



The Value of True Unified Communications-as-a-Service

Integrated UCaaS solutions reduce operating costs and deliver improved user experiences for Work-From-Home

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Executive Summary

The rush to work-from-home (WFH) has led organizations to rapidly adopt a wide variety of communications and collaboration tools. While this approach often fulfilled a short term need to enable distributed workers to collaborate, in the long term the disjointed nature of individual meeting, calling, and team messaging apps leads to usability, management, and security challenges, as well as higher total cost of operations. Unified Communications-as-a-Service delivering integrated calling, team messaging, and video-enabled meeting capabilities provide a platform for success, offering potential to reduce costs and improve end-user experiences.

IT leaders should:

- Assess their current collaboration environment to ensure the available mix of application capabilities meets worker needs and provides for effective management of distributed teams
- Evaluate the potential of cloud-based services to provide flexibility to support remote work and faster access to emerging collaboration capabilities
- Assess single-vendor solutions for calling, team collaboration, and meetings that may offer reduced operating costs as well as simplified user experiences
- Consider the potential of integrated UCaaS solutions to reduce management demand and ensure application of consistent security policies

The New Normal of WFH

The COVID-19 pandemic has fundamentally shifted where and how people work, and perhaps more importantly, how they expect to work going forward. Among the 525 participating end-user organizations in Metrigy's global *Visual Communications and Collaboration: 2020-21* research study conducted in mid-2020, more than 90% of allow employees to work from home, up from just 63% before the pandemic began in early 2020. The percentage of those working from home has more than doubled, from 34% to 72%, and three-quarters of customer service agents are now home-based.

The shift to work-from-home isn't likely to be reversed: Just 8% of participating organizations plan to continue to support it for the foreseeable future, though many will likely adopt a hybrid approach allowing those who want to return to the office to do so, either part- or full-time.

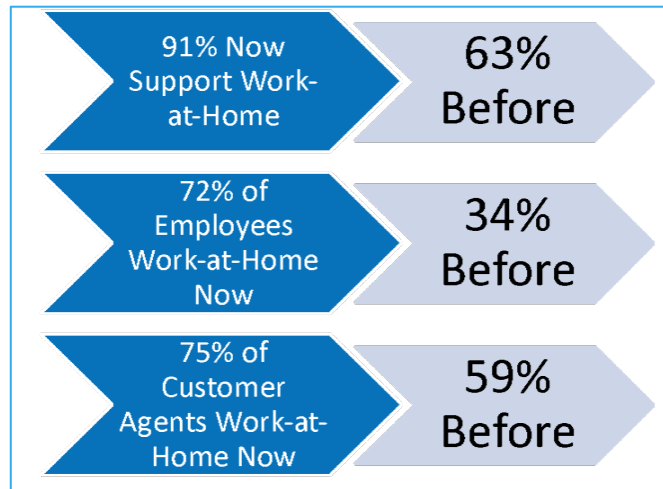


Figure 1: Work-From-Home Shift

Moving the majority of workers to home has had profound impact on organizational culture, communications, and engagement. Successful strategies require business, IT, and HR leaders to focus on employee and customer engagement to enable work-life balance to avoid burnout and to maximize retention.

Business and IT leaders say their single biggest challenge is managing remote workers (Please see Figure 2.) Those unable to effectively engage in person with colleagues, partners, and customers may face isolation, frustration, and a loss of job satisfaction (Please see Figure 2.)

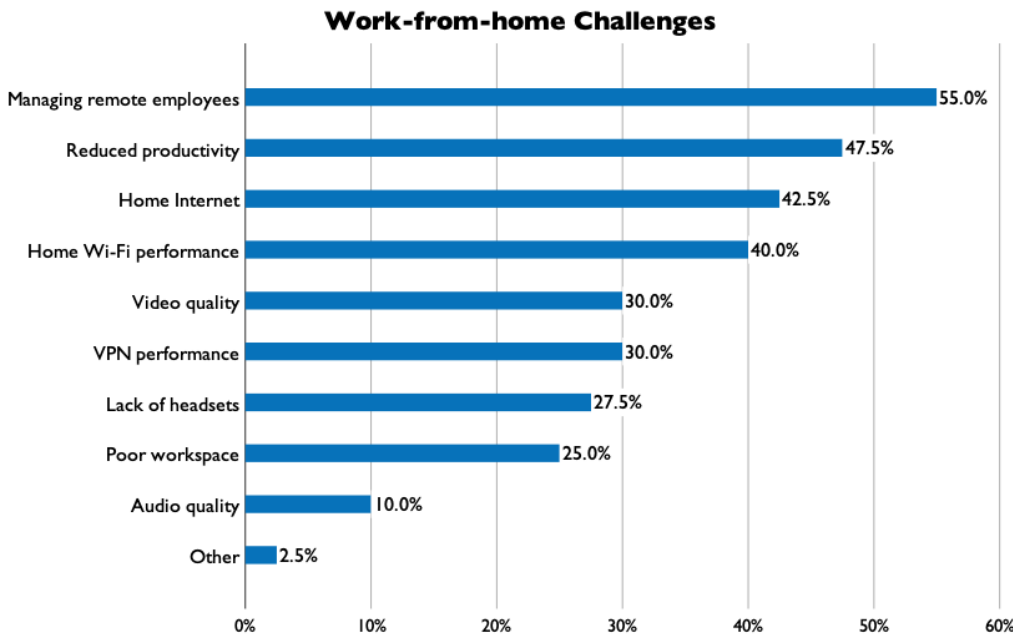


Figure 2: Work-from-home Challenges

WFH Changing UC Spending

Collaboration tools that enable employees to seamlessly communicate and collaborate, both internally as well as with partners, suppliers, and customers, are critical for enabling productivity in this new reality. To support the virtual workforce, and to address the aforementioned challenges related to management and productivity of remote workers, companies are investing in new collaboration applications that improve the ability of remote workers to collaborate with each other and with customers and partners.

For example, almost half of companies have obtained a new meeting platform to provide for video-based engagement. More than half expect the pandemic to drive an overall increase in IT spending, while nearly 19% expect a decline in overall IT budgets but still plan to increase spending to support home workers.

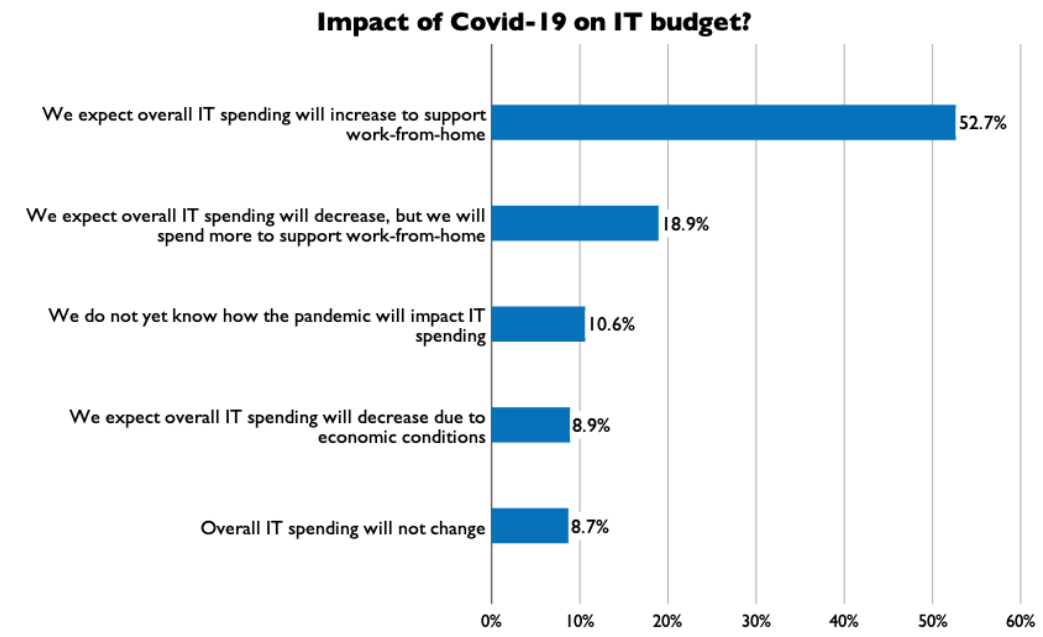


Figure 3: Impact of Covid-19 on IT Budget?

Primary areas for investment growth include video-enabled meeting applications, team collaboration capabilities that provide contextual, persistent engagement, and additional collaboration applications including virtual whiteboards and task/project management tools. In addition, IT leaders expect to invest in network resources to support ever increasing bandwidth demands, often driven by video (Please see Figure 4.)

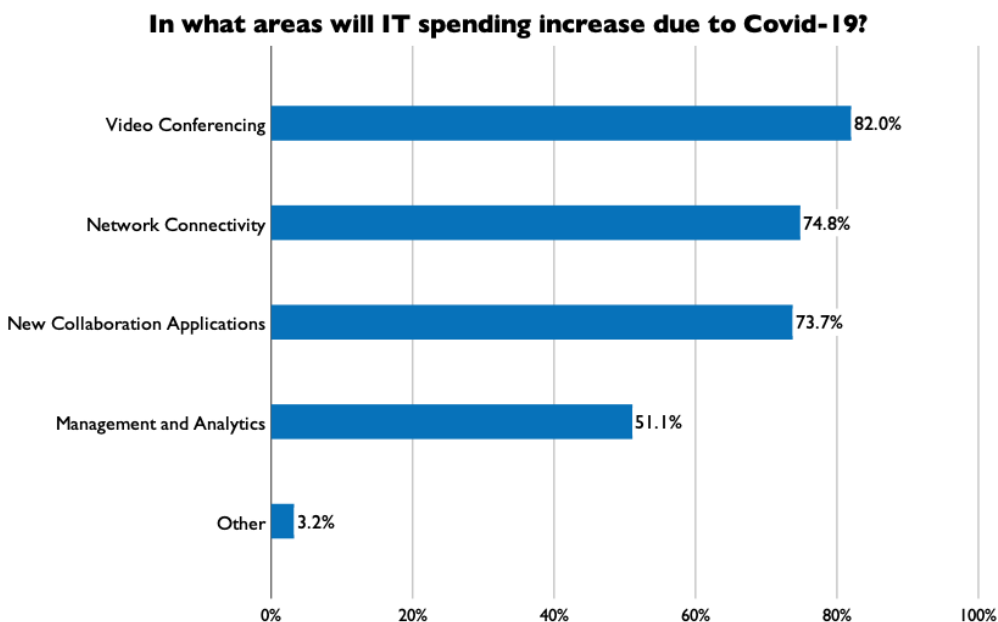


Figure 4: In what areas will IT spending increase due to Covid-19?

A Shift to the Cloud

The movement to WFH has driven a corresponding shift of UC applications from on-premises to the cloud. Prior to the pandemic, 23% of companies had adopted Unified Communications-as-a-Service, up from fewer than 12% in 2018. Now, almost 65% say that the pandemic has made them more likely to use cloud services. Even before the pandemic, 43% of those with on-premises phone systems were evaluating, or planning to move to UCaaS.

Drivers for the increasing shift to the cloud to support WFH include:

- Reducing costs by only paying for what is needed and by eliminating staffing and maintenance costs for on-premises software and hardware
- Improving the flexibility to scale up (or down) as needed based on business conditions
- Faster access to rapidly emerging, increasingly AI-powered, features that offer potential to improve collaboration experiences
- Increased resiliency from being able to leverage a cloud provider's highly available, and often globally distributed, application infrastructure

Optimizing UC for WFH

Many organizations have struggled to provide the right set of collaboration capabilities for virtual workers as well as those who are still in an office (either full or part-time.) Companies often lack a complete set of integrated capabilities for team collaboration including calling, messaging, and meetings. Workgroups and individuals have sought to fill these holes, often without IT involvement, by taking advantage of free or low-cost trials offered by many UC vendors since the start of the pandemic. This has led to confusion and security challenges as IT seeks to optimize user experiences, minimize licensing and support costs, and ensure security and compliance.

Without a unified experience, work and productivity suffers. Employees must navigate an often-confusing mix of disjointed collaboration applications, using one app for calling, another for meetings, and still yet a third for team messaging. In some cases, they may have separate applications for internal and external communications. And, apps may not easily integrate with enterprise applications such as those used for project and task management, customer relationship management (CRM), human resources, and enterprise resource planning (ERP).

Stand-alone approaches are typically more expensive to own and operate due to the need to obtain separate licenses for each app, and to manage each app individually, leading to higher staffing costs. A

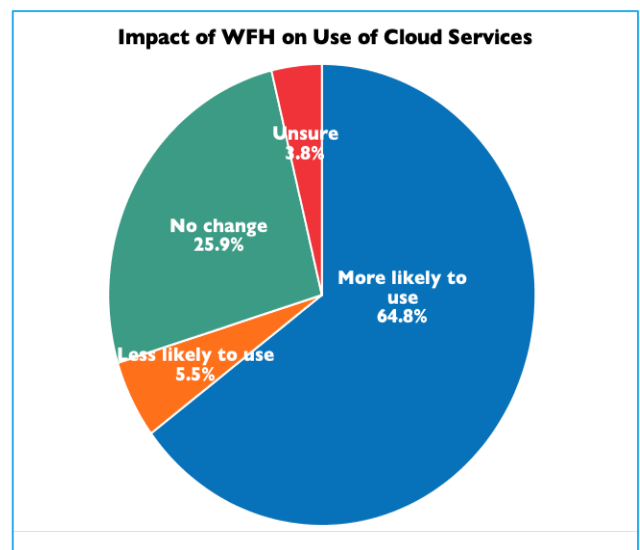


Figure 5: Impact of WFH on Use of Cloud Services

Nemertes study of more than 500 end-user organizations found that those who use a single, integrated UC provider spend 56% less in operational expenses (calculated as licensing + staffing costs) on a per-user, annual basis.

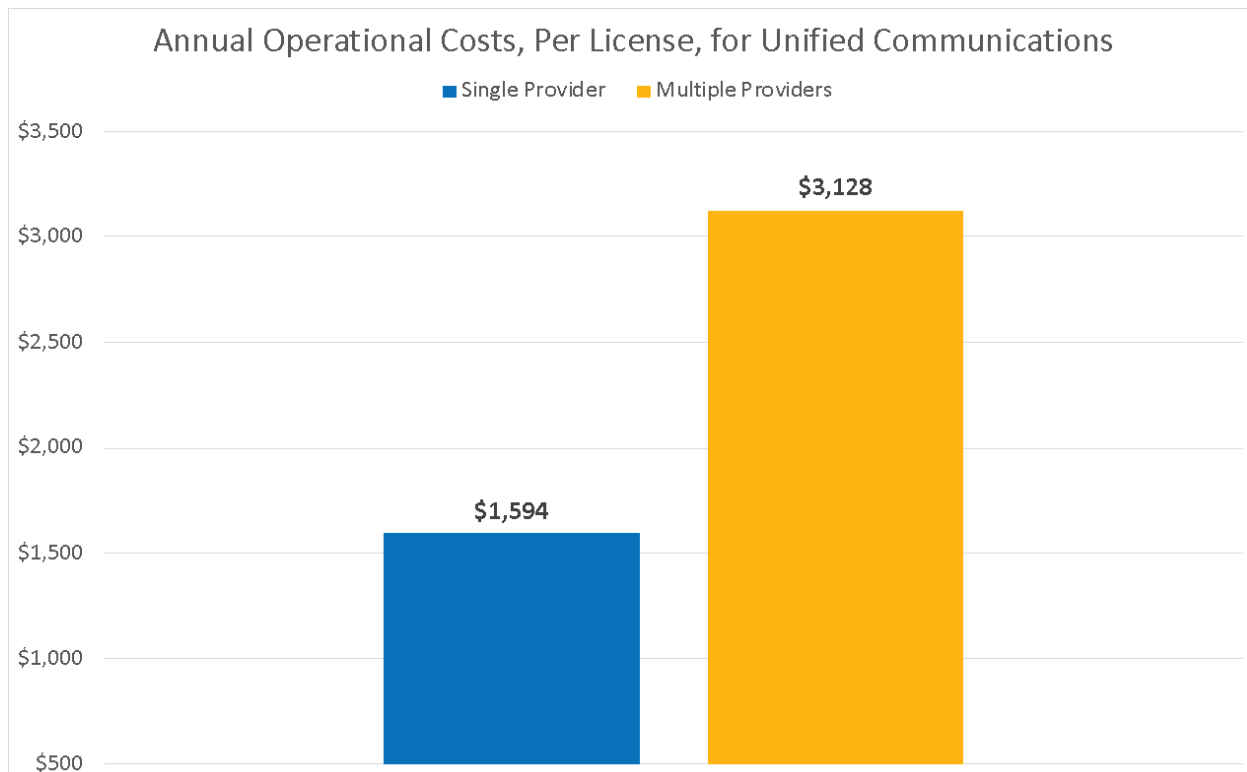


Figure 6: Annual Operational Costs, Per License, for Unified Communications

Single provider solutions that integrate calling, messaging, and team collaboration provide additional benefits including:

- A single user interface for accessing all features, across desktop and mobile devices
- The ability to provide contextual integration, meaning that meetings as well as pre- and post-meeting activities happen within a team workspace
- Integrated data from other applications, such as Business Intelligence (BI) reporting and external application notifications
- Integrations with CRM, ERP, HR, and other enterprise apps
- Enablement of unified security management and control
- Automated provisioning on ongoing management
- A single pane of glass for management and configuration

Additional benefits come from integration UCaaS and contact center platforms. Nemertes' analysis of more than 500 end-user organizations found those that enable agents to use UC capabilities like team messaging from within their contact center applications see an increase in customer satisfaction ratings of 56.7%, a 19.7% reduction in operational costs, and a 23.4%

reduction in monthly per-agent spending on licenses. Currently, more than 71% of companies have integrated their UC and Contact Center platforms.

Conclusion

The Covid-19 pandemic has resulted in a never-before-seen shift to work from home, and a critical business need for effective virtual collaboration and communications with co-workers, partners, and teams. The rush to remote work has led many organizations to see a rash of disjointed adoption of new collaboration applications. It is also driving a desire to migrate on-premises platforms to the cloud to reduce operational costs, provide faster access to emerging features, and deliver an integrated experience to remote and in-office workers.

IT leaders should:

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ABOUT METRIGY: Metrigy is an innovative research firm focusing on the rapidly changing areas of Unified Communications & Collaboration (UCC), digital workplace, digital transformation, and Customer Experience (CX)/contact center—along with several related technologies. Metrigy delivers strategic guidance and informative content, backed by primary research metrics and analysis, for technology providers and enterprise organizations.