

Unified Communications: The Time is Now for Enterprise Adoption



By Kerry Doyle

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Executive Summary

Pembina Trails School Division faced a daunting communications challenge, and its outmoded telephony system was only part of the problem. “We had a number of flaky phone systems—sometimes voice mail worked; sometimes it didn’t,” says Don Reece Director of Information Technology at the Winnipeg, Manitoba, school system. “My clients suffered through a 50/50 chance of getting an outside phone line each time they placed a call. And we were locked in to particular vendors depending on the phone system.”

The school system, made up of two distinct divisions now combined into one, needed a unified communications (UC) solution that was both cost-effective and flexible. Plus it had to meet the needs of its dynamic, media-savvy population of students, staff, and faculty. But its infrastructure, a patchwork quilt of mismatched networks, servers, and switches, complicated the adoption process.

Today, a wide array of organizations feel Don Reece’s pain (*See sidebar*). And they’re increasingly turning to UC as a critical strategy for increasing productivity by enabling end users to communicate anytime, anywhere. Getting the right communication solution often requires inventive and novel approaches. For Pembina, this meant finding a vendor with a simple, cost-effective solution that could link its divergent systems, and handle an imminent user-base increase.

Small and medium enterprises face common obstacles when trying to adopt a new communications platform or update an existing infrastructure. Limited resources, strict budgets, and outmoded technology all stand in the way.

But the measurable business benefits of UC are reason enough for many organizations to push through these barriers.

For some organizations, the best method is adding on to an existing infrastructure, the “blend and extend” approach. Other times, a company can take a “forklift upgrade” approach for immediate, advanced state-of-the-art communications. This white paper looks at what’s driving UC adoption, and what’s standing in the way. It looks at the blend and extend and forklift upgrade approaches for enhancing communications and productivity. Finally, how should organizations approach the all-important TCO and ROI questions when considering a communications upgrade?

UC Situation Overview

UC is a set of programs and protocols that allows users to contact each other using a range of different media platforms at any given time. It brings together diverse communication devices, from mail programs to video

conferencing and telecommunications, to establish streamlined connectivity between users.

A piece of UC, Unified Messaging, offers a way to use a single mailbox to handle each of your communication and collaboration tools, such as voice, fax, and email. In an era of communications and media overload, combining Unified Messaging with UC provides a critical means for increasing your productivity. For example, when you can choose from a range of communication devices, it's easier than ever to maximize your response time to clients and colleagues. You can also gain greater awareness of what's taking place across your organization.

Key Drivers for Choosing UC

Small to medium enterprises—SMEs—(1-1,000 employees) that have committed to a comprehensive UC system enjoy considerable benefits: lower communication costs, more efficient operations, and more productive end users. It all boils down to increased competitive advantage. Benefits like that are an easy sell for the IT leader at a small to medium enterprise.

When an SME adopts a UC system, the organization sees improvements in three key areas: communications, operational efficiency, and collaborative abilities. For example, install a VoIP system, and you gain access to capabilities unavailable in older, traditional PBX-based systems.

Or combine VoIP with Unified Messaging and you'll see significant improved performance in business processes and customer service.

Other benefits you can look forward to:

- Fast and versatile message handling via phone, email, smartphone, IM, & fax
- Low-cost move, add, and change (MAC) capabilities for new and remote users
- Reduced PSTN long-distance calling costs and cellular charges
- Lower media integration costs
- Elimination of third-party conferencing costs

IT management is simplified with a comprehensive UC system. IT can use intuitive interfaces, familiar administrative tools, and centralized directory controls, reducing maintenance costs and making better use of employee time—an increase in productivity both for your IT team and your end users. Work-related collaboration, regardless of where employees are located or the devices they use, offer further savings. These collaborations involve:

- Streamlined communications via single, familiar clients, such as smartphone, desktop, or laptop
- Web conferencing for real-time connections
- Anytime/anywhere video and audio conferencing to drive productivity and business processes
- Improved employee mobility/elimination of commuting time for virtual employees

Business and IT Benefits to UC Adoption

Recent research from *CIO Magazine's* 2011 State of the CIO Survey points to the promise for the future of UC adoption. The survey found that IT executives' top considerations include 1. increased workforce productivity; 2. decreased operating costs; and 3. improved business processes.

The survey cited an across-the-board increase in the preference of CIOs for developing IT strategies to accelerate business goals (70 percent) as well as for redesigning business processes (52 percent). IT leaders also clearly favor further controlling IT costs (50 percent). By embracing UC adoption, CIOs can tactically meet these needs for lower operating costs and increased productivity goals.

Since the economic downturn, companies have been under pressure to reduce the cost of systems ownership both day-to-day and for the long-term. According to the survey, many CIOs are ready to accelerate business goals by acting *now* on strategic and transformational IT initiatives that had previously been put on hold.

Workforce productivity

CIO respondents indicated that when it comes to achieving business objectives, increased employee productivity is key (61 percent). And UC, Unified Messaging, and VoIP together represent crucial workforce productivity enablers. These systems leverage Internet, inter-company communications, and telephony architecture to bring together all aspects of real-time communications.

Since UC is all about instantaneous information retrieval, the faster an organization locates, gathers and shares information, the more productive and competitive it becomes. Bringing together different media—speech recognition, video conferencing, email, fax, IM, and call control services—to function as a whole helps companies across its business units. Direct and open communications between individuals translates to:

- Improved customer service
- Streamlined product development
- Quick resolution of business issues
- Immediate response to new business opportunities and deal closings

Decrease Operational Expenses

CIOs recognize the importance of aligning IT with business goals (66 percent in the *State of the CIO* research) as well as controlling IT costs (50 percent). These statistics show how important it is to IT leaders to reduce latencies, manage business flow, and boost productivity. The fact that UC and VoIP solutions are relatively easy to deploy and maintain, especially when using a vendor who supports simple, cost-effective solutions, can make a critical difference to giving your company a competitive edge.

The recent spike in remote workers has IT leaders looking closely at ways to streamline deployment and management of the systems and devices that make mobility happen. UC can effectively support off-site workers and low-cost satellite offices and help to limit on-site operational costs. Efficient, holistic communication solutions provide better collaboration opportunities for mobile users along with improved integration of remote offices, regardless of where they're located.

Improve Business Processes

When you embed UC and collaborative applications within your business processes, you'll see a measurable improvement in business overall, especially in the areas of sales and marketing, project management, and development. This is especially true for customer service in each of those cases, an area that more CIOs expect to focus on in the next three to five years, according to the *CIO Magazine* survey.

For Kevin Sokolowski, vice president of information technology at Canadian payroll processor Payworks, implementing an Interactive Voice Recognition (IVR) system as part of his UC strategy paid immediate business process benefits.

"An IVR application will provide quicker response time for the customer and increase productivity for the call center staff. They'll have more time to manage high impact calls instead of looking up data like status of a check being submitted or remaining balance. That streamlines the business processes and affects productivity for the whole organization."

The ROI case for UC is all about improving business processes within your organization. The question is how best to quantify the ROI for operational efficiency, enhanced productivity, and collaboration. Although SME acceptance of UC is on the rise, adoption rates are still gradual. This is due partly to the complexity of figuring out ROI in terms of justifying UC system investments. The slow rate of adoption can also be a result of multiple technical and organizational issues, including:

- Enterprises need to preserve the bulk of their communication infrastructures, leading to a phased "blend and extend" approach rather than a wholesale "rip and replace" or "forklift upgrade" approach. While many UC applications lead to streamlined efficiency and maintenance, many products are complex to deploy and may require fine-tuned customization and integration.

For SMEs, it's better to look at ROI based on strategic investments and mid-term results, such as productivity improvements, rather than on hard ROI, such as immediate cost savings. As a result, deployments often occur more slowly or only as part of a broader technology update.

Jerry McConnell, Director of Technology with Wall Street Systems says, "It is hard to put an exact ROI figure on the product because it is hard to put a dollar value on things like improved productivity and customer responsiveness." He adds that in his case, the original expenditure was "not significant," and the "cost outlay was well worth the money spent."

Capitalizing on UC Investments

The first step in UC adoption is to clearly understand your communications objectives and how your different business processes interrelate. Once you understand the pain points and how a UC system can help alleviate them, there are two choices: Gradual UC implementation over time or the "forklift upgrade" approach where you completely replace one communications infrastructure with another.

In most cases, when you implement UC components gradually within a pre-existing infrastructure it takes the form of a blend and extend approach. "A year ago we developed our unified communications vision for the firm; yet, we knew realistically that we couldn't do it all at once," says Tom Wickersham, president of Detroit, MI-based Roncelli Inc. Choosing the gradual approach allowed Roncelli to leverage its previous infrastructure investments and avoid the expense of a complete system overhaul.

The blend and extend approach offers an incremental, cost-effective method for increasing operational efficiency. For example, when you add individual UC components, such as desktop faxing or accessing voice-mail through the inbox, you increase the versatility and power of your current communications infrastructure. And you can do this at a fraction of the cost of a system-wide communications upgrade.

In terms of your workforce, a gradual blend and extend approach can help ease the adoption process. End users will have a better ability to grasp new collaboration concepts and ways of communicating. In addition, by combining UC elements with existing proprietary programs, you can expand the functionality of an older, preexisting infrastructure. This will both extend the life of the system and continue to increase the ROI as you transition toward a truly unified communications infrastructure.

Keeping your current communications system intact while gradually adding new components offers the following benefits:

- Minimize capital outlay
- Simplify user adaptation through step-by-step implementation
- Formulate optimal combination of point products through mixing and matching
- Leverage pre-existing infrastructure investments to extend the life of your system and increase the ROI
- Devise global company plan for gradual UC adoption

On the other hand, the forklift upgrade approach is an opportunity to completely revamp an older proprietary system, eliminate its constraints, and immediately come up to speed with real-time media tools. You'll find that a total UC system upgrade can provide operational savings in a variety of ways. Low-cost moves, adds, and changes (MAC), rich call collaboration control, and more effective phone messaging represent just a few of the administrative changes that can help your IT department reduce costs.

In addition, once a new UC system is in place, software upgrades are easier to perform as well as user activation and network maintenance. Communication costs are lower, especially for long distance and international calling. For example, cellular charges are decreased as expensive mobile plans are traded for fixed mobile convergence. In addition, Unified Messaging software that transparently integrates all communication services in one device will also help to simplify systems management. Your IT staff can offer better support to mobile users and remote workers as well as quickly adapt to dynamic communications needs. Operational savings are achieved through efficient management, security, upgraded performance, and better system controls.

Keep in mind that a forklift upgrade is not without its challenges. The expensive capital outlay and its accompanying communications disruptions can seem daunting. But with the right UC software vendor and careful planning, the transition can happen painlessly. And all of these communications enhancements eventually lead to superior productivity based on employee mobility, faster decision-making, more effective collaborations, and an increased competitive advantage for your company.

Summary

UC can have a substantial impact on your company's net income. According to *CIO Magazine's* State of the CIO 2011 Survey, CIOs are poised to execute strategic and transformational initiatives, especially in the area of updating communications infrastructures. UC significantly reduces costs, simplifies IT administration, and improves worker productivity.

In many cases, cost will dictate the approach taken, and there are obvious benefits to each method, whether it's a blend and extend approach or forklift upgrade. The most crucial aspect: plan your implementation with clear goals in mind. If it's a blend and extend approach, take into account which area of communication would benefit most from improvement. If it's a forklift upgrade, despite the immediate growing pains, you can be confident that it will lead to the ultimate goal: competitive advantage. Often, working with a vendor such as ADTRAN can provide a diverse range of solutions and adaptable technology to meet the unique needs of enterprises of all sizes.