

# **Buffalo Shorts Report**

For August 2017

Pexip g

#### Pexip Gets MS Nod

Pexip announced its Infinity Fusion product was certified by Microsoft as a video interoperability solution for Skype for Business Server. Pexip, Cisco, Vidyo, and many others have supported this for some time, but only Polycom got Microsoft's nod of approval.

The nod is only for SfB Server, though Pexip claims it works for O365 too. It's possible Polycom recently launched its O365 Azure-delivered service for SfB Online customers.

Two key points here. First, Microsoft has very limited native support for SfB video interop. Secondly, the strategic alliance between Polycom and Microsoft is showing some cracks.

Pexip Infinity Fusion allows Skype for Business meetings and calls to be joined by non-Skype users using video teleconferencing.

#### What Does DnD Mean?

Robert Half did a workplace communication survey and found email is still on top. But messaging apps are on the rise. No surprises there, then I read this:

Nearly two-thirds (65 percent of respondents) have received a message when their status is set to "do not disturb" or "busy," and 30 percent of those professionals said they were "annoyed" by the intrusion. Professionals thirty-five and older were more annoyed than their younger colleagues and more likely to refrain from sending a message when a coworker's status is "busy."

It raises the question – what does Do Not Disturb mean? It hadn't occurred to me, but it's changed over the years.

On the old PBX, it just silenced the phone. Calls went directly to voicemail. It didn't stop [eople from calling, it just stopped calls from interrupting. On a hotel door it is intended to stop people from calling, but if they knock it still interrupts. So what's it supposed to do on messaging?

If someone is red or in DnD, that doesn't stop me from sending a message – nor should it. But the survey says that behavior is annoying people. DnD should disable notifications. It seems like every app thinks it should notify (annoy) me with popups and sounds.

## Marketing Matters

And I thought I was the only one that read company blogs. . . Mitel posted a few blog posts warning customers that Avaya is killing support for its CS1000M platform in 2018. Avaya responded with a post accusing Mitel of Fake News.

Technically, Mitel was wrong as Avaya has not yet issued an End of Life statement. It has, however, stated that release 7.6 is the final feature release. The end of software support comes at least a year after the End of Life announcement.

Rarely do we see UC companies in a marketing face off – I love it. Though I think Avaya overplayed the victim. Although support has not ended, the end is in sight and Avaya really

should be playing up the need to upgrade. To be clear, the CS1000 came from Nortel.

I get why Avaya would be upset that Mitel accused it of abandoning its customers, but it would effectively communicated that there's no reason to replace this system.

## Facebook Dominating Mobile

A recent Android downloads report showed Facebook in the top four positions: WhatsApp, Messenger, Facebook, and Instagram. WhatsApp, acquired by Facebook in 2014, was the star with 103.6M downloads. Last month, WhatsApp y blogged it now has 1 billion daily active users sending 55 billion messages per day.

Two important take-aways: Facebook is much more than a social app. It is dominating our communication. 55 billion messages clearly has some percentage of business interactions. Facebook is already targeting business accounts with i Facebook WorkPlace. Among its benefits are minimal training, mobile-first, and rich video. Secondly, messaging is indeed the new normal. It's easy, instant, and persistent.

It is also noteworthy that Facebook has done little not to integrate Instagram into its other services. Google took a similar approach with its 2006 acquisition of YouTube.

There's a natural push to assimilate acquisitions, but sometimes leaving the ecosystem alone is better. Microsoft's strategy with LinkedIn isn't clear yet, but the units profits are up.

It is also known that Facebook is working on its own video chat device.

BODY - Applied Voice & Speech

Technologies, Inc. (AVST) today
announced a partnership with collab9,
a FedRAMP(SM)Authorized Unified

Communications as a Service (UCaaS) provider, to develop and deploy secure, cloud-based Unified Communications (UC) to meet federal, state and local government requirements. The joint solution combines AVST's industry-leading UC platform, CX-E, with collab9's innovative, secure, hosted UC solutions and is expected to accelerate the transformation to the cloud for government entities.

#### **Apple Results**

There wasn't much interest in Apple's quarterly results as there were no major surprises, or new products launched in the quarter. However, noteworthy is Apple did sell 41 million iPhones in the quarter up 1.6% YoY, and iPad sales were up 15% YoY.

Note that Gartner published total PC sales for 1Q17 at 14 million – a decline of 4.3% YoY. Mobile devices stole computing. I know I have several services on my phone that simply unavailable on a PC.

#### **Passwords**

I hired a security professional around 15 years ago. A few weeks later he presented me with my alphanumeric, mixed-case password, and told me to change it – it's too easy to crack.

WSJ reported on the father of modern password practices. Bill Burr was responsible for what became widespread recommended password practices -- and he regrets it. Special characters and short expiration periods don't improve security. They do complicate usability which can compromise security. Long, easy-to-remember phrases that don't expire are the new recommendation. A typical Burr-inspired password only takes 3 days to crack – a

reasonable and simple phrase takes centuries. The data is irrefutable and NIST has updated its guidelines.

It seems unlikely that anytime soon we will see these changes implemented. Security is one of those things that most enterprises prefer not to confront.

**Curated August News** 

 LogMeIn acquires chatbot and AI startup Nanorep for up to \$50M

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https://www.fastcompany.com/40445949/ ex-chair-tom-wheeler-dismantles-fccsargument-to-abandon-net-neutrality xxEx-FCC Chair Tom Wheeler Dismantles The Case For Abandoning Net Neutrality

https://www.theverge.com/2017/8/2/1608 2334/skype-paypal-peer-to-peer-payments xxYou can now use Skype to send PayPal money to a friend

https://www.clarizen.com/pressrelease/clarizen-workbot-slack-increasesproductivity-drives-business-agility/ xxClarizen Workbot for Slack increases productivity and drives business agility

https://readwrite.com/2017/08/03/facebo ok-ozlo/ xxFacebook acquires AI startup to make Messenger chatbots better http://www.businessinsider.com/googleoffered-to-buy-snapchat-for-at-least-30-inearly-2016-insiders-say-2017-8 xxInsiders say Google was interested in buying Snap for at least \$30 billion last year

#### This Month's Financial Results

Of the four companies below, three missed expectations. Microsoft does not break out details on its UC or UCaaS business. Many more results coming in August. Shares of 8x8 dropped as much as 30% the day after it released its 1Q results, but then settled about 12% down. Reaction to Mitel's miss is harder to interpret as it was combined with its announcement to acquire ShoreTel. Plantronics shares fell about 16% the day after it posted results.

Company	Qtr-Yr	Revenue	YoY	Income (NonG)	YoY	Income (GAAP)	YoY
EGHT	1Q-18	\$69.1 M	15%	\$2.1 M		-2.2 M	

- Although 8x8's revenue beat street estimates, the per share results fell short of expectations.
- Revised full year earnings guidance dramatically from \$24M non-GAAP, pre-tax income to \$9M.
- Stepping up investment relative to fiscal plan in sales, marketing and R&D.

MITL 2Q-17 \$238.6 M -8.3 16.9 M -23.9 -.1 M -88%

- For the current quarter ending in October, Mitel said it expects revenue in the range of \$225 million to \$250 million.
- Recurring cloud seats grew by 77,000 during the quarter and now stand at 665,000
- Mitel announced a 4000 seat international UCaaS win with a five-year contract value of about \$8 million.

MSFT 4Q-17 24.7 B 9% \$7.7 B 40% \$6.5 B 109%

- Microsoft exceeded expectations on revenue
- Commercial cloud revenue was \$18.9 billion on an annualized basis, moving closer to the \$20 billion target the company set for the fiscal year that started July 1.
- Commercial cloud gross margin widened to 52 percent
- Azure sales rose 97 percent in the period, while commercial Office 365 increased 43 percent.

PLT 1Q-18 \$203.9 M -8.6% \$36.9 M -4.7% \$23.4 M -25.2%

- Plantronics declared a quarterly dividend of \$0.15 per common share
- Announced a new 1,000,000 share repurchase program
- The Company expects revenue in the range of \$200 million to \$210 million for the fiscal second quarter.

## About the Buffalo Shorts Reports

Buffalo Shorts is monthly report on on enterprise communications. I try to avoid too much duplication with NoJitter, UCStrategies, SearchUC, and TalkingPointz as most people that follow enterprise communications already view these sites regularly.