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State of Unified Communications

The good news: The percentage of users who've deployed and are using UC jumped six points, to **36%**, since our 2010 survey, and the number of 'fence sitters' is down, too. The not-so-good news: For **65%** of those who have deployed or plan to do so, UC currently reaches **50%** or less of the employee base. What's the holdup?

By Michael Finneran

Report ID: R3591211

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InformationWeek Reports

Michael Finneran is an independent consultant and industry analyst specializing in wireless technologies, mobile unified communications and fixed-mobile convergence. He has more than 30 years in the networking field and is the author of *Voice Over Wireless LANs: The Complete Guide* (Elsevier, 2008). His expertise spans the full range of wireless technologies, including Wi-Fi, 3G/4G cellular, WiMAX and RFID.

In the consulting area, Michael has provided assistance to carriers, equipment vendors, end users and investment firms in the United States and overseas. He has appeared at hundreds of trade shows and industry conferences, including Enterprise Connect (formerly VoiceCon) and Interop; he now serves as the program chair for wireless and mobility at Enterprise Connect.

Michael is also prolific writer; for 23 years he wrote the Networking Intelligence column for *Business Communications Review.* He now contributes on wireless and mobility to numerous publications. As an educator, he has conducted more than 2,000 seminars on networking topics globally, including the graduate telecommunications program at Pace University and programs at the Center for the Study of Data Processing at Washington University in St. Louis. His programs are now offered through Telecom+UC Training. A longtime member of the Society of Telecommunications Consultants, Michael holds a master's degree in marketing and management information systems from the J.L. Kellogg Graduate School of Management at Northwestern University.

EXECUTIVE SUMMARY

In our *InformationWeek* 2012 Unified Communications Survey, we elicited responses from more than 300 business technology professionals on plans for advancing their companies' UC initiatives. We asked about factors respondents consider critical for a successful implementation, major technical and business drivers, obstacles to deployment, and how well they think UC technology is delivering on its promise. Of those surveyed, 71% work for companies with 500 or more employees, and roughly one-third work for companies with 10,000 or more.

Using last year's survey as a baseline, we found some interesting trends in adoption rates, applications employed and vendor preferences. The percentage of respondents reporting that they have deployed and are using UC jumped from 30% when we last ran the survey, in April 2010, to 36% now; an additional 31% say they plan to deploy within the next 24 months—that's the same percentage as planned to deploy last year. And Skype seems to be making headway in enterprises; can we thank Microsoft?

We realize that money is still tight, but advances in UC technology make it a smart way to help the business do more with less—and you don't even need an IP PBX.

SYNOPSIS

RESEARCH

Survey Name *InformationWeek* 2012 Unified Communications Survey

Survey Date September 2011

Region North America

Number of Respondents 302

Purpose To examine the challenges and progress around unified communications

Methodology *InformationWeek* surveyed business technology decision-makers at North American companies. The survey was conducted online, and respondents were recruited via an email invitation containing an embedded link to the survey. The email invitation was sent to qualified *InformationWeek* subscribers.

ABOUT US

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Did We Say 'UC'? We Meant 'Collaboration'

One thing that's clear from our current *InformationWeek* Unified Communications Survey: There's considerable confusion about what constitutes UC and how it can help reshape businesses. Some of the larger UC vendors have changed their marketing messages to indicate that "collaboration" and "voice over IP" are now "UC." That has apparently swayed buyers' views, as collaboration is considered the most important technology in a UC implementation, deemed "very important" by 52%, followed by voice over IP at 44%.

How well have they gotten that message across? Some of the vendors our respondents put at the top of their lists of preferred UC providers don't even *make* IP PBX systems, and unified messaging—the ability to get voice mail messages and faxes from an email inbox—was cited as the top technology driver, even though that capability actually predates UC.

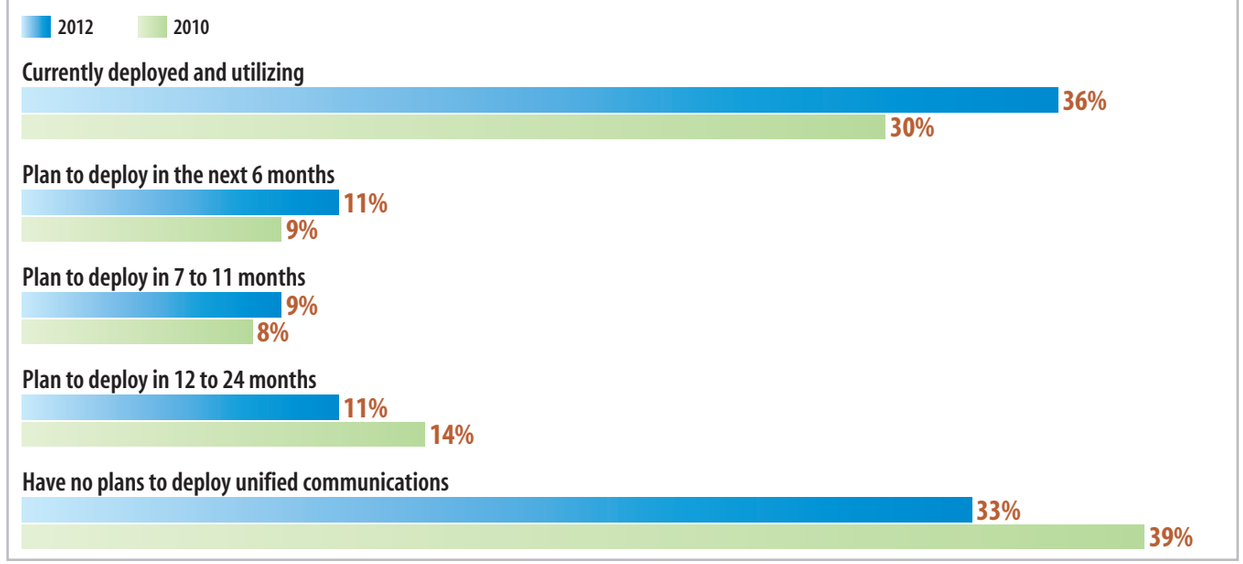
Where users aren't moving ahead on UC, we're seeing the same roadblocks as were reported last year, with 51% saying other projects have a higher priority, followed by no definitive business value (32%). So even as vendors have been amping up their UC marketing pitches, they've failed to give potential customers a good way of building a business case to justify the investment.

While there's a fundamental disconnect, with buyers confused about how UC can be

Figure 1

Unified Communications Deployment Plans

Is your organization currently deploying, or planning to deploy, unified communications?



Base: 302 respondents in September 2011 and 406 in April 2010
Data: *InformationWeek* Unified Communications Survey of business technology professionals

R3591111/1

applied to their businesses, it's clear that IT is driving UC. Among our respondents, 67% say either the CIO or the IT director is heading up the initiative.

In what's probably bad news for PBX vendors, the telecom director is the driving force in only 6% of respondents' organizations.

More importantly, only 10% of respondents say their UC direction is coming from the CEO or another non-IT C-level executive. Maybe a little more of that perspective would help IT get past concerns over costs and help it look in the right places to discover applications, establish value and increase ROI.

While IT may be fumbling with UC, users are coming to recognize the impact that new communications technologies can have on their productivity and are turning to "consumer" tools, such as AOL Instant Messenger, Skype and Yahoo Messenger, that include UC functionality. The big message for IT is that there is a pressing need for better tools that will allow people to communicate and collaborate more effectively, and if users can't get them from IT, they will resort to any means

FAST FACT

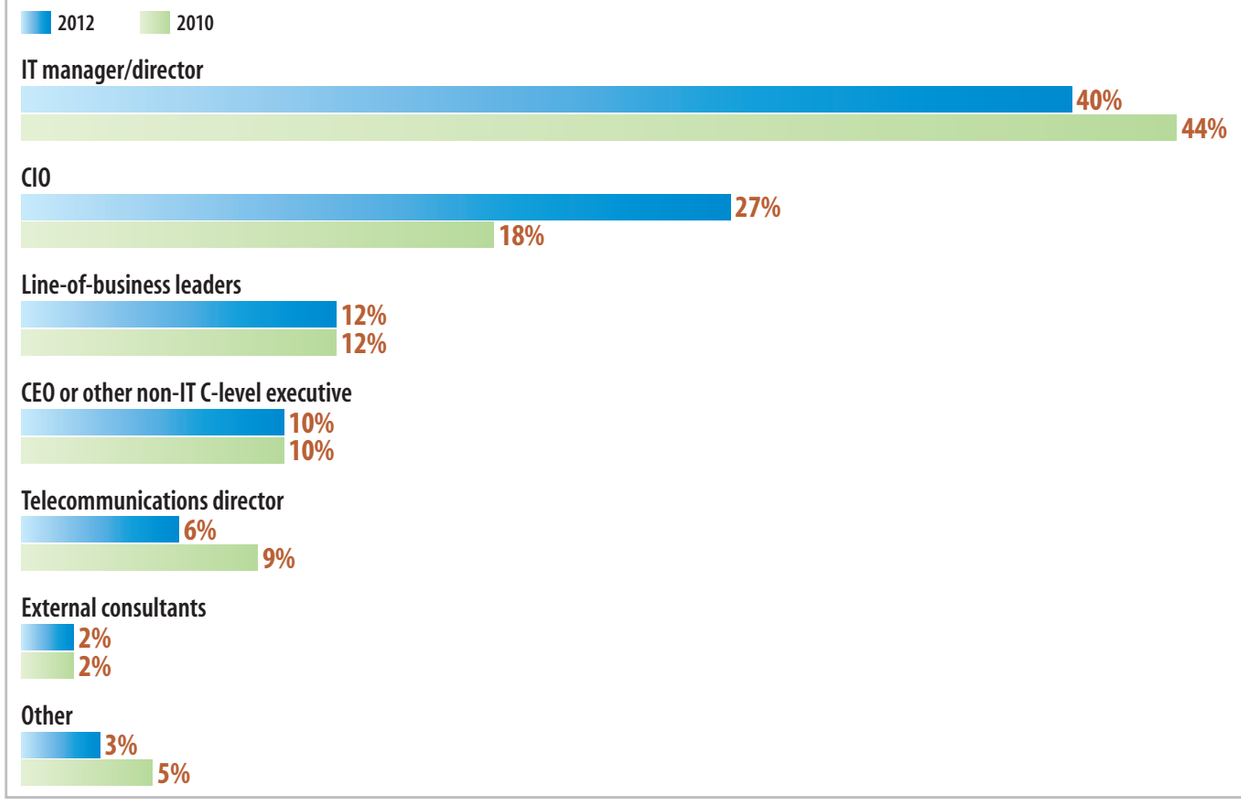
26%

say unified messaging is the top driver for moving forward with UC.

Figure 2

Primary Developer of Unified Communications Strategy

Which group played the greatest role in developing the strategic vision for UC in your organization?



Base: 201 respondents in September 2011 and 249 in April 2010 at organizations deploying or planning to deploy unified communications

R3591111/4

Data: *InformationWeek* Unified Communications Survey of business technology professionals

necessary. This should be a wake-up call, and IT teams that decide to sleep in will miss a great opportunity to serve the business.

So what is "unified communications"?

UCStrategies.com defines unified communications as "communications integrated to optimize business processes," and that definition has been echoed by virtually every UC supplier. To take it to a somewhat more granular level, UC involves full integration of real-time and near-real-time communications tools in applications and business processes; those tools include voice, video, text and email. The overall goal is to enhance human communications by reducing latency, managing workflows, and eliminating device and media dependencies.

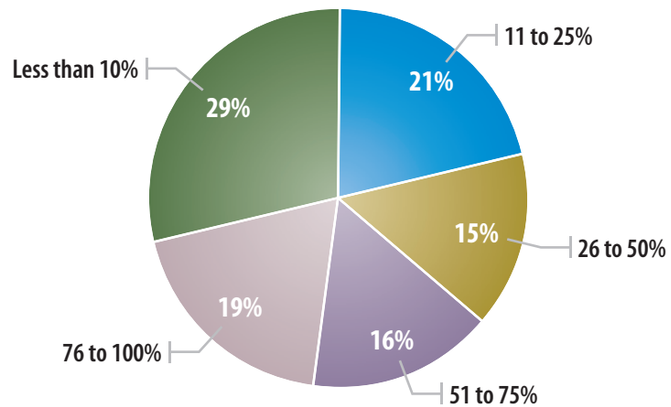
Applications for UC fall into two broad categories: UC for user productivity (UC-U) and UC for business productivity (UC-B). The latter category encompasses the idea of communications-enabled business processes and generally is the area where the greatest ROI can be found. UC provides a number of vehicles by which enhanced communications can be delivered. For UC-U, the most fundamental implementation would be a UC client that could run on a user's desktop, laptop, smartphone or tablet; Microsoft's Lync client is an example. The device screen can be divided into several sections—one area might be used for a videoconference, while employees also see a list of regular contacts, and a colored bar to the left of each image denotes their presence status, which is set automatically, as is "In Meeting," which can be inferred from the user's calendar.

A full search of the corporate directory can be launched as well, and a series of buttons

Figure 3

Percentage of User Base With UC Capabilities

What percentage of your total user base has UC capabilities?



Base: 201 respondents at organizations deploying or planning to deploy unified communications
R3591111/3
Data: *InformationWeek* 2012 Unified Communications Survey of 302 business technology professionals, September 2011

allows the user to select a contact and with a single click establish a voice call, a video connection, or a text or email. Those same tools can be used to establish an audio- or video-conference that could include desk sharing or collaborative presentations. Conferences can also be scheduled, and when the time arrives, a user could join with a single click rather than dialing a series of access numbers and conference codes.

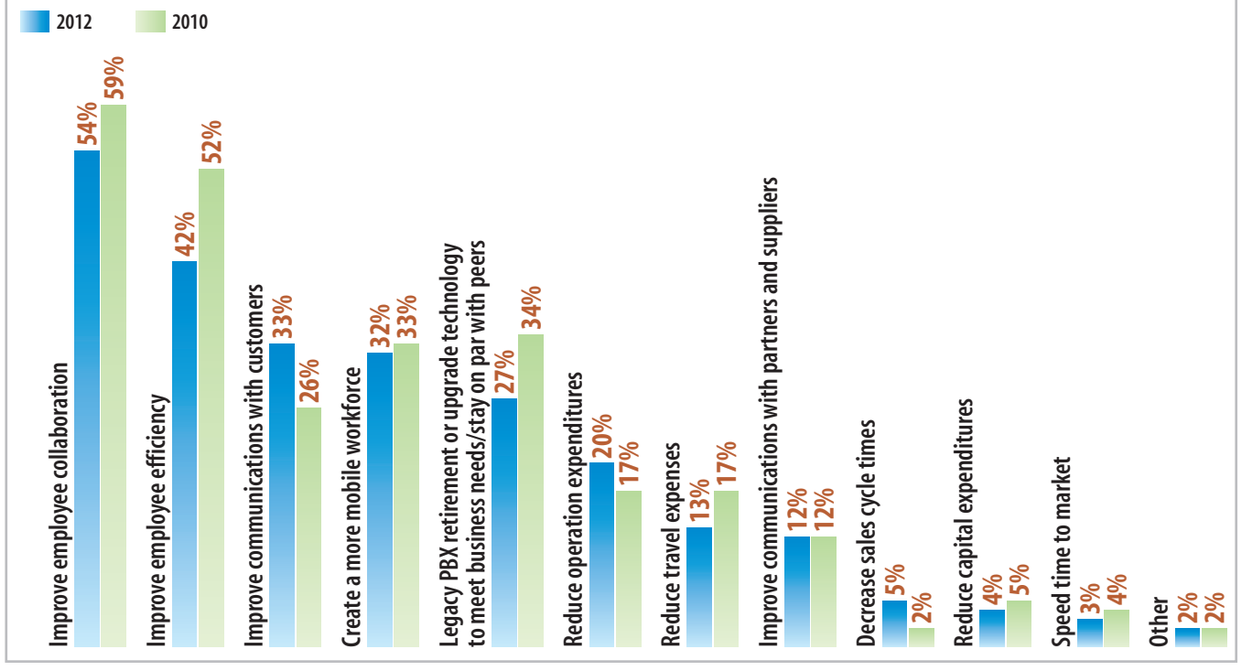
However, the user need not open the UC client to engage these functions. The "unified" part of UC implies that these communications capabilities can be embedded and accessible from any application. So, for example, you could be reviewing an email message in Outlook, be able to see the sender's presence status, and establish a voice or video call with a single click and allow both parties to see the email at the same time.

Integrating UC into a "communication" application like Outlook is an obvious extension, but UC products now come with tools that can embed access to the full range of communications channels in any application. So a user working in an order-entry or contact center application could establish a call or send a text to clarify an issue directly from the screen the agent is on or click a button on the screen to confer with or conference in a specialist to resolve an issue while the customer is still on the line. Best of all,

Figure 4

Top Business Drivers of Unified Communications Deployment

Which of the following business goals or events most significantly impacted your decision to deploy unified communications in your organization?



Note: Three responses allowed R3591111/6
Base: 201 respondents in September 2011 and 249 in April 2010 at organizations deploying or planning to deploy unified communications
Data: *InformationWeek* Unified Communications Survey of business technology professionals

the contact center agent doesn't even need to know who the specialist is, as that person can simply request assistance by product line or business issue, like billing or shipping.

Identifying the Value of UC

For those respondents who say they either see no definitive business value for UC or find it too expensive, these positions are understandable if the sole focus of the UC deployment is on UC-U for streamlining business communications and increasing user productivity. The ROI in that case will be expressed in soft dollars, a tough sale to the CFO in these economic times. A better bet is to find returns in the UC-B area, where a UC application can be tied to shortening sales cycles or completing business tasks more quickly by reducing human latency. Again, respondents appear to be missing the point with UC, as their ROI calculations favor operational expenditures (61%), capital expenditures like LAN/WAN upgrades (57%), and employee productivity and job satisfaction (43%), but business factors like increased sales and market share increases barely registered. While 85% have conducted or plan to do some form of ROI analysis on their UC purchases, 62% of those who have deployed did not conduct a formal post-installation ROI calculation to see if the ROI actually materialized.

FAST FACT

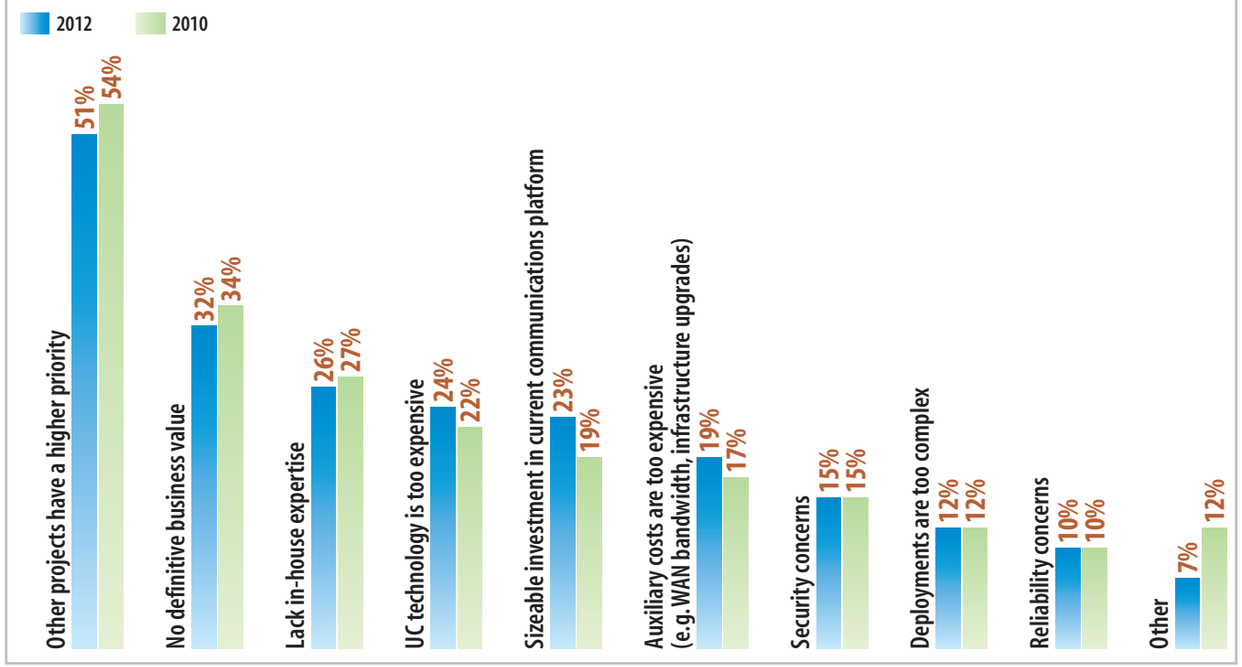
21%

expect to spend more than $750 per employee per year when fully deploying UC.

Figure 5

Reasons for Not Using Unified Communications

What factors contributed to your organization's decision not to deploy unified communications?



Note: Multiple responses allowed
Base: 101 respondents in September 2011 and 157 in April 2010 at organizations not deploying unified communications
Data: *InformationWeek* Unified Communications Survey of business technology professionals

R3591111/2

However, we've worked with companies that have realized good returns, and vendors have no shortage of reference customers with eye-popping results. While we've all learned to take these studies with a few grains of salt, Avaya, IBM, Microsoft and others do present some interesting case studies that could seed ideas for your company.

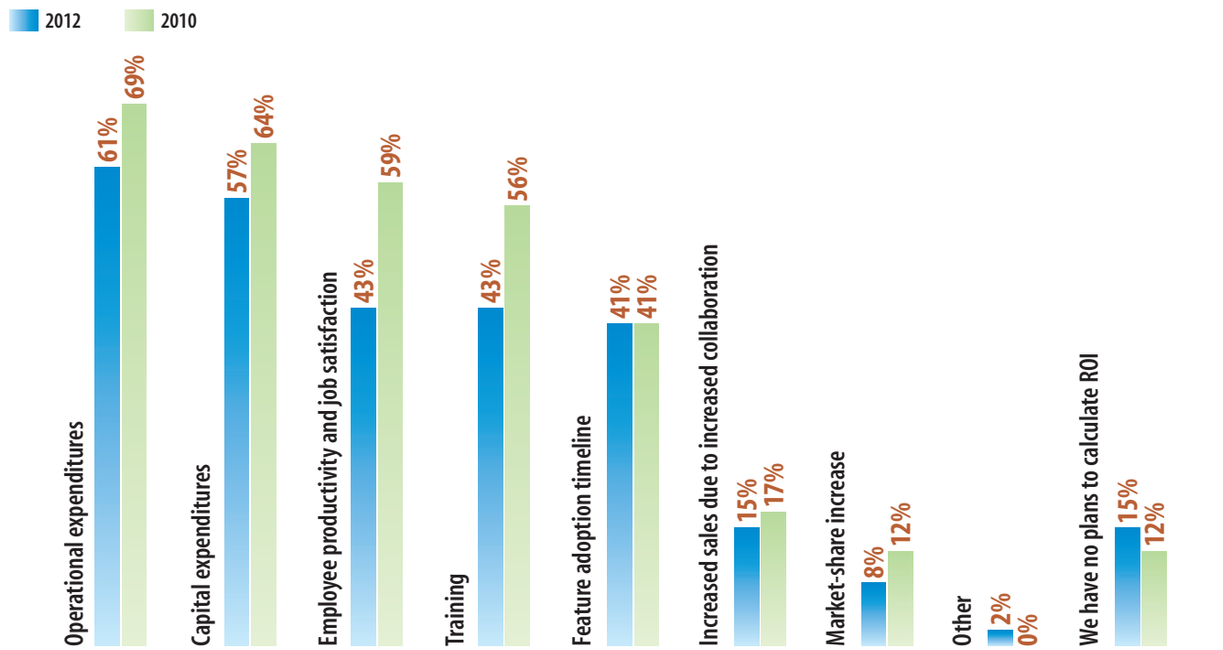
The perception of UC cost might be skewed as well. Some 36% of respondents estimate the average cost per seat at $500 or less, while a similar number peg it at $501 to $2,000. Those kinds of numbers make sense only if you're including an IP PBX, likely with significant infrastructure upgrades for quality of service and power over Ethernet.

In his session "UC Options: Who's Offering What?" at Enterprise Connect 2011 in Orlando, Fla., UC consultant Marty Parker of UniComm Consulting asked UC vendors to quote software licensing, server hardware and maintenance support for 2,000 users for three years for a UC system that would include IM, presence, peer-to-peer voice and video, voice/video/Web conferencing and software for communications-enabled business processes for 600 of the users. The annual cost per user is shown in Figure 7. Even if you extend those annual costs out five years, they wouldn't approach $500. So it appears that the vendors' marketing strategy of linking

Figure 6

Elements of ROI Calculation

What factors did, or will, you consider when calculating ROI for UC?



Note: Multiple responses allowed
R3591111/12
Base: 201 respondents in September 2011 and 249 in April 2010 at organizations deploying or planning to deploy unified communications
Data: *InformationWeek* Unified Communications Survey of business technology professionals

Related Report: Reliable UC

If your UC infrastructure is erratic or the communications quality poor, you're sunk, because end users today don't have the patience to give IT three or four chances to get it right. And that just adds up to wasted money. In this *InformationWeek* Best Practices report, we describe strategies to ensure quality communications between end users, whether they're on the LAN, WAN or a mobile device.

"UC" to "IP PBX" has backfired somewhat, resulting in slower market growth, as buyers are deferring UC initiatives until they can justify the upgrade.

But do they need to wait?

I Can Do UC Without an IP PBX?

With the emphasis on LAN/WAN upgrades and bandwidth costs, it appears that respondents are making the assumption that VoIP is a prerequisite for UC. While that's the message the IP PBX vendors have been trying to send, the reality is that many UC capabilities can be added to existing TDM-based PBX systems. One option is an approach like IBM's Sametime. While Microsoft has incorporated PBX-like capabilities into its Lync UC product and now actively sells it as an alternative to traditional PBX systems, IBM offers Sametime Unified Telephony. In the SUT configuration, Sametime provides IM, presence, email, collaboration and social networking capabilities, but interfaces to virtually any PBX, IP or TDM, to integrate telephony functions.

The bottom line is that IT's gotten "UC" confused with "IP PBX" when, in fact, UC is actually all about eliminating a standalone PBX and integrating traditional call-processing functions into a new type of communications infrastructure that incorporates video, text, email and collaboration.

If UC is simply about the IP PBX, in the end, what you have is an IP-based telephone system that does pretty much what the TDM system it replaced did. The irony is that the real "value" comes from UC, and the vendors are essentially offering the UC capabilities for free when you buy the other part.

Figure 7

UC-Only Cost Per User Per Year

Vendor	Cost per user/per year for UC
Aastra	$36
Alcatel-Lucent	$48
Avaya	$35
Cisco	$32
IBM	$28
Microsoft	$16
Mitel	$63
NEC	$11
ShoreTel	$70
Siemens	$83*

Data: UniComm Consulting as Presented at Enterprise Connect 2011 * Siemens' cost includes IP PBX license

Emerging Areas in UC: Collaboration and Social Networking

On the UC-U front, one of the biggest trends we've seen is an increased emphasis on collaboration and social networking. IBM began using the term "UC^2" to identify its Sametime unified communications and collaboration platform some years back, and Cisco has now made collaboration the centerpiece of its UC marketing as well. In his keynote at Cisco Live this year, CEO John Chambers promised more emphasis on collaboration and listed it as one of five focus areas for the company.

That concept of collaboration encompasses all forms of conferencing, including audio, video and Web (Cisco WebEx and Microsoft

Live Meeting), all of which were identified in the survey. From an ROI standpoint, one of the quickest paybacks in a UC deployment can come in reducing the use of outside conferencing services such as InterCall and Premiere Global Services.

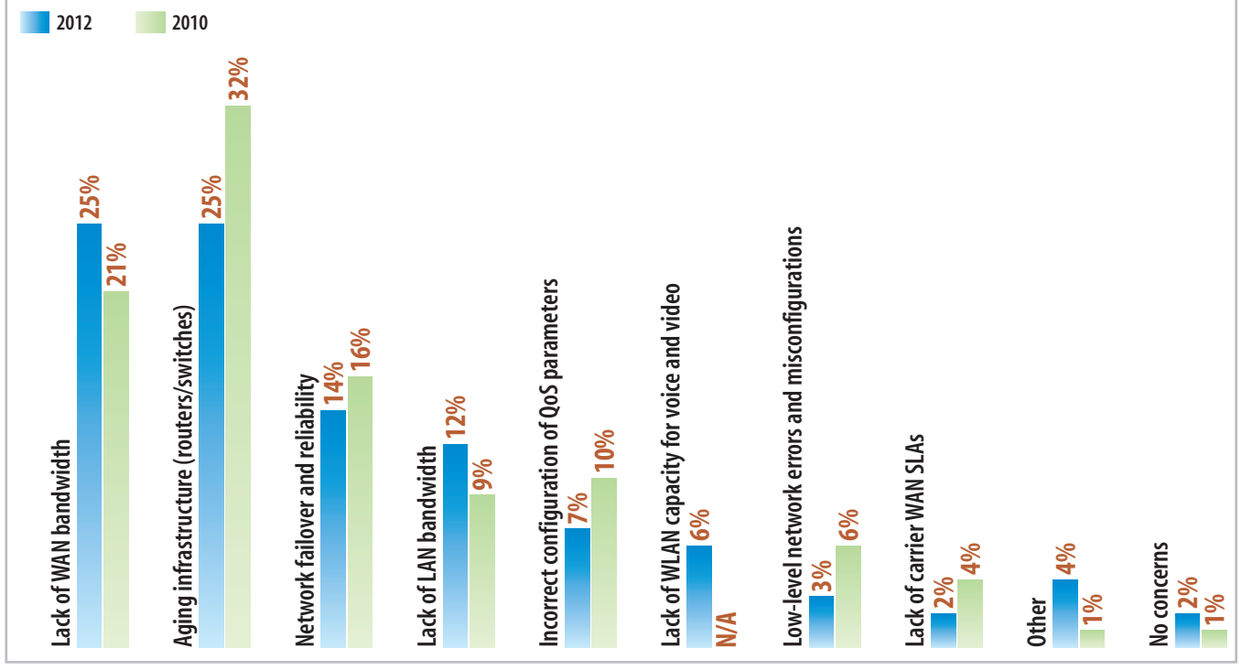
A UC system can also offer lower-cost conferences by routing internal voice and video connections over existing MPLS backbone facilities rather than paying "cents per minute" to a conference provider. Those savings can be increased by federating your UC system with those of partners, suppliers and other external organizations with which you have regular communications.

Not only is the conferencing less expensive, the UC desktop client can be integrated with the calendar application. UC-U tools like the Microsoft Lync client integrate directly with Outlook calendars. The meeting organizer can scan the availability of participants and generate a calendar invite and the login information (bridge number, conference code and participant code). To join the conference, all the participant needs to do is click on the calendar entry. Most UC tools allow users to sidebar or convert from a text chat to an audio- or videoconference and back again. These tools also incorporate screen and/or document sharing with the ability to download copies of the presentation materials for later reference.

Figure 8

Top Network Concern

What is the most pressing concern you have regarding your network's ability to provide the appropriate quality of service to UC applications?



Base: 201 respondents in September 2011 and 249 in April 2010 at organizations deploying or planning to deploy unified communications

R3591111/10

Data: *InformationWeek* Unified Communications Survey of business technology professionals

One of the keys to a successful conference is having peripheral devices, such as handsets and headsets, that are tested and certified by the manufacturer. IP PBX vendors will typically build their own devices, but pure-play UC vendors like Microsoft depend on partners. For voice handsets, Microsoft has certified Aastra, Polycom and Snom. Polycom also offers the innovative CX5000 video system, a camera/speakerphone that can be placed in the center of a conference table to provide a 360-degree view of the room.

As part of its collaboration suite, Cisco has been pushing the Intercompany Media Engine to extend video connectivity from intracompany to intercompany environments. Even more interesting is the idea of tagging and retrieving video content. Traditionally, a video could be recorded, but locating a specific part of the content often required viewing the entire program. Cisco has now incorporated speech-to-text transcription and real-time video transcoding. A search platform performs dynamic tagging of content, allowing users to locate and rapidly access the specific part of the program that covers their areas of interest.

The term "social networking" has also found its way into the UC vocabulary. Though it generally conjures up images of Facebook, social takes on a completely new meaning when applied to UC, something IBM has been stressing.

On one front, contact centers are adding Facebook and Twitter to the list of media by which they can interact with customers. It also doesn't take much research to realize that in large organizations, the left hand often doesn't know what the right hand is doing. Further, managers are finding that the way to get the best work out of younger employees

FAST FACT

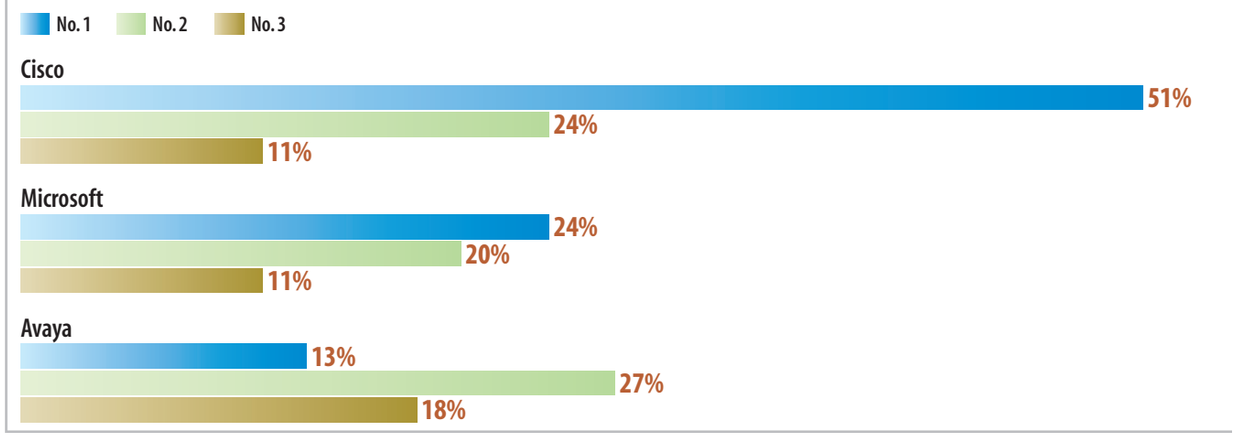
91%

say email is the top method by which employees communicate with customers, suppliers and partners.

Figure 9

Top Three UC Providers

Which vendors do you consider the top three providers of UC solutions?



Note: Top three out of 15 total vendors
Base: 201 respondents at organizations deploying or planning to deploy unified communications
Data: *InformationWeek* 2012 Unified Communications Survey of 302 business technology professionals, September 2011

R3591111/26

is to give them the feeling they're empowered and involved. The use of social networking tools in a UC environment provides the capability to achieve all of these ends. By scanning emails and texts for key words, a social-aware UC system can discover users who are working on the same things and help connect them.

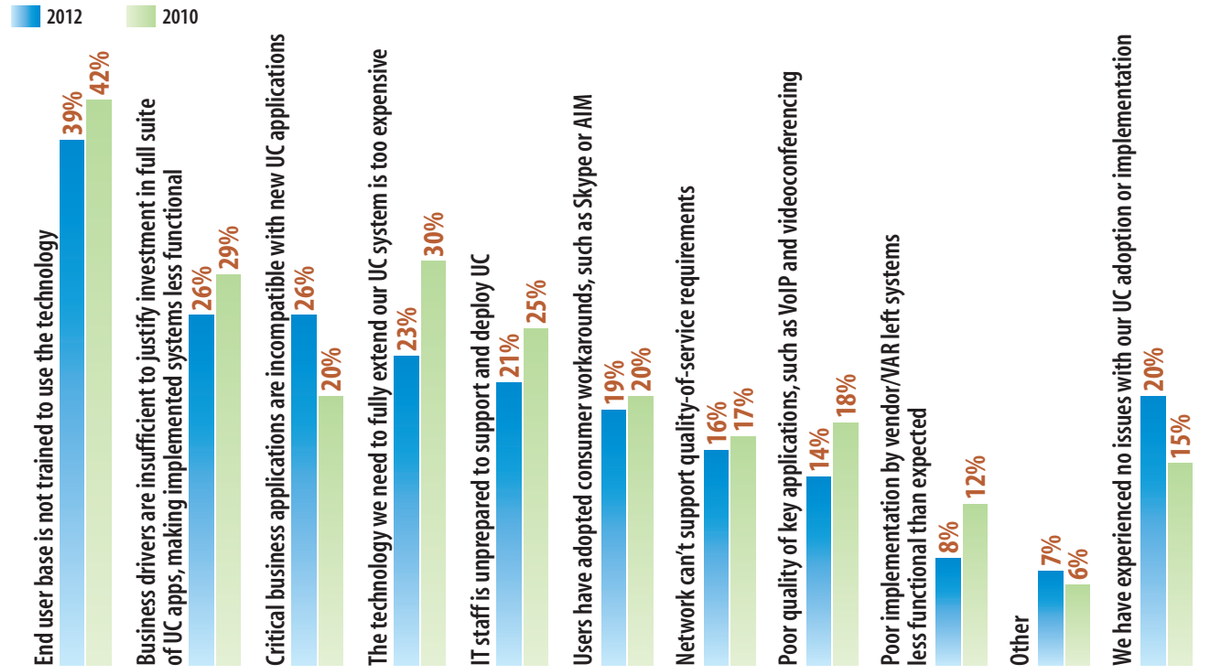
Group sourcing has been one of the great developments to have come about the Internet, with Wikipedia being the single best example. However, companies have the ability to use that same idea internally.

A good example of a company that put this idea to use is Cemex, one of the largest building materials companies in the world. The company, which is based in Monterrey, Mexico, operates in 50 countries with 47,000 employees. To tap into what it considered an abundance of internal expertise, Cemex used Lotus Connections to establish a platform for open collaboration, which it called Project Shift. It began with five innovation initiatives and roughly 2,000 users in April 2010, and one year later, it had grown to nine initiatives and 20,500 regular users sharing opinions, thoughts, information, experience, knowledge and best practices in more than 500 virtual communities. The project resulted in more rapid development of new products and reduction in time to

Figure 10

Barriers to Unified Communications Adoption

What are the top three barriers to full adoption of your deployed unified communications system?



Note: Three responses allowed R3591111/7
Base: 201 respondents in September 2011 and 249 in April 2010 at organizations deploying or planning to deploy unified communications
Data: *InformationWeek* Unified Communications Survey of business technology professionals

market, and has also provided visibility for employees at all levels of the company based on the quality of their contributions.

The End User Disconnect

Once you get the idea of what UC actually is and take the IP PBX out of the equation, you can begin looking for applications that can truly drive business value. However, end users aren't going to waltz in your door suggesting an "integrated communications solution that optimizes their business processes."

When asked to identify their top three barriers to full UC adoption, having end users not trained to use the technology led the list, with 39%; it also led in 2010, with 42%.

Clearly, the primary method used by 31% of respondents for training employees on UC technology—computer-based training—is just not getting the job done.

The reality is that UC isn't something you can dump on a user's desk and walk away. The capabilities are powerful, but with something as feature-rich as today's UC suites, employees will have to be guided in how to best integrate the tech with their work processes. That will be a challenge, as 26% of respondents identify a lack of in-house expertise as a factor contributing to why their organizations had not deployed UC.

For UC to truly flourish, IT will have to de-

FAST FACT

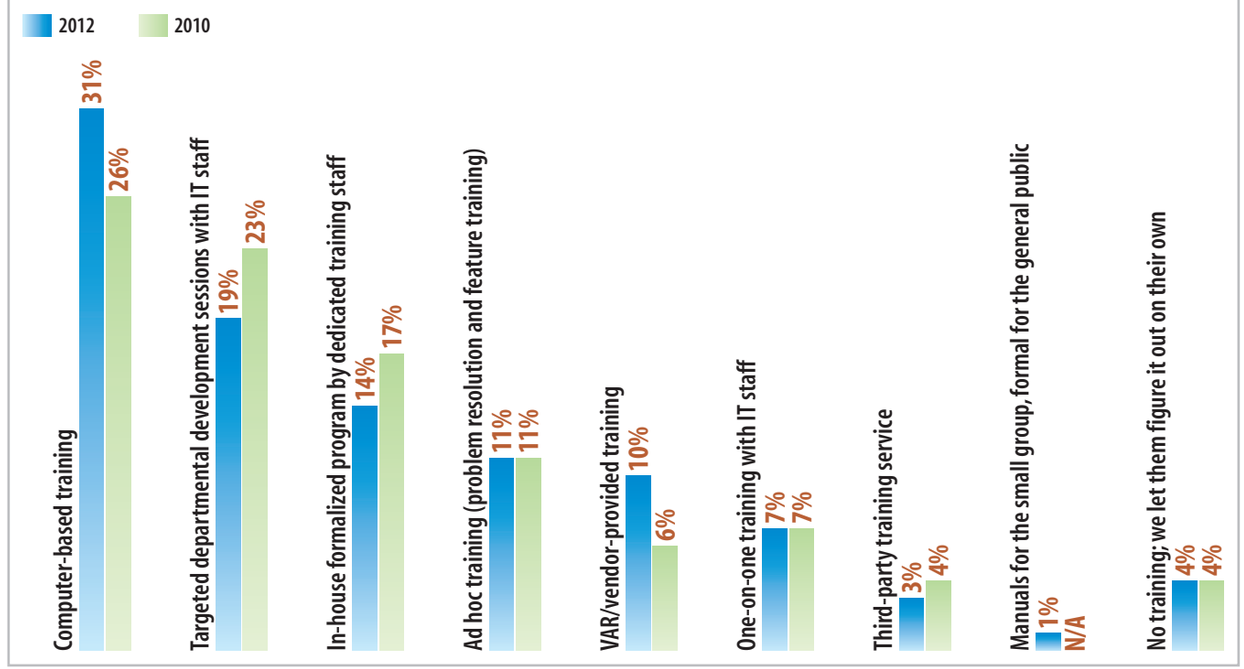
45%

predominately use Microsoft systems for their desktop video-conferencing.

Figure 11

Primary UC Training Methodology

What is, or will be, the primary methodology employed by your organization when training employees on UC technology?



Base: 201 respondents in September 2011 and 249 in April 2010 at organizations deploying or planning to deploy unified communications

R3591111/14

Data: *InformationWeek* Unified Communications Survey of business technology professionals

velop its expertise (or find someone who has that expertise) and then engage with user communities to determine where it can best be applied.

There are some key places to look, however.

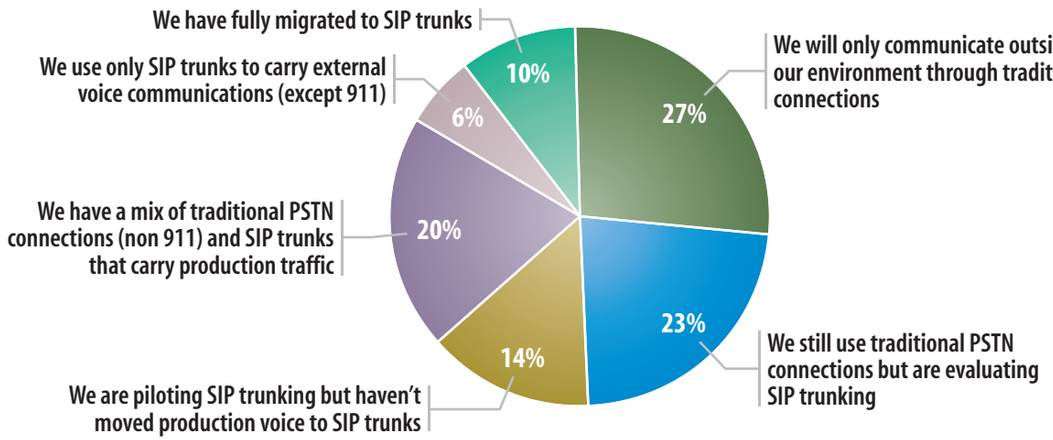
First, UC is mainly about the "C," so the first target should be those processes that are driven by communications. The big question going in should be, who's talking to (or texting or emailing) whom, and why? Those communications might be internal, or they could be to customers or suppliers. To gauge the impact, however, you have to get to the "why?"

That means the conversation is not about phone calls. It's about business processes and how those communications impact those processes. The key is to locate those communications hot spots, determine how they impact the workflow, and then figure out how to better integrate or modify them to reduce the latency they introduce into the process. Certainly, capabilities like embedding communications into work screens is one option, but it could be that the wrong method of communication is being employed—maybe they're making a phone call when they should be sending a text.

Figure 12

Voice Technologies Used for Communications Outside of UC Environment

What voice technologies do you utilize to communicate outside of your corporate UC environment?

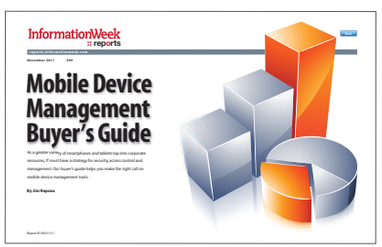


Base: 201 respondents at organizations deploying or planning to deploy unified communications R3591111/25
Data: *InformationWeek* 2012 Unified Communications Survey of 302 business technology professionals, September 2011

Top Savings Opportunities From UC

> **Conferencing:** If your organization is using outside services for Web or audioconferencing, a UC system can provide an in-house capability that is not only less expensive, but can integrate with your calendar system and allow one-click-to-join capability.

> **Travel:** After a long gestation period, businesses are finally warming up to the idea of video teleconferencing as an alternative to business travel. When businesses take a seri-



Related Report: MDM Buyer's Guide

As a greater variety of smartphones and tablets tap into corporate resources, IT must have a strategy for security, access control and management. Our buyer's guide helps you make the right call on mobile device management tools.

ous look at not just the T&E costs themselves but the lost productivity involved in business travel, it's hard not to find a return in substituting video for some of those trips.

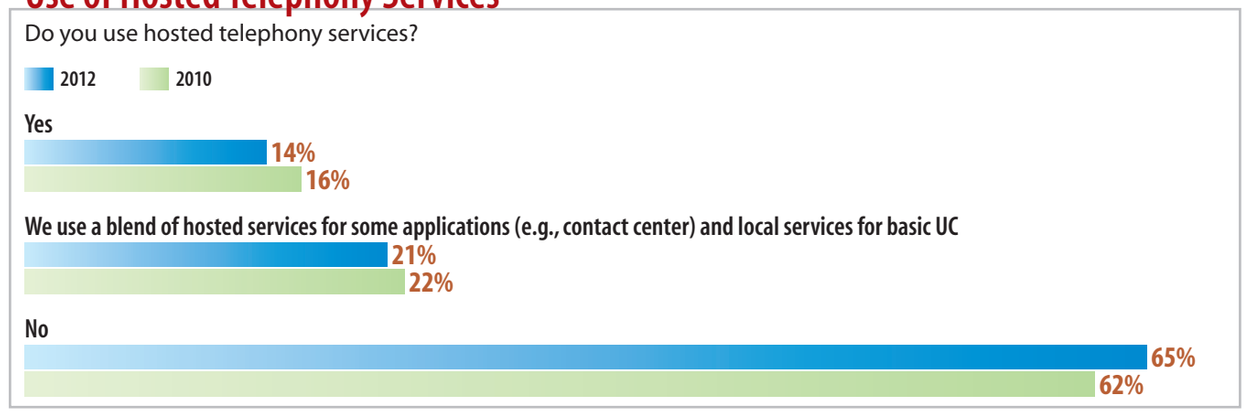
> **Network services consolidation:** Multisite organizations will typically have underutilized network access facilities at all locations. By consolidating all of that network access at a single location and using MPLS services to interconnect sites, the savings can pay for a lot of UC applications.

> **Work from home:** With the improved communication capabilities provided by UC, employees can work as productively from home as they do in the office, reducing the need for real estate. With presence, remote workers can know who's available and, through a single UC desktop interface, initiate a text or email or set up a voice or video conference with desktop sharing. Mobile UC clients can also allow users to stay in contact when out of their home offices. Reduced commuting will also reduce the company's carbon footprint.

> **Communications-enabled business processes:** The real value of UC can be seen when communication capabilities are built into line-of-business applications, so a text, email or voice call can be launched directly from a screen in the ERP, CRM or other application. By thinking through where those communication and collaboration intensive processes exist, enterprises can apply the idea of "communications integrated to optimize business processes" to countless tasks to improve effectiveness and reduce human latency.

Figure 13

Use of Hosted Telephony Services



Base: 201 respondents in September 2011 and 249 in April 2010 at organizations deploying or planning to deploy unified communications
R3591111/24
Data: *InformationWeek* Unified Communications Survey of business technology professionals

Deployment Options

Our survey also looked into the types of network services in use and the growing move toward SIP trunking. Some 23% of respondents are in the evaluation phase of their SIP trunking plans, and 14% have moved on to pilots. While 36% report having SIP trunks in production, only 10% have migrated fully. Those stats add a shot of reality to the SIP trunking frenzy. While everyone is going talking about SIP trunks, few companies have

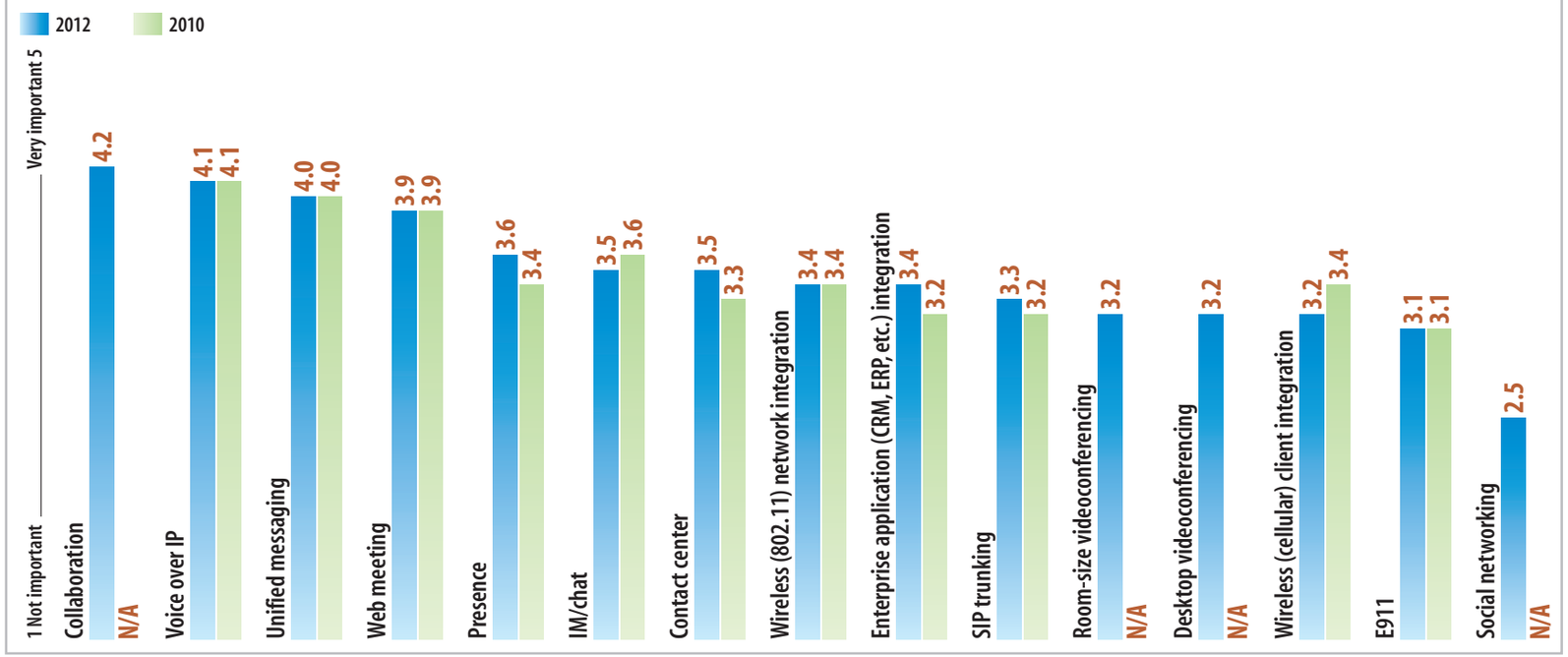
gone the whole way—we will eventually, but we're not there yet.

We also asked respondents if their telephony system was hosted, and 35% confirmed that it was either fully (14%) or partially (21%), so the other 65% were sticking with a traditional premises-based approach. The prime target for SaaS (or UCaaS) is small and midsize companies that want the benefits of UC but don't have the expertise to do it on their own—as mentioned earlier, 26% blame a lack of in-house expertise for not deploying. We see this gap reflecting the fact that our survey skews toward bigger companies, which presumably have the infrastructure and resources to pull off UC on their own, if they see the value in doing so.

Figure 14

Key Technologies for Unified Communications Success

Please rate the importance of the following technologies in a successful unified communications implementation using a scale of 1 to 5, where 1 is "not important" and 5 is "very important."



Note: Mean average ratings
Base: 201 respondents in September 2011 and 249 in April 2010 at organizations deploying or planning to deploy unified communications
Data: *InformationWeek* Unified Communications Survey of business technology professionals

R3591111/8

UC Applications and Preferred Vendors

The other big question we asked was the importance of certain technologies in a successful UC implementation. Clearly, the vendor emphasis on collaboration is paying dividends, as that ranked at the top of the list, with a score of 4.2 out of 5.

Collaboration actually showed up in several responses—75% say audioconferencing is in use by some or all of their users, followed by Web meetings at 70% and IM/chat at 68%; those numbers are roughly equal to what we saw in 2010. No surprise there.

What was somewhat surprising was the fact that, while 68% have IM/chat deployed to at least some users, presence was cited by only 43%. Typically, those two go hand in hand with systems like Microsoft Lync or IBM Sametime. Even though presence, or the ability to know if a colleague is available to take a call or engage in a text chat, is generally considered to be one of the big efficiency generators from UC, i's not getting the penetration we'd expect.

We also asked which products respondents use predominantly for various applications. When it came to IM and chat, Microsoft's Lync (formerly OCS or LCS) was clearly the preferred vendor, in use at 52% of responding organizations, up from 41% a year earlier.

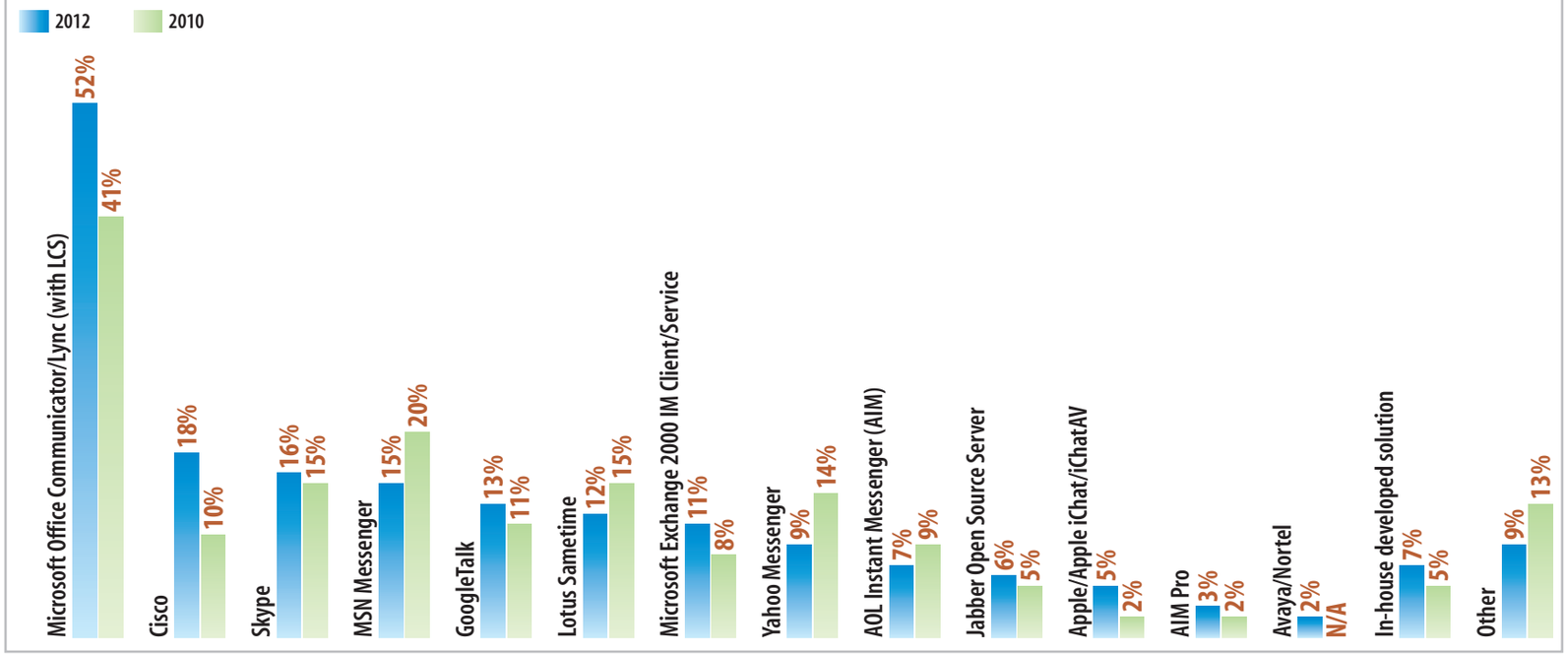
With its legacy in desktop computing, Microsoft towered over Cisco, which came in a distant second with 18% (up from 10% a year earlier). The big surprise was Skype, MSN Messenger and Google Talk coming in at 16%, 15% and 13%, respectively, right on Cisco's heels. Sametime also made a decent showing on the chat front with 12%, down from 15% in 2010.

While Microsoft rules in IM and chat, Cisco grabs the lead when it comes to Web meetings, which are used by 70% of respondents, virtually the same as last year. Cisco's WebEx is used by 52% of respondents vs. 40% for Microsoft's Live Meeting and 23% for Citrix GoToMeeting; IBM's Sametime Unyte made the

Figure 15

IM Applications Used

Which application(s) do your users predominately use for IM?



Note: Multiple responses allowed
Base: 137 respondents in September 2011 and 165 in April 2010 at organizations deploying instant messaging/chat to full or limited user base
Data: *InformationWeek* Unified Communications Survey of business technology professionals

R3591111/19

list with 9%. While all of those shares are, again, close to what they were last year, the scales seem to be tipping toward single vendors for UC rather than IT cobbling together a best-of-breed system. That means each vendor is trying to come up with the strongest offering across the board.

However, we don't see any major innovations on the horizon, other than Microsoft pushing its way into the UC party. If it's a "winner takes all" game (and we believe it's getting that way), you want to be strong in all areas, or at least be able to "check all the boxes" in the RFP.

And, what about the 16% of respondents using Skype?

Skype isn't really "selling" to enterprise customers at the moment, except as a voice-service option. Avaya announced just such a deal earlier this year; the acquisition by Microsoft will likely change that, though Microsoft seems to move at a snail's pace in capitalizing on what it owns. What's significant is that, with its name recognition in the consumer market, Skype is becoming a factor in the enterprise without even trying.

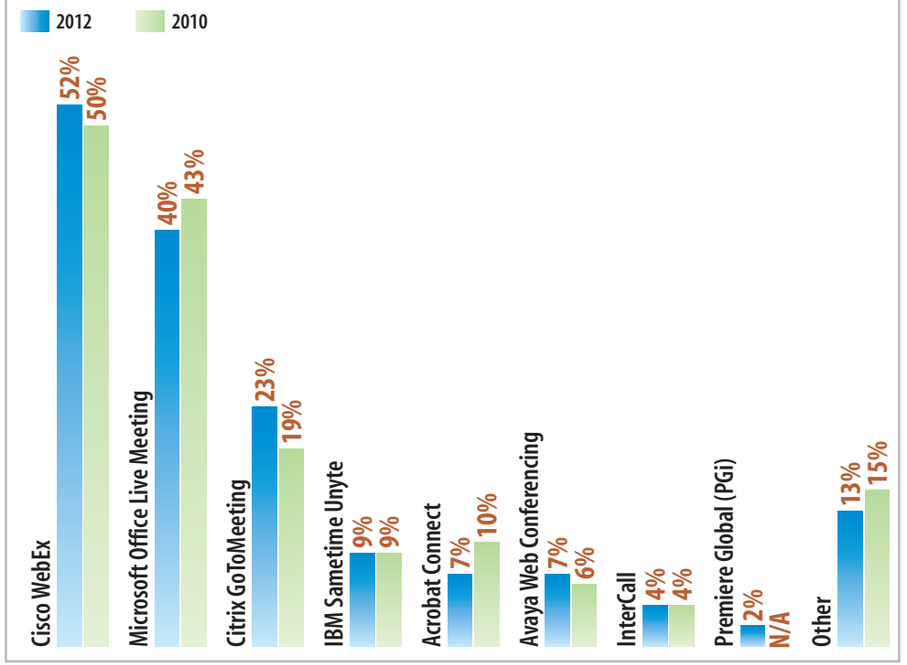
Videoconferencing is also getting big play, with room-size systems in use at 67% of the organizations surveyed; that's up from 62% in 2010. With regard to video teleconferencing vendors, Cisco and Polycom finished in a dead heat at 40%. We asked about desktop video separately, and 44% of respondents say they're using it, up from 39% last year. Microsoft is the desktop video vendor of choice for 45% of respondents, followed by Cisco at 35%, and Skype at 19%.

We guess that adds up to a comfortable lead for Redmond.

Figure 16

Vendors Used for Web Conferencing

Which vendor(s) do you predominately use for Web conferencing?



Note: Multiple responses allowed
R3591111/20
Base: 142 respondents in September 2011 and 171 in April 2010 at organizations deploying Web meeting applications to full or limited user base
Data: *InformationWeek* Unified Communications Survey of business technology professionals

Who's on Top?

The big question: Who do respondents consider the top suppliers for voice and UC? The same three names topped each category, but the order was different. In

answer to the question "Who do you predominantly use for voice?"Cisco topped the list with 56%, followed by Avaya at 26% and Microsoft at 15%.

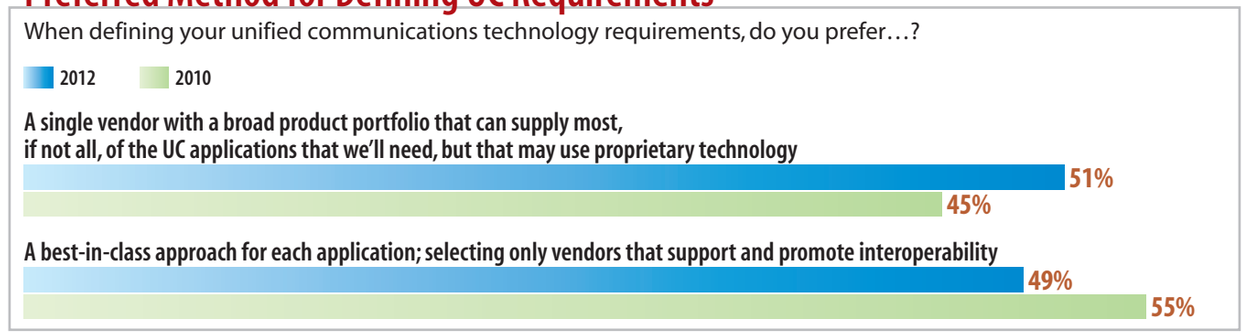
That doesn't quite match the North American PBX market shares reported by Eastern Management Group, which pegs Cisco's share at 34.8% and Avaya's at 23.3%. While Microsoft didn't make ESG's list, we think its entry into the voice/UC business is the most significant event since Cisco's decision to enter the PBX market.

As one analyst puts it, "Cisco's king of the hill. Unfortunately, it's the wrong hill." Cisco has grabbed the lead in the IP PBX market just as a real disruptive alternative (Microsoft Lync) is getting into the game. We expect that by next year, respondents will have caught on to the fact that the IP PBX business Cisco dominates could ultimately be subsumed by a much bigger idea called "UC."

To that end, when asked about perceived top providers for UC, the same three vendors jumped to the top: Cisco (with 51% of first-place votes), Microsoft (24%) and Avaya (13%).

Figure 17

Preferred Method for Defining UC Requirements



Base: 201 respondents in September 2011 and 249 in April 2010 at organizations deploying or planning to deploy unified communications

R3591111/9

Data: *InformationWeek* Unified Communications Survey of business technology professionals

The only other vendor to break into double digits is Alcatel-Lucent, which garners 15% of third-place votes.

That's not surprising, but one key reversal from last year is in the preference for a single vendor with a broad portfolio to supply most if not all UC applications—even if it made use of proprietary technology—versus a best-in-class approach for each application and working only with vendors who support and promote interoperability. In 2010, the best-in-class approach was preferred 55% to 45%, but this year the single-vendor model inched ahead, 51% to 49%.

Respondents seem to be realizing that interoperability is one of the biggest challenges in UC, and given tight budgets and staffing, this move to a single supplier is a natural shift.

So What Does It All Mean?

UC penetration is growing, albeit more slowly than vendors would like, but that's despite the fact that respondents still find it challenging to justify the expenditure. As an

IT manager at one midsize company put it, "Unified communications looks to have a lot of advantages, but it's a hard sell in these tough economic times."

There seems to be a disconnect, where respondents are not seeing the full potential savings and may be overestimating the costs involved. While not directly tied to UC, the basic strategy of consolidating trunks at a central location and interconnecting remote sites with MPLS services can go a long way toward justifying the outlay. Further, once users become familiar with UC capabilities, we normally see traditional voice usage drop as communications shift to lower-cost IM/chat exchanges, and presence capability can greatly reduce the number of calls that wind up in voice mail. Another IT manager at a $100 million-plus company may have hit it on the head: "Our biggest obstacle has been lack of training from the supplier and lack of best-practice guidance. Sometimes we feel like we are the supplier's first customer, but we know we are not."

Organizations are clearly getting the collaboration message, and productivity can go up dramatically when users are able to set up audio-, video- or Web conferences dynamically and effectively break down the walls between IM, email, voice and now video, and allow users access to all of those through a single dashboard.

However, it's still difficult to tie those gains to real hard-dollar savings. The productivity gains from UC-U are real, but in a tough economy, the CFO is going to be looking closely at every dollar spent.

To get to the real impact of UC, organizations have to focus on business process improvement, or UC-B. Areas to address here include improved service to customers, faster development, and introducing cost and time-savings efficiencies into operations by focusing on where communications fit in work-

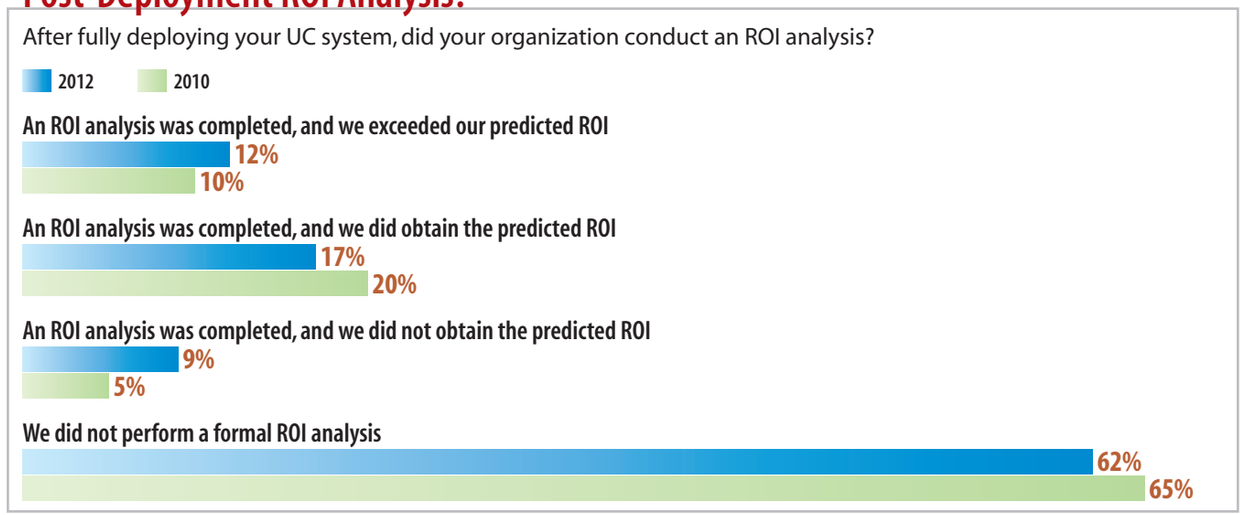
FAST FACT

14%

predominately use hosted services for their room-based videoconferencing.

Figure 18

Post-Deployment ROI Analysis?



Base: 108 respondents in September 2011 and 120 in April 2010 at organizations deploying unified communications R3591111/13
Data: *InformationWeek* Unified Communications Survey of business technology professionals

flows and taking steps to optimize it.

With UC now deployed at more than a third of respondent companies and another third poised to move within 24 months, the technology is clearly established. However, the vendors' changing marketing message has served to confuse more than enlighten, and now the idea of UC seems inextricably linked to the IP PBX. We believe that confusion is slowing UC adoption, as a potentially transformative idea has been tied to a significant capital investment.

The UC picture continues to evolve, and where multimodal services and integrated dashboards once held center stage, the focus has shifted to collaboration in all of its many forms. The next big step: expose users to the full breadth of what UC is intended to do. Many of us have gotten the core elements down, but the big picture is about "communications integrated to optimize business processes."

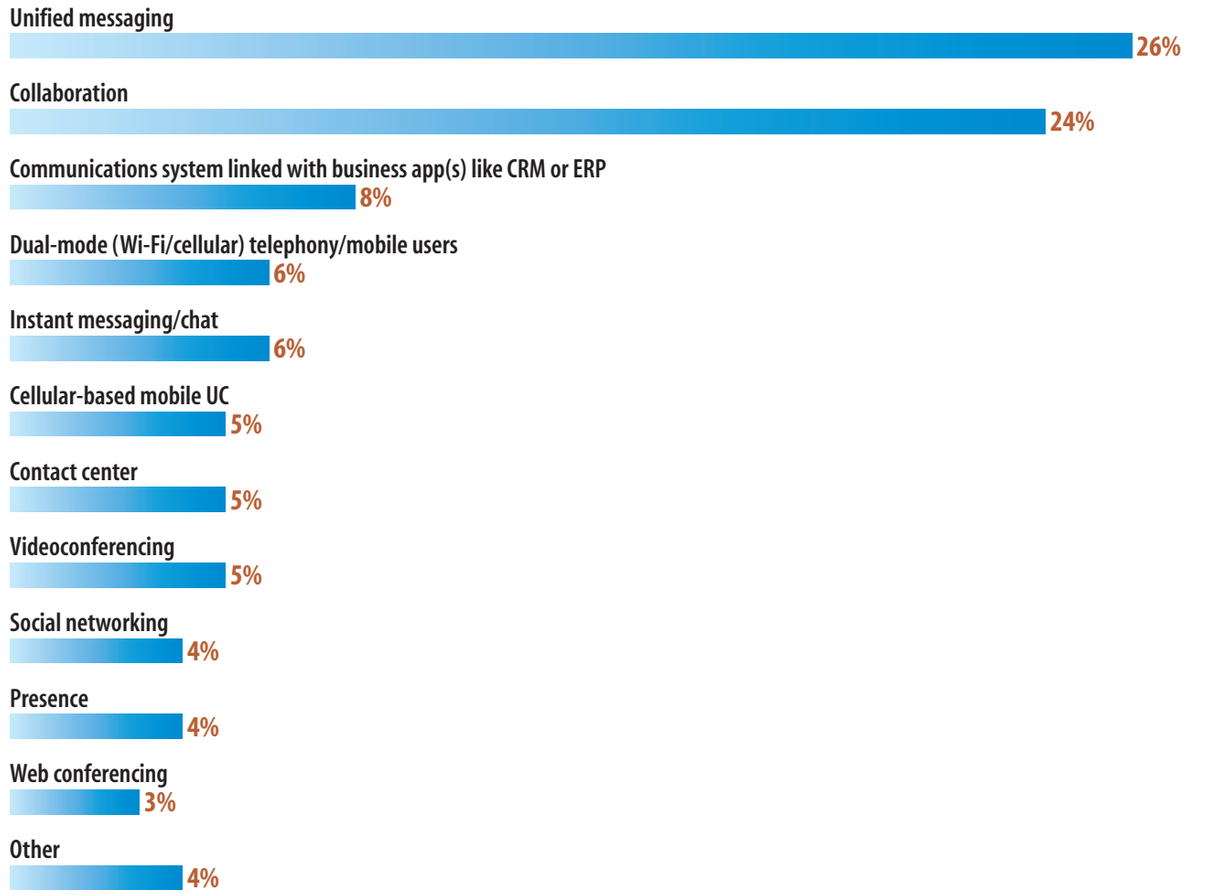
We hope that when we do this survey next year, we'll find that more respondents have taken that next step.

APPENDIX

Figure 19

Top Unified Communications Technology Driver

Which of the following technologies is, or was, the top driver in your decision to move forward with your UC initiative?



Base: 201 respondents at organizations deploying or planning to deploy unified communications

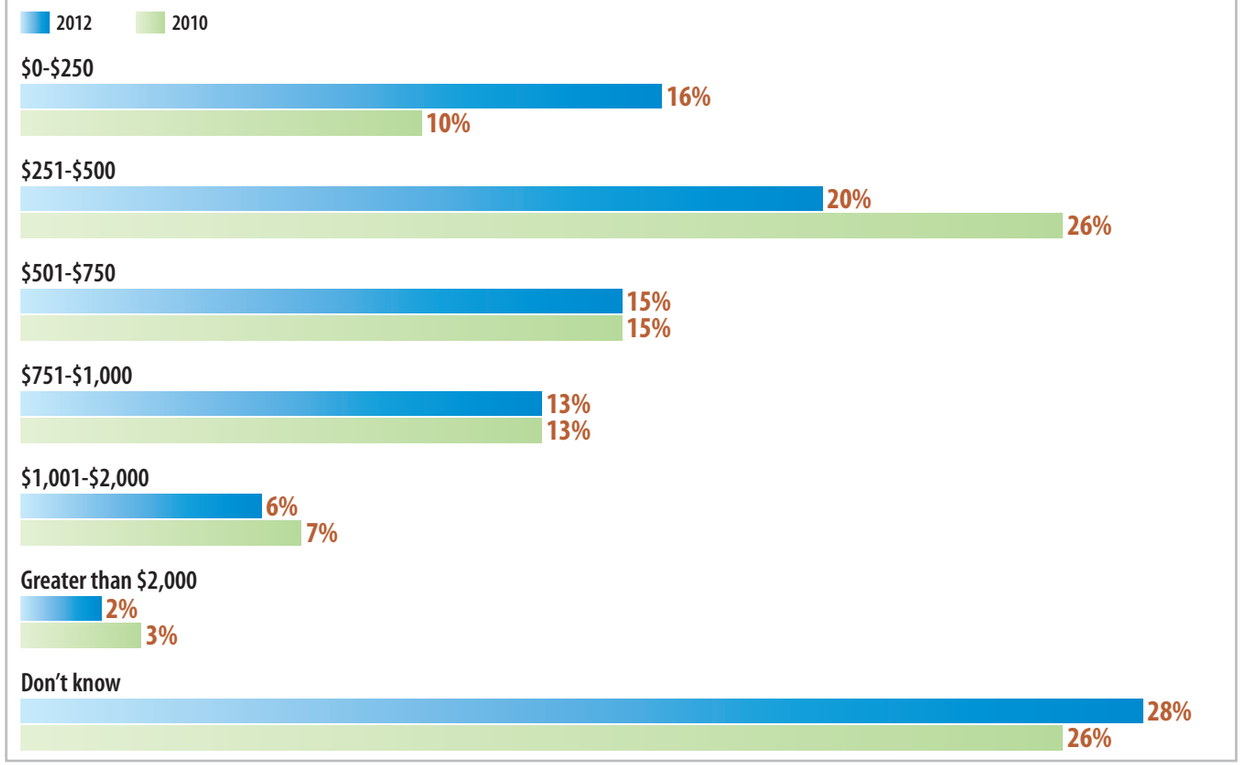
R3591111/5

Data: *InformationWeek* 2012 Unified Communications Survey of 302 business technology professionals, September 2011

Figure 20

Estimated Cost Per Employee

What do you anticipate the average cost per employee is, or will be, for fully deploying UC in your business?



Base: 201 respondents in September 2011 and 249 in April 2010 at organizations deploying or planning to deploy unified communications

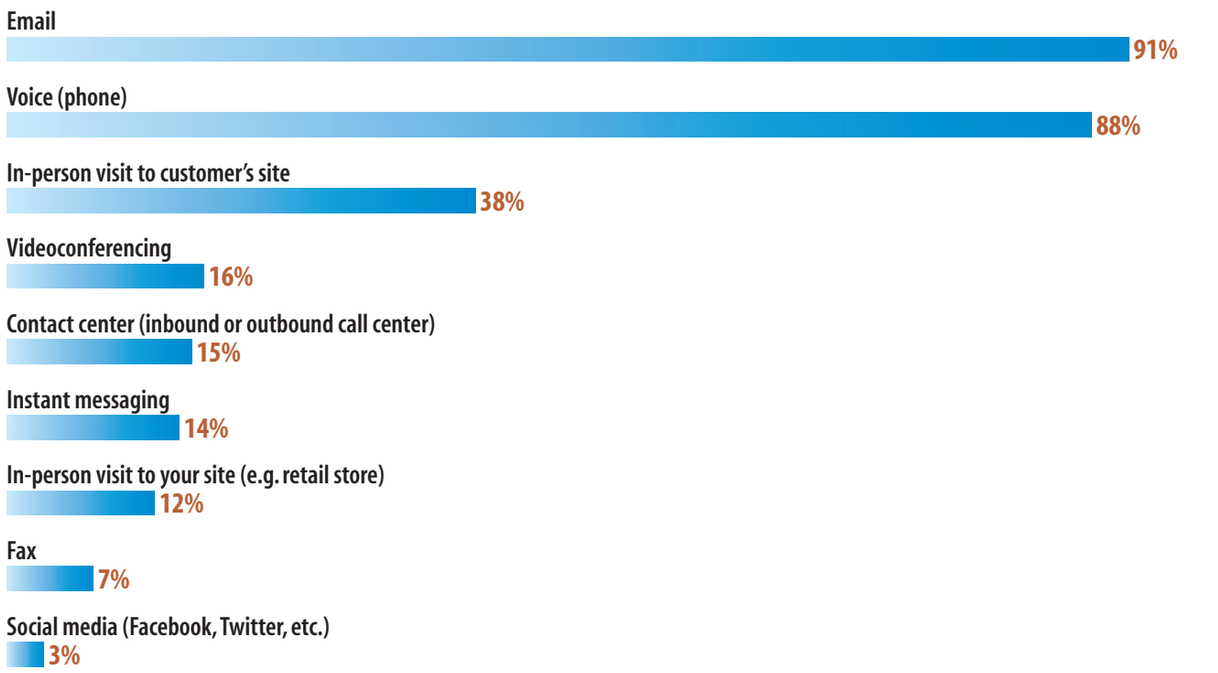
R3591111/11

Data: *InformationWeek* Unified Communications Survey of business technology professionals

Figure 21

Top Communication Methods

What are the top methods by which your employees communicate with your customers, suppliers and partners?

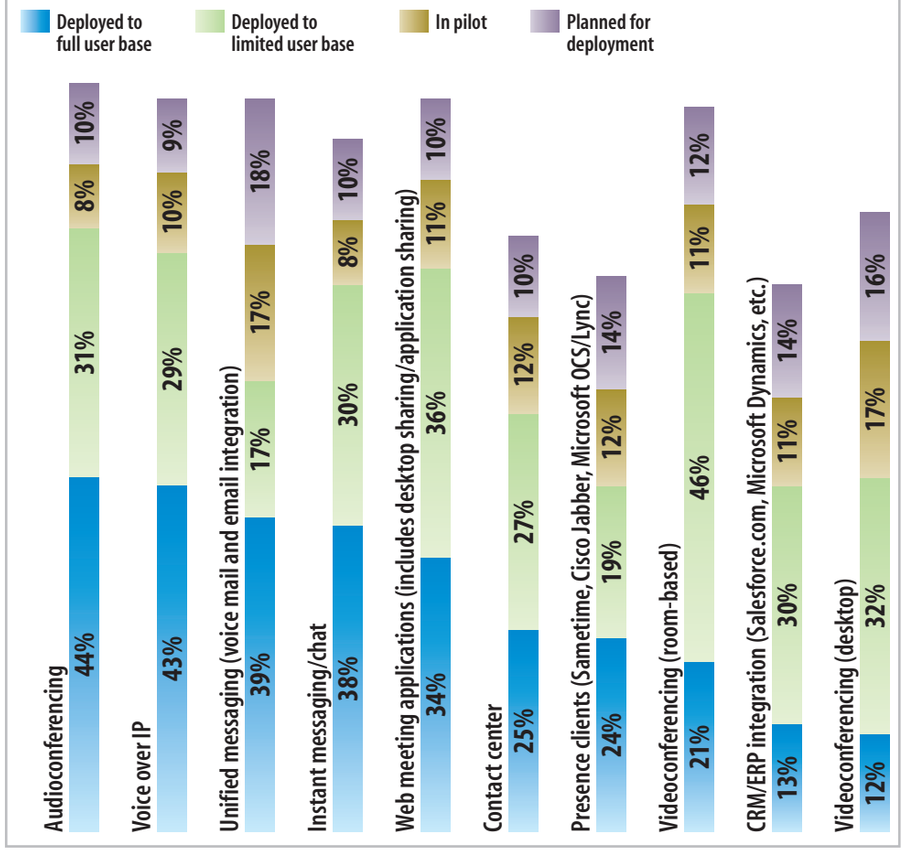


Note: Three responses allowed
R3591111/15
Base: 201 respondents at organizations deploying or planning to deploy unified communications
Data: *InformationWeek* 2012 Unified Communications Survey of 302 business technology professionals, September 2011

Figure 22

Deployment of Collaboration Technologies

To what extent are the following collaboration technologies deployed or planned for deployment to the desktop within your organization?



Base: 201 respondents at organizations deploying or planning to deploy unified communications

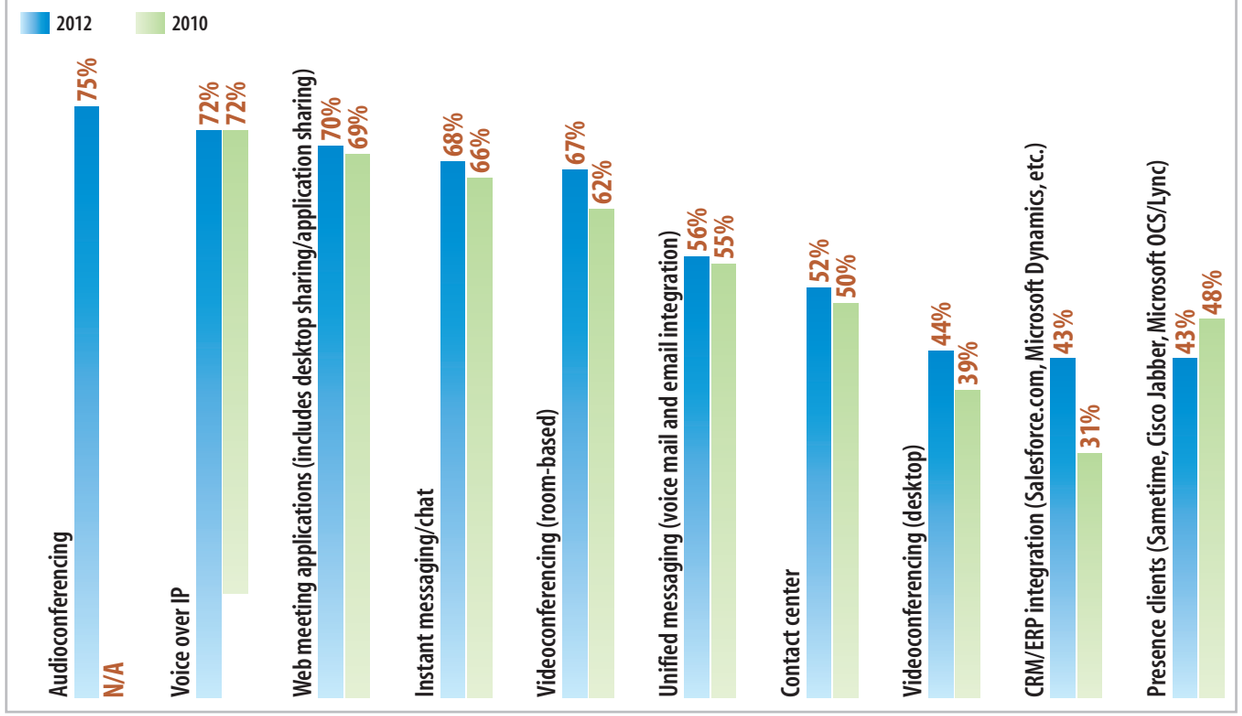
R3591111/16

Data: *InformationWeek* 2012 Unified Communications Survey of 302 business technology professionals, September 2011

Figure 23

Deployment of Collaboration Technologies: 2012 vs. 2010

To what extent are the following collaboration technologies deployed or planned for deployment to the desktop within your organization?

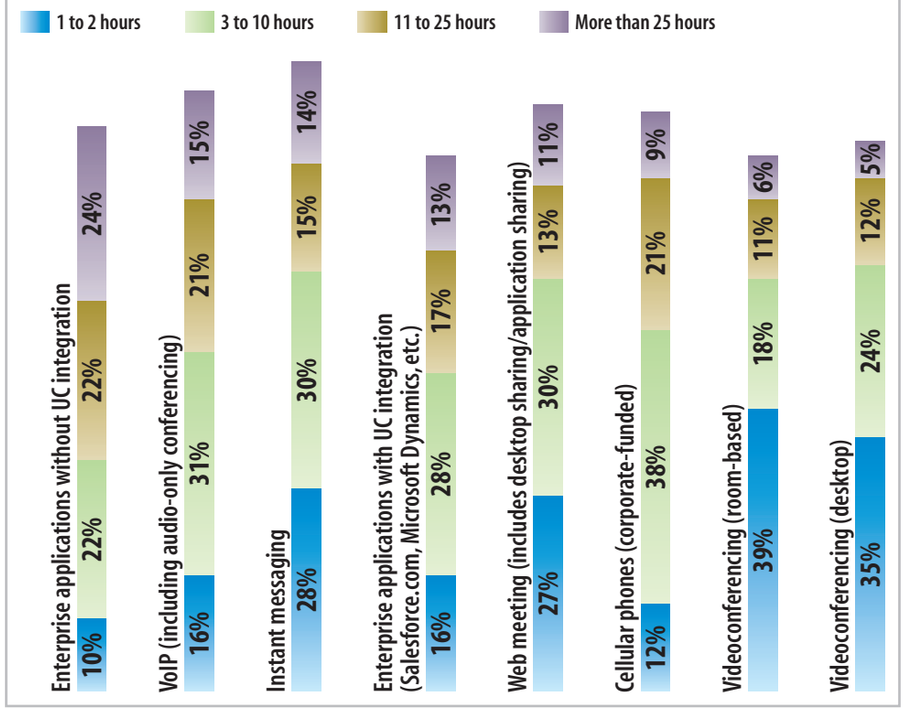


Note: Percentages reflect a response of "deployed to full user base" or "deployed to limited user base" R3591111/17
Base: 201 respondents in September 2011 and 249 in April 2010 at organizations deploying or planning to deploy unified communications
Data: *InformationWeek* Unified Communications Survey of business technology professionals

Figure 24

Average Time Spent Using Applications

Approximately how many hours per week does the average end user utilize each of the following applications in your environment?



Base: 201 respondents at organizations deploying or planning to deploy unified communications

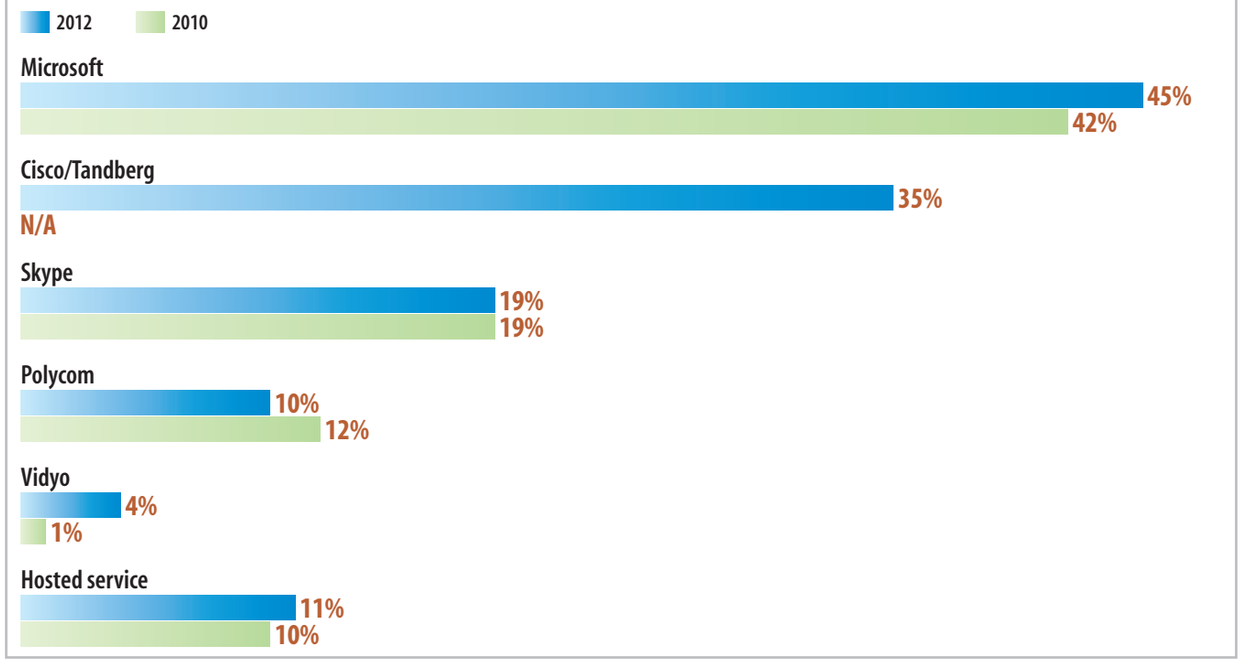
R3591111/18

Data: *InformationWeek* 2012 Unified Communications Survey of 302 business technology professionals, September 2011

Figure 25

Vendors Used for Desktop Videoconferencing

Which vendor(s) do you predominately use for desktop videoconferencing?



Note: Multiple responses allowed

R3591111/21

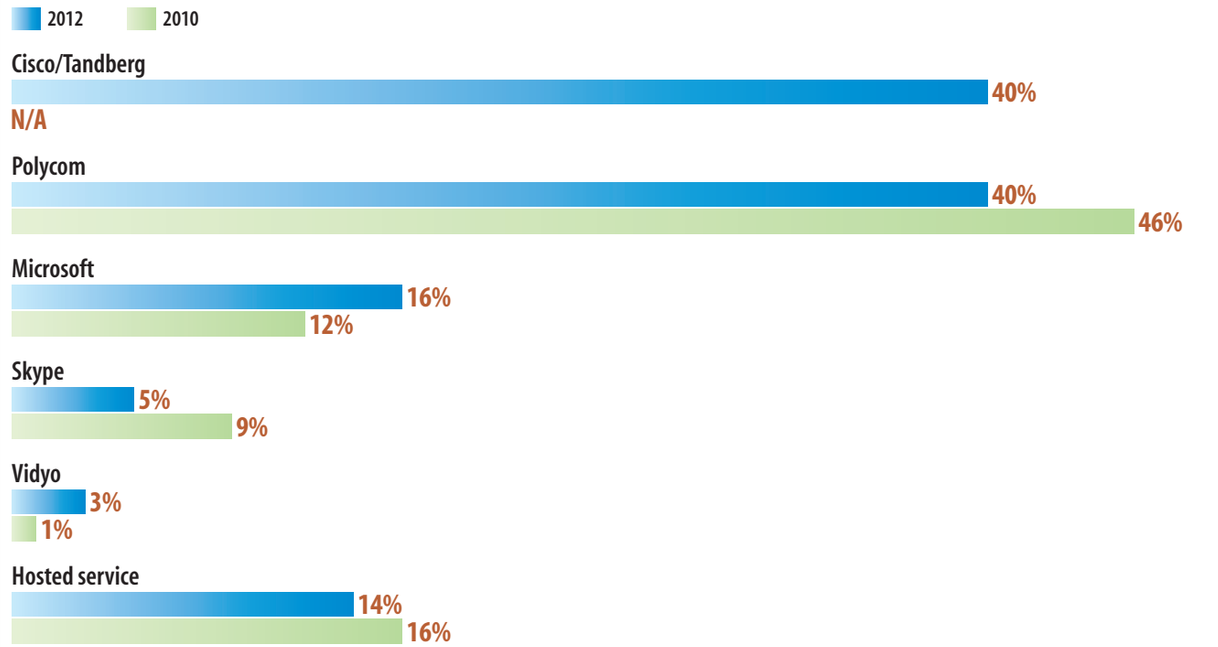
Base: 141 respondents in September 2011 and 170 in April 2010 at organizations deploying room-based or desktop videoconferencing to full or limited user base

Data: *InformationWeek* Unified Communications Survey of business technology professionals

Figure 26

Vendors Used for Room-Based Videoconferencing

Which vendor(s) do you predominately use for room-based videoconferencing?



Note: Multiple responses allowed

R3591111/22

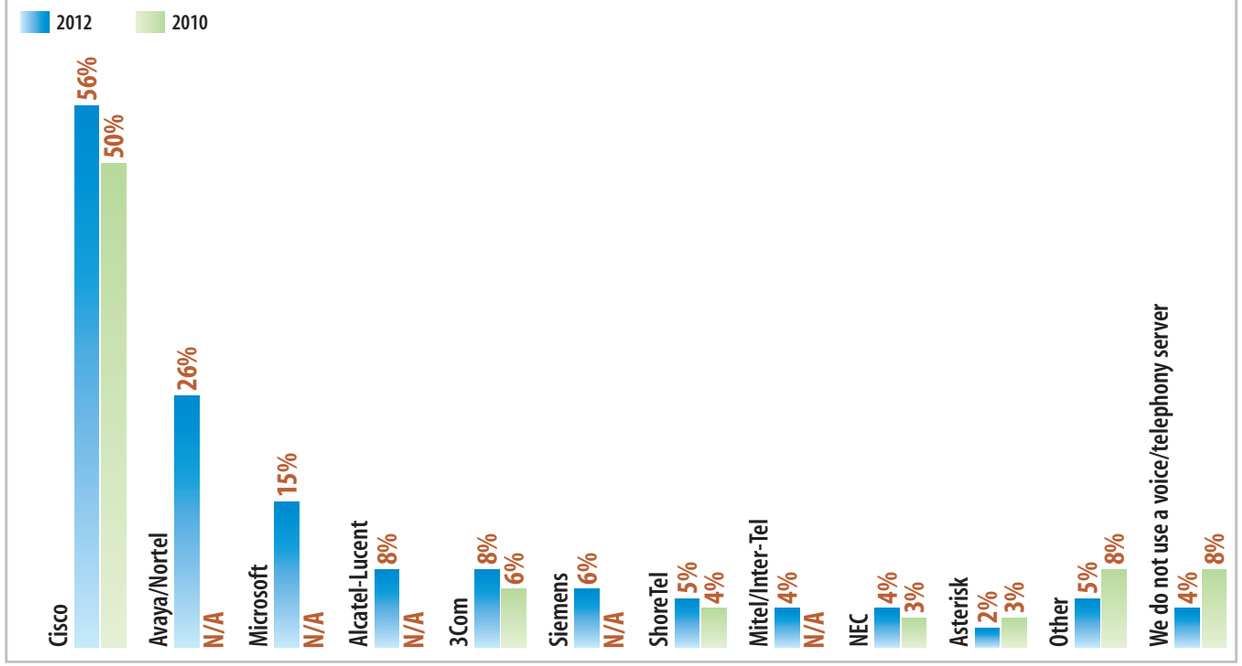
Base: 141 respondents in September 2011 and 170 in April 2010 at organizations deploying room-based or desktop videoconferencing to full or limited user base

Data: *InformationWeek* Unified Communications Survey of business technology professionals

Figure 27

Vendors Used for Voice

Which vendor(s) do you predominately use for voice (i.e., telephony server, not telephone)?

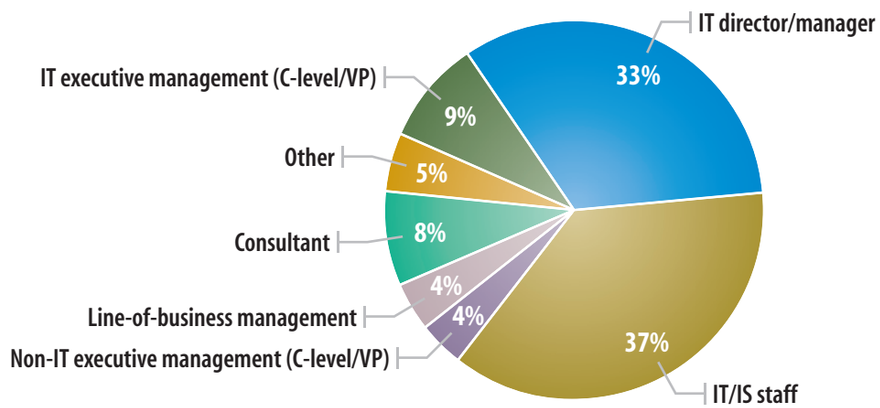


Note: Multiple responses allowed R3591111/23
Base: 201 respondents in September 2011 and 249 in April 2010 at organizations deploying or planning to deploy unified communications
Data: *InformationWeek* Unified Communications Survey of business technology professionals

Figure 28

Job Title

Which of the following best describes your job title?

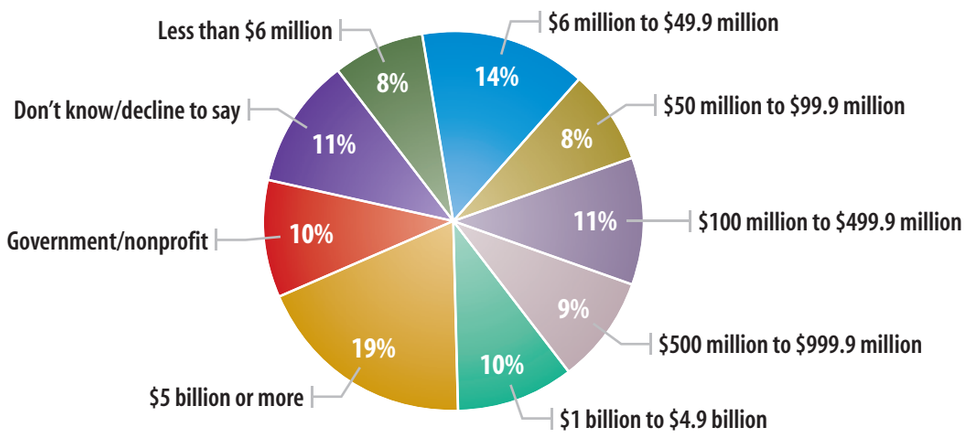


Data: *InformationWeek* 2012 Unified Communications Survey of 302 business technology professionals, September 2011 R3591111/27

Figure 29

Company Revenue

Which of the following dollar ranges includes the annual revenue of your entire organization?

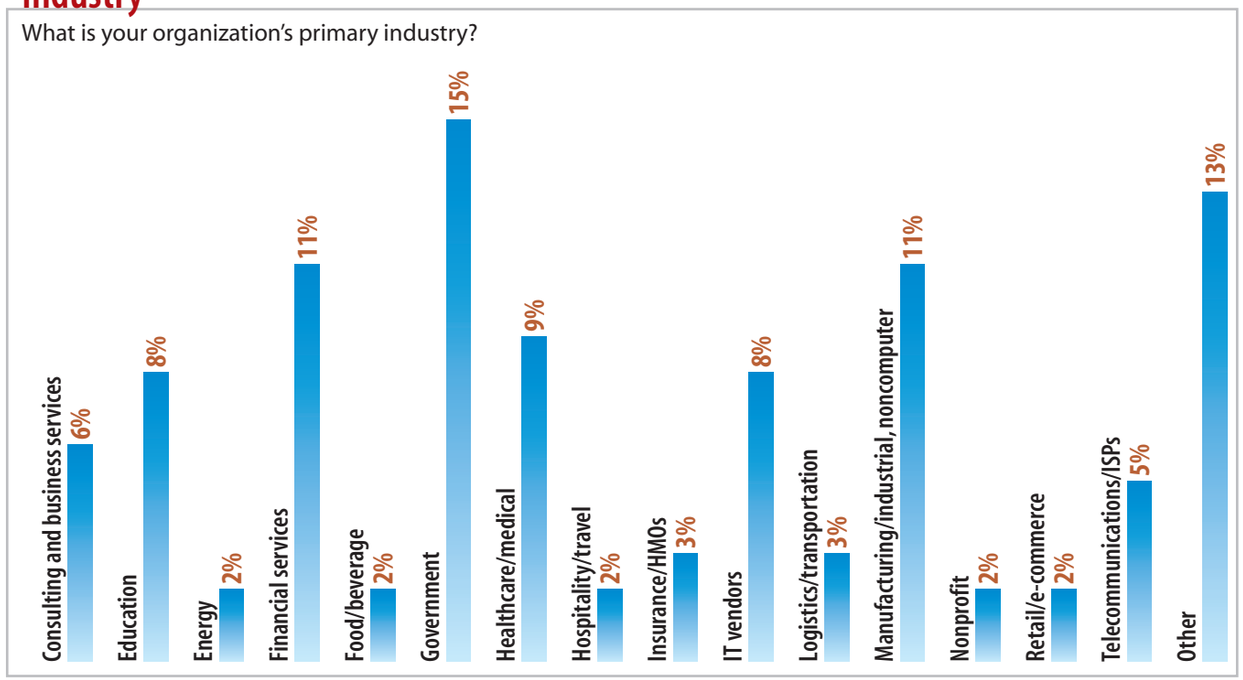


Data: *InformationWeek* 2012 Unified Communications Survey of 302 business technology professionals, September 2011 R3591111/28

Figure 30

Industry

What is your organization's primary industry?

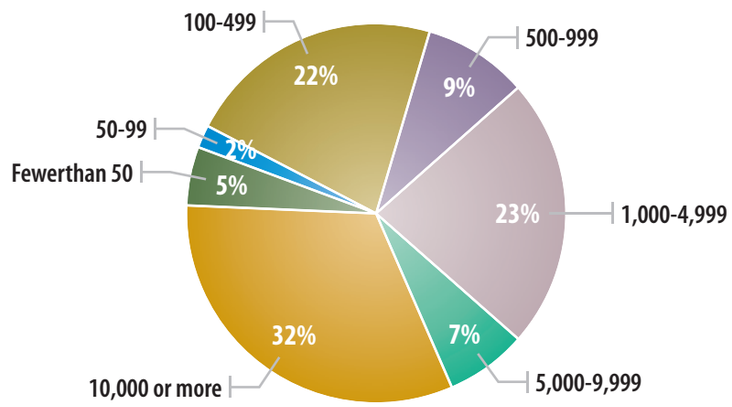


Data: *InformationWeek* 2012 Unified Communications Survey of 302 business technology professionals, September 2011 R3591111/29

Figure 31

Company Size

Approximately how many employees are in your organization?



Data: *InformationWeek* 2012 Unified Communications Survey of 302 business technology professionals, September 2011 R3591111/30

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