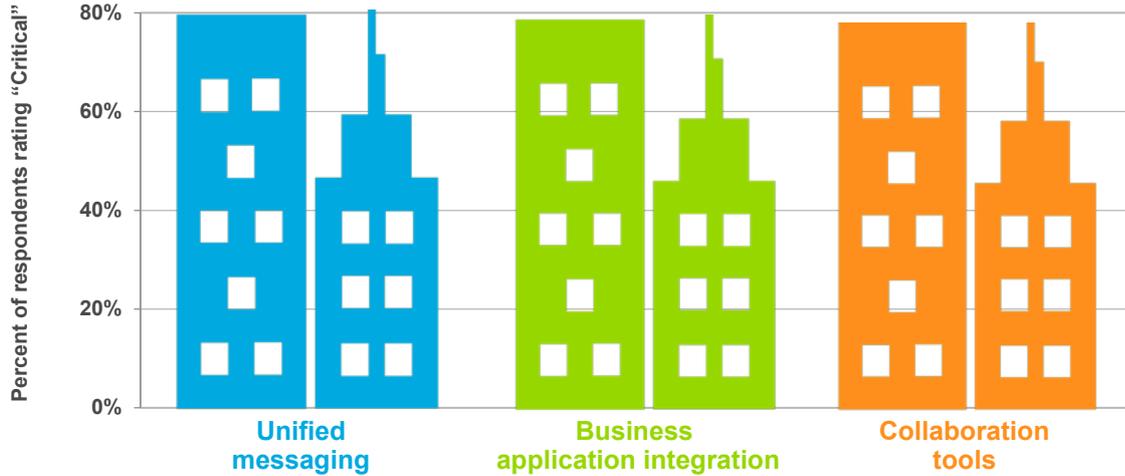
The cloud offers tangible benefits for enterprises for a variety of application requirements and communication needs. The number of solutions that can comprise UC is broad and expanding all the time, which can benefit businesses but can also be hard to manage as they proliferate within businesses. In our February 2017 *Unified Communication (UC) Strategies and Vendor Leadership* survey, we asked businesses which components currently make up their UC solution, and voice, e-mail, messaging, and collaboration in the form of video and web conferencing are widely being implemented. We think of voice and messaging as being the cornerstones of UC, but the rise of video and web collaboration has become increasingly critical for businesses in communicating with colleagues, partners, and customers.



In the same survey we also asked respondents what capabilities they deemed critical in choosing a UC solution. The first takeaway is that most capabilities are rated highly. It's strong proof that UC can be very different things to different users.

However, the number one capability rated as critical to 80% of respondents is unified messaging. Unified messaging has historically revolved around connected e-mail and voicemail messaging streams but has broadened to mean for some IT managers a single platform for instant messaging, chat, text messaging, e-mail, and voice messages. 78% of respondents rate integration with business applications as very important as more companies look to bridge communication tools with critical applications. Following right behind application integration is collaboration tools. "Collaboration tools" is a broad term that could refer to any number of tools including instant messaging, conferencing, and document sharing.

**Critical UC Capabilities**

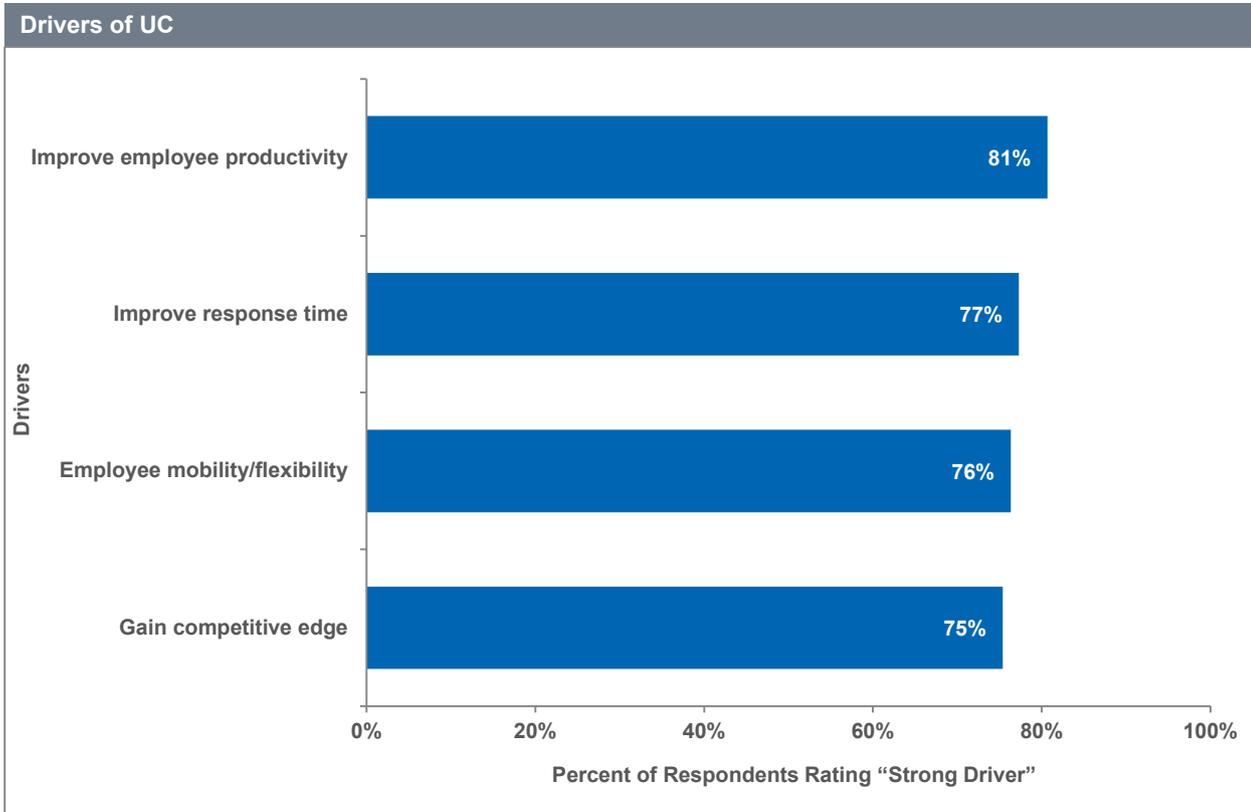


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## Business Drivers for Unified Communications and Collaboration

Improving employee productivity and response time are the top drivers for UC adoption according to enterprise surveys we have conducted, including our February 2017 study. UC is all about creating more efficient and agile organizations. Giving employees tools that allow them to communicate more effectively should in theory make them more productive, leading to an overall competitive edge. But by taking UC one step further and integrating communications tools with business applications, additional benefits can be realized.



Taking it a step further in our February 2017 survey, we asked the respondents who are connecting at least part of their UC solution through a private cloud or UCaaS (UC as a Service) to rate drivers for deploying UC in the cloud to get further insights into the delivery model choice. Availability of enhanced capabilities and flexibility are the top drivers for adoption of UC in the cloud. Cloud solutions are inherently more flexible than premises-based solutions, offering businesses the ability to scale users up and down, centralize management, and deploy new features and applications quickly across an organization that may have one location or is spread globally across multiple offices.

## Addressing the Global Workforce

In today's world where borders are virtually eliminated through the flow of information and the Internet, companies of all sizes have employees and offices spread across the globe. Whether it be a telecommuter in the middle of the US or an office worker in Hong Kong or a headquartered employee in London, employees want faster, uninterrupted access to data and the freedom to work anywhere, any time on the device of their choosing. CIOs of large multinationals to IT managers of smaller companies are facing new challenges when it comes to meeting the demands of dispersed employees married with the restraints of resources, security concerns, and budgets.

Four key challenges CIOs face in dealing with dispersed global workforces include:

- **Consumerization of IT:** devices and application being utilized in employees' personal lives pervade the workplace. Employees expect to have the same type of tools whether it is hardware such as a table or an application such as messaging. Making sure you are giving employees on a global basis capabilities that match what they are accustomed to in their personal lives is important to attracting and retaining personnel.

- Employees that establish their own **BYOD** practices: IT organizations have the choice of embracing new applications and devices or risking the rise of shadow IT, which brings a new set of security risks to an organization.
- **Cost of enterprise mobility**: with employees set across multiple countries using any number of operators and plans, multinationals struggle with the tangible cost of supporting dispersed employees through mobile voice and data plans along with replicating resources many times over in order for employees to be successful.
- **Fostering collaboration**: this can effectively be addressed through implementing a set of collaboration toolsets. UCC tools by themselves do not magically bring dispersed teams geographically closer or make them more productive, but it can give teams a more connected feel. For example, when employees are signed on to a UC solution and see other colleagues are also signed on, everyone knows the team is working and available for collaboration as needed. Having the right tools in place is important, but it's also important to understand how employees are interacting and choosing tools that can help teams work more efficiently over time.

Understanding that fostering collaboration is a critical challenge for global CIOs is the first step in identifying the key requirements these companies should be using to evaluate not only a UC solution but also its implementation and supplier. While the goal is to foster collaboration, it should be done in a way that reduces friction across offices and continents.

1. **Consistent unified experience and tools**: in order to bring about collaborative communications, companies need to deploy the same set of applications with the same UI in every location and on every device. Having easy to use, consistent tools across the organization is the first step in enabling dispersed teams to effectively interact and meet their goals.
2. **Implementation via the cloud** has benefits for many businesses, but for global companies with offices and employees across multiple locations, UC in the cloud enables IT organizations to centrally manage applications, fosters fast set up and deployment from any location, and ensures employees are using the same tools and versions as the rest of the company. Additionally, utilizing a UCaaS provider for a global deployment allows a company to be up to date with the latest capabilities across all employees.
3. **Integration of UC with business applications**, both off the shelf and custom built, has been building over the past several years. A prime example is CRM with services such as Salesforce.com that integrate with a business's phone system to automatically record call details tied to specific customer records. The integration of UC with applications such as CRM, office productivity, and customer care provides increased levels of productivity and efficiency by making two disparate tools more valuable through integration. Additionally, the integration of typically silo business tools can further enhance communications, create more consistent user experience, streamline workflow, and reduce human errors. It opens the door to deeper enhancements with emerging technologies such as chat bots and artificial intelligence, which can add further intelligence, speed, and efficiency.
4. Using a **provider that has global service capabilities** but with local experience: there are clear benefits of using a single provider across worldwide sites including consistency of tools and user experience, support, and billing. However, it is equally important to utilize a provider with a local presence across the countries in which you operate. Beyond local number provisioning to maintain the local experience, this should include localizing the communications, including cultural preferences, with consistency of the applications.

There are plenty of global companies that have begun to embrace the power of a feature-rich UCaaS solution on a corporate-wide basis for many of the reasons outlined above. One such company is Medallia, a customer experience management cloud software company headquartered in California but with offices in New York City, London, Paris, Hong Kong, Sydney, Buenos Aires, and Tel Aviv. With over 1,000 employees worldwide, Medallia pivoted to a new communications system that would enable it to have a **single provider** that would keep pace with Medallia's quickly growing **global operations**. Important attributes for Medallia were a standard set of functionalities and a **consistent user experience** with necessary call quality. Medallia ultimately chose RingCentral for its solution with RingCentral Global Office at the heart along with RingCentral Meetings for collaboration. Important for Medallia was the ability to integrate its communication solution with Google, Salesforce, and Okta for identity management. Key to the customer were not only the functionality and **application integrations** but also giving employees the **flexibility** to work in an office, at home, or remotely and still have all the communication tools at their disposal.

## Takeaways

We are in the midst of a transformation in how people communicate. It is no longer a matter of making a phone call, sending an e-mail, or messaging another person. Individuals are bringing their personal communication preferences into the workplace, and that includes video, group chat, presence status, and file sharing. There are many components that make up a UC solution, and different businesses will lean toward specific applications more than others. Having a suite of capabilities to tailor to local preferences based on cultural practices while keeping a consistency of capabilities across a global organization is important.

Consuming UC from the cloud provides greater efficiency and agility as companies bridge the gap across global operations. But it's not enough to provide a service with local number capabilities to multinationals; providers must address local requirements such as language and cultural communication preferences.

At the end of the day, when businesses are evaluating UCaaS providers the most important criteria are quality of services and security. Businesses want to ensure the UC service is being delivered in a secure environment and with high quality. In discussions with enterprises evaluating a UCaaS provider, a consistent theme is having responsive account managers and proactive support teams. Aside from having the necessary features and capabilities and a high-quality service, the interaction with account and support teams is critical.

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Commissioned by RingCentral, this paper was written autonomously by analyst Diane Myers based on IHS Markit's independent research.

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