

# Fujitsu Cloud-Based Unified Communications

## Connect and Collaborate in the Cloud



### EXECUTIVE SUMMARY

#### COMPANY OVERVIEW

- **Customer Name:** Fujitsu
- **Industry:** Information and Communication Technology (ICT)
- **Location:** Japan, Global

#### BUSINESS CHALLENGE/OPPORTUNITY

- Provide business users with a unified workspace, delivering access to voice, video, and web collaboration services from anywhere, on any device in the United Kingdom (U.K.) and globally.

#### NETWORK SOLUTION

- Sell Fujitsu's cloud-based unified communications service (Fujitsu Cloud Connect Collaborate Service) based on Cisco Hosted Collaboration Server and contact center services to large enterprises.

#### BUSINESS RESULTS

- Earn recurring revenue from the hosted communications and contact center service itself, as well as increase consulting, systems integration, and other communications-related services.
- Fujitsu will offer its Cloud Connect Collaborate service internationally in late 2015.

### Overview

Large enterprises that are adopting cloud-based unified communications typically have complex networking and communications environments that require customized solutions. Unlike many providers of Cisco® Hosted Collaboration Server (HCS)-based services, Fujitsu is not a telco. Its focus is on consulting and systems integration, as well as delivering managed infrastructure and application services. It has the ability to connect hosted collaboration solution to a wide set of applications and services. Fujitsu can also provide all consulting and integration services in house.

### Service Innovation

Cloud Connect Collaborate is Fujitsu's cloud-based unified communications service based on HCS. It provides a full set of voice, desktop video, instant messaging and presence, unified messaging, mobility, and other business communications services. It is sold to large enterprises with more than 1000 employees. White-label partners target smaller businesses with as few as 150 employees. Cloud Connect Collaborate is currently sold only in

the U.K. but end users of the product can be located anywhere in the world.

Fujitsu is in the process of making the product available in other countries, with plans to expand into Western Europe first, taking advantage of HCS software in two U.K. data centers. Fujitsu has data centers in North America, Asia, and other regions where the Cisco software can be deployed as Cloud Connect Collaborate is globalized in late 2015.

Fujitsu Services has installed the software in data centers that Fujitsu owns and operates. Utilizing its own data centers makes it more cost-effective for Fujitsu to deliver hosted unified communications services since it does not have to lease space from a third party (see Figure 1). Cisco Expressway integrated into Cloud Connect Collaborate allows remote end users to connect to Hosted Collaboration Server without the need of a VPN (see Figure 2).

**Figure 1.** Fujitsu Uses Its Own Servers

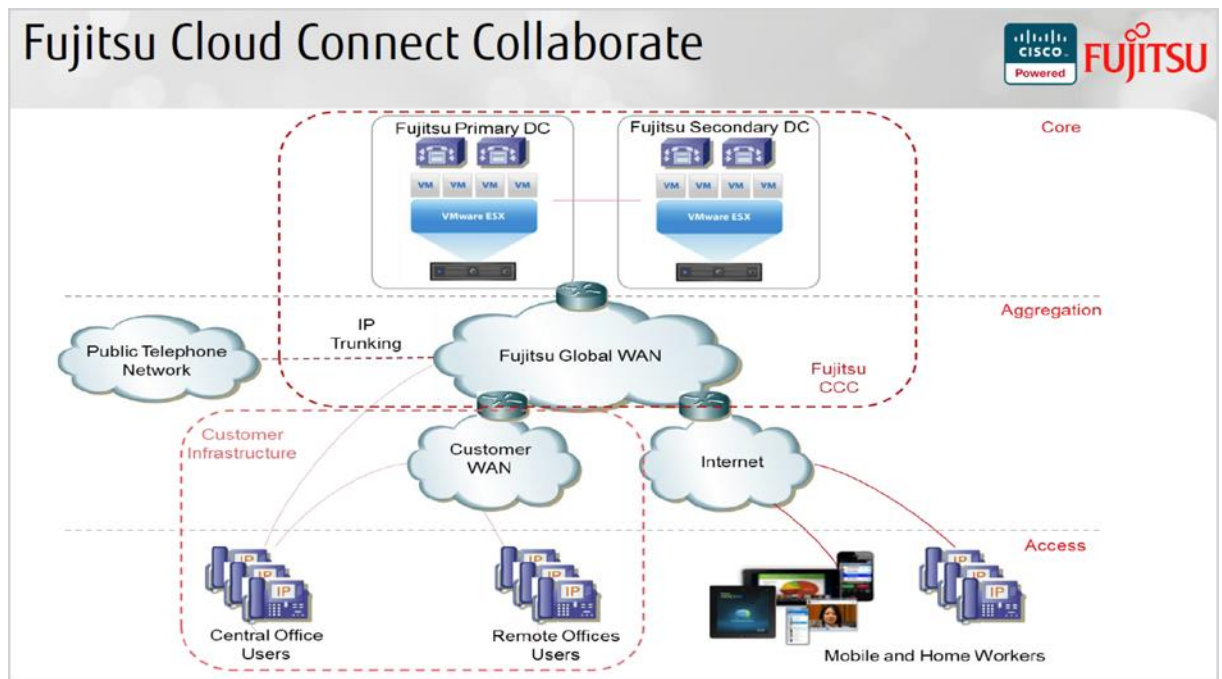
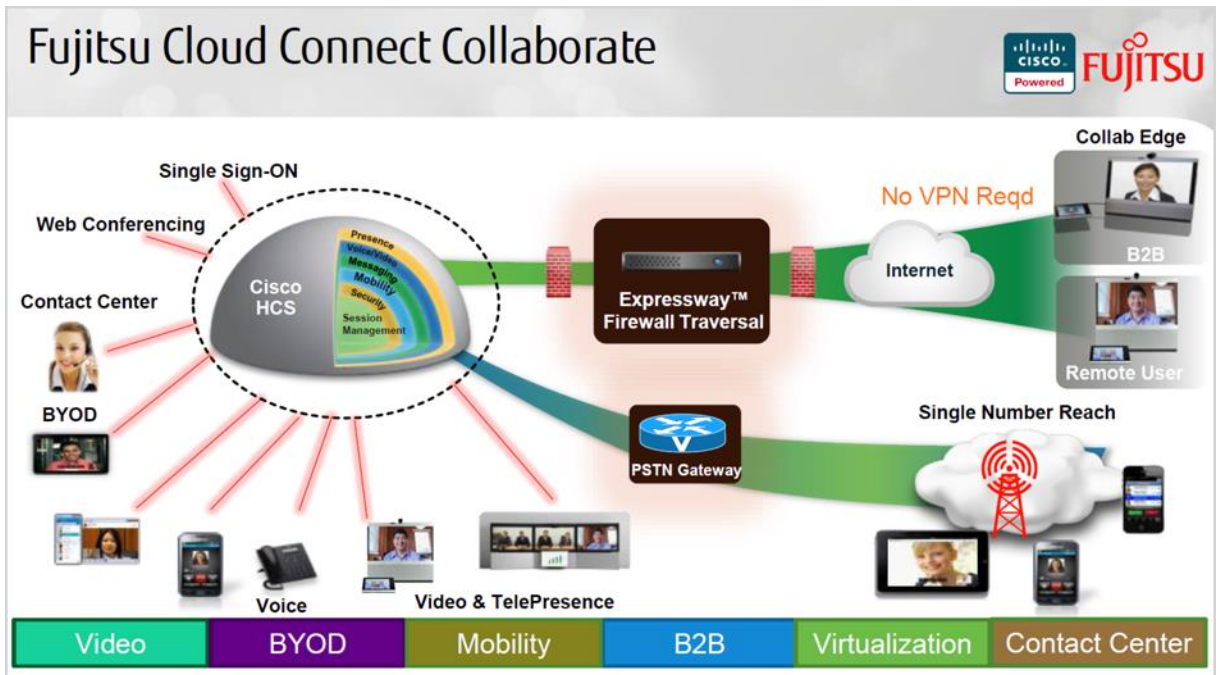


Figure 2. End Users Can Connect Without the Use of VPN



## Opportunities

Fujitsu already offers a range of managed infrastructure and managed application services, including hosted SAP, Oracle, customer relationship management (CRM), and enterprise resource planning (ERP) applications. Hosted unified communications helps round out the applications Fujitsu can deliver on a software-as-a-service (SaaS) basis. It also complements existing services such as Fujitsu's mobile device management (managed MDM) service, which can manage the same tablets and smartphones that run Cloud Connect Collaborate's mobile unified communications client. Fujitsu's Managed Desktop Service is integrated with Cloud Connect Collaborate so that the Cisco Unified Communications client can run on thin-client terminals.

Fujitsu is working to improve the margins of its services business by increasing sales of higher-value services and expanding its infrastructure as a service (IaaS), SaaS, and, by association its unified communications as a service (UCaaS). All of these offerings will prove a key factor in Fujitsu Services becoming a healthier, more profitable business. Cloud Connect Collaborate, which generates a recurring revenue stream for Fujitsu, is among the higher-value services the company has deployed.

Fujitsu is implementing a global delivery organization to manage service delivery on a global basis. Cloud Connect Collaborate will be able to take advantage of this global delivery organization.

## Challenges

Fujitsu Services has long since sold professional and systems integration services to enterprises. These have modernized and otherwise improved the networks of Fujitsu's large enterprise clients. However, once the project was complete, the client turned to other firms for unified communications and other applications to run on the networks. Also, Fujitsu's previous hosted unified communications service, Mitel-based Cloud Connect Voice, did not resonate with Cisco centric enterprise buyers.

Fujitsu sells a number of other hosted and managed services, including MDM, managed desktop, ERP, and CRM. The company wants to deliver additional services that complement these services, as well as increase sales of these services.

Fujitsu Services is under pressure to improve its operating margin, which is significantly lower than that of other services firms such as IBM and Accenture. Systems integration services have driven much of the recent revenue growth at Fujitsu Services. However, project-based services such as systems integration tend to not to be as profitable as cloud-based services like UCaaS, which generates recurring revenue.

Also, Fujitsu Services is a global business, but with country- and region-specific operations. The company is challenged to make services which are currently available in one country available on an international basis.

“We’re not offering what traditional telcos are offering when it comes to cloud unified communications. We’re offering an end-to-end workplace environment. It plays to our systems integration and consulting strengths, rather than just offering regular voice replacement.”

— John Keegan, Director, Communications Solutions Business, Fujitsu

## Strategic Alliances and Partnerships

Technology partners:

- Cisco provides Hosted Collaboration Server, the unified communications platform on which Cloud Connect Collaborate is based.
- VMware provides the server virtualization technology for the HCS software in Fujitsu data centers.
- Citrix provides the desktop virtualization technology for managed desktop services often sold with Cloud Connect Collaborate. Citrix also provides the management software for the managed MDM service sold in conjunction with Cloud Connect Collaborate.

White-label partners:

- Damovo and Xchanging white label Cloud Connect Collaborate and sell it to their customers as their own service. Fujitsu is in talks with six additional partners to do the same.

Network services partners:

- AT&T, Telefonica, and Verizon provide connectivity services for Cloud Connect Collaborate customers.
- Verizon provides the network backbone interconnecting Fujitsu data centers around the world. This will become increasingly important as Fujitsu installs Hosted Collaboration Servers in North America, Asia, and other regions where it plans to offer its hosted unified communications service.
- Operators benefit from contracts with Fujitsu customers requiring connectivity, international calling, and other services for their Cloud Connect Collaborate implementations. At the same time, operators will be challenged since most offer Cisco based hosted unified communications services of their own and will potentially compete with Fujitsu for some accounts.

## Monetization

As with all providers of unified communications services based on Cisco Hosted Collaboration Server, Fujitsu earns recurring revenue from the software licenses it sells, as well as the additional fee it charges for offering unified communications as a service.

For a long time Fujitsu Services has resold Cisco U.S. solutions for on-premise deployment. Cloud Connect Collaborate offers a cloud-based option provided by Fujitsu rather than turning that business over to others.

Fujitsu consultants regularly provide clients with advice on how to take full advantage of communications technology to improve productivity and streamline operations with cloud-based services. With Cloud Connect Collaborate those conversations can lead to a hosted unified communications service offered directly from Fujitsu.

Sales of Cloud Connect Collaborate generate revenue of other Fujitsu services, such as LAN, WAN, and wireless network upgrades to support unified communications traffic, as well as MDM and other managed services. Sales of Cloud Connect Collaborate also lead to non-services-based sales, such as routers and switches required for the network upgrades and the smartphones, tablets, and PCs that will act as unified communications endpoints.

“A key focus for me at the moment is how to improve integration of the massive amount of data and IT services we have available to us, so we can offer a better service to passengers. By adopting [Cloud Connect Collaborate], we’ll be transforming the way our staff operates—video conferencing with each other, for instance, and working from home effectively during snow days. This slicker operation will have a significant impact on passenger experience, which is what we’re always striving to improve.”

— Michael Ibbitson, Chief Information Officer, Gatwick Airport

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## Success Metrics

Increase in the customer base:

- Eight enterprise customers with 20,000 Cloud Connect Collaborate seats, all in the U.K.
  - Approximately a 60% increase in seats in the last 12 months
  - A projected 75% increase in the next 12 months, influenced mainly by international expansion of the service

Increase in marquee customers:

- London Gatwick Airport
  - 1100 unified communications users
  - Legacy private branch exchanges (PBX) integrated with cloud-based service
  - Provides remote workers with simple VPN-less access to communications apps
- Whitbread
  - More than 800 unified communications users and 65 contact center agents at four corporate sites
  - Upgraded Whitbread's entire WAN
  - Retired legacy PBXs, migrating users to a cloud-based service

## For More Information

To find out more about Fujitsu's Cloud Connect Collaborate service, go to [www.fujitsu.com/uk/solutions/fujitsu-cloud/solutions/communication/cloud-connect-collaborate](http://www.fujitsu.com/uk/solutions/fujitsu-cloud/solutions/communication/cloud-connect-collaborate).



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