

Cloud Elevates Communications Applications

Organizations are quickening the pace of cloud deployment for key communications and collaboration tools and services

Changing work patterns and increased reliance on video and mobility have pushed cloud-based deployment of communications and collaboration applications beyond the tipping point of broad-based acceptance. On-premise solutions will continue to be important, but increasingly the cloud is being used as a method to enhance, extend and maximize the business value of collaboration.

A recent survey of more than 200 senior IT executives across two continents indicates that the pace of cloud adoption is increasing as organizations capitalize on the benefits that the cloud provides.

An overwhelming majority of those surveyed have deployed 10 key applications to the cloud or are in the planning and evaluation stages for deployment within the next 12 to 24 months. Perhaps not surprisingly in an increasingly electronically connected business world, a staggering 90% of those surveyed have already adopted or intend to adopt Web conferencing.

The IT executives indicate they are taking advantage of cost benefits, greater flexibility and more agile and mobile ways to communicate and collaborate across their organizations. Email and Web conferencing lead the list of applications already deployed to the cloud. Other key applications are clearly firing up the aspirations of IT and moving up the priority list. Telepresence, mobility services and video communications are foremost in planned deployments, indicating the heightened interest in these technologies, each of which have been deployed by about a third of respondents. Approximately 60% of those surveyed indicate they are in the planning or evaluation

stage for these applications.

The survey, conducted by IDG Research on behalf of Cisco, includes U.S. organizations with 1,000 or more workers, and European organizations with 500 or more workers. The survey measures attitudes of senior-level IT executives—vice president or above—toward cloud-based communications and collaboration applications, including cloud deployment levels, top objectives for various types of cloud-based communications and collaboration applications, perceived benefits, challenges and criteria for evaluating return on investment (ROI).

New Generation of Services

The cloud represents a powerful combination of computing, networking, storage and management applications, enabling a new generation of consumer and enterprise IT services that can be available on demand and delivered economically to any device anywhere in the world, without compromising security or function. The cloud enables IT to be delivered as a service, which can help organizations operate more simply, with greater agility and improved economics.

Among survey respondents, connecting to other cloud-based applications is at the top of the list of objectives for nearly all application types. The ability to connect to other third-party clouds is another top objective. Scalability is also mentioned frequently, while the ability to “add as you grow” is a factor common to most of the applications.

Donald Naglich, a U.S.-based survey participant, says his organization “considers cloud for anything we are going to do,” but looks hard at bottom-line rationale. Supporting continuing care retirement communities across four states with several thousand residents, Naglich is corporate director of IT for the Franciscan Sisters of Chicago Service Corp. His organization selected the cloud for its plant maintenance operations system, but determined that cloud wouldn’t provide the best value or performance for





Very Cloudy Forecast

Nearly 3 of 4 Respondents are Planning or Have Already Deployed Cloud Solutions for Communication and Collaboration Apps.

| | Already in the cloud (at least partially) | Planning within 6 months | Planning within 12 months | Planning within 12-24 months | Evaluating/investigating cloud deployment | No plans to deploy in the cloud |
|---|---|--------------------------|---------------------------|------------------------------|---|---------------------------------|
| Voice communications | 39% | 13% | 13% | 6% | 7% | 15% |
| Video communications | 29% | 22% | 14% | 6% | 10% | 16% |
| Instant messaging | 37% | 19% | 9% | 11% | 9% | 10% |
| Email | 49% | 16% | 6% | 6% | 9% | 10% |
| Presence | 30% | 17% | 14% | 6% | 7% | 15% |
| Web conferencing (e.g., WebEx) | 47% | 22% | 8% | 7% | 7% | 5% |
| Customer collaboration (Contact Center) | 31% | 20% | 15% | 4% | 8% | 12% |

How likely is your organization to deploy each of the following types of communication and collaboration applications to the cloud?

SOURCE: IDG RESEARCH SERVICES, DECEMBER 2013

its clinical systems.

Naglich's group is currently evaluating a Web conferencing system and whether to utilize the cloud or an on-premise system. "It will come down to cost in the cloud," he says. His organization also consults for smaller, independent faith-based care organizations. For one such project, he says, "We're recommending they use cloud-based services for everything, because they don't have their own IT staff and they are geographically remote from us."

Cloud delivery of services can provide significant benefits, including the ability to:

- Deliver consistency of service across devices
- Facilitate access to always-current versions of applications
- Support a self-serve model of procurement
- Support rapid deployment at scale
- Shift IT spending from capital to operating expenses
- Focus on core versus context as appropriate

By hosting collaboration and communications applications in the cloud, IT is able to provide the service users need, no matter when and where they need them. The ability to meet virtually—to hear and see one another—to share ideas and content provides for a more natural collaboration. The number of survey respondents who have deployed voice communications applications to the

cloud matches the 39% who are planning or investigating the move.

With flexible deployment models based on cloud provisioning, IT can more quickly and cost-effectively support the mobile, social, visual and virtual aspects of effective collaborative environments. Enabling flexible consumption is a crucial element in realizing the full potential of communications and collaboration apps, which makes cloud delivery so attractive to IT. "The more people use these services, the greater the value to the organization, driving even greater adoption," says Eric Schoch, Vice President & General Manager for Cisco's Hosted Collaboration Business Unit.

Schoch likens cloud-based consumption to Metcalfe's Law and the "network effect," which holds that the value of a network is proportional to the square of the number of connected users. The multiplying effect increases the value of the investment. "This has a catapult effect; the more people use it, the better it gets, which breeds more use and results in greater impact," says Schoch.

Pervasive Adoption

By embracing the cloud, organizations can extend the usage and benefits of collaboration solutions more broadly across and deeper into their organizations. They can ensure services are used more pervasively and become embedded

Regional Distinctions

There is much commonality in how IT in Europe and the United States views cloud deployment of communications and collaboration tools, but there are some notable variances.

Access to better mobility solutions is the top objective of moving mobility services to the cloud in both the U.S. and Europe. However, European respondents indicate they have been more aggressive in pushing cloud-based apps and services into the cloud, while U.S. respondents are more likely to have taken an organization-wide approach.

In the U.S., reduced total cost of ownership is cited as the top benefit of cloud-based deployment, compared with 41% in Europe, where improved internal collaboration and increased customer satisfaction both top the list at 53%.

Among the top applications, in the U.S., 41% of respondents say they use the cloud for voice communications, compared with 37% in Europe; and in the U.S., 49% use cloud-based Web conferencing, compared with 44% in Europe. But more Europeans are utilizing the cloud for instant messaging, voice mail and integrated messaging, presence and email. Furthermore, a significantly greater percentage of European respondents say they are planning cloud deployment

over the coming 12 to 24 months.

In Europe, management complexity is the most common concern when considering deployment of cloud-based communications and collaboration applications, while in the U.S. that is topped by security and data control. Integration is more likely to be a concern in the U.S. than in Europe.

The Europeans also indicate greater success than those in the U.S. in gathering returns on investment in the areas of achieving a certain percentage of IT savings (74% of European respondents compared with 54%), achieving percentage gains in productivity (72% compared with 52%) and completing specific implementations on time and under budget (66% compared with 49%). In fact, Europeans indicate greater successes than their U.S. counterparts in all seven categories in which they were polled.

“These variations highlight how cloud-based deployment is adaptable to regional differences,” says Cisco’s Marcus Gallo, senior solution marketing manager for cloud collaboration. “From region to region, and country to country, priorities and needs will differ, but the cloud ensures organizations can adapt at their own pace with assurance they have the flexibility to add and adapt further down the road.”

within the company culture and business processes, thereby helping to drive greater efficiencies, innovation, productivity and growth.

A majority of survey respondents indicate they have already broadly adopted cloud-based applications across most departments or even the entire organization.

Organizations in the U.S. tend to be more broad-based, with more than half of respondents saying they already utilize the cloud organization-wide for email, instant messaging and video. When factoring in those organizations that are also using the cloud for a majority of departments or groups, the number grows to about three-quarters of all U.S. respondents.

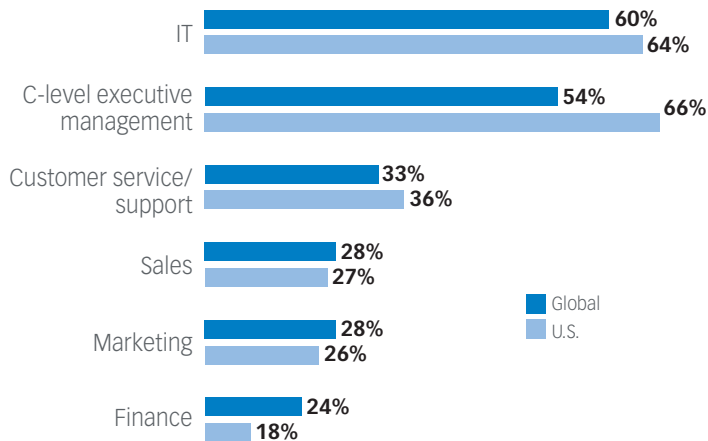
“Leveraging the cloud is the best way to drive pervasive usage of collaboration applications and services,” says Cisco’s Schoch. “The cloud allows organizations to efficiently extend availability across their entire organization, as well as enhance communications with customers and partners. The cloud enables them to maximize the value of their collaboration investments.”

Based in Pontiac, Mich., the Oakland County IT organization supports 82 agencies and governments across the 62 villages and townships in the county. “We are sharing technology across government lines in more of the cloud format, so midsize to small government agencies can consume services without having to invest in big operations support,”



Top Guns

IT and C-level Management are Most Often Identified as the Top Stakeholders with Regard to Communication and Collaboration Applications



With regard to communication and collaboration applications, who are the top three stakeholders within your organization (e.g., who is most likely to have input into and/or benefit these purchase decisions)?

SOURCE: IDG RESEARCH SERVICES, DECEMBER 2013

says U.S. survey participant Phil Bertolini, deputy county executive and CIO for Oakland County.

Business Impact

Choosing to use the cloud to deploy some of the organization's collaboration services ensures greater flexibility, efficiency and agility. Among a long list of operational benefits is the Opex model that drives investment flexibility, predictability and per-user, per-month billing.

Though more than 50% of survey participants identify C-level executives as top stakeholders, line-of-business employees such as sales and marketing appear to be requesting cloud-based communications and collaboration applications at a nearly equal rate. The respondents indicate that cost savings is the top motivator for C-level executives, as well as themselves, highlighting the efficiency that is attributed to cloud services.

Of course, each function or department will have its own unique view of the top benefits to be derived from cloud deployment, but the IT respondents in the survey clearly see common advantages across all areas of the organization.

Across functional departments cost effectiveness is less a motivator (cited as a benefit by 26% of respondents) than increased customer satisfaction (38%), agility to deliver more new products and services (35%) and easier, faster decision-making (33%). Improved internal collaboration is a benefit with relatively equal priority for C-level, IT and line-of-business functions.

"Common themes across the organization are reduced complexity, cost efficiencies and improving rapid deployment capabilities," says Cisco's Schoch. "IT is able to use the cloud across traditional silos to deliver services most pertinent to each function. It's a new way of delivering IT by working as a broker of services to the organization."

Differences do show up between IT and business functions, in the relative importance of criteria used to measure the ROI of cloud-based deployment, according to survey respondents. Globally, IT's top criteria is the ability to deliver new services on time and under budget. Respondents believe that business leaders are more attuned to enabling more profitable revenue, which ranking-wise is the lowest

though still highly ranked criteria in the minds of IT.

Supplying applications and services through the cloud makes it possible for IT to evolve as a more strategic partner for the business, delivering what each area of the enterprise needs, at scale and at pace to achieve objectives. Increased adoption drives added savings and greater agility, improving operations and better satisfying customers.

Everyone across the organization, it seems, has something to gain from the delivery of communications and collaboration services and technology via the cloud. Across functional areas and from the C-suite to IT, top benefits and cost justifications may vary somewhat, but cost advantages, reduced complexity and rapid deployment serve many specific needs. ■

For more information, please go to
www.cisco.com/go/cloudcollaboration

