

Business Communications in Context

Putting the U in UC

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The proliferation of communications channels has set expectations around cost and productivity benefits. Unified Communications (UC) is proffered as a way of helping bring them all together, but companies struggle to justify the business case for it. Against this background, how important is UC as an approach to streamlining communications, and how can businesses exploit it?

KEY FINDINGS

Passive evolution of workforce communications has led to inefficiencies

New ways of communicating have continually worked themselves into businesses in a relatively unstructured manner over the years. As a result, when asked to take a step back and consider how well their workforce communications meet business needs today, fewer than one in five of the 544 participants in a recent online survey regarded their current infrastructure as supporting fully efficient and effective working, with most businesses readily acknowledging shortfalls.

The value of improved communications is clearer when considered in context

The communications infrastructure touches all parts of the business and is typically considered to be ‘horizontal’ in nature. The things that matter in a general collaboration context, however, where enabling efficient and effective ad hoc communication is the priority, are often different to needs in a process-centric environment where the focus is on optimising more predictable and prescriptive communication activity. A clear definition of context therefore helps enormously when considering requirements and investment cases, and scoping improvement initiatives.

The benefits of joined-up communications are acknowledged but not widely exploited

The degree to which ‘unification’ has been driven across businesses’ communications portfolios, from traditional tools such as phone and email, to newer ones such as instant messaging (IM), audio and video conferencing, web conferencing, and SMS, is very limited. Nevertheless, the value of operating in a more unified environment, linking various communication mechanisms together, is well understood, with a range of benefits acknowledged in different contexts.

When it comes to unification, the scope of adoption has a major impact on results

While it is possible to unlock some benefit from limited harmonisation activity, e.g. by unifying one or two aspects of communication, or implementing full unified communications (UC), but to a small segment of users, the real results come when full UC is scaled up across the business. Those implementing more comprehensive UC solutions more broadly across the organisation are significantly more likely to realise the full benefits, and less likely to run into issues around integration, resourcing and costs.

Even in pilot mode, be ‘aggressive’ with UC to hit the ‘multiplier effect’

The discrete functions pertaining to the ‘U’ in UC, such as unified directory, unified messaging, single number telephony, and presence awareness, have a ‘multiplier effect’ when implemented together. When planning initial activity, even a pilot or proof of concept, it is therefore important to implement a richer set of capability from the outset, rather than focusing on individual functions that will always have limited value when deployed independently.

The study upon which this report is based was independently designed and executed by Freeform Dynamics and performed in collaboration with The Register news and information site. Feedback was gathered via an online survey of 544 IT professionals from the UK, USA, and other geographies. The study was sponsored by NEC.



Introduction

If information is the lifeblood of a business, then communications are its veins and arteries. A variety of factors - from regulatory and financial pressure to improving customer satisfaction and loyalty – are forcing businesses to constantly re-examine the way they interact internally and externally.

Businesses have moved beyond the traditional mechanisms of telephone and email to embrace additional communications channels such as IM, audio and video conferencing, web conferencing, and SMS. However, these changes have taken place in a relatively passive way. New tools that have come on stream have tended to be absorbed into the business environment in a fragmented and piecemeal fashion. While they provide a richer and broader communications experience in part, businesses have yet to fully realise the cost and productivity benefits that are promised.

Unified communications (UC) is the term for solutions which address this fragmented environment. Conceptually, the advantages of a more seamless communications approach are well understood. In practice, however, UC has suffered from being seen as too generic a proposition, offering intangible, unquantifiable benefits that are difficult to build a business case around.

It is against this background that we explore the extent to which fragmentation affects business communications today and what we can learn from organisations which have already made investments in the 'U' as well as the 'C' of unified communications.

Inputs into this report

As a foundation for our discussion we will be using input gathered via an online research study completed in October 2009, during which feedback was collected from 544 respondents.

Those who participated were mostly IT professionals from a range of organisation sizes and industries, with representation predominantly from the UK and USA (see Appendix for more details).

The study was designed and executed on an independent basis by Freeform Dynamics Ltd (www.freeformdynamics.com) and conducted in association with *The Register* news and information site (www.theregister.com). The work was sponsored by NEC.

Acknowledging the challenge

Attitudes to workforce communications for the majority of businesses today are less than perfect, with fewer than 1 in 5 respondents believing that their environment supports highly efficient and effective working. This is not as surprising as it first appears. The piecemeal way in which communications in the workplace has evolved over time has led to a passive acceptance of fragmentation and disjoints which may not always be front of mind, but shortfalls are acknowledged when people are asked (Figure 1).

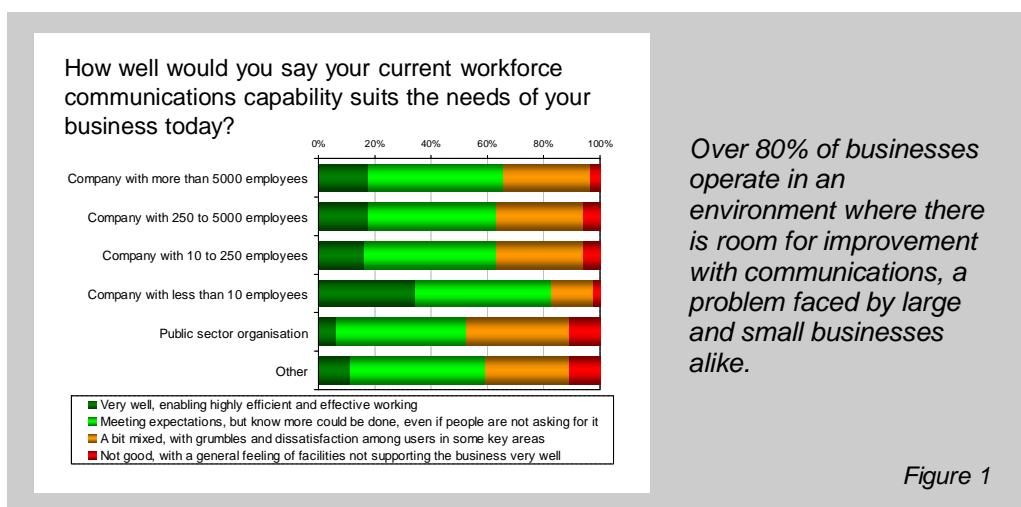


Figure 1

When we look at communications capability by company size, we see that inefficiencies kick in at a relatively low level, i.e. organisations with 10 or more employees. The discussion that follows in this report around communications challenges and how businesses have approached them, therefore, is one that is relevant to all organisations.

Before we examine the impact that this commonly encountered fragmented landscape has on businesses, it is worth taking a step back to look at how communications initiatives are being approached today.

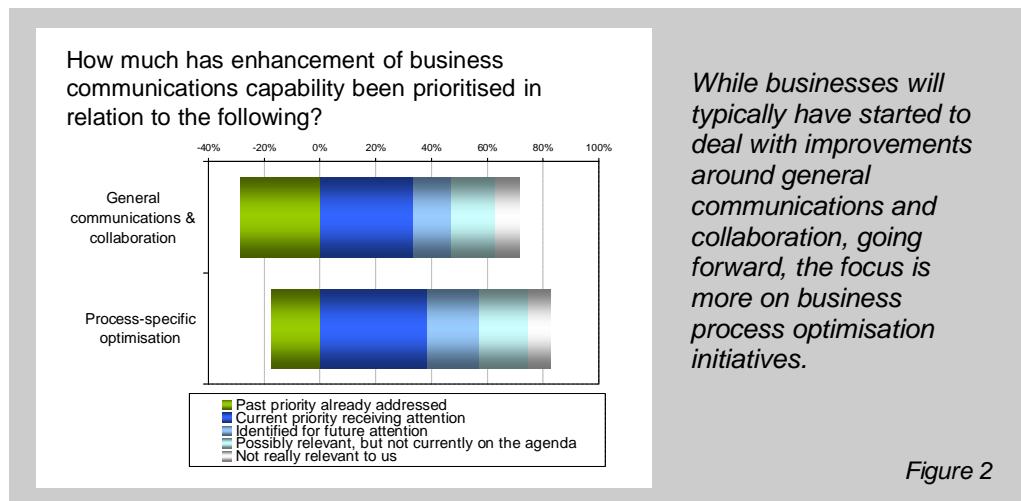
General collaboration versus process optimisation

Communications problems and solutions are often discussed at a very broad and generic level, however, in real life business they surface – and are treated - in a more specific manner. In light of this, when designing this study, we set out to explore two major application areas:

General communications and collaboration: This application area is the ‘general’ premise on which UC is often thought about. The focus is on professional workers such as management, sales, consultants, engineers, etc, with the aim being to enhance unstructured and discretionary communication between individuals and teams.

Process-specific optimisation: Beneath the general communications and collaboration layer lies business process optimisation. This is about more structured and predictable communication around a specific activity, service or goal. This has been referred to as ‘Communication Enhanced Business Processes’, or CEBP, which may involve professional workers as well as transaction or task-oriented staff.

Some interesting differences emerge when we look at priorities with respect to enhancing communications capability in these two areas. It is clear that businesses have already started to make progress with initiatives around general communications and collaboration and this will continue, but going forward there will be a greater focus on business process optimisation (Figure 2).



We do not need to look far for reasons to validate this. The economic downturn, for example, has played a significant part in helping businesses recognise opportunities for improving specific business processes. Simultaneously a burgeoning regulatory environment demands more consistency, accuracy and transparency from businesses, all of which can be addressed - as we shall see – by process improvement from a communications perspective.

Of course, the notion of ‘business process optimisation’ is a bit of a catch all. If we take the detail down a level we can see more specifically where the emphasis is being placed, which is largely on externally facing customer-centric activity (Figure 3).

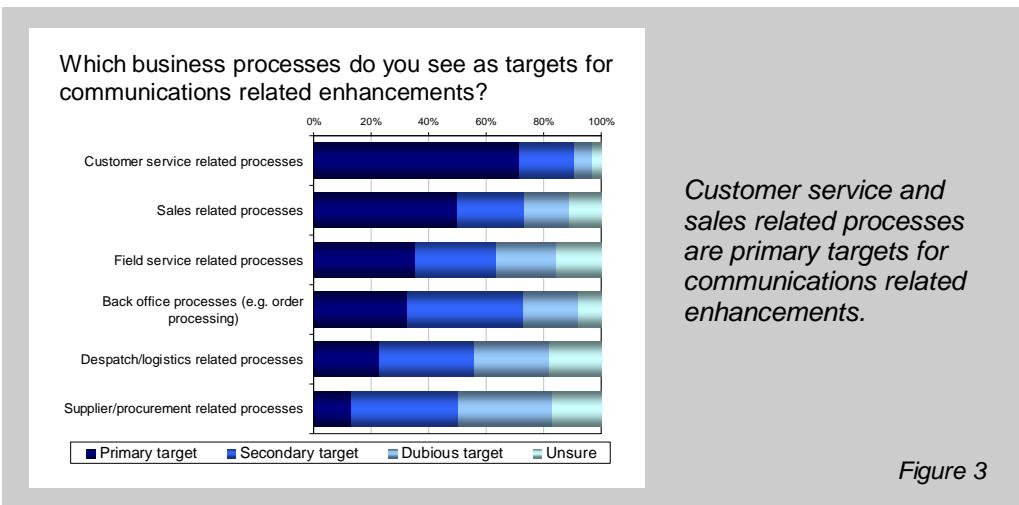


Figure 3

The chart gives us a snapshot of today's priorities. Most importantly and obviously, the current business climate has focused attention on improving the performance of sales and customer management processes. It is no surprise therefore to see them called out strongly as primary targets for enhancement.

The order of the other types of processes also makes sense. We have noted in previous research [1] that field service processes are beginning to embrace 'next generation' platforms and solutions and are obviously relatively important from a communications perspective. Also, while 'back end' processes such as dispatch, logistics, supply chain and supplier relationship management, are communication dependant activities, the more general focus these areas have received in the last decade or so leaves them at the bottom of the list today.

Let's now take a look at how communications fits into the business environment in a bit more detail.

Today's communication landscape

The picture of workplace communications is complex, and looks set to become even more so. Broadly used mechanisms like phone and email sit alongside newer and more selectively deployed tools such as IM, audio and video conferencing, and mobile SMS (Figure 4).

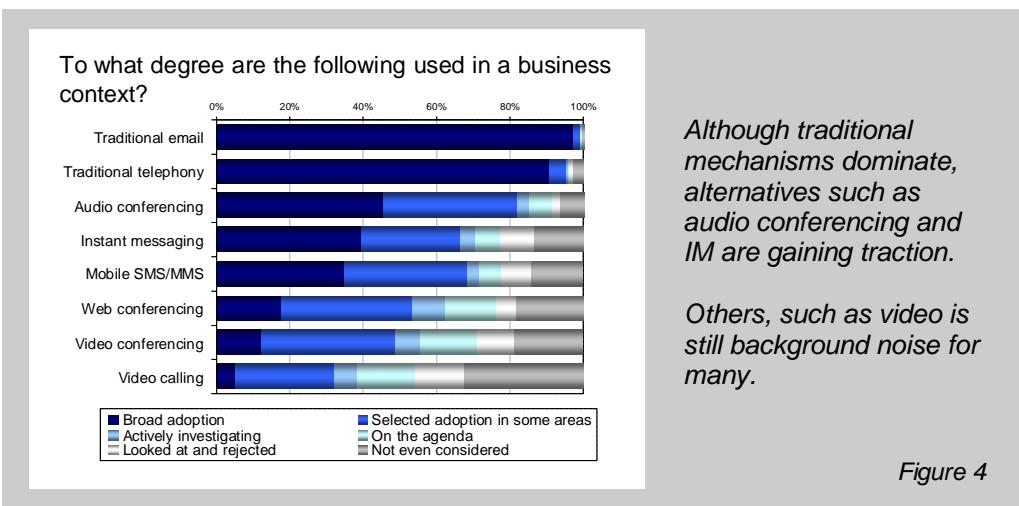


Figure 4

What we see is that many businesses have a broad mix of mechanisms and tools in place, with varying degrees of implementation. This complex environment has generally crept up on them over time, with newer technologies tending to 'find' their way into the workplace, instead of being implemented through a structured, integrated approach.

In this increasingly diverse and fragmented environment, unified communications (UC) has emerged as a solution for bringing together these different technologies in a coherent, structured way. UC is often thought of as a broad solution set, but in fact it comprises a number of distinct components, as shown in Table 1.

Table 1: Unified Communications Capabilities

Unified directory	<i>Integration of contact and access information across all common communication mechanisms – email, IM, fixed telephone, mobile telephony, conferencing, etc.</i>
Unified messaging	<i>Integration of different messaging streams, e.g. mobile voicemail, fixed line voicemail, email, SMS, etc, so all incoming messages may be accessed from the same Inbox.</i>
Single number, follow me	<i>Rules based routing of calls to allow a single number to be used to reach an individual across any combination of mobile phones, fixed phones, and soft phones they choose.</i>
Presence awareness	<i>Publication to colleagues of real time information on the location of individuals, their availability, currently suitable modes of contact, and so on.</i>
Enhanced visibility and reporting	<i>Ability to track statistics across all forms of communication through a single reporting and analysis mechanism to optimise costs, productivity, process efficiency, etc.</i>

When we asked about these key capabilities and tools, participants in our study clearly understood their relevance in the workplace, confirming a general awareness of the value of adopting a more joined up approach to communications in the two different contexts (Figure 5).

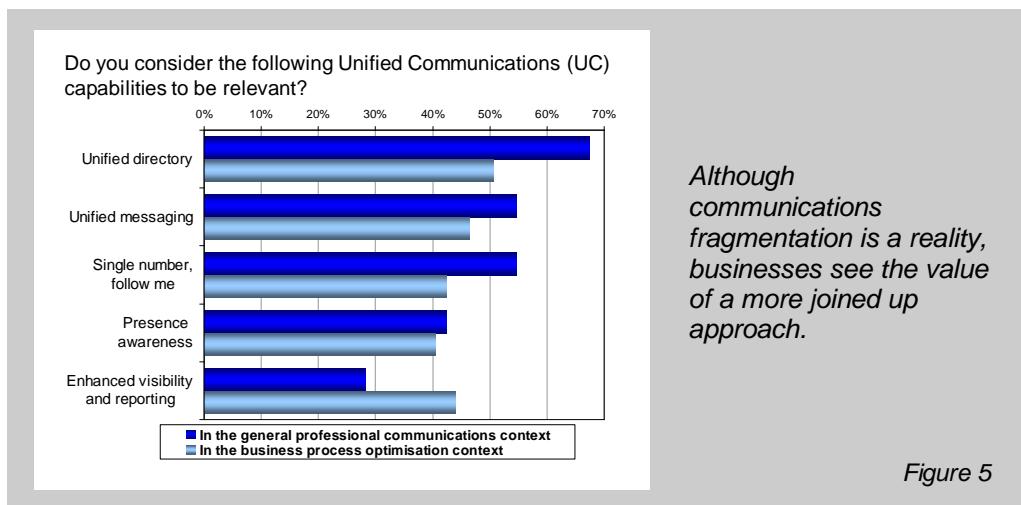


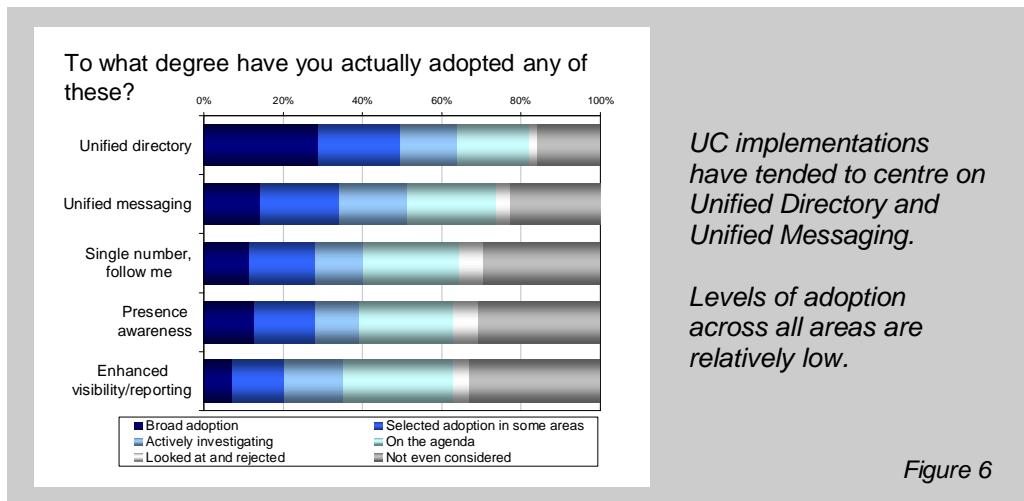
Figure 5

As we can see, however, the relative relevance of UC individual components varies between the general communications and collaboration domain, and the more structured process oriented environment. With regard to the former, unified directory, unified messaging and single number follow me for supporting general collaboration and communications between employees particularly stand out. In contrast, a more uniform picture is seen with regard to structured processes, where all components are regarded to have roughly equal relevance.

On a specific point, it is significant that enhanced visibility and reporting are perceived to be more important in the context of process optimisation compared to general communications, which makes absolute sense as tuning clearly relies on knowing where disjoints and inefficiencies are occurring.

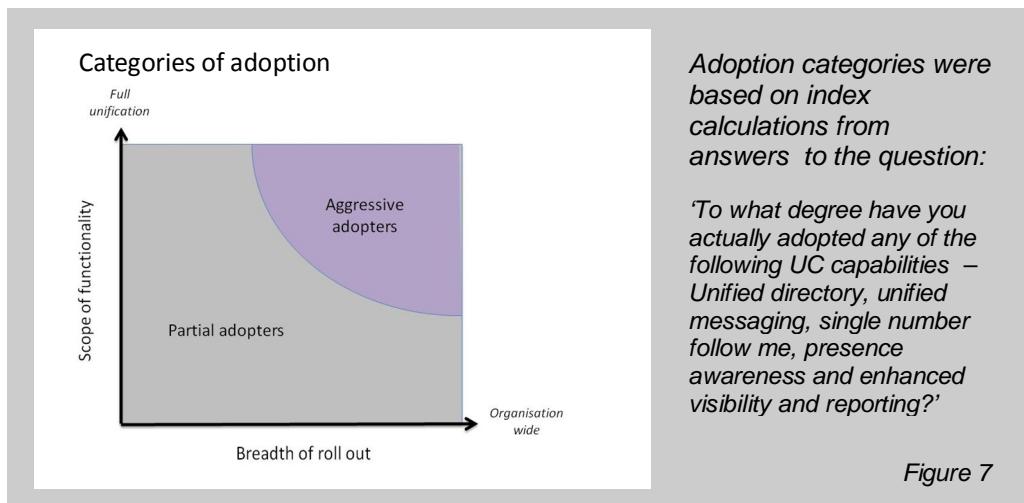
So, while respondents clearly recognise the relevance of bringing things together at a theoretical level, how well do they actually achieve this in practice?

When we look at this, we see a spread of activity both within and across the different UC categories, ranging from broad adoption, through to selected and non-adoption. And while the levels of broad adoption are relatively low, it is encouraging that beyond this, UC has either been partially implemented, or is at least on the agenda for a significant number of organisations, with only a small proportion of respondents having looked at it and rejected it (Figure 6).

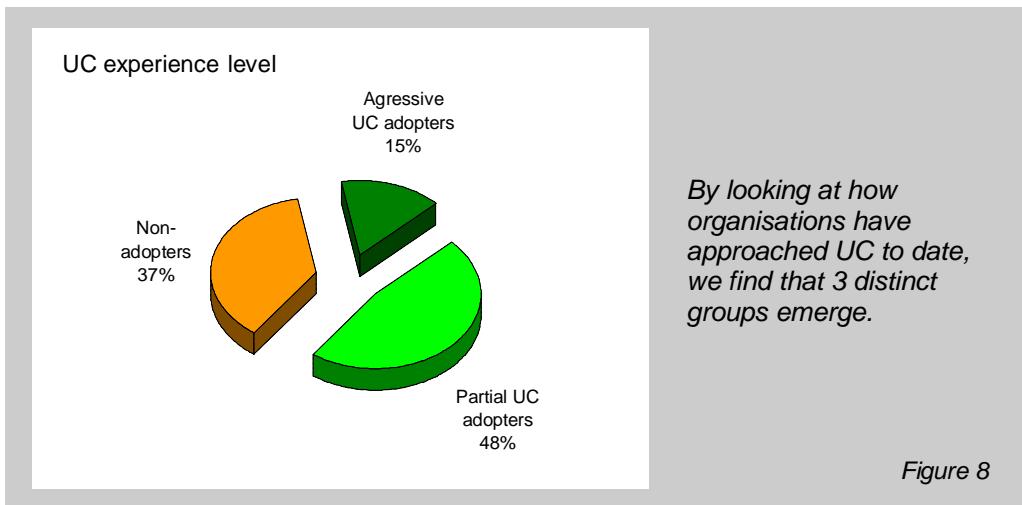


What isn't evident from this chart is how organisations vary in the breadth and depth of their adoption at an aggregate level. Some, for example, may have deployed a narrow range of functionality very broadly across the business, whereas others have implemented a more comprehensive set of capability, but only rolled out to a small proportion of their potential user base.

Of course, one of the most important groups is comprised of those who have deployed comprehensive UC functionality broadly across their organisation. This group is interesting because their experiences provide insights into the benefits adopters of UC are likely to ultimately realise and the practicalities they may encounter. In order to facilitate such analysis, we used the raw data behind Figure 6 to identify an 'aggressive adopter' group as follows (Figure 7).



Those with either limited scope of functionality or limited scale rollouts were combined into the 'partial adopter' group as shown, and when we include the organisations with no UC adoption to date, the spread of the overall study sample looks like this (Figure 8).



As an aside, it is important to note at this point that the distribution we are looking at here should not be misinterpreted as an indication of UC adoption at an overall mainstream business level. The online survey methodology used means the sample is 'self-selecting', i.e. those with a knowledge of or interest in UC will have been more likely to respond. The picture we see therefore exaggerates uptake of UC which in reality is almost certainly significantly lower than this chart would suggest.

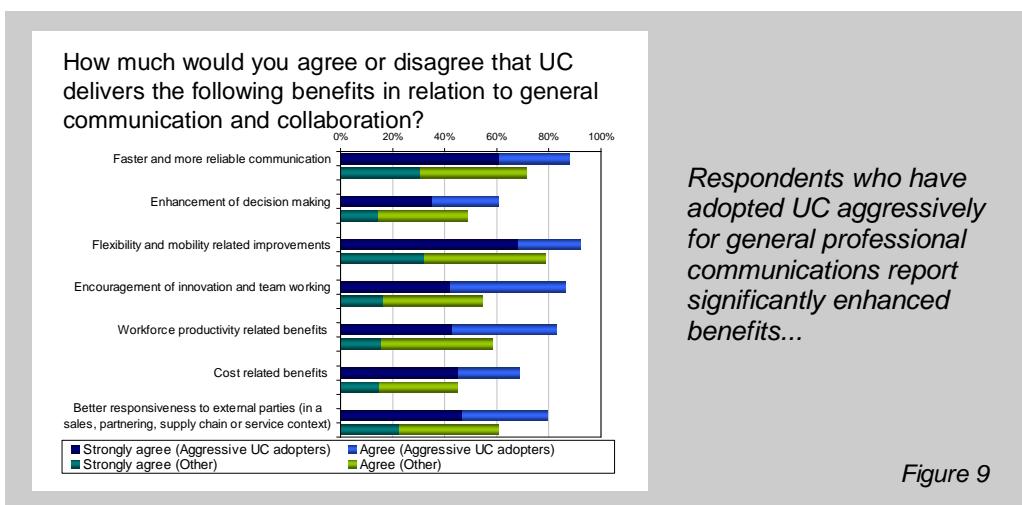
The important thing is that we have a large enough group within the aggressive adopter category to compare their responses to the rest of the study sample. So what do we learn when we do this?

Scope of implementation has a major impact

We might speculate that even a partial approach to UC may be useful, i.e. that there is value in just unifying the various directories that exist, or in giving employees a single number that works across their desk and mobile phone, and 'follows them' as they log into conference rooms, hot-desks, the home office. But is there a 'multiplier effect', meaning that the overall value of a comprehensive UC solution is greater than the sum of its parts?

Beyond this, there is then the question of the scale of implementation. Metcalfe's law states that the value of a telecommunications network is proportional to the square of the number of connected users of the system. Does the same 'network effect' principle apply to the rollout of UC functionality – i.e. is the value boosted as more users are embraced by a deployment?

We found that the answer to both of these questions was 'yes', and is illustrated quite simply by looking at the elevated level of benefit reported by our aggressive adopter group compared to 'Others' (partial adopter and non-adopter groups combined), which confirms that both the functionality 'multiplier effect' and the 'network effect' principle are in action here (Figures 9 and 10).



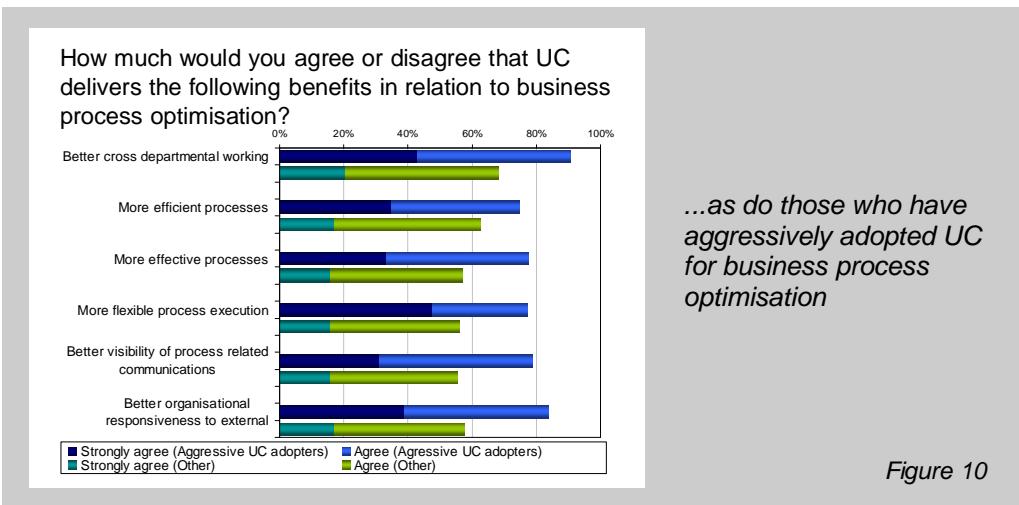


Figure 10

So, the lesson here is clear that the UC implementations delivering the greatest value tend to be those that include a broad range of functionality and are rolled out broadly across the business. But what else can we learn from analysing the behaviour of the aggressive adopter group?

If we think back to communications mechanisms in general (Figure 4), we saw previously that some of these, such as video calling and video conferencing, are not particularly prominent in the mainstream at this moment in time. Indeed in other studies we have generally seen a pretty lukewarm response to video communications when considered in isolation. But look how interest in video, and indeed other areas such as Web conferencing, IM, SMS, etc, is elevated within the within the aggressive adopter group (Figure 11).

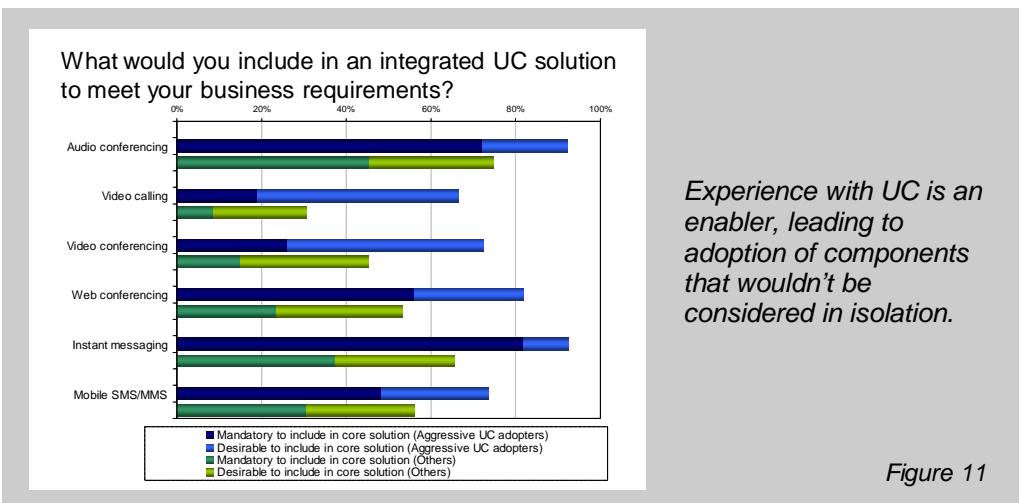


Figure 11

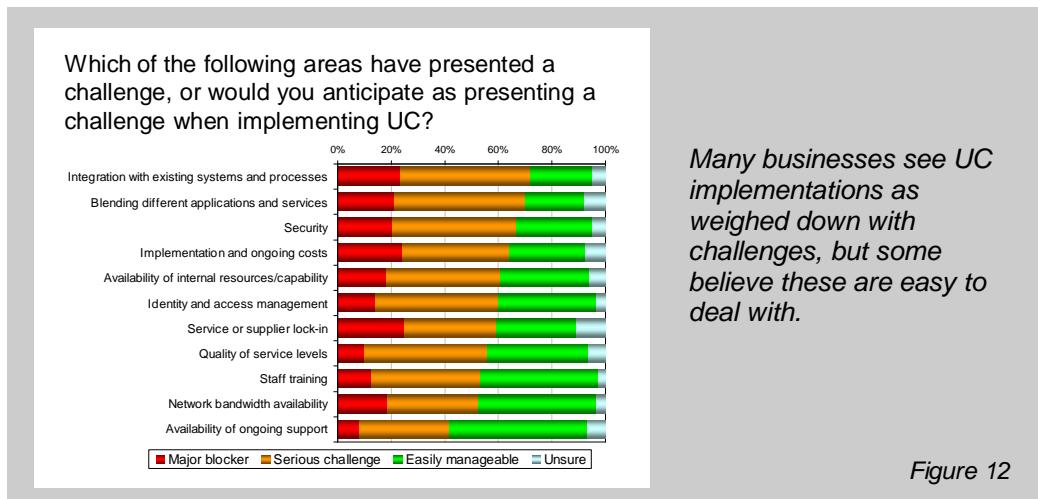
There is another important principle at work here, in that communications options that many would not see as attractive enough to implement in isolation, are much more readily embraced when they are seen as a component or 'option' within a broader communications solution such as UC.

Suppliers formulating propositions should take note of this, as it highlights the weakness of some of the point solution offerings we see on the market, e.g. around video communications. Buyers and users, however, who are formulating or reviewing their plans, might also learn something from this. While users may not be inclined to log into a separate video comms system, for example, based on a totally different and unfamiliar call initiation approach, when making a video call is a couple of clicks away in a UC context, that convenience makes all the difference.

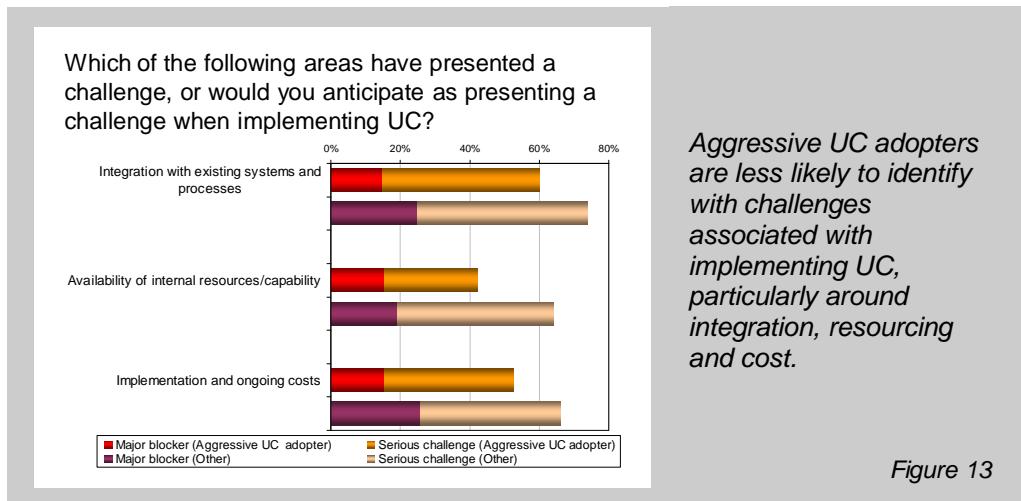
The bottom line here is that implementation of UC potentially allows an organisation to take more advantage of emerging mechanisms such as video comms, web conferencing, IM, etc to boost workforce and process efficiency and effectiveness.

Moving forwards with UC

With any new or significant initiative, it is important to embark on activity with your eyes open, and an awareness of the potential challenges is a key part of this. What's interesting with UC, however, is that while hurdles are perceived in many areas, particularly around integration, security, and cost management, for each issue category, quite a large proportion of participants in our study say the challenges are easily manageable (Figure 12).



Of course when looking at charts like this, it is always difficult to distinguish perception from reality, and to separate issues that are inherent to the nature of activity from those that are more of a function of the adoption approach. With this in mind, it is useful to compare the responses of aggressive adopters, who have 'been there, done that' in quite a comprehensive manner, with others (Figure 13).

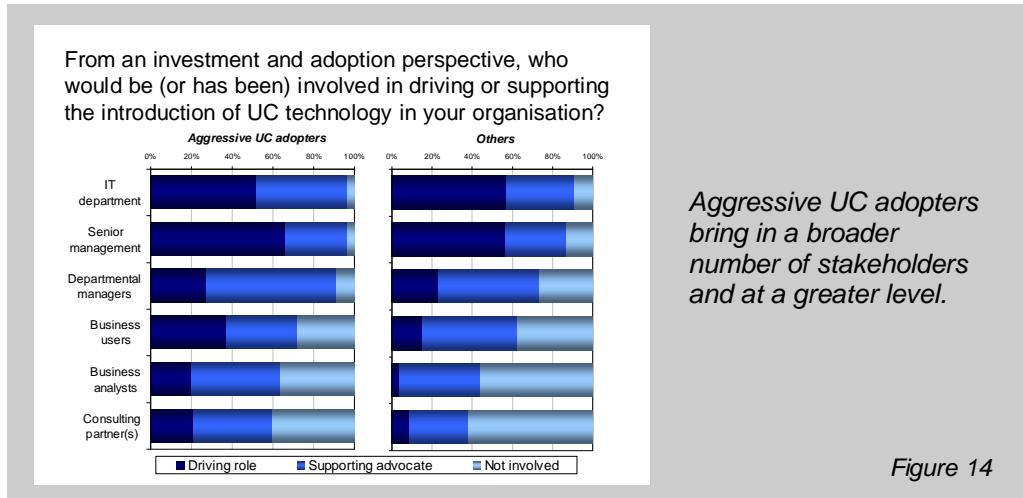


The items plotted here are those for which the largest differences are observed, and as we can see, aggressive adopters are less likely to highlight issues in some of the key areas. The differences are not huge, however, and certainly not as marked as those observed previously in relation to benefits (Figures 9 and 10) and communications mix (Figure 11).

So, while taking a more joined up approach from the outset can minimise the likelihood of issues occurring, e.g. because use of a properly designed and packaged UC solution means fewer integration challenges than with a piecemeal/DIY approach, we are still talking about non-trivial projects that need to be effectively managed and executed.

On that note, it is telling that those with more experience acknowledge the need for an inclusive approach. When introducing UC, aggressive adopters indicate more involvement of stakeholders in

driving and supporting initiatives, and in relative terms, particularly highlight the importance of involving groups such as end users, business analysts, and external advisors (Figure 14).



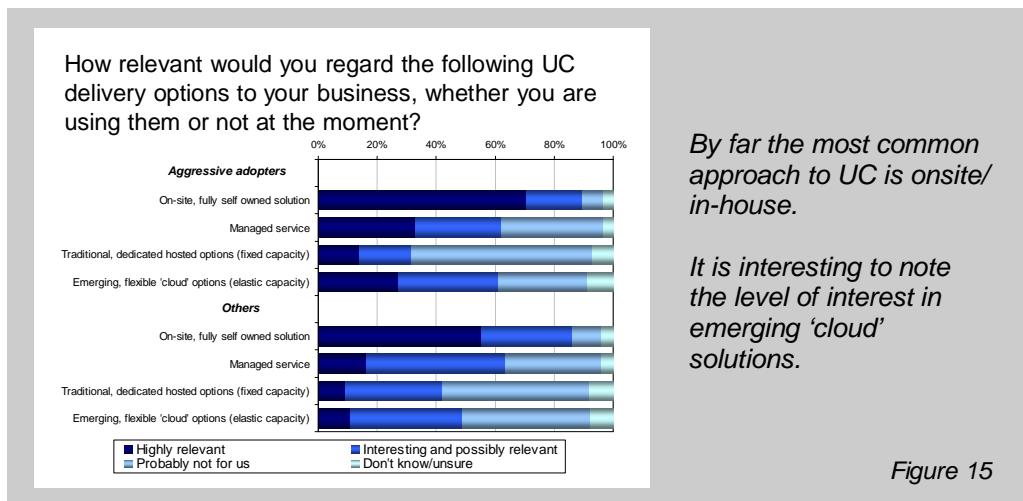
Aggressive UC adopters bring in a broader number of stakeholders and at a greater level.

Figure 14

Intuitively, this makes absolute sense, as the success of strategic implementations of this nature is closely linked to the level of support across the entire business.

UC delivery models

On the whole, the most common and comfortable model for implementation of IT and communications solutions today is based on equipment being installed on site, fully owned and managed by the customer. According to the research, this appears to be true of UC too, though it is interesting that aggressive adopters are more likely to acknowledge the relevance of alternative delivery approaches (Figure 15).



By far the most common approach to UC is onsite/in-house.

It is interesting to note the level of interest in emerging 'cloud' solutions.

Figure 15

This difference could be because those who have been through the whole implementation process appreciate the challenges and therefore the potential for third party involvement in the ongoing operation of the UC environment. And beyond the 'hassle factor', the particularly accentuated interest of aggressive adopters in cloud based solutions is consistent with realising that the network centric and on demand nature of UC makes it particularly suitable for delivery through this kind of model.

Regardless of the approach or final mode of delivery and consumption though, feedback from respondents also suggests a clear interest in suppliers that can offer a broad set of complementary solutions, including implementation methodologies and the professional services to back them up. This is again consistent with the need for the complexity of UC implementations to be dealt with.

Call to action: practical tips for UC

This short series of pointers is designed to distil the lessons learned from the research and provide some practical ideas for shaping new UC initiatives or reviewing existing ones.

The major gains come with a complete UC solution: consider this as you start out

Many businesses operate in an inefficient and fragmented communications environment. In spite of this, they appreciate the advantages that can be gained from bringing communications together in a more coherent way with UC. As with any initiative involving technology, however, it is not always possible to achieve everything that you would like to in one go.

With this in mind, there is nothing wrong with starting small and growing from there, but if a phased approach is taken, it is worth remembering that the greatest gains come when a certain degree of momentum is built up based on a broad range of functional capability. It is therefore important to 'think big' from the outset, even if you are going to 'start small'. Having an image of 'where you are going' with UC will help you build out the 'right' infrastructure, thus providing a solid foundation for the longer strategy. To put it another way, UC is best thought of as a strategic solution that delivers the most return when implemented comprehensively on a broad basis, so it makes sense for this to be the ultimate aim wherever and however you start. Bearing these thoughts in mind will help you avoid creating technology silos and keep any short term 'tactical fixes' in line with your coherent and consistent vision.

If you're going to pilot UC go 'short and fat', not 'long and thin'

For those considering more exploratory activity to begin with, it may make more sense and generate more positive proof of concept metrics to implement a richer set of functions across a relatively small area if you are planning a UC pilot. Indeed, an individual line of business, working group or business process may present a much better initial proof of concept opportunity than rolling out a single function across the business. Furthermore, 'complete' success even at a small scale is more likely to be noticed and be coveted by other areas of the business than a one-off piece of functionality.

Exploit the supplier community for support and guidance

Businesses have a responsibility to fully explore the implications of any project, but some responsibility also lies with suppliers. They are the source of knowledge of existing implementations and hence should be able to offer detailed best practice information and appropriate case studies and references, ideally from your own industry.

In addition, given the multi-faceted nature of UC, suppliers who can help with complementary services during implementation and beyond, whether directly or via established partnerships are likely to be most useful, especially if internal experience and expertise with UC is limited.

Gather as many leadership and advisor roles as possible for your UC project

It is rare to advise that 'everyone' should be involved in a project, so do not take this headline guidance too literally, but we have seen that the most successful organisations undertaking UC projects do so with the involvement of a broad range of people from inside and outside their company. Going hand in hand with this is the need for a strong approach to leadership to gain the most from the involvement of multiple stakeholders and advisors.

Stay focused on the 'U' in 'UC' for success

One of the most common areas of confusion in the whole sphere of unified communications is between the consideration of individual communications mechanisms and the unifying functionality that pulls them together. For the avoidance of doubt, when we recommend a comprehensive UC solution, we are referring to the 'glue' – i.e. unified directory, unified messaging, single number, presence management and the over-arching reporting and management framework. This is where a comprehensive set of capability is critical to maximising returns.

What you choose to 'glue together' is a separate conversation that is dependent on needs, and the combination of individual communications mechanisms may even vary from group to group within your user base. Most will need email and telephony in the mix, some might benefit from video, others

from web conferencing or IM. Furthermore, this is the part of the equation that is guaranteed to change over time as requirements evolve and new mechanisms emerge.

So, don't be unduly influenced by the video evangelists, web conferencing fanatics and instant messaging addicts. It is important not to get too hung up on individual communication mechanisms and stay focused on the U in UC for success.

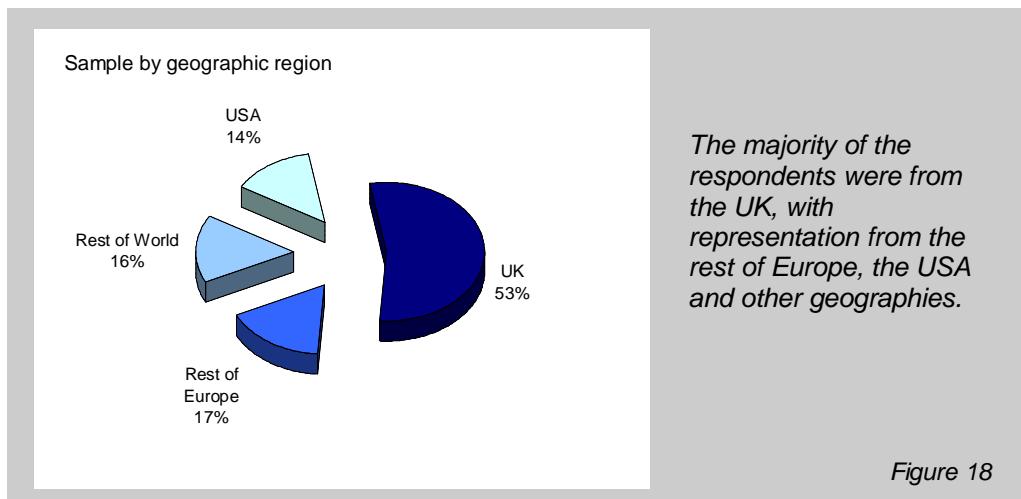
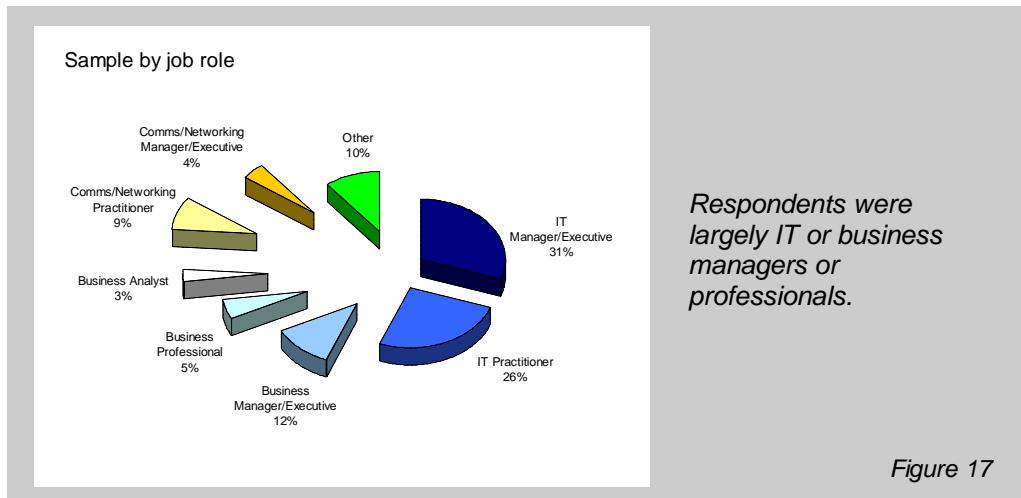
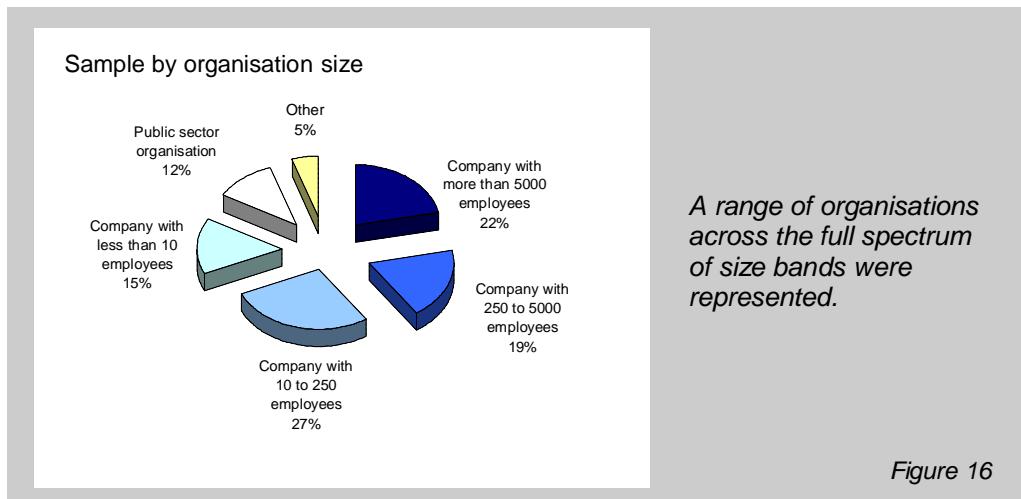
References

The following documents referred to in this report are freely available for download from the Freeform Dynamics website.

- [1] Field Service Automation: Evolution of requirements and options Freeform Dynamics 2008

Appendix: Study Sample

Feedback was gathered via an online questionnaire published via The Register news and information site (www.theregister.com). Demographic data is shown below:



The study was completed in October 2009, and we would like to take this opportunity to thank all of those who took the time to participate. Your help is very much appreciated.



About Freeform Dynamics

Freeform Dynamics is a research and analysis firm. We track and report on the business impact of developments in the IT and communications sectors.

As part of this, we use an innovative research methodology to gather feedback directly from those involved in IT strategy, planning, procurement and implementation. Our output is therefore grounded in real-world practicality for use by mainstream business and IT professionals.

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