

A Diversity Of Deployment Models Spells The Future Of Collaboration

Cloud, Hybrid, And Premises-Based
Deployments All Play A Future Role



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Executive Summary

Collaboration is essential to the modern business experience ecosystem. Sixty-one percent of today's information workers²—those who use a computer at least 1 hour a day²—regularly communicate with colleagues, business partners, and customers.¹ Product managers instantly message with suppliers to answer quick inventory questions. A marketing team drives a new website design using voice, video, and web conferencing with a design agency. While collaboration technologies are not new, there is room for improvement to increase their impact and business value.

In December 2015, Cisco commissioned Forrester Consulting to examine the use and benefits of collaboration technologies within small and medium-size businesses (SMBs). To further explore this trend, Forrester developed a hypothesis that SMBs want to support a broad range of work styles and locations with collaboration technologies that allow employees to seamlessly message, meet, and call.

In conducting in-depth surveys with 606 IT and business decision-makers in companies with between 20 and 999 employees, Forrester found that these companies improved operational efficiency while addressing rising customer expectations as a result of deploying unified communications (UC) technologies.

KEY FINDINGS

Three key findings:

- › Small and medium-size businesses value their people working in a collaborative culture. 78% support an increasingly tech-savvy workforce who values collaborative environments to creatively solve problems and drive business success. Sixty-two percent said their culture fosters collaboration.
- › Unified communications, a key component of collaboration, is an unfinished journey. While only 19% of SMBs have already deployed unified communications, 78% have plans to expand, upgrade, or deploy in the next 12 months. This indicates an approaching maturity of the unified communications marketplace.

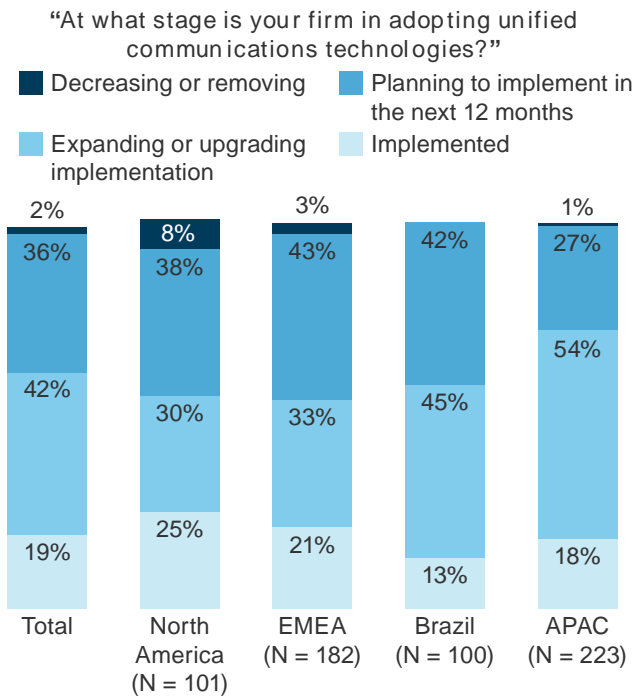
- › Today, unified communications comes in many flavors. A one-size-fit-all model does not match the current state of the unified communications marketplace. Currently, 22% of SMBs are on-premises, 37% are split with hybrid deployments, and 33% are in the cloud. The remaining surveyed companies have not yet deployed. This diversity will continue into the foreseeable future as businesses strive to protect existing investments while leveraging the cloud to add new capabilities.

UC Technologies Are Poised For Future Growth To Help Drive Business Goals

In the age of the customer, employees expect to access information and communicate from any device, at any time, from any location. More effective UC deployments can grow revenue, reduce costs, and improve customer experience. To this end, organizations deploy an array of UC technologies to help increase employee collaboration and productivity. Our survey found that:

- › Many SMBs plan to expand use of UC technologies in the next year. The majority of companies actively use and plan to expand their use of UC technologies. This tendency crosses regional boundaries. APAC and Brazil lead the charge of adoption, with 54% in APAC and 45% in Brazil expanding or upgrading their UC capabilities. Simultaneously, 43% of companies in EMEA plan to implement UC technologies in the next year (see Figure 1).

FIGURE 1
Brazil And APAC Ripe For Expansion; EMEA Planning To Deploy

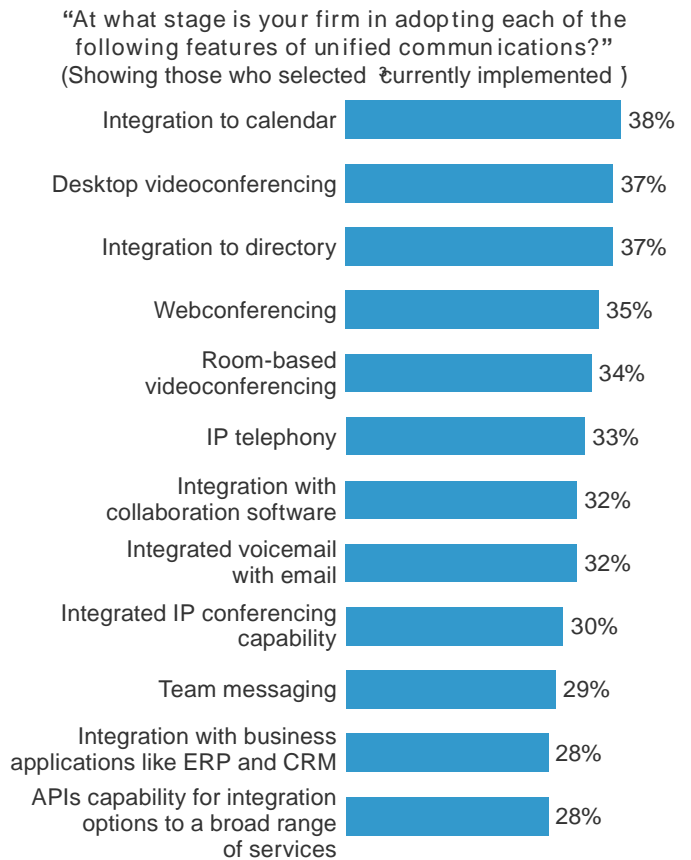


Base: 606 IT and business decision-makers who influence collaboration decisions at SMBs within North America, EMEA, APAC, and Brazil (percentages may not total 100 because of rounding)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2016

- › SMBs have a multitude of UC technologies installed. While desktop videoconferencing, webconferencing, and room-based videoconferencing are in place in more than a third of SMBs, products that integrate calendars or directories are also installed. More than a third (38%) of companies have implemented integration-to-calendar capabilities, 32% have integrated voicemail and email, and 32% have integrated with collaboration software. More than a quarter of companies turn to API capabilities to enable integration across various services (see Figure 2).
- › SMBs have an appetite for collaboration and innovation. More than three out of five SMBs (63%) identify as people-centric² considering employees their strongest assets² while 62% of SMBs indicated that their

FIGURE 2
Current Deployment Of Unified Communications Features



Base: 606 IT and business decision-makers who influence collaboration decisions at SMBs within North America, EMEA, APAC, and Brazil (selected variables shown)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2016

culture fosters collaboration. These companies recognize the importance of empowering a tech-savvy workforce and invest in technologies that promote a flexible, remote working environment for employees (58%).

- › UC technologies arm companies with the resources to reach critical business goals. Comprehensive deployment of UC provides employees with tools to perform against business agendas. Top business objectives include improving operational efficiency, growing revenue, and addressing rising customer expectations (see Table 1).

TABLE 1
UC Technologies Help SMBs Address Key Business Priorities

Business Objective	High Priority	UC Had Significant Impact
Improve operational efficiency	81%	73%
Grow revenue	78%	66%
Improve our products/services	76%	70%
Improve the experience of our customers	75%	66%
Address rising customer expectations	74%	68%
Reduce costs	71%	68%
Improve our ability to innovate	69%	64%

Base: 606 IT and business decision-makers who influence collaboration tools at SMBs within North America, EMEA, APAC, and Brazil (selected variables shown)

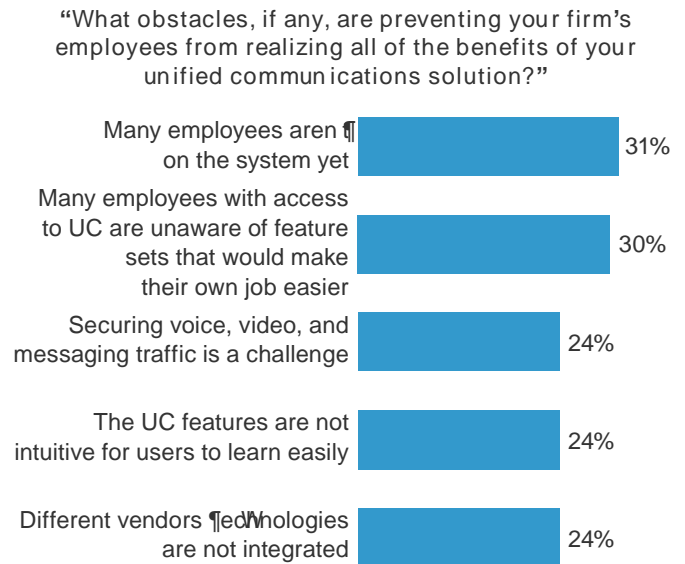
Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2016

Maximizing Impact Of UC Technologies Proves Challenging

Unified communications technologies help SMBs move toward strategic goals, yet as widespread use and adoption of UC technologies increase, so do obstacles to realizing key benefits. Our survey found that:

- › Lack of employee knowledge and access to key features is an obstacle. When considering general obstacles, 31% conveyed that employees have yet to move to their system, and 30% reported that employees lack knowledge of helpful feature sets (see Figure 3). Further, the complexity and incompatibility of product portfolios increase as companies acquire technology from disparate vendors, affecting the employee experience. As a result, companies now face the challenge of deploying UC tools that better the employee experience: tools that are simple, secure, and complete.

FIGURE 3
Top Five Obstacles Challenging SMBs To Obtain More Value Out Of UC



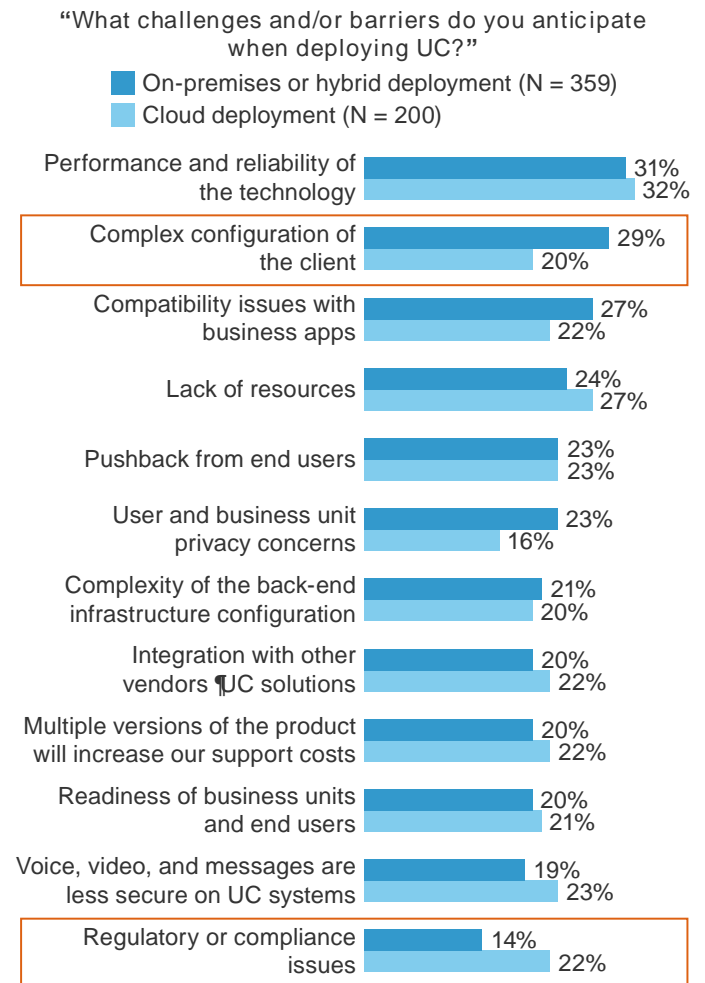
Base: 387 IT and business decision-makers who influence collaboration tools at SMBs within North America, EMEA, APAC, and Brazil (selected variables shown)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2016

UC deployment models are not straightforward. Over a third (37%) of total leaders cited that their company deploys UC in a hybrid configuration. This varies by company size, with 34% of small businesses (20 to 249 employees) deploying via hybrid compared with 40% of medium-size businesses (250 to 999 employees). This comes as no surprise, as companies continue to operate under the auspices of legacy systems while simultaneously building cloud partnerships. In fact, 32% of small businesses and 34% of medium-size businesses focus deployment in the cloud.

- › Deployment configuration can bring additional challenges. Organizations that deploy UC systems on-premises or via hybrid versus the cloud can experience different challenges. Respondents considering or utilizing a cloud deployment model have greater concerns around regulatory or compliance issues (22%) relative to their counterparts (14%). Other challenges are comparable with deployment complexity. Respondents that deploy via hybrid or on-premises expressed legitimate concerns over complex configuration of the client (29%), more so than companies that leverage cloud deployment (20%) (see Figure 4).
- › SMBs are generally satisfied with their UC technologies, but their solutions fail to exceed expectations. Overall, UC capabilities appear to satisfy SMB needs but fall short of delighting adopters. Improving customer experience² a key business imperative² appears low on the list of exceeded expectations (21%), followed by improved team collaboration (21%) and improved business relationships with partners (19%) (see Figure 5). Unified communications systems tout internal and external collaboration capabilities as drivers for adoption, yet it is clear that challenges fuel gaps in the UC experience.

FIGURE 4
Challenges Vary By Deployment Method



Base: 606 IT and business decision-makers who influence collaboration tools at SMBs within North America, EMEA, APAC, and Brazil

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2016

FIGURE 5

Gaps In Satisfaction Unveil Room For Improvement



Base: 387 IT and business decision-makers using collaboration technology in SMBs within North America, EMEA, APAC, and Brazil ("don't know" responses not shown)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2016

importance of flexibility in the workplace, reinforcing the notion that employees expect access to what they want, when they want it, from any given device or location (see Figure 6)

- › UC investments break down to migrations and upgrades. Top triggers that drive investment include integration, functionality, usability, and security. Forty-five percent showed interest in upgrading their system to obtain new capabilities; in the same stride, 42% cited improved user experience as a catalyst for change. However, functionality that lacks integration and security loses impact ² 44% of companies have considered an upgrade in exchange for increased confidence in UC

FIGURE 6

Challenges Drive Investments



Base: 606 IT and business decision-makers who influence collaboration decisions at SMBs within North America, EMEA, APAC, and Brazil (selected variables shown)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2016

UC Investment And Cloud Deployment Are Key

Looking forward, SMBs confirm that their business goals will benefit from deeper investment in UC and leveraging the cloud. Integration with other applications and finding ways to protect existing investments make for a complex road map, so SMBs are looking for guidance and effective solutions that will help them maximize their success. Our survey found that:

- › Top drivers for investment are clear. Within the litany of drivers for UC investment, a few table stakes rise to the top of the list. Over half of respondents (57%) cited that their top driver involves reducing costs, followed by the 45% who reported the desire for secure information. Respondents strive for enhanced external collaboration (42%), as well as improved collaboration across devices and locations (42%). Finally, 41% of SMBs cited the

security. Lastly, 45% of SMBs claimed to uproot systems in order to reduce integration requirements and costs. Results indicate that systems that drive improved business processes, security, and simplicity will shift sentiment and ignite change.

- › Expansion plans center on integration. As SMBs consider the future of their collaboration technologies, they are planning to expand or upgrade several UC integration features. SMBs seek features that overcome interoperability challenges and connect key capabilities to ultimately deliver an effective and simple user experience. Solutions that integrate with business applications² such as CRM and ERP² are important to adopters and nurture internal and external collaboration (35%) (see Figure 7).

A SHIFT TO HYBRID/CLOUD SUPPORTS STRATEGIC BUSINESS PRIORITIES

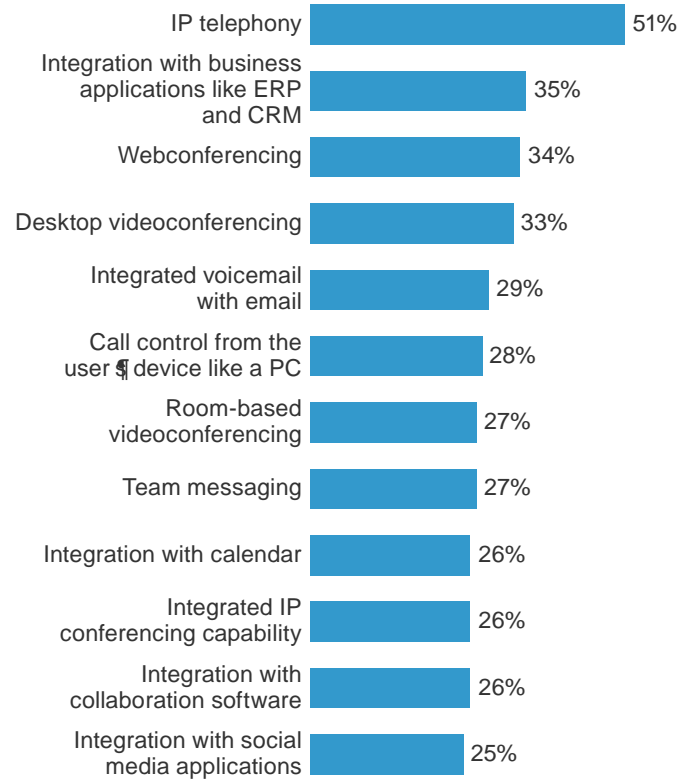
Cloud deployment models continue to penetrate every category of technology. The longer product life cycle of communications systems coupled with the requirement for high reliability has caused the move of UC to the cloud to lag other capabilities like CRM and ERP. These market dynamics also drive a requirement to support hybrid configurations that help manage QoS along with protecting assets that are not fully depreciated. Our survey showed that:

- › **Today's UC deployments** are diverse and confirm the move to the cloud is already underway. Thirty-three percent of SMBs have already deployed UC in the cloud, while 37% of deployments are hybrid and 22% are on-premises.
- › **Future UC deployment models** do not converge or simplify. There will be a continuing need for diversity of UC deployment models that mix on-premises, cloud, and hybrid. For example, 55% of premises-based deployments will stay on-premise, while 21% of them will go to the cloud (see Figure 8).

FIGURE 7

Integration An Important UC Feature

“Which of the following unified communications features are most important to your organization?”
(Select top five)

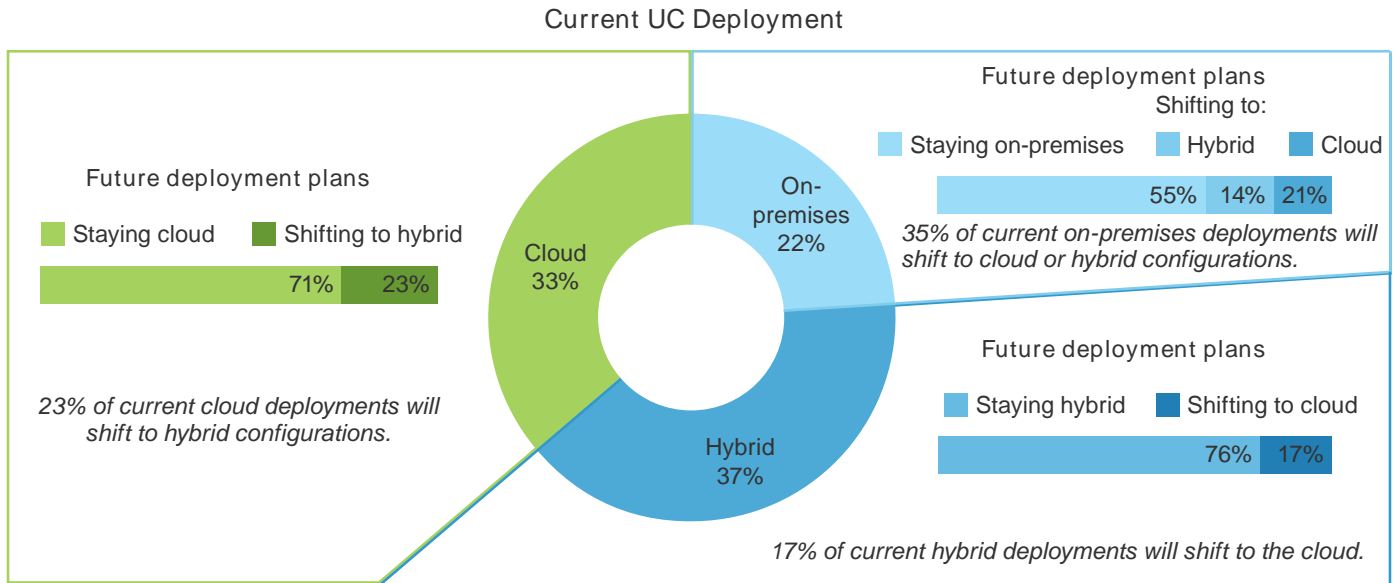


Base: 606 IT and business decision-makers who influence collaboration decisions at SMBs within North America, EMEA, APAC, and Brazil (selected variables shown)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2016

FIGURE 8
Future Deployment Focused On Hybrid/Cloud

“In the future, (your next provisioning cycle), how do you think your firm will prefer to deploy unified communications technology?”



Base: 606 IT and business decision-makers who influence collaboration tools at small and medium-size businesses within North America, EMEA, APAC, and Brazil

³GRQ¶W NQRZ´ UHVSQRVHV QRW VKRZQ

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2016

Key Recommendations

While unified communications and cloud collaboration debates as to what it meant. This confusion spilled over into SMB purchases of individual components, fractured systems, and a poor user experience. Today, a more mature market and purchasers are looking more broadly at providing the ability to message, meet, and call easily and readily to their employees, partners, and suppliers. While SMBs are recognizing the value of UC and planning to expand their implementations, they face the issue of what kind of model to use for

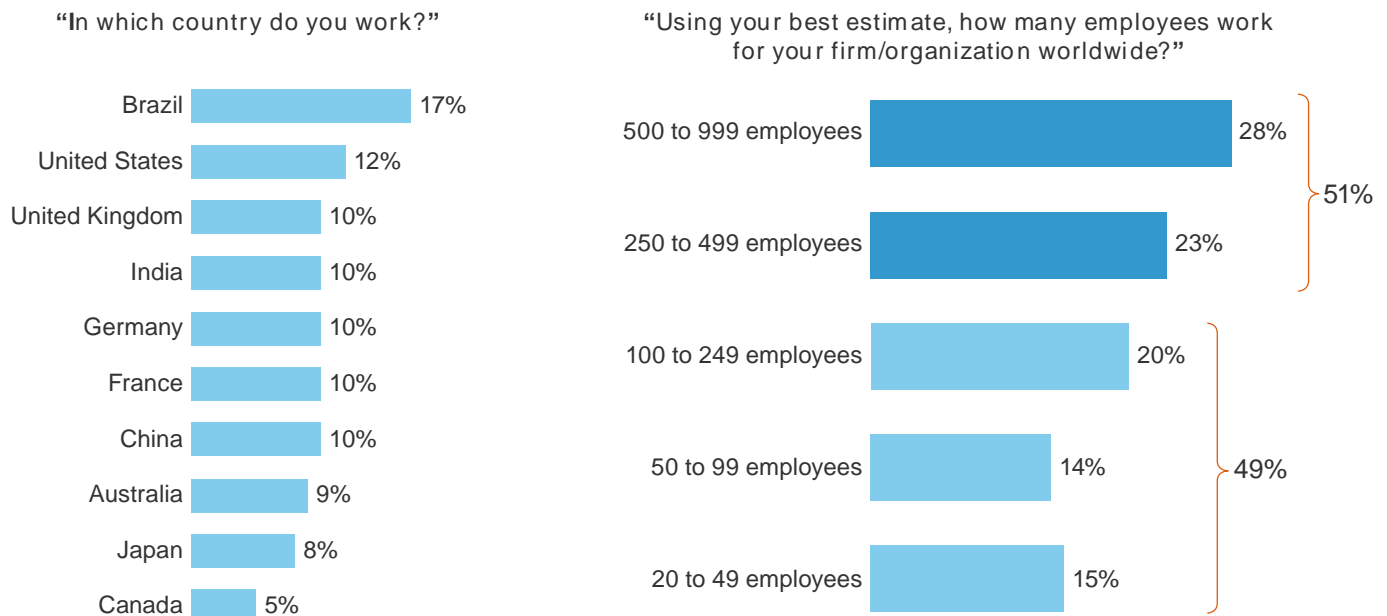
- › Take inventory, and not just of the technology. Endemic to the overall collaboration technology market, user adoption is a struggle. Indeed, SMBs lack the resources to invest in extensive training, and change management does not aid in the situation. A deeper organizational understanding of what is working and adopted today is a critical element to planning for future success.
- › Develop a unified communications road map that points to cloud as the future but anticipates some detours along the way. Avoid being roadkill on the unified communications highway by understanding and leveraging vendors that can provide a diverse selection of deployment models that span on-premises, cloud, and hybrid.
- › Ensure the road map adds value while simplifying the user experience. This is a tall order, as users can readily go off and grab capabilities on their own from the cloud. Delivering added capability will keep them on board, but only if it is easy to use.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 606 small and medium-size businesses in the US, Canada, the UK, France, Germany, India, China, Japan, and Australia to evaluate collaboration strategies. Survey participants included decision-makers in business and IT management. Questions provided to the participants asked about collaboration technologies installed and planned for the future, challenges anticipated or faced, and the impact that the use of collaboration technologies has on reaching business goals. The study began in December 2015 and was completed in January 2016.

Appendix B: Demographics

FIGURE 9
Country And Company Size



Base: 606 IT and business decision-makers who influence collaboration tools at small and medium-size businesses within North America, EMEA, APAC, and Brazil

(percentages may not total 100 because of rounding)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2016

Appendix C: Endnotes

¹ Source: Global Business Technographics[®] Devices And Security Workforce Survey, 2015, Forrester Research, Inc.