

Unified Communications – Market Structure and Players



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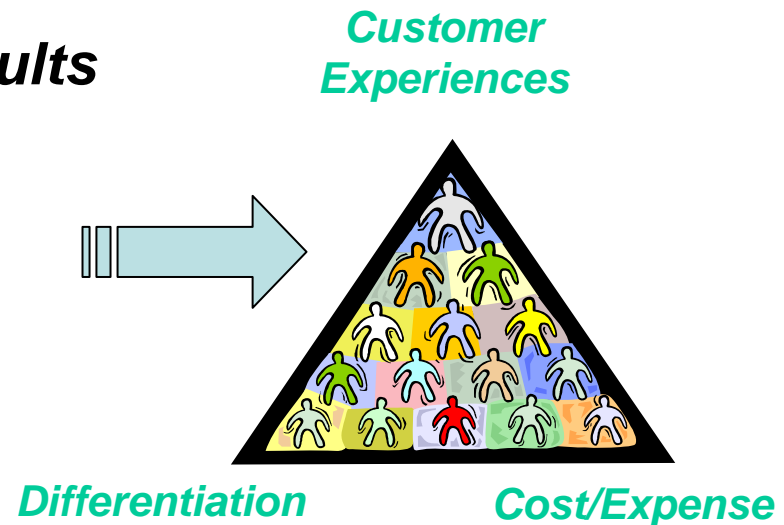
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What We'll Cover

- **Definitions & Components**
- **Who will be the major players?**
- **What are likely patterns of adoption?**
- **How will the Unified Communications market develop?**
- **What is the status of UC and future scenarios for the market?**

NEW Definition of UC

- ***Communications Integrated to Optimize Business Processes*** (ucstrategies.com)
- UC integrates real-time and non-real time communications with business processes and requirements based on presence capabilities, presenting a consistent unified user interface and experience across multiple devices and media types.
 - ***Goal: Drive business results***
 - ***ROI in three dimensions***
 - ***Process metrics are key***



Value Proposition

- **Enhanced collaboration**
- **Simplification**
 - **Makes collaboration and communications easier**
- **Improved productivity**
- **Improved customer service**
- **Streamlined Business Processes**
 - **Significantly lower process workflow costs & overall business costs**
 - **Business process improvement, targeted at operational efficiencies**

UC - Tying It All Together

Linking to the Right Resource at the Right Time

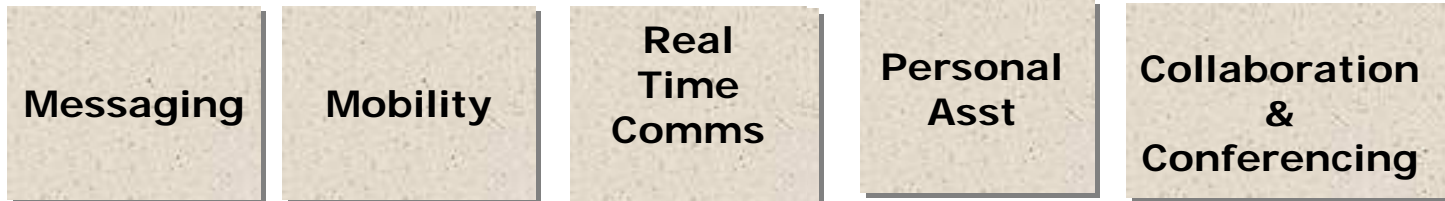
Devices



Communication Mode

Fax Voice Video IM SMS Email Voice Mail

Solutions



Voice mail,
email, fax,
video

Multiple
devices
Cross-modal

Call Control
IM

Speech Access
Navigation
Control

Web, audio,
video
conferencing

Presence

Rules, Permissions, Priorities

Integration to Business Processes

Supply Chain Mgt
ERP, CRM

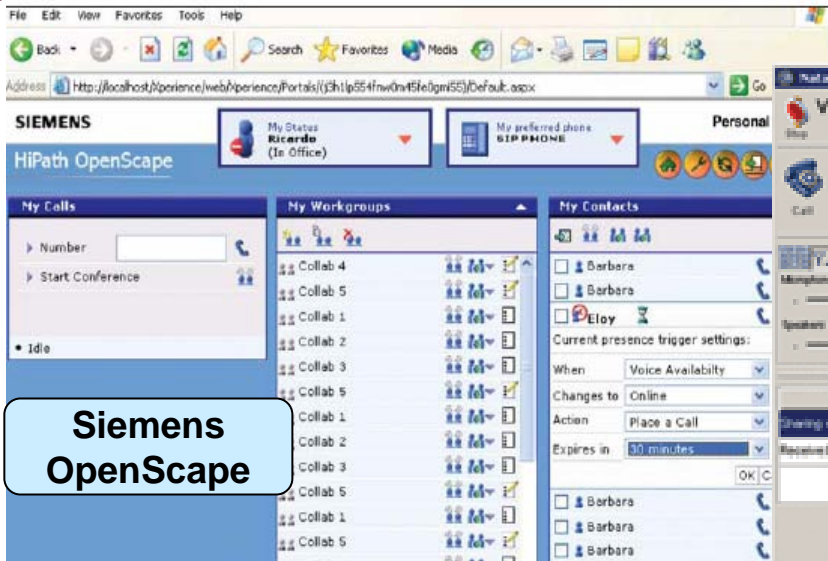


A Look at the UC Players

Players

Telephony	IM/ Email/ Presence and/or Search	Business Process	Voice Messaging	Conf'ng/ Collab	SIs, Other
Alcatel Avaya Cisco Inter-Tel Inter Intelli Mitel NEC Nortel Shoretel Siemens others	AOL IBM/Lotus* Google Microsoft* On-State Orative Tello Yahoo	Oracle* SAP Siebel Vertical apps	AVST Active Voice Adomo Esna plus all telephony providers	Citrix WebEx Interwise Polycom Sonexis	HP Accenture Dimension Data Spanlink eLoyalty Skype

Switch Vendors Offer Visual UC Client



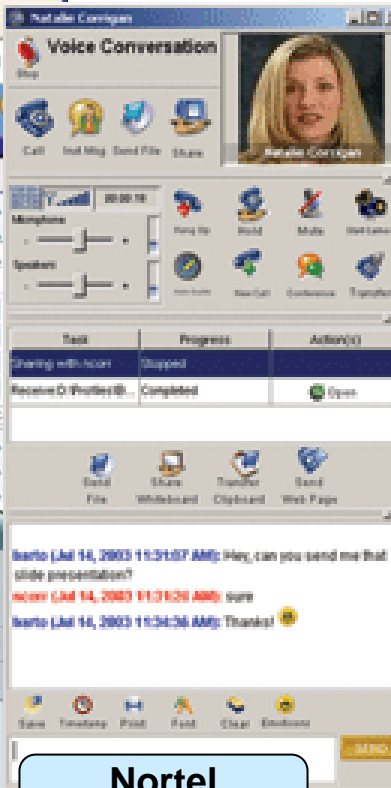
**Siemens
OpenScope**



**Mitel Your
Assistant**



**Cisco Unified
Personal Communicator**



**Nortel
MCS5100**



**Avaya
One-X**

Microsoft

- **Focusing on communication-enabling tools**
 - Leveraging presence, IM, IP voice, IP video, web collaboration, and groupware products
- **Live Communication Server (LCS), Office Communications Server (OCS) and Microsoft Office Communicator (MOC)**
 - Federates with public IM
 - Integrates presence with the Microsoft Office System
- **Microsoft controls the majority of the desktop OSs and shipped over 400 million seats of Microsoft Office Suite**
- **But, minimal telephony capabilities – uses partners, Nortel**
- **Embedding telephony into OCS**
 - Using Gateway to integrate with other parts of enterprise, but could operate without PBXs

Microsoft's Impact on the Market

- **Are most businesses really willing to put all of their communications eggs in a Microsoft basket?**
 - **People do not want to have to reboot their phones**
- **Will MS be able to execute on their vision?**
- **Will enterprises put IP PBX purchases on hold until waiting to see what MS does?**
- **Microsoft will cause FUD and paralysis**



- **Extend Application Presence**

- Presence is the center of everything – start with presence

- **Emphasis on Sametime**

- Sametime is UC platform – provides all underlying presence services
- Sametime 7.5 UC & Collab Client - Eclipse framework w/plugins –Set of connections to telephone providers (Avaya, Nortel, Cisco, etc)
- Conferencing – allows best of breed conferencing
- Click to Talk, Click to Call, Click to Conference

- **Business Process**

- Portlets created for specific jobs, tasks
- Portal Connectors to SAP, Lotus, PeopleSoft, Siebel
- WebSphere

- **Multiple Mobile Capabilities**

- Multiple direct connect clients – Blackberry, Windows, Symbian

IBM Product Suites

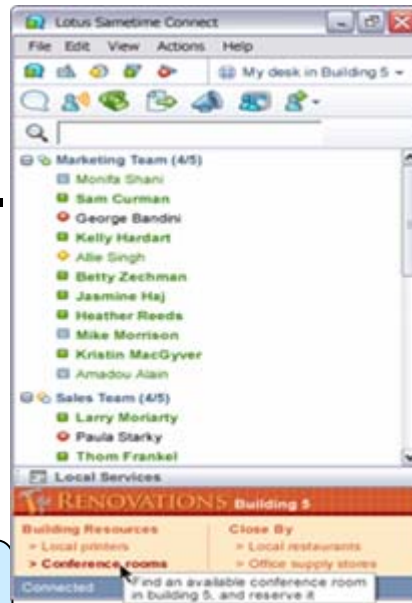
- Notes/Domino
 - Messaging-based collaboration
- Sametime
- IM/web conference functionality
- Workplace
 - Information mgt.
- Websphere
 - Portal access



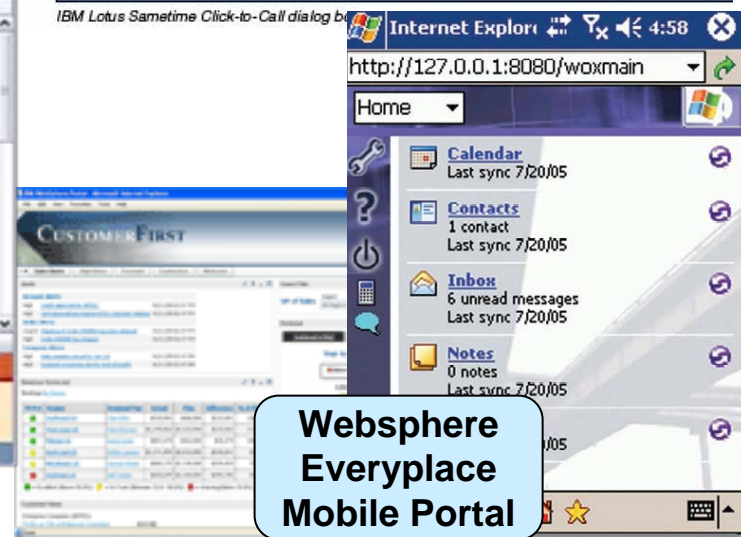
Sametime IM/Conference



Sametime Click to Dial



Sametime Client Connect

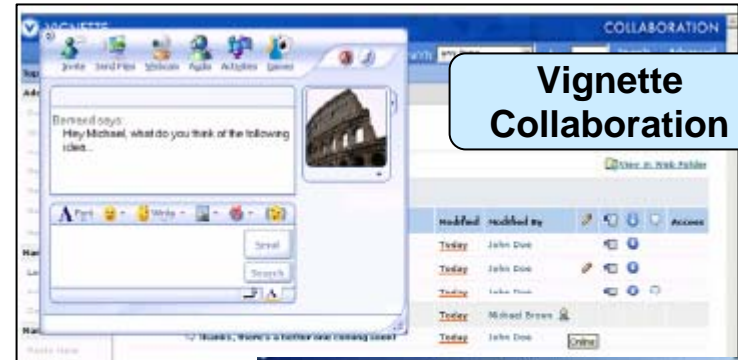


Websphere Everyplace Mobile Portal



Application Vendors

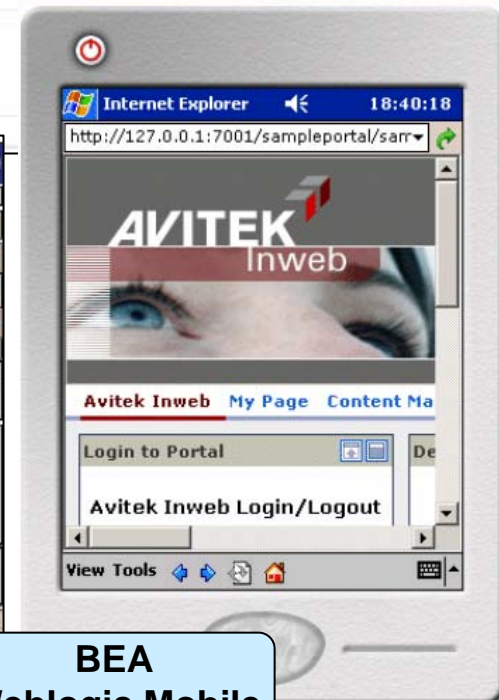
- Most major application software firms offering mobile interfaces for info and transactions
 - Oracle Siebel Mobile
 - SAP
 - Portal Producers
 - BEA
 - Vignette



Vignette Collaboration



Siebel Mobile



BEA Weblogic Mobile

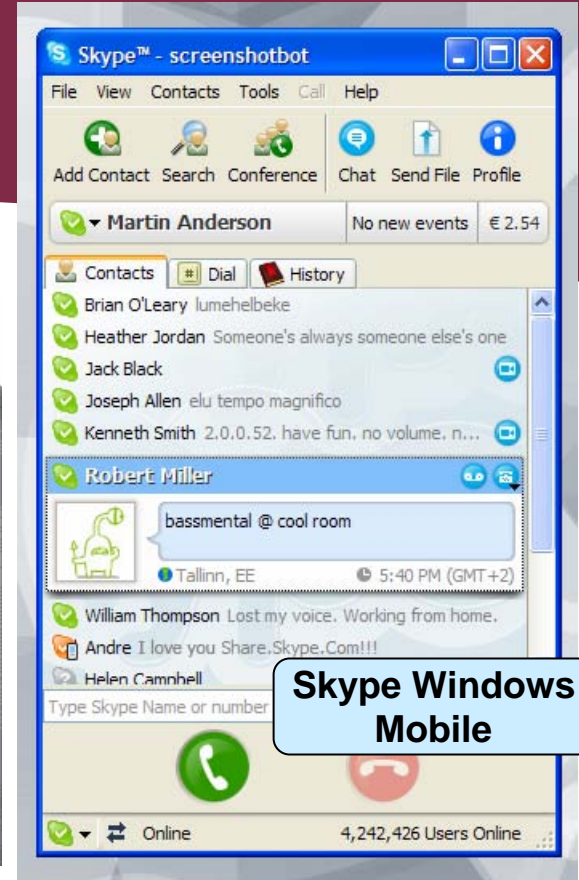
Public Portal/IM Vendors

- **Most Internet Portal Operators have initiatives to capture business usage**
 - **Yahoo! Go: seamless office/mobile services**
 - **Windows Live MSN: IM-based unified communication**
 - **AOL: Continues to add to communication suite**
 - **Skype: Range of services, moving to business quality**
 - **Google: Private-label Gmail, Google Calendar, Google Talk, Google Docs & Spreadsheets**
 - **A breakthrough in federation between providers could radically change business process options**

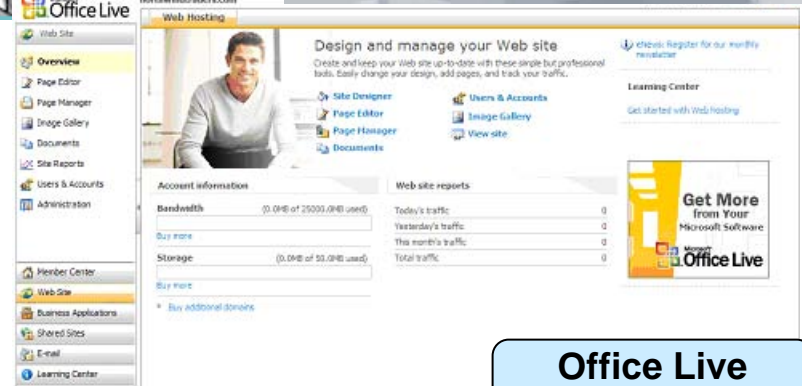
Public Portal Illustrations

- **Consumer services adding business-like functionality**
- **Large user populations invite integration to the enterprise**
- **Enterprise providers will respond with mobile, attractive capabilities**

Yahoo! Go Mobile



Skype Windows Mobile



Office Live (MSN)

UC Adoption, Changes, Future

UC Today and Tomorrow

	Past	Present	Future
Communication Focus	Anytime, anywhere, anyway	Right time, right place, right device, right resource (i.e., individual, business process)	Any to any communications. Rules based, permission based, priority based
User Focus	Mobile user	Collaborative and mobile users (i.e., corridor warrior)	All enterprise users based on roles and jobs
Function Focus	Messaging and communications	Collaboration and interactions between people	Business process optimization – collaboration & interactions between task, project, contacts
Lead Vendors	Switch and messaging vendors	IP communication and messaging vendors, plus collaboration vendors	Desktop vendors; Business process and application vendors aligned with IP vendors

1990s-2004

2004-2007

2007-

UC Adoption – Short Term



**Road warriors
Telecommuters**



**Semi-Mobile/
Corridor Warriors**

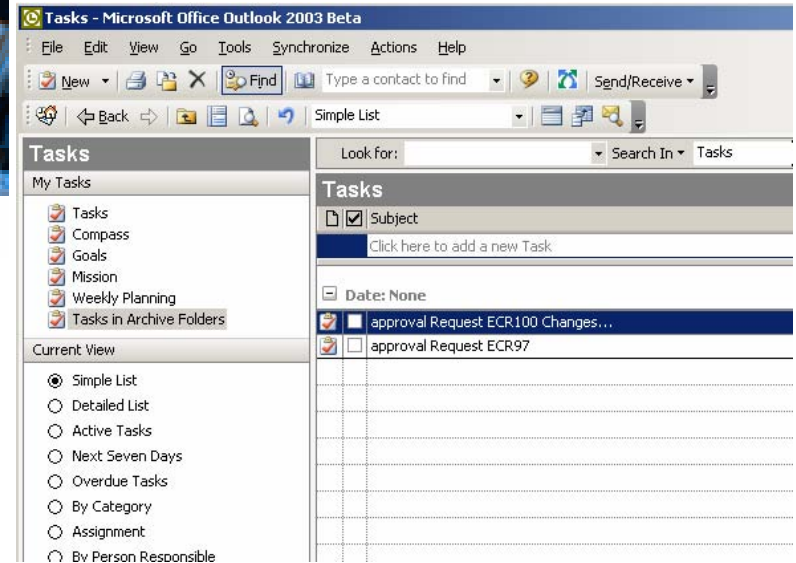
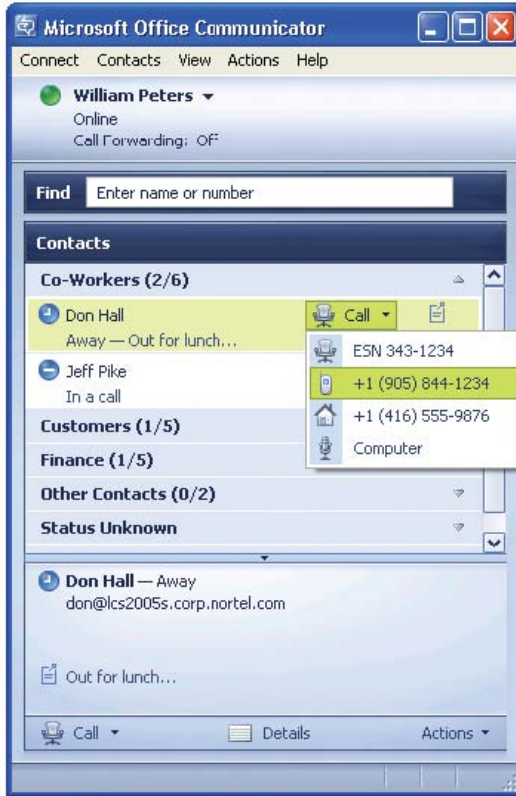


Workgroups



Need for Collaboration

UC Adoption – Longer Term



Business Process Integration

UC Adoption

- **Next 1-2 years:**
 - Enterprises begin thinking about business processes, how UC can be used
 - Will compare MSFT, Cisco, IBM, and telephony vendors' offerings
 - IT currently leading and controlling the adoption
 - Trials in leading-edge companies
 - Small pockets of users within enterprises
 - Will start with general business processes & apps (collaboration, Office)
- **18 mos-3 years:**
 - UC products become more mature, more capabilities
 - New entrants to market – business process and app vendors, others
 - Viral impact: workers will see others using UC and want to try it
 - Business users will lead this, not IT
 - More trials, expanding to different groups and processes within enterprises and to more enterprises
 - Start moving to more defined business processes (verticals)
 - Communications will increasingly be linked to processes and transactions. (people will make calls and have meetings off of calendars, task lists, etc.)
- **3-5 years:**
 - UC as a competitive weapon
 - Moves to mainstream

Potential UC Market Scenarios

- 1. The PBX (IP PBX) remains center of enterprise communications**
 - Prices will come down due to outside competitors (Skype, MSFT, etc)
 - More functionality added and integrated
- 2. Desktop and Apps providers become the new comm leaders**
 - Adding comm functions into their products
 - Takes away PBX vendors' raison d'être
 - Adds value to their own offerings
 - Microsoft and IBM will lead – already own the desktop
 - Followed by SAP, Siebel/Oracle, et al.
- 3. Network providers take the lead role in communications**
 - Enterprises will get their communication functions from their Network provider
 - Wireless devices take center stage - a version of PC Communicator?

Potential UC Market Scenarios

- All groups face threats from web portals (Yahoo, Google, AOL)
 - Adding click-to-talk, VoIP, etc.
- UC becomes a “loss leader”
 - Prices drop – voice becomes more of a commodity
- Phone systems lose value
 - IP PBX vendors will need new strategies
 - Vertical specialization
 - Value add to Microsoft or app vendors
- What’s likely to happen:
 - Chaos paralyzes the market through 2010
 - Buyers take wait and see attitude
 - All signs lead to massive mergers, acquisitions, partnerships

What's Changed Since Last Year?

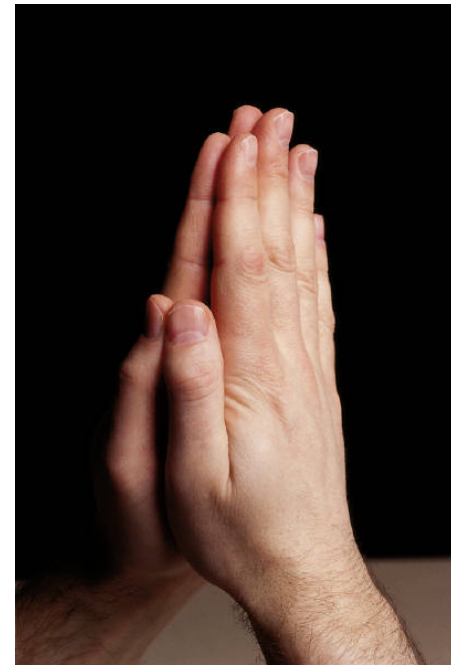
- **Not as much as expected**
 - **Still confusion about UC – is it UM, VoIP?**
- **Hype and jumping on UC bandwagon**
- **More interest in UC (i.e., VoiceCon roadshow)**
- **Some real world examples (not many, but some)**
- **Acquisitions**
 - **Cisco/Orative**
 - **Avaya/Traverse**
 - **Motorola/Good Technology**
- **Some new product releases**
 - **Microsoft released OCS to beta customers**
 - **IBM added audio/telephone integration (Sametime 7.5)**

What to Expect in Near Future

- **Presence everywhere**
 - Presence indicators for all our communications
- **Relevance and context – more than presence**
- **Focus on end user experience**
 - It's not who controls the desktop or device, it's who controls the user experience
- **SOA – seeing lots of activity**
- **Impact of online social networking**
- **Voice Over IM**
 - Talkster, Talkplus
- **Voice 2.0**

What to WISH for

- **Federation**
- **Presence tools automatically embedded within common enterprise applications**
- **Vendor roadmaps**
 - **How to get there from here**



Forecast?

- **Voice will be integrated into enterprise business processes and applications**
- **Unified Communications can and will “Optimize Business Processes”**
 - **The next big wave of improvements**
 - Increasing transaction speed
 - Reducing labor content per transaction
 - Changing team work/collaboration methods
- **UC will become a key competitive advantage – those who wait to figure out their UC strategies will be at a competitive loss**
- **Communication vendors will not only be the traditional switch vendors – new entrants will dramatically change the game**
- **Microsoft will shake up the market – don’t underestimate its control over the user experience**

Final Thoughts

UC is a vision or philosophy
that leads to solutions –
it is not a product!