IDC VENDOR SPOTLIGHT

Maximize Your Collaboration Investment by Choosing the Right Services Approach

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MARKET TRENDS

Collaboration is not only one of the key investment areas for enterprises across the world, but it will also reshape the way these organizations do business. There are several types of collaboration, which could either be text based (e.g., email, IM, documents, blogs, wikis, and discussion forums) or voice/video based (voice mail, conferencing, high-end video, contact center, video on demand). New, emerging categories such as the use of social media as part of collaboration tend to straddle the text and voice/video categories. IDC's annual WAN manager surveys (polling the opinions of CIOs in the U.S. and Europe) show that these executives see collaboration as one of the key drivers for network spending today. In fact, 33% of companies in the U.S. said they are using collaboration today, compared with 17% in Europe. A further 54% of U.S. companies (50% in Europe) plan to use collaboration in the future. IDC estimates that the worldwide unified communications (UC) and collaboration market will be worth $17.4 billion by 2011.

IDC has defined unified communications as a platform that combines advanced telephony calling and management; unified messaging (UM) (email, fax, and voice messaging combined); Web, audio, and videoconferencing; instant messaging; and pervasive presence management and awareness — all accessible through common user interfaces on desktop and mobile devices using voice or tactile controls.

The survey data also illustrates that collaboration is an area where enterprises are keen to invest, especially where it can show immediate gains, such as in travel reduction. The adoption of collaboration will have a profound impact on the way an organization is structured and managed, and how it interacts with business partners to improve collaboration.

Collaboration requires a broader consideration of global business issues, such as how to accommodate the next generation of workers, how to increase productivity, and how to change consumption models. In the end, it is much more about the business than the technology. Business and social etiquette need to be taken into account, as multiple methods of communications could lead to friction between employees with different backgrounds or age. Also, human resources and corporate policy need to be reviewed as the line between business and personal communications becomes blurred in a collaborative environment.

Against this background, this IDC Vendor Spotlight reviews Cisco's collaboration services. We will do that by looking at IDC research on the overall collaboration market, including UC, by looking at the impact and benefits of collaboration services on customers and partners, before shifting the focus and considering Cisco's collaboration services.

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WHAT IS UC AND COLLABORATION AND WHY WILL IT RESHAPE THE MARKET?

Some of the key challenges for customers looking to adopt collaboration include getting a grip on what is understood by the term, how collaboration will impact the organization, which tools, features, and services are most appropriate, and to which business partners they should turn to.

Our view of this market goes way beyond telephony. This means that collaboration should be all about the integrated experience of the end user. In fact, some vendors are no longer selling the product "unified communications" to their prospects and are instead opting for the integrated experience angle, by stressing concepts such as "a new way of working." We also believe that such an integrated experience requires several foundational elements, including secure, open architectures, and flexible consumption models.

IDC defines UC and collaboration life-cycle services as the end-to-end solution design, business process–related consulting, network integration, and support and managed services that customers may require from third-party providers such as systems integrators (SIs), vendors, service providers, and channel partners. UC and collaboration life-cycle services provide the "glue" that unifies customers' roadmaps with their business strategies and processes and thus enables customers to adopt UC as a business solution rather than another technology stack.

Now that we have explored the concept, let us take a look at why we think unified communications and collaboration will reshape the market.

- **A key role for business processes.** The convergence of voice and data in the early 2000s showed that simply swapping a traditional phone for an IP phone has rarely changed existing business processes. While collaboration is poised to drive widespread adoption of unified messaging, enterprise instant messaging, and conferencing applications, we believe that a key UC and collaboration opportunity lies with communications event management platforms that enable the enterprise to build new applications and enhance existing applications in order to streamline voice-intensive processes and deliver productivity gains. Migration to collaboration is a process that businesses can do over time to solve specific business challenges. IDC recommends moving forward with collaboration strategically by leveraging existing and new technology assets.

- **Moving to the video-based enterprise.** In videoconferencing and telepresence the market is in the midst of a transition — from meeting over video as an option of last resort to an alternative that's preferred over traveling. While some high-end telepresence systems can carry significant price tags for deployment and operation, for example, the cultural shift toward video as a good enough "across the table" replacement for in-person meetings will accelerate swiftly through the next decade. Enterprises should demand high- to low-end integrateable solutions that do not create application or technology silos. As communications infrastructure components converge, the last thing any enterprise should consider is placing videoconferencing systems and equipment on an island. Phased pilot deployments are also recommended to ensure that investments in videoconferencing are rolled out appropriately to the right locations and to the right business units. Furthermore, the adoption of videoconferencing is accelerating just as all things enterprise communications are quickly becoming IT assets. Therefore, enterprises must consider videoconferencing in the same context as larger IT initiatives including virtualization, unified communications, and how video will be used beyond conferencing.

- **Introducing other new ways of working.** Collaborative solutions change the way we work, the way we communicate with customers, partners, and suppliers, the way we process and share information, and ultimately the way we conduct business. The next challenge is to elevate the perception of communications as a utility and into something that can provide competitive advantage (and add value to all partners). As collaboration evolves and market penetration increases, IDC also believes that the sphere of influence will expand to include technologies and solutions such as policy creation and enforcement, security products (e.g., encryption, authentication, content filtering, and compliance), storage, servers, and archiving solutions. Another area is social media. For example, products that equate to a YouTube for the enterprise and others that allow users to tag content, create team spaces, and follow colleagues will become attractive. The ability to create team spaces from an email thread, apply a tag cloud to the content within those emails, and identify experts who could potentially contribute within one's organization is a nice concept.

- **The green factor.** We see ecological issues becoming a major driver of the overall collaboration market, and particularly in specific submarkets such as high-end videoconferencing. Not only can telepresence reduce an organization's travel budget, but it can also reduce that company's carbon footprint and improve its corporate social responsibility standing. IDC expects that immediate cost savings will be a major driver of collaboration in the short term, which makes a strong case for solutions such as telepresence. This makes an even stronger case if coupled with green advantages. In the longer term, the productivity advantages will weigh more heavily in the calculations.

- **Collaboration promotes the mobile enterprise.** In the context of the mobile enterprise, collaboration presents an enhanced platform for providing call management capabilities to mobile workers. The connection of mobile devices to UC platforms is made possible by mobile software that extends PBX services, advanced IP-based communications services, enterprise voicemail, and advanced applications to supported mobile devices.

- **The importance of certification and standards.** IDC believes that certifications and standards are very important in collaboration. Creating a comprehensive and effective certification program represents a differentiator for a vendor and its partners and that will, in turn, represent increased client success, satisfaction, and loyalty. Software and services partners should welcome UC vendor certification and accreditation programs because these types of program will not only help train partners' internal employees, but will also help provide market differentiation among all partners.

- **A key role for services.** Collaboration will offer significant opportunities for network-related services players (both from the SP side and the SI side) in the short and medium term. Few firms want to roll out their own collaboration solutions, according to IDC survey results. Vendors that can provide end-to-end solutions are preferred by most organizations. Few organizations want their IT departments to be dealing with the costs and limited control involved in assembling a collection of collaboration products and services. This is especially true when the technology is not only new, but also expensive and complex. Services players can act as a single point of contact for the enterprise and resolve issues (ranging from licensing to network and application integration) by interacting with desktop players and traditional voice vendors, and benefiting from the drive towards hosted and managed solutions. Interestingly, most of the major suppliers that are interested in capturing share in this market are looking toward the indirect channel, rather than direct sales. In part, this may be because collaboration touches so many adjacent technologies that partners are already selling, combined with the overall shift toward indirect sales.

- **Towards new consumption models.** Much of the current locus of development for UC capability resides with enterprise suppliers and customer premises equipment (CPE). Over time, however, these capabilities will migrate into carrier-provided hosted services via the hosted and managed services model. From a network service provider perspective, implementations of UC will be integrated with other VoIP services, such as IP centrex or trunking, and be SIP compliant. Such a solution allows businesses to bring converged voice, mobile, and data services to every desktop in their organization. Companies that are tightly managing their capital expenditure will be able to take a first step into converged communications by consuming their IP telephony, voicemail, conferencing, and unified messaging technologies on a utility-based, per-user pricing model. The service is based on an operating expenditure model (per seat per month pricing) that offers the flexibility, low risk, and cost control now required by companies. A hosted solution allows businesses to dramatically reduce upfront investment costs while accelerating the adoption of UC. In addition, it can offer a migration path for businesses that do not have a full IP deployment currently, but plan to in the future. Businesses do not need to make an immediate investment in IP phones in order for it to run, for example. In addition to an online portal for IT managers to complete administration functions, it also means that the business only has to deal with one provider, one helpdesk, and one bill.

- **Business challenges for customers.** Leveraging technology assets effectively is a common challenge for most IT departments. Layer in a geographically dispersed and mobile workforce, and the desire to communicate and collaborate more effectively using new and consumer IT technologies all on a constrained IT budget creates a challenging situation for any enterprise. Enterprises must understand where and how to enter into collaborative solutions. Key questions must be asked before embarking on a collaboration solutions deployment. Questions can include:

  - Is the network prepared for advanced IP communications including messaging and presence?

  - Is the network ready to support advanced technology features such as audio, Web and videoconferencing, and even telepresence?

  - Can the network support mobile employees and provide them with the information they require on any device anywhere?

  - Do our employees, partners, and customers leverage social media and other collaborative software tools to grow our business?

  - What is the return on investment (ROI) for making the capital outlay for on-premises equipment versus hosted, managed, or SaaS solutions?

  - Who will manage it?

- **Business challenges for partners.** Services organizations provide collaborative solutions from a variety of different technology perspectives. Telephony, IP networking, software, or business transformation consulting are all essential components for successful collaboration deployments, but very few services organizations possess all the requisite skills for a complete end-to-end deployment. Partner-to-partner collaboration is required and suppliers will do well to help facilitate these partnerships to fill skills gaps for successful collaboration deployments. IDC believes that partners can do this on their own, but will look to their various suppliers — hardware, software, and services — to help them find the best possible partner either for services, technical skill set, or geographical augmentation. Additionally, IDC believes that this will fuel increased merger and acquisition activity in the services community. Where services organizations cannot grow organically, they will choose to partner or purchase necessary skills to compete effectively for collaboration deals and differentiate themselves in the marketplace.

THE IMPACT AND BENEFITS OF COLLABORATION SERVICES FOR CUSTOMERS AND PARTNERS

Customer Benefits

In today's complex enterprise environment, employees, partners, and customers are not only geographically dispersed, but are tasked with doing more on a tighter budget and with diminished resources. Therefore, interactions and collaboration between individuals and groups become that much more significant and critical to the business.

Services can help enterprises manage the transformation toward becoming collaborative enterprises. Enterprises should look toward services delivered by suppliers and their service organizations along with their designated and certified channel partners, global systems integrators, and service providers, with proven methodologies and best practices for designing, deploying, and supporting collaborative solutions.

In order for organizations to successfully incorporate collaboration solutions, services that help prepare, plan, deploy, and optimize technology investments can dramatically reduce costs, mitigate risk, and deliver high performance.

Partnerships Will be Essential for Successful Collaboration Deployment

The expected expansion of partnerships will represent unique business opportunities for services players (systems integrators, the services arms of service providers, or the services organizations of the traditional equipment vendors and their associated channel partners) to help customers with their collaboration implementations, management, and maintenance. Collaborative solutions often are custom engagements and because no two implementations at this time are the same, the solution is about service. Those partners that understand this complex environment and have the skill sets to address a collaboration solution will be able to capitalize on the opportunity.

The partner ecosystem for collaboration brings a wide variety of partners with disparate yet essential skill sets. Telecom service providers (SPs) bring telephony expertise and the understanding that 5-9s is a non-negotiable requirement for success; system integrators provide consultative business transformation conversations at the CXO level which are required to migrate organizations to into collaborative solutions; network equipment providers and their service organizations bring essential networking expertise along with their channel partners, which maintain strong end customer relationships; and software-focused partners and suppliers that bring the desktop and mobile device experience to fruition. This large ecosystem is essential for success, yet complex. IDC believes that few firms today have the full end-to-end breadth of skills to bring collaborative solutions to fruition. Therefore it is essential for a broad ecosystem of partners to successfully deploy collaboration.

Additionally, partners should welcome collaboration certification and accreditation programs. These types of programs will not only help train partners' internal employees to fill skill-set gaps, they will also help them to capitalize on the services-based market opportunities and to provide market differentiation among all partners.

CONSIDERING CISCO'S COLLABORATION SERVICES

Cisco Collaboration Services

Cisco's services strategy is an outgrowth of the product strategy that has shifted from selling point products to selling architectural solutions. As the company has shifted its product strategy, its services strategy has also expanded from one focused around supporting the products to one focused on a life-cycle approach to services surrounding a solution. Over the past two years, Cisco Services has grown significantly. This growth can be attributed to the consistent introduction of complex products and solutions into the portfolio which require advanced services.

Cisco Services provides a portfolio of services based on world-class expertise from Cisco and its partners. The combined strength of Cisco and its partners helps create solutions built for today's requirements and tomorrow's opportunities. Each services engagement, delivered by Cisco or its partner, applies networking intelligence and proven best practices to accelerate business results.

Cisco Services has 800+ professionals globally, focused on advanced services in collaboration architecture and design, as well as 1,000+ technical services professionals dedicated to collaboration services. Cisco has developed a set of services and defined methodologies to help customers and partners bring collaboration to fruition.

The service offers span Cisco's Collaboration portfolio of products, including,IP communications, telepresence, mobile applications, customer care, conferencing, messaging and enterprise social software.. Additionally, there are specific service solutions for vertical markets, including healthcare, banking, education, retail, and manufacturing.

Collaboration solutions are complex and require upfront strategic discussions prior to building out a technology roadmap. Based on customer priorities, there are many services and offers available from Cisco or certified partners, including:

- Complimentary Discovery Sessions, including the Collaboration Index Tool. This session opens conversations between business stakeholders and Cisco services consulting professionals to understand collaboration goals and best practices.

- Readiness Assessment. Evaluation of current collaboration state against targets, network assessment and identification of gaps, and evaluation of customer readiness for SaaS solutions.

- Collaboration Solution Design. Microsoft-Cisco integration, CEBT application development, collaborate, customization, and integration.

- Collaboration Infrastructure Deployment. Architecture and implementation of underlying technology components, virtualization, SaaS design and planning.

- Collaboration Strategy and Architecture. Detailed business and use case scenarios, definition of technology components, deployment program plan.

Cisco has created a defined methodology to walk enterprise customers through the process, no matter where they enter into the roadmap. This ensures consistency of experience and quality of service. Cisco and its partners, together or individually, rely on this consistency of methodology for successful outcomes.

Cisco Services provides technical services for collaboration solutions for successful Day 2 operations. Cisco can provide technical training and enablement, and operation of the collaboration platform or UC as a service. Any of these services can be delivered by Cisco or its partners and can be managed by Cisco, its partner, or the customer. Additionally, Cisco and its partners can provide Remote Management and Monitoring (RMM) services. Currently, Cisco provides these services to 1,500 UC servers and over 750 telepresence endpoints globally.

Enterprises have a variety of options when looking to deploy collaboration solutions, enabling enterprises to execute on solutions at their own pace and solve specific business challenges. Cisco Services and its partners can offer the following consumption programs:

- Hosted Services. A managed services provider (MSP) designs, installs, manages, and hosts the solutions at the MSP network operations center (NOC).

- Managed Customer Premises Equipment (CPE). An MSP designs, installs, and manages the solution, while customers host the solution on their premises.

- In-the-cloud "SaaS." The applications or software are deployed as a service that is provided to the customer.

These varied consumption models can span from full capital outlay for equipment to utility-based pricing. This provides flexibility for enterprises that are developing their collaboration strategies over time.

CONCLUSION

Services are essential to the successful adoption, deployment, integration, operation, and optimization of collaboration solutions. Services integrate customers' business strategies and processes together with technology roadmaps that enable a successful transformation to collaboration. Services organizations — systems integrators (SIs), vendors, services providers, and channel partners — that can provide end-to-end solution design, business process consulting, network integration, and support will be successful in this complex and transformative market.