



TECHNOLOGY

The Case for UCaaS Integration with Microsoft Apps

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Introduction

The enterprise communications market has undergone a transition as more businesses adopt unified communication and collaboration (UC&C), and the lines between telephony and unified communications (UC) blur. UC&C is on the rise, bringing together the integration of communication tools such as voice, messaging, presence, video, and collaboration. Today's increasingly mobile workforce expects to chat, talk, video conference, and share documents from a single application. And because they want these capabilities across any device, anywhere, and at any time, a cloud services model for UC&C makes sense. Businesses have been steadily migrating voice and UC&C to a hosted model for a number of years. In 1H18, there were 48.6 million UCaaS seats in service worldwide. With over 100 million premises-based PBX seats installed, there's still lots of room for growth for UCaaS.

More business applications and tools are available as cloud services today than ever before. Businesses have become comfortable outsourcing critical functions such as email, customer relationship management (CRM), collaboration, and security, to cloud providers. Software as a service gives businesses access to a variety of applications without the risk of purchasing software or developing their own applications. For the most part, however, business applications, regardless of how they are deployed, remain in their own silos, filling individual requirements.

Exhibit 1: Application silos



Source: IHS Markit

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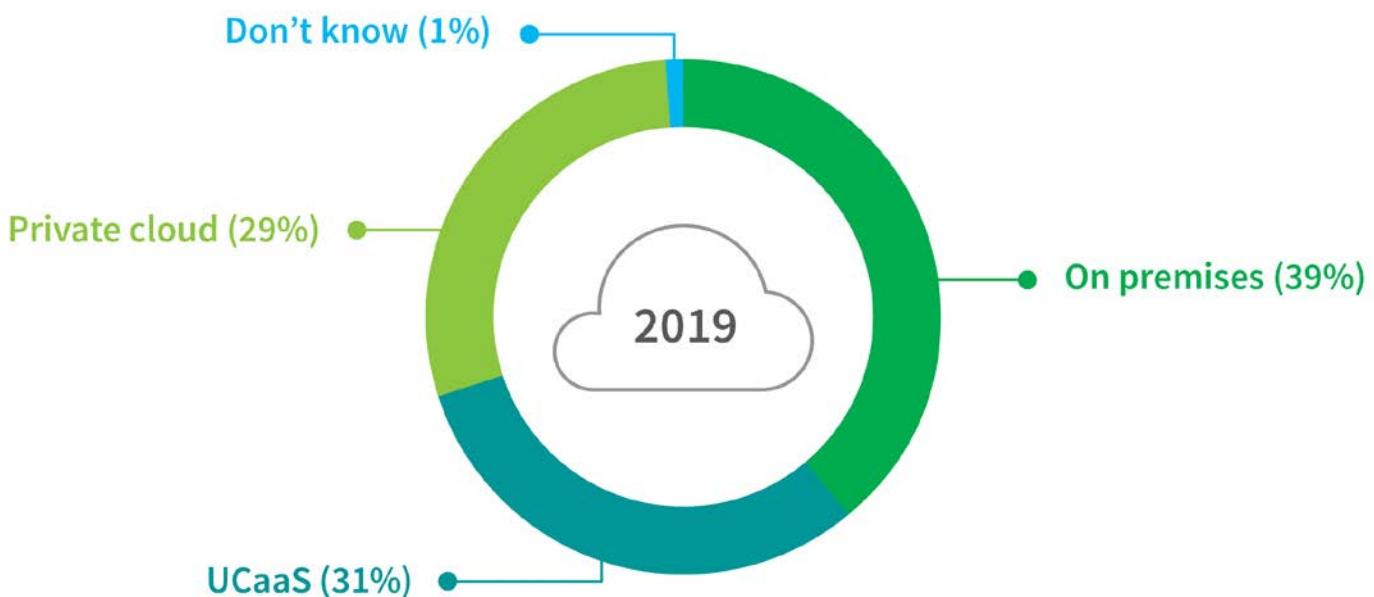
The integration of off-the-shelf and custom-built business applications with voice communication, however, has become more popular over the past several years. A prime example is CRM, where services such as Salesforce.com integrate with phone systems to automatically record call details tied to specific customer records. This provides increased levels of productivity and efficiency by making two disparate tools more valuable through integration. As more applications, as well as communication infrastructure, are moving to the cloud, we are at an ideal juncture to break down silos and enter a new era of business communications through seamless integration.

UC&C moving to the cloud

The last decade has seen a tremendous rate of adoption for new types of communication, making today's communications experience richer than ever before. We send emails, text messages, and instant messages, make phone calls over the Internet, collaborate with team members in dedicated spaces, and enjoy high-quality video calls. The general idea behind unified communication and collaboration is to organize this arsenal of tools and integrate the various fragmented modes into a single communications experience. Companies are deploying UC&C to improve employee productivity and response times and reduce operational costs. Instead of connecting phone numbers or devices, UC&C providers are working to connect people in the manner most effective for the situation.

UC&C is not limited to businesses deploying and managing solutions on their premises. A growing number of businesses today use cloud solutions across the board, and UC&C is no exception. Cloud solutions offload the complexity of implementing a UC&C solution to the service provider, which appeals to an increasing number of businesses. By 2019, according to the IHS Markit March 2018 *Unified Communication Strategies and Vendor Leadership North American Enterprise Survey*, in which we surveyed IT decision-makers at 201 North American organizations, 60% of businesses will have some part of their UC applications in the cloud (UCaaS or private cloud). There are more hosted options available from a variety of sources than ever before to fit a growing set of needs.

Exhibit 2: UC&C moving to the cloud



Source: IHS Markit UC Strategies and Vendor Leadership North American Enterprise Survey – March 2018

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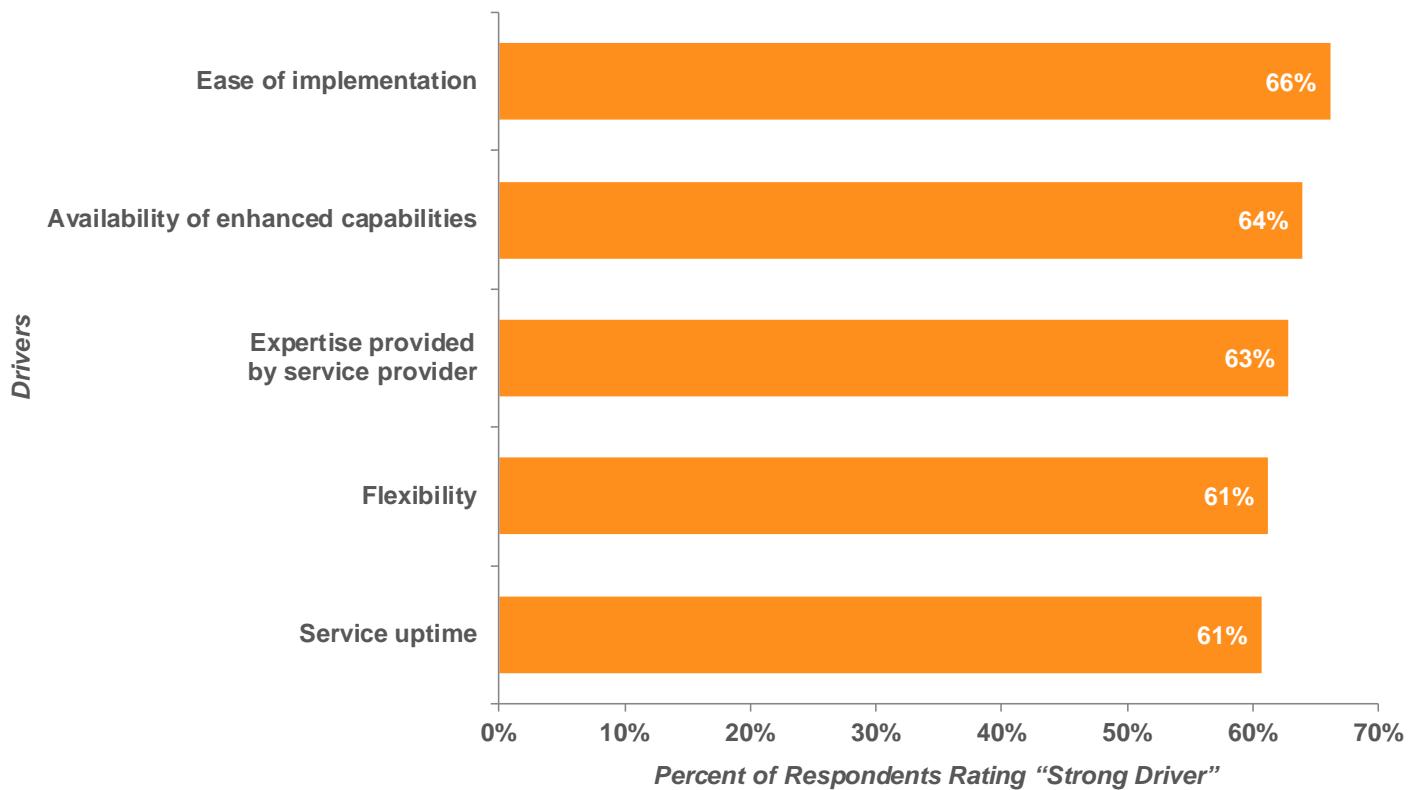
Benefits of UCaaS

In the same March 2018 survey, we asked respondents who deploy at least part of their UC&C solution via UCaaS or a private cloud service to rate drivers for moving to a cloud service.

The availability of enhanced capabilities and ease of implementation are the most critical drivers for migrating to a UCaaS service. 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.

UC&C is all about creating a more efficient and agile organization. Giving employees tools that allow them to communicate more effectively should, in theory, make them more productive, leading to an overall more efficient organization.

Exhibit 3: Why UCaaS?



Source: IHS Markit UC Strategies and Vendor Leadership North American Enterprise Survey – March 2018

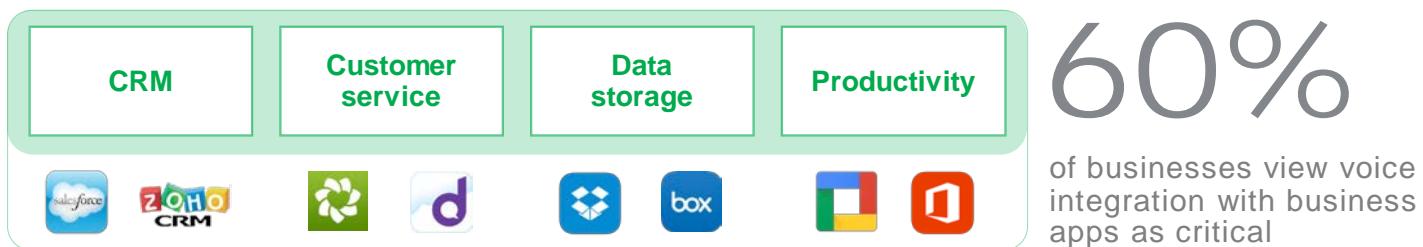
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Integrating UCaaS with business applications

In a March 2018 survey of North American enterprises, we asked respondents what capabilities they deem important in choosing a UC solution; 60% said the ability to integrate voice with business applications is “very important.” It is no longer enough to have unified communication tools; it’s necessary to bring those tools to individual applications to launch communication sessions—chat, voice, and video—directly from an address book, for example. Having one truly integrated directory to launch calls rather than having to scroll through a list of extensions seems so simple, yet many companies don’t have that capability. And although we have become used to click-to-dial within email or webpages from our mobile devices, the same is not true of our desktops.

Businesses are recognizing the value of integrating voice and UC&C with key applications. There are a number of business applications that can be integrated with UCaaS solutions, with the most common coming from four broad categories: CRM, customer service, productivity, and data storage. Many of the leading applications in these categories are deployed and sold as SaaS solutions, making them ideal for integration with UCaaS.

Exhibit 4: Leading business apps in the cloud



Source: IHS Markit

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Integration with the Microsoft Suite

To better understand how integrations between business applications and UC&C might work, let's take a deeper dive into Microsoft, which spans multiple categories, including CRM, data storage, and productivity. Although Microsoft has its own UC&C applications, that doesn't prevent companies from integrating their UC&C and voice services with Microsoft clients.

We'll analyze how Microsoft integrates with leading UCaaS provider RingCentral (RingCentral ranked #1 in IHS Markit's 2018 North American UCaaS Scorecard). RingCentral offers a variety of integration options across the suite of Microsoft applications, with more in development around newer applications, such as Microsoft Teams:

-  Office365: Web phone, click-to-dial
-  Outlook: Embedded softphone, meeting scheduling
-  Skype for Business: Native dialing, access to messages
-  Dynamics: CTI integration, click-to-dial, caller screen pops, automatic logging
-  OneDrive: File sharing into Glip
-  Identity: MS Active Directory

The ultimate goal of integrating business applications with the calling and UC capabilities of a UCaaS solution, such as RingCentral Office, is to provide more efficiencies, reduce information errors between applications, and drive overall productivity.

Canadian-based SCM Insurance Services, which operates seven different divisions across the country, has integrated RingCentral Office for UCaaS with Microsoft Outlook. SCM's IT organization had been managing a wide variety of PBXs as the company grew through acquisitions. After trialing a different solution, SCM Insurance Services ultimately chose RingCentral for UCaaS because it offered a cost-effective, end-to-end solution that included voice connectivity, important calling features, mobility, videoconferencing, APIs, and Microsoft integration.

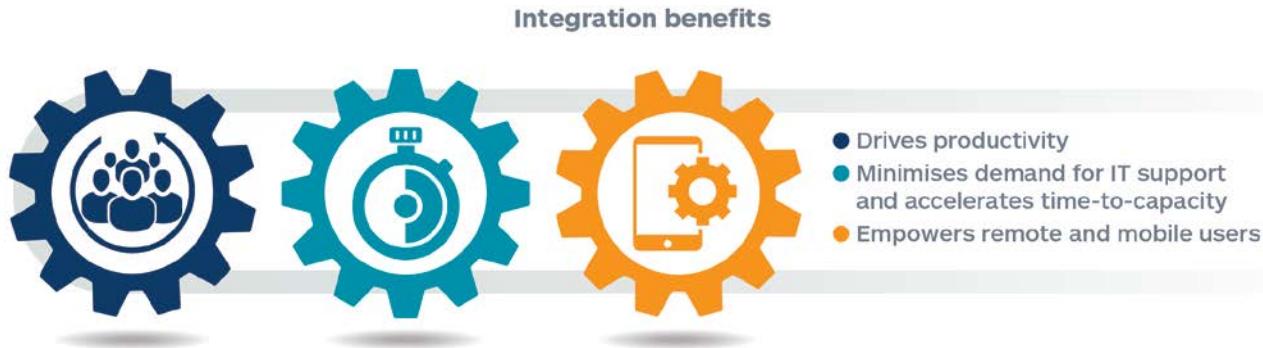
SCM has a number of internal business applications that it developed to meet the needs of the unique requirements across the various parts of the insurance industry it serves. It has been able to utilize RingCentral's APIs to tie into a number of applications to capture call logs, integrate fax capabilities within applications, and manage how time is being utilized.

With Microsoft Outlook, SCM utilizes the RingCentral plug-in to schedule RingCentral meetings in Outlook Calendar, so users no longer have to copy and paste meeting details from the RingCentral app into Calendar. This makes for an overall better experience for SCM employees, reducing errors and saving time because users don't have to toggle between separate applications.

"In today's multi-vendor cloud application environment, enterprise customers are empowered to choose best-of-breed software solutions," said David Lee, VP of Platform for RingCentral. "With our open platform, we make it easy to have a seamless experience with RingCentral's cloud communications capabilities embedded into many popular business applications. Our integrations with Microsoft's portfolio, including Outlook, Skype for Business, and Dynamics, are examples of how we're delivering a best-of-breed experience to fulfill the needs of enterprise customers."

In moving to UCaaS, SCM was able to migrate to a single communications system managed by RingCentral. Integrating RingCentral Office with SCM's internally developed business applications and Outlook aligns with SCM's larger transformational initiatives, which include capturing important data related to calls and utilizing that data to improve employee productivity and drive better results for its clients. Our research has shown that businesses integrating UCaaS with a broad set of business applications drives productivity, allows IT support to focus on other areas, and enables remote and mobile workers to have the same set of tools.

Exhibit 5: Integration benefits



Source: IHS Markit

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Takeaways

Business applications and communications are migrating to the cloud, but in most cases, it is only the deployment model that has changed. UCaaS takes what can be complicated and requires unique skill sets beyond what a company may possess in house and simplifies the implementation and ongoing management of UC. Additionally, UCaaS allows companies to seamlessly standardize on a common set of tools from headquarters to branch offices to remote workers.

Businesses recognize the value of integrating communications and business applications. The opportunity to bring the two pieces together creates greater workflow efficiencies while opening up the number of touchpoints for communication to occur. With voice and video capabilities enabled within everyday applications, the possibilities for rich data and insights become more impactful.

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

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