

# Creating a Communication-led Business

Understanding UC Adoption

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# Foreword

Effective communication and collaboration is becoming ever more critical for today's businesses and, as such, unified communications (UC) looks set to become an important strategy.

Growth is expected to return to the UC market in 2013, after a slight fall in 2012 due to tough economic conditions across the world and notably a downturn in room-based videoconferencing solutions. MZA's analysis of the global UC market also gives reason to believe that return on investment will become easier to prove, as further UC deployment case studies are achieved and shown to offer value.

Stand-alone bespoke solutions, notably with options for opex rather than capex investment, will also enable more companies to take advantage of UC without having to commit to long-term, upfront investments.

However, demands from consumers - now a key driving force behind technology in the workplace - will become more advanced, which will impact communication and collaboration approaches. It is expected that the application of UC will adapt as increasingly innovative communications solutions are launched. These will help the business need but importantly ensure the intuitive user experience that will help drive adoption and in turn deliver the real business benefits.

The anticipated growth of the UC market and increasing demand for advanced technology applications from workers means it is more important than ever for companies to embrace new ways of communicating and start benefiting from the changing nature of collaboration in the workplace.

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# 1. Executive summary

Today's multichannel business environment, powered by mobility, is driving a fundamental shift in the way we work, interact and communicate. New ways of working are on the rise and expected to overtake the traditional nine to five, office-based culture, as presented in the [Mitel whitepaper Work 3.0: the next generation for smarter business](#).

Unified communications can enable companies to meet the demands of an increasingly mobile and multichannel workforce, bringing together multiple communication applications and services onto one platform, which any user can access from any location and device.

Analysts and industry experts are highlighting growth in the adoption of UC and growing maturity of the market. IT and telecoms analysts MZA forecasted that growth would return in 2013 and continue throughout the forecasted period, with the UC applications market reaching \$9,275 million in 2017 at end users levels<sup>1</sup>. But how actively are companies embracing this opportunity to enhance and streamline communication and collaboration?

This paper presents new research carried out among IT decisions makers that explores the drivers behind UC<sup>ii</sup>, the perceived challenges and potential benefits. The analysis draws comparisons between the views of IT decision makers at three different stages of UC adoption: no plans to introduce UC; actively planning a roll out; or where UC is already in place.

It highlights clear evidence that UC can deliver on its promise of transforming communication and collaboration to create a more flexible, productive and profitable business.

Businesses are at varying stages of the UC adoption curve, but those leading the change are presenting clear reasons for others to follow. The majority of organisations that have adopted UC (84%) have already achieved tangible benefits around cost savings and flexible working, proving that a return on investment is more than just a possibility.

Significantly, 89% of organisations considering UC anticipate issues with the roll out, but the reality is very different. Only 5% of organisations experienced IT-related challenges around UC adoption, such as the migration process and integration, and only 9% struggled to secure buy-in from the board.

It appears the key to UC success lies with the end user, who presents the biggest driver for adoption but also the main challenges.

Almost half of businesses are looking to use UC to increase employee productivity and 24% to offer staff a more flexible working environment.

However, getting end users on board with new ways of working and ensuring new tools are being utilised to their full potential have been the greatest hurdles for those who have taken the plunge.

Today, communication and collaboration sit at the heart of any organisation. This report presents a comprehensive view of organisations at varying stages of UC adoption.

We explore the key drivers for adoption, uncover whether the well-touted benefits are actually being realised and question why some organisations are reluctant to put UC on their list of priorities when there is clear evidence this technology is driving lasting change in today's mobile, multichannel workplace.

## 2. The adoption of unified communications

### PREDICTIONS OF MARKET GROWTH

Analysts and experts in the UC market suggest that the appetite for this technology is on the increase, as organisations look to combine advanced telephony applications, presence and contact management features to deliver a consistent communications experience across voice, messaging, web and video.

Most recently, in August 2013, Gartner<sup>iii</sup> highlighted how the enterprise UC market has continued to mature over the past 12 months and is now considered to be entering the early mainstream adoption phase.

A Forrester report from November 2012<sup>iv</sup> predicted this change, stating how unified communications and collaboration was poised for growth, due to its ability to provide a single platform for multichannel communications across a dispersed enterprise.

Similarly, results from the IDG Enterprise 2012 Unified Communications & Collaboration report<sup>v</sup> highlighted the acceleration of UC adoption, with a shift towards a cloud deployment model.

### THE REAL STATE OF UC

The benefits of unified communications have been well touted by vendors, analysts and industry commentators and are typically focused around efficiency, mobility, flexibility and productivity. It paints a positive picture, but what is the reality?

When we review the UC landscape, it appears organisations are in varying states of adoption. Unified communications is a priority for almost half of all businesses questioned, with over a quarter (27%) confirming they have already rolled out UC and approximately one in five (21%) actively planning. The others currently do not have plans to adopt unified communications applications.

The growing importance placed on UC is something which is reflected in MZA's market report which predicts that the total world messaging market, including voicemail, unified messaging and enterprise messaging, is projected to rise from 34 million user licences in 2011 to 50 million in 2017<sup>vi</sup>.

### 3. Are businesses ready for UC?

Unified communications applications promise a number of benefits, but it's unlikely these will be realised fully unless careful consideration is given to the cultural, business and technology aspects of the organisation.

An IT department can integrate and roll out UC, but ensuring end users actively adopt the new ways of working is another matter.

In contrast, end user demands for mobile and flexible working may well present a strong case for unifying communication across devices and locations, but the IT and network infrastructure must be set up to support this.

It's also likely that little will be achieved without the agreement of senior decision makers, who typically hold the strings of the budget purse and must be convinced of any enterprise-wide changes that could impact the overall culture of the organisation.

Over a quarter (27%) of businesses are currently planning to roll out UC applications, but just how ready are they to embrace this change? We explored their readiness for UC in relation to three critical aspects: end user adoption; buy-in from senior decision makers; and the approach of the IT department.

#### 3.1 ARE END USERS READY FOR NEW WAYS OF WORKING?

Much has been written about the increasing demands for mobile and flexible working. In the Mitel whitepaper 'Work 3.0, the next generation model for smarter business' we revealed the demand for more flexible hours and work spaces with less reliance on a central office location, and how today's younger workforce is embracing online and virtualised working.

Based on its predictions, MZA believes that trends in the consumer market will continue to impact what is developed for the enterprise unified communications applications sector<sup>vii</sup>.

In addition, almost half (49%) of IT managers want to use UC to improve employee productivity and 24% see it as their chance to offer staff a more flexible working environment. However, are employees really ready for these changes?

It appears that in some aspects, organisational cultures are conducive.

Flexible working practices are common, with 50% of end users already used to working from multiple locations, using different devices. Over three quarters (77%) also have access to the range of applications typically integrated within a unified communications platform, as Figure 1 shows.

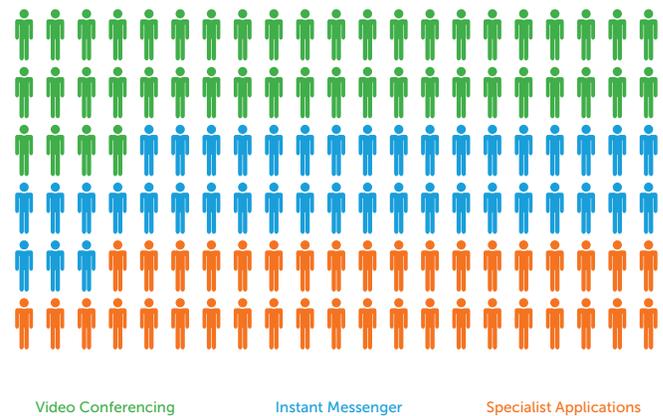


Figure 1: video conferencing (37%), instant messenger (33%), and more specialist applications such as the ability to email voicemail messages (31%)

IT departments are also providing employees with a range of communication tools and businesses are allowing employees to work outside of the typical office environment, using a range of smartphones, tablets, laptops and PCs.

However, this doesn't necessarily mean that end users are ready to embrace a UC environment, nor are they making full use of all the applications available to them. For example, two in five IT decision makers admit they do not think their employees are literate in IT and using technology.

Ease of use enabled by an intuitive user experience that is consistent, regardless of device, will be key to ensuring end user adoption and use of these technologies. Training and employee engagement is a critical step to overcoming this, but it appears only 19% of IT managers planning a UC roll out have considered this aspect.

UC will work to best effect when everyone in the business is communicating and collaborating from a single platform, in the same way. Users need to be confident with new communication applications and actively encouraged to embrace the cultural changes that UC will initiate.

### 3.2 SECURING BUY-IN FROM SENIOR BUSINESS DECISION MAKERS

End users are often perceived as the drivers of change within an organisation. Today, this goes far beyond a trend of 'bring your own device' to employees playing an active role in driving the adoption of cloud-based services, mobile applications and business communication.

In contrast, business decision makers can often be seen to be holding back the end user, reluctant to change an established culture and demanding justification for any new investment.

However, in the case of unified communications, our research reveals that businesses are well aware of the potential benefits and are ready to embrace change.

A significant 43% of IT managers looking to adopt UC have already secured buy-in from the board for the investment, indicating these plans are not simply scoping exercises for the IT department.

Unfortunately, while IT and C-level executives are aligned, this isn't the case with the rest of the organisation. Employees are the main drivers for implementing UC, yet only 25% of IT managers have involved HR in their plans and brought them on board with the initiative.

In addition, only one in three (29%) have a clear plan on how they will roll out UC. This failure to engage with other departments and functions at an early stage could hinder a UC strategy.

Current communication practices in organisations are also likely to become a barrier to the success of a UC project.

While a variety of applications are being made available to end users, only 26% of organisations allow users to communicate how they see fit, with whatever applications they prefer.

Greater flexibility from the business to adapt existing communication cultures and company policies will be critical if plans to roll out unified communications applications are to be a success.

### 3.3 INTEGRATING UC WITH EXISTING IT INFRASTRUCTURES

IT managers largely have their houses in order when it comes to introducing unified communications into their existing network and IT infrastructures.

It is perhaps not a surprise, as these IT decision makers have indicated they are planning to roll out UC, but it does demonstrate a thorough approach and evaluation of the potential impact on existing IT networks, systems and the IT department overall.

As many as 57% of IT managers have assessed their IT infrastructure and understand how UC will integrate.

Many have also secured budgets and the UC initiative has been recognised by the wider business, with 43% achieving buy-in from the board.

IT managers are looking beyond the initial integration and roll out too, with 40% confirming they already have a clear view on the benefits they are anticipating and how they will measure these.

As highlighted in section 3.1, 77% of IT departments already offer and support a variety of communication applications across the enterprise, including presence, instant messenger and video conferencing, indicating a readiness to unify these under one platform and one access point.

# 4. The perceived challenges vs the reality

A core part of this study explored the challenges and benefits of introducing UC into an organisation. By engaging with IT decision makers at different stages of UC adoption, we have uncovered whether the perceived challenges of those currently planning this initiative match up to the reality of the challenges experienced by those who have already completed a roll out.

We found a clear disconnect between the perceived challenges and benefits and the business reality; and it paints a positive picture for those who have not yet embraced unified communications.

## UNDERSTANDING THE UC CHALLENGE

The vast majority of IT managers planning to adopt UC (89%) were anticipating a number of challenges to rolling this out, such as the migration process, securing engagement from different areas of the business and getting the end users on board.

In reality only 5.4% had issues regarding the IT solution and migration process, 3% with gaining investment and just one in ten in securing buy-in from the board. The biggest challenge faced was end user-related, with 25% citing this as an issue.

Figure 2 demonstrates the vast difference between the perceived challenges to rolling out UC compared to the actual challenges experienced by organisations during the roll out.

Aspects such as planning, migration and business continuity are much less of an issue than many IT managers anticipate. Getting buy-in from the board, securing investment and ensuring other departments are bought into the IT department’s plans are also significantly less of a problem than many perceive.

However, the research highlights that the challenges presented by the end user are the major hurdles. The key concerns cited by IT managers planning to adopt UC were getting end users on board with new ways of working (55%) and ensuring UC applications will be used to their full potential (46%).

While the IT managers who have already embraced UC cited lower percentages, these two aspects stand out as the primary issues and, therefore, the critical areas of focus.

## Perceived challenges vs reality

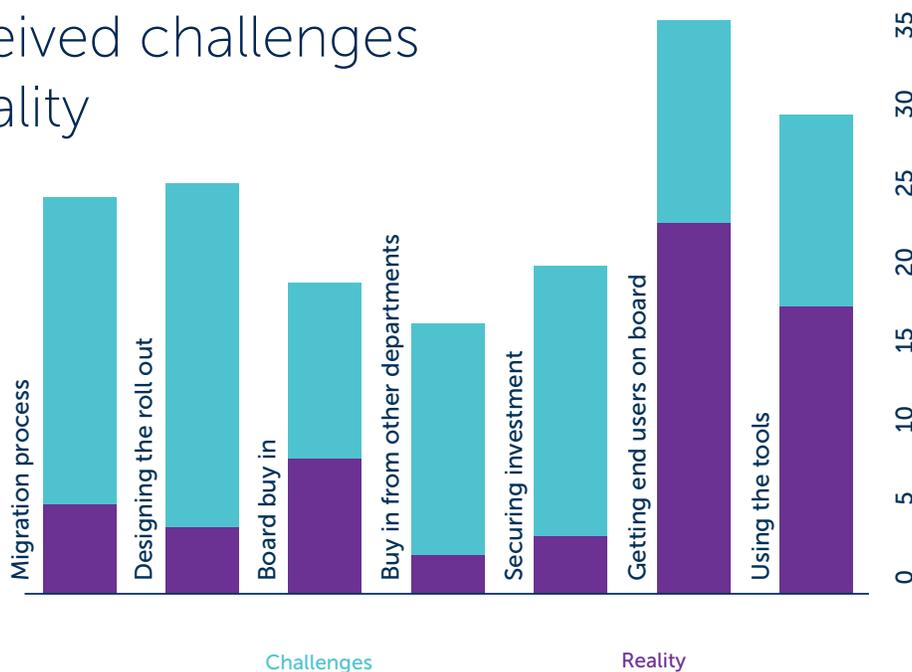


Figure 2: The challenges to UC perceived by those planning a roll out, compared to the challenges experienced by those who have already rolled out UC

## THE TRUE BENEFITS OF UNIFIED COMMUNICATIONS

The benefits match the key drivers for embracing UC, focused around end user productivity and enabling flexible working, which demonstrates how the strategies are living up to expectations in terms of what UC can deliver to the organisation.

Centralising all communication applications into a single platform not only provides a consistent experience for the end user, but delivers a streamlined way for the IT department to manage multiple channels effectively and cost efficiently.

It is encouraging to see that the IT function is benefiting positively from the move to unified communications and one in five can claim tangible efficiencies have been realised.

The likelihood of unified communications positively impacting an organisation is high.

# 85% of organisations that have rolled out UC have seen tangible benefits

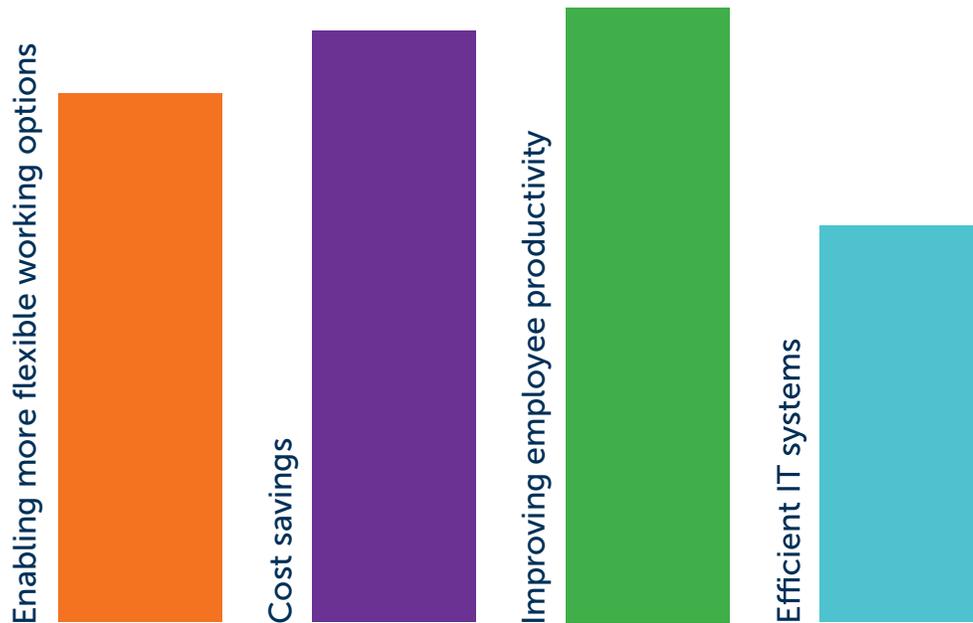


Figure 3: The tangible benefits realised from the adoption of unified communications applications

## 5. Potential barriers to adoption

Around half of businesses questioned are not currently planning to unify communications across the organisation, painting a somewhat contrasting picture to analyst predictions and reports.

The information presented in Section 4 may mean some IT managers now think twice about their UC strategy, presenting some clear evidence of measureable benefits and showing that perceived challenges are often not as insurmountable as some believe.

With around half of organisations planning or already using UC, it's clear we are moving beyond the early adopter stage in the market.

However, as with any technology lifecycle, there will be those enterprises in the later majority who typically wait and see how technologies develop and may consider UC as a longer-term project.

The size of organisation and number of sites also seems to influence the likelihood of IT managers putting UC on their list of priorities, as 63% of those not planning to introduce UC operate in just one location.

75% of organisations using UC applications operate over multiple sites

The Forrester report from November 2012 highlights the growth of UC as an enabler for dispersed organisations, so those with one site may question the value of enabling virtual communication with people who all physically work in the same building.

MZA has found the early adopters of UC and collaboration technologies have been large and dispersed organisations. However, the SME and midmarket segments are key opportunities. Growing availability of effectively packaged UC applications offering integration simplicity with compelling price points and purchasing options will assist in ensuring organisations both large and small can benefit from collaborative technologies.

The non-adopters also showed a lack of engagement with different communication applications, even for the more standard apps like instant messaging and web conferencing. This indicates there are potentially cultural aspects that are holding back the adoption of new ways to communicate, or that business policies are too inflexible.

However MZA predicts that the separate elements that form unified communications are now starting to be sold in suites as opposed to stand-alone solutions<sup>viii</sup>. The increased flexibility with solutions available on the market could be a draw for businesses currently not considering a roll out.

As the Mitel Work 3.0 whitepaper highlighted, the culmination of rapid technology developments, the demands of an increasingly diverse workforce, and business dynamics is driving lasting changes. Technologies such as UC have a role to play in ensuring that every business is equipped to manage these changes and embracing new ways to communicate and collaborate.

## 6. Conclusion

The demands of today's increasingly diverse workforce, powered by mobility, are driving lasting changes in business. New workplace dynamics are putting the spotlight firmly on new ways to communicate and collaborate.

Our research shows that unified communications technologies can play a critical role in streamlining effective communication and collaboration.

We have uncovered evidence that shows UC adoption can deliver real value for organisations, dispelling the misconceptions that big challenges exist in the roll out, tangible benefits are hard to come by and UC is only relevant to large, dispersed organisations.

There are challenges with the introduction of any new technology, and this is true for UC, but these are far from insurmountable. Securing investment and buy-in from key decision makers, managing the migration and designing the roll out are easier to overcome than many IT managers anticipate.

Perhaps the most important area of focus for unified communications to be a success is the end user. Employees are demanding a wider variety of applications, devices and tools to communicate and collaborate, so getting them on board with new ways of working will be critical to the success of any unified communications initiative.

Today, communication and collaboration sit at the heart of every organisation and there is clear evidence that UC technologies have a role to play in driving lasting change in today's mobile, multichannel workplace.

- i. MZA: The world UC applications market- Forecast 2012 edition
- ii. 355 IT decision makers were surveyed, covering those not currently considering UC, those planning a UC rollout and those where UC applications have gone live
- iii. <http://www.gartner.com/technology/reprints.do?id=1-1HYC2VD&ct=130731&st=sb>
- iv. <http://webprod.forrester.com/Unified+Communications+And+Collaboration+Is+Poised+For+Growth+As+Demand+Rises/fulltext/-/E-RES81741?objectid=RES81741>
- v. <http://www.idgenterprise.com/press/research-highlights-acceleration-of-unified-communications-collaboration-adoption-triggered-by-consumer-device-proliferation>
- vi. MZA: The world UC applications market- Forecast 2012 edition
- vii. MZA: The world UC applications market- Forecast 2012 edition
- viii. MZA: The world UC applications market- Forecast 2012 edition