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The State of Unified Communications in 2021

*Integrated, cloud-based solutions ensure success in the
remote-first future of work*

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Executive Summary

The COVID-19 pandemic has fundamentally changed where and how people work. Today, more than 70% of employees are working remotely, and just 8% of organizations expect a full return to the office once the pandemic ends. While today, most have shifted to work-from-home, the future workforce is likely to consist of a mix of work-from-home, those in the office (full or part-time), as well as those working from temporary locations.

Research shows that the majority of individuals prefer the flexibility and cost savings that come from working remotely, while business leaders realize that allowing remote work may improve productivity rather than hinder it. Business leaders also are beginning to take advantage of cost benefits from reduced real-estate expenses and from hiring outside of expensive locations.

This new reality means that IT and business leaders must focus on developing and implementing a strategic approach to collaboration and communications that optimizes employee and customer engagement. They must move beyond reactive IT and line-of-business deployment of point applications, and instead consider a cohesive strategy that aligns features with employee needs, and that delivers positive Return on Investment (ROI).

To achieve maximum success, organizations should implement cloud-based unified communications services that deliver integrated calling, team messaging, and meetings, all of which integrates with the contact center. Doing so will provide a seamless user experience that allows for contextual collaboration, as well as integration with business applications and workflows. It also will deliver tangible ROI for reducing operational costs, improving productivity, increasing sales team performance, and delivering measurable results in customer satisfaction.

The New Way of Work has Arrived

The COVID-19 pandemic has rapidly accelerated growth in remote work. Nemertes' *Visual Communications and Collaboration: 2020-21* global study of 525 end-user organizations conducted in mid-2020 found that prior to the pandemic, 63% of organizations supported remote work, that's now up to 91%. Astonishingly, more than 70% of employees, on average, now work from home, up from 34% before the pandemic. (Please see Figure 1.)

This trend isn't likely to reverse itself anytime soon: Just 8% of companies plan a full-time future return to the office. Forty-percent are reducing real estate holdings and / or leases.

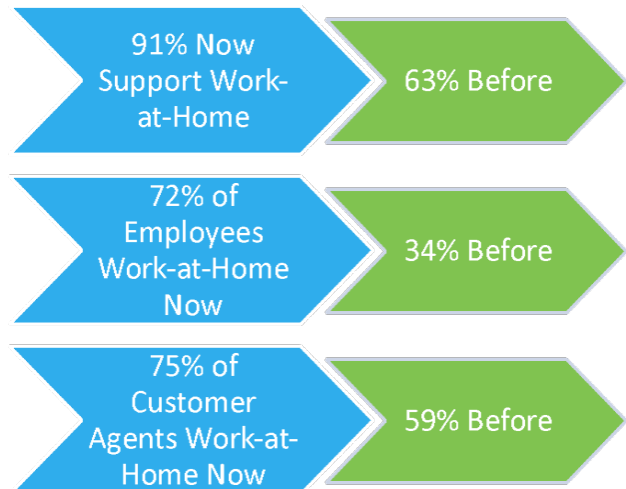


Figure 1: Work-from-Home Trends

Gallup polling conducted in mid-September of 2020 shows that 65% of those working remotely would prefer to continue to do so, even after the pandemic ends.¹ The pandemic has proven that for many individuals, work-from-home is not only viable, but preferable to often long commutes and inflexible schedules associated with in-office work.

However, not all employees wish to work solely from home all the time. The future workforce is likely to be one in which flexible work is the primary concern. IT and business leaders must support an environment that consists of a mix of work-from-home, work-in-the-office, and those who work at temporary or usage-based rented workspaces.

Given this new reality, IT and business leaders must focus on developing and implementing long-term strategies to optimize employee and customer engagement, regardless of work location.

¹ COVID-19 and Remote Work: An Update, October 13, 2020 <https://news.gallup.com/poll/321800/covid-remote-work-update.aspx>

Addressing Remote Work Challenges

Despite the preference that most have for remote work, it is not without its challenges. As IT and business leaders move into an era where remote work is the norm rather than the exception, they face a few problems, including:

1. Ensuring that employees have access to collaboration and communications tools that enable efficient workflows, decision making, ideation, and customer engagement, and that minimize IT licensing and support costs
2. Overcoming challenges related to isolation and frustration that may occur if those working remotely feel that they are unable to effectively do their jobs or participate as members of a team.

IT leaders participating in our study say their biggest challenges relate to the management of remote workers is to ensure that they are productive and motivated. Additional concerns include performance and management of home networks, and the applications that leverage them (Please see Figure 2.)

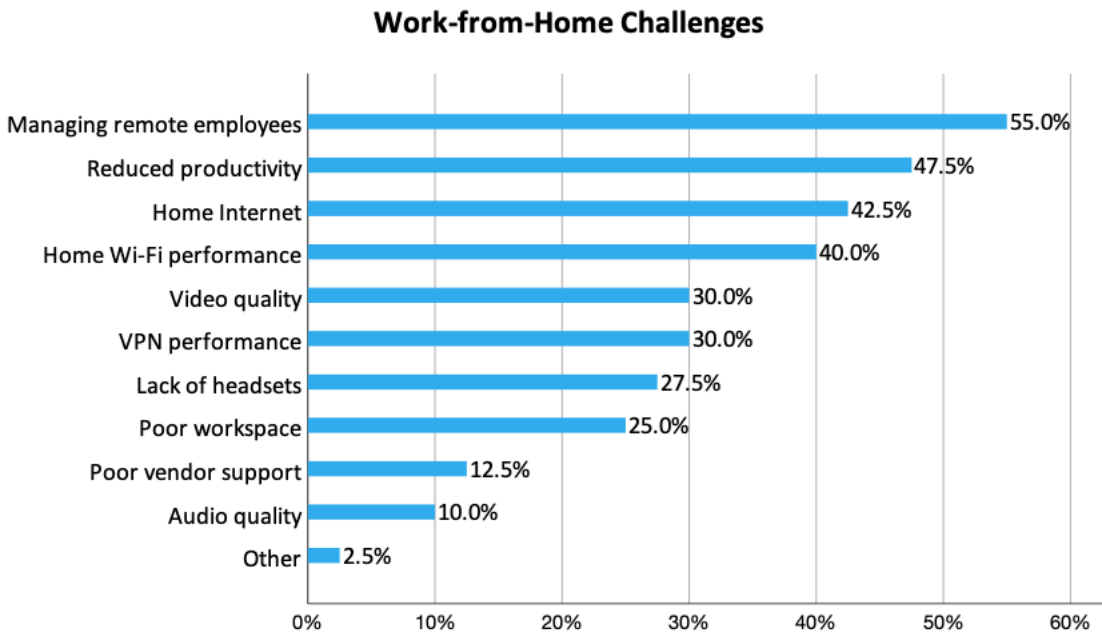


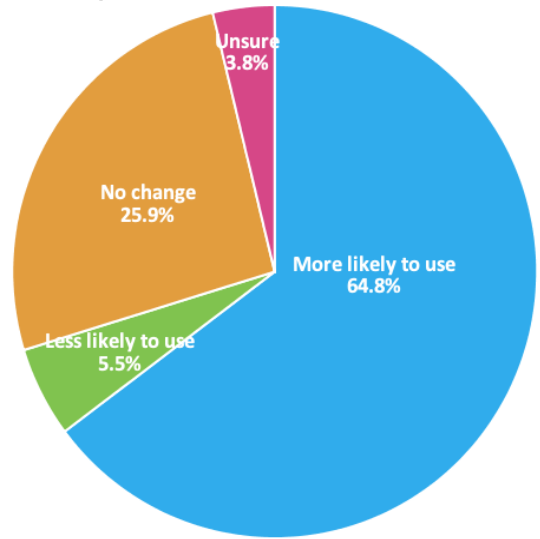
Figure 2: Work-from-home Challenges

Today, most organizations are focusing on engagement concerns via adoption of video conferencing, often in a haphazard way that doesn't integrate video apps with other collaboration applications.

Accelerating the Shift to the Cloud

The shift to remote work has correlated with increasing adoption of cloud-based collaboration applications. Cloud services such as Unified Communications-as-a-Service (UCaaS) are more easily able to adjust to changing work locations without requiring the complexity of a VPN. They deliver emerging features, including Artificial Intelligence (AI) tools to improve collaboration experiences, more quickly than on-premises or privately hosted alternatives, and enable organizations to quickly scale adoption of features such as video without making significant investments in on-premises servers and network services.

Impact on WFH on Use of Cloud Services



Since the start of the pandemic, almost 65% of our research participants say they have accelerated their adoption of cloud services, including 78% of those who reported the highest ROI for their collaboration investments. Looking forward, primary areas for continued investment growth in 2021 include video meeting apps, team messaging and collaboration, security and video room systems.

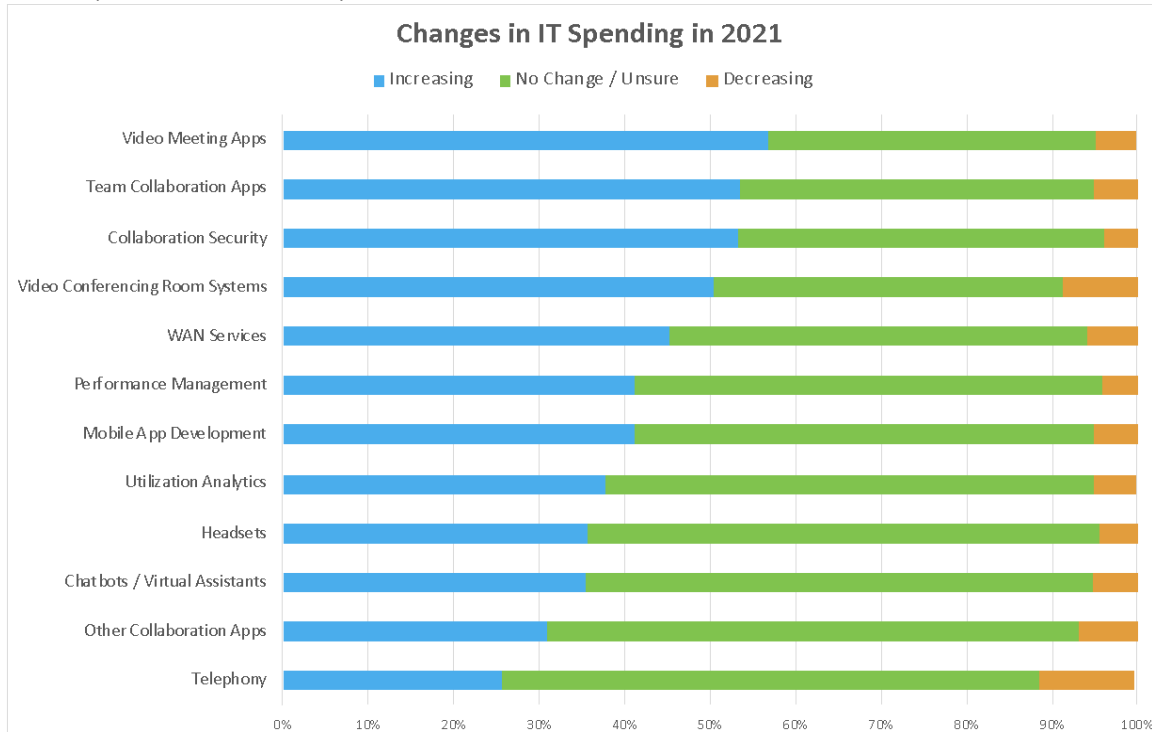


Figure 4: How will your spending change in the coming year?

Enabling Virtual Worker Collaboration

Video conferencing and team messaging and collaboration have emerged as key technologies for keeping remote workers engaged. More than 91% of benchmark participants now use video conferencing and almost 68% have adopted team messaging and collaboration. Thirty-nine percent see video as a critical technology, including more than half of those with the highest ROI for their collaboration investments.

Successful companies use these tools for more than just work-related collaboration; they also leverage engagement capabilities to build culture and interpersonal relationships by holding non-work-related activities, ranging from wellness classes to social virtual get-togethers.

Real-World Benefits of Effective Virtual Collaboration

Virtual collaboration tools are delivering tangible return on investment. As part of our *Virtual Communications and Collaboration: 2020-21* study, we gathered data on the real-world benefits they had detailed from their investments in video collaboration technologies. We defined these in three areas:

- **Savings** obtained primarily by reducing IT operating costs (licensing, staffing, and maintenance) and eliminating redundant platforms
- **Revenue gain** from increasing close rates, upsell, and customer retention
- **Productivity improvements** from shortening repeatable cycles, reducing the number of meetings, and increasing speed of decision making.

Among participating companies, 70% had identified a benefit in at least one of these three areas, while 46% had measured benefits in at least two. Mean improvements, broken down by company size (by employees) are shown in Figure 5.

Improvements by Company Size (Employees)			
	Savings	Revenue Gain	Productivity Improvement
Small (<250)	\$ 182,727	\$ 113,333	21%
Midsize (250-2,500)	\$ 216,929	\$ 264,200	18%
Large (>2,500)	\$ 188,000	\$ 838,000	16%
AVERAGE	\$ 197,914	\$ 333,700	18%

Figure 5: Improvements by Company Size (Employees)

Research participants also detailed measurable benefits from adoption of team messaging and collaboration applications. Average improvements include:

- **30% reduction in meetings** by leveraging team messaging and collaboration apps to conduct activities like status updates, or to automate reporting and workflows that previously required live interaction
- **24% improvement in productivity** from reducing repeatable tasks and shortening project length

- **\$368,000 in increased revenue** by enabling faster response to sales opportunities via connecting salespeople and customer service agents with back-office resources
- **21% reduction in email** by shifting conversations into contextual workspaces and out of disjointed mail threads.

Choosing the Right Architecture

A key need going forward is to implement a strategic approach toward collaboration application delivery and support. The pandemic of 2020 led to many organizations, teams, and individuals rushing out to obtain collaboration applications as quickly as possible.

This approach creates several potential challenges including:

- Disjointed user experiences from having to switch between different applications
- Lack of centralized provisioning, management, security, and governance across all collaboration applications
- Inability to take advantage of emerging features to improve workflows, such as sharing of meeting notes and transcripts directly into a team space
- Additional expense from licensing and supporting multiple separate applications
- Lack of a unified touchpoint for external application integration (e.g., CRM, HR, and other business applications) into collaboration tools.

To achieve future success, IT leaders must optimize application delivery and operations.

A key choice to make is best-of-breed versus single integrated vendor. As shown in Figure 6 below, a single-vendor strategy that integrates team messaging and collaboration and video meetings, as well as calling, results in 56% lower TCO compared to a multivendor strategy and also provides for a simpler end-user experience and reduced management complexity.

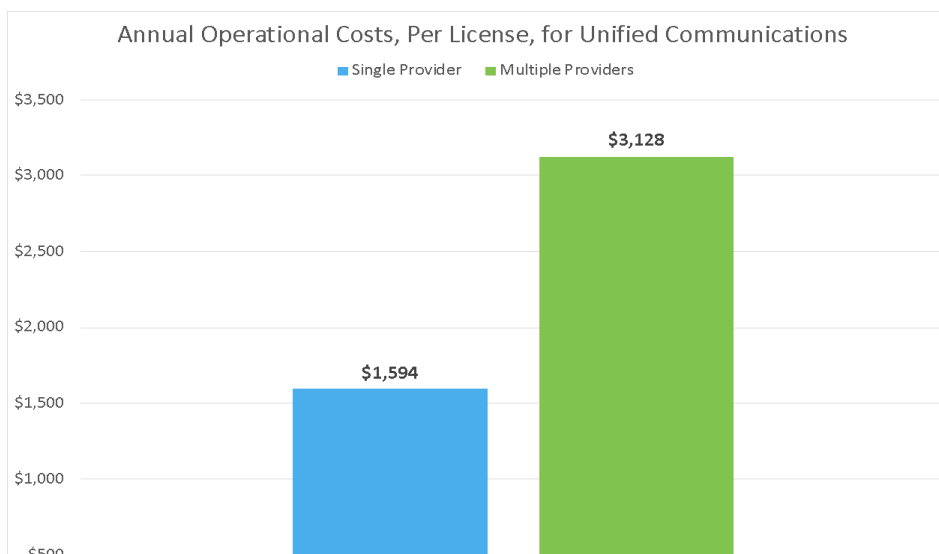


Figure 6: Annual Operational Costs, Per License, for Unified Communications

Integrating Contact Center

Integrating with Contact Center-as-a-Service (CCaaS) provides additional measurable benefits by enabling seamless collaboration between customer service agents and back office personnel. This allows for faster response to customer inquiries, improving overall customer service. It also connects contact center agents with team workspaces that may be addressing a new marketing campaign, sales strategy, or key customer development.

Research participants who have integrated UCaaS and CCaaS report:

- A 56.7% increase in customer satisfaction ratings
- A 19.7% reduction in operational costs
- A 23.4% reduction in monthly per-agent spending on licenses

Conclusion

The shift to remote work is here to stay. The challenge going forward for IT and business leaders is in providing a set of capabilities that foster virtual collaboration, support company culture, and provide demonstrable benefits in cost savings, revenue gain, and productivity improvements.

Successful strategies correlate with adoption of cloud-based Unified Communications-as-a-Service platforms that integrate calling, messaging, video-enabled meetings, and contact center.

Therefore, IT and business leaders should:

- Take inventory of collaboration applications in-use, especially since the shift to work-from-home in early 2020
- Enact a strategic approach going forward that is focused on leveraging cloud-based services to reduce costs, and to integrate disparate applications
- Deliver capabilities, such as integrated team messaging and collaboration and video-enabled meetings, that offer demonstrable productivity, revenue, and cost benefits
- Integrate collaboration platforms with contact center to extend virtual collaboration benefits to customer service agents, thereby enabling improvement in customer satisfaction while also lowering operating costs.

ABOUT METRIGY: Metrigy is an innovative research firm focusing on the rapidly changing areas of Unified Communications & Collaboration (UCC), digital workplace, digital transformation, and Customer Experience (CX)/contact center—along with several related technologies. Metrigy delivers strategic guidance and informative content, backed by primary research metrics and analysis, for technology providers and enterprise organizations.