



TECHNOLOGY

The Case for UCaaS

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Introduction

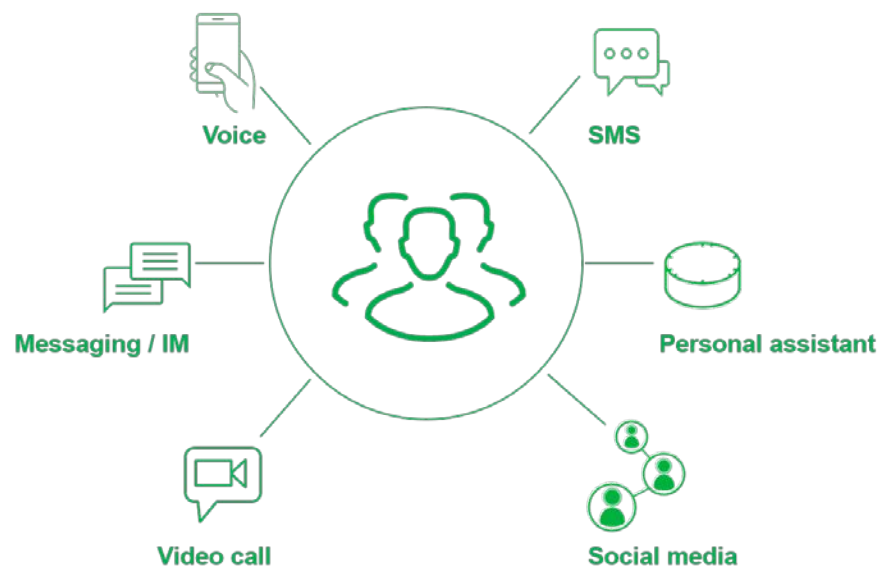
The enterprise communications market has been undergoing a transition as more businesses adopt unified communication and collaboration (UC&C) and the lines between telephony and unified communications (UC) blur. UC&C is on the rise, bringing together the integration of communication tools such as voice, messaging, presence, video, and collaboration. With workforces that are increasingly mobile, the expectation of being able to chat, talk, video conference, and share documents from a single application is increasing. And we want these tools across any device, anywhere, and at any time, making UC&C ideal for a cloud services model. The truth is businesses have been steadily migrating voice and UC&C to a hosted model for a number of years. At the end of 2017, there were 46 million UCaaS seats in service worldwide.

UC Evolution

The proliferation of communication channels has changed how employees communicate in new and interesting ways that enhance productivity. Instead of using a traditional desk phone or email, people are communicating with rich messaging, social media, video calls, text messaging, and through personal assistants such as Amazon Alexa or Google Home. Companies must adapt to support a broad set of communication channels for their employees, partners, and customers.

Traditional premises-based UC solutions have limitations in meeting the growing number of communication channels available. Cloud-based services such as UCaaS inherently can drive communications through different channels because there are no physical limitations in addition to future proofing as new and enhanced ways to communicate are developed.

Exhibit 1: Proliferation of Communication Channels



Source: IHS Markit

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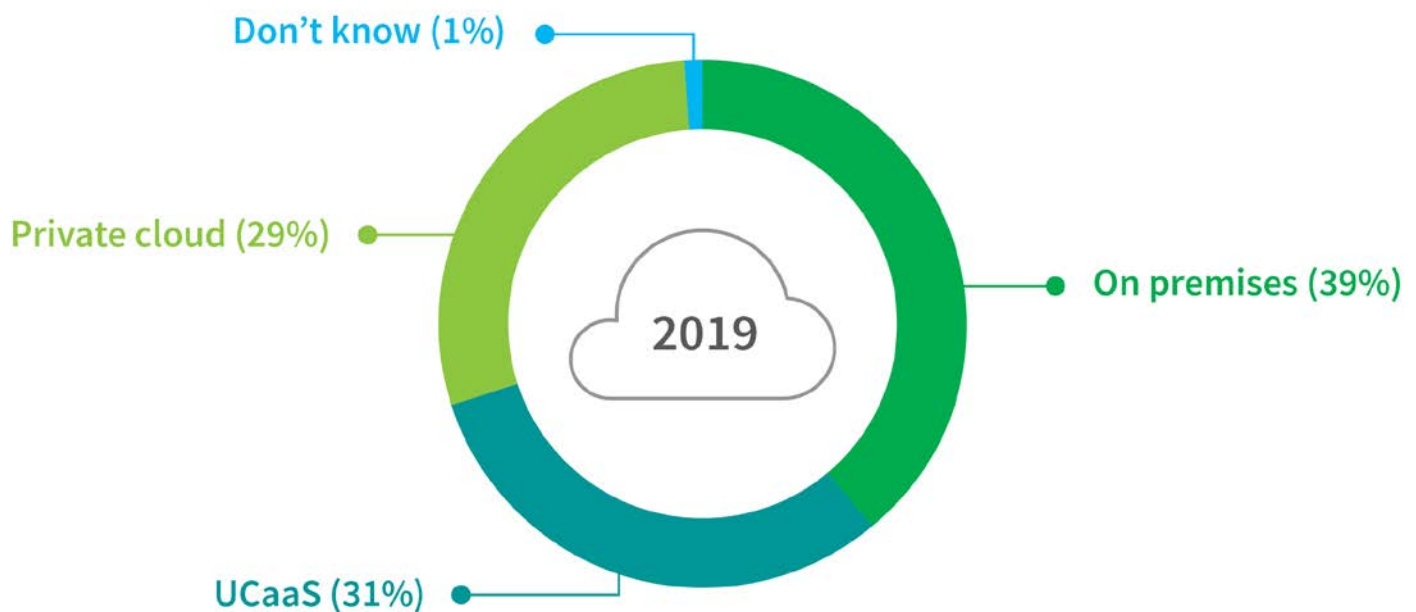
As UC evolves in functionality, taking on new capabilities such as team collaboration or video conferencing, it also becomes a critical component for businesses' digital transformation. Putting communications at the heart of your transformation enables critical applications like CRM, productivity, data storage, and customer service to become even more valuable. UCaaS solutions today provide connections or APIs to easily enable the integration of communication with key business applications like the ones listed above, accelerating the transformation for businesses.

UC&C Moving to the Cloud

The last decade has seen a tremendous rate of adoption of new types of communication, making today's communications experience richer than ever before: we send e-mails, text messages, and instant messages, make phone calls over the Internet, collaborate with team members in dedicated spaces, and enjoy high-quality video calls. The general idea behind unified communications and collaboration is to organize this arsenal of tools and integrate the various fragmented modes into a single communications experience. Companies are deploying UC&C to improve employee productivity and response times and reduce operational costs. So instead of connecting phone numbers or devices, UC&C providers are working to connect people in the manner most effective for the situation.

UC&C is not limited to businesses deploying and managing a solution on their premises. There has been a rise of businesses using cloud solutions across the board, and UC is no exception. Cloud solutions drive the complexity of implementing a UC&C solution into the hands of the service provider, which is appealing to a number of businesses. By 2019, according to the IHS Markit March 2018 *Unified Communication Strategies and Vendor Leadership North American Enterprise Survey*, in which we surveyed IT decision-makers at 201 North American organizations, 60% of businesses will have some part of their UC applications in the cloud (UCaaS or private cloud). There are more hosted options available from a variety of sources than ever before to fit a growing set of needs.

Exhibit 2: UC&C Moving to the Cloud



Source: IHS Markit UC Strategies and Vendor Leadership North American Enterprise Survey – March 2018

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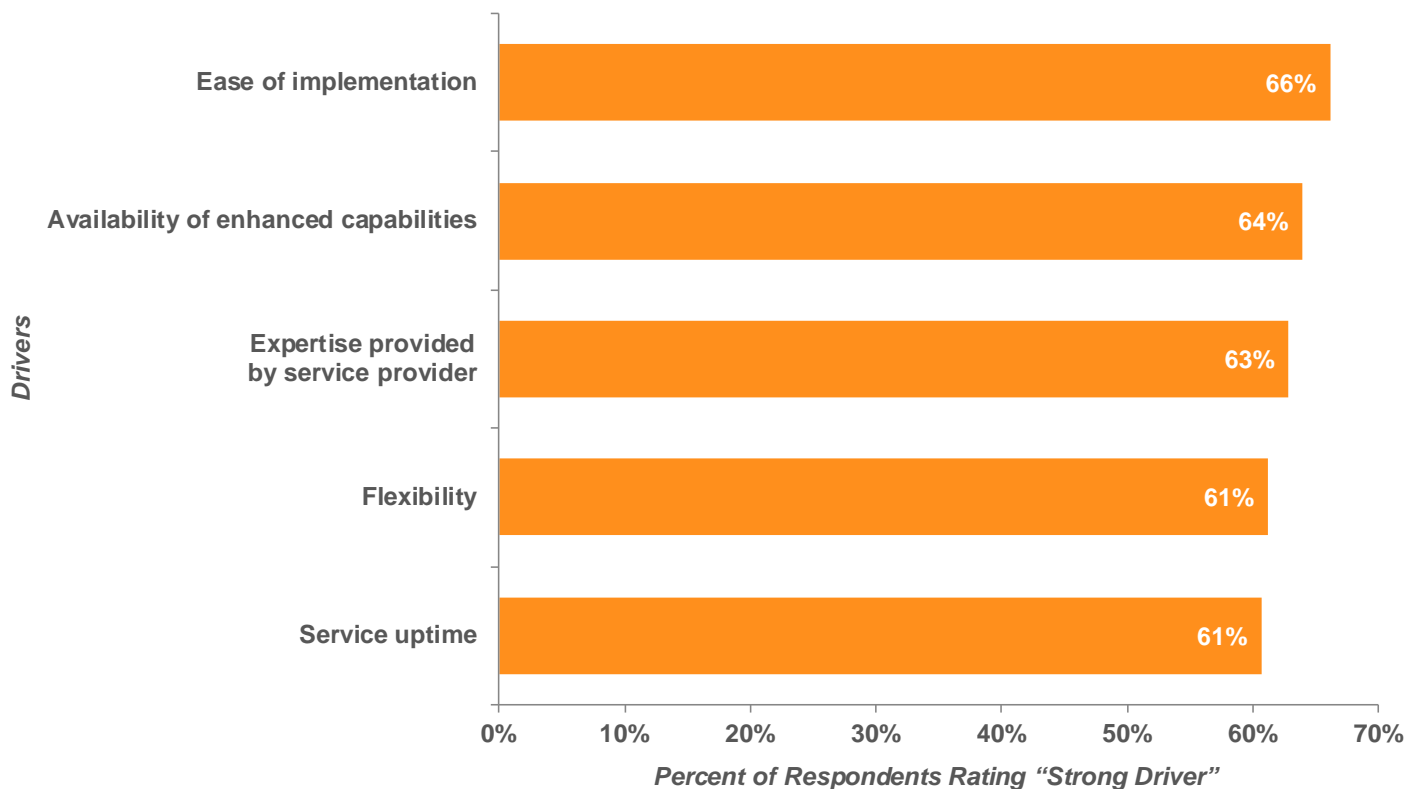
Benefits of UCaaS

In the same March 2018 survey, we asked respondents who connect at least part of their UC solution through UCaaS or a private cloud service to rate drivers for moving to a cloud service.

The availability of enhanced capabilities and ease of implementation are the most critical drivers for migrating to a cloud UC service. Cloud solutions are inherently more flexible than premises-based solutions, offering businesses the ability to scale users up and down, centralize management, and deploy new features and applications quickly.

UC&C is all about creating a more efficient and agile organization. Giving employees tools that allow them to communicate more effectively should, in theory, make them more productive, leading to an overall more efficient organization.

Exhibit 3: Why UCaaS?



Source: IHS Markit UC Strategies and Vendor Leadership North American Enterprise Survey – March 2018

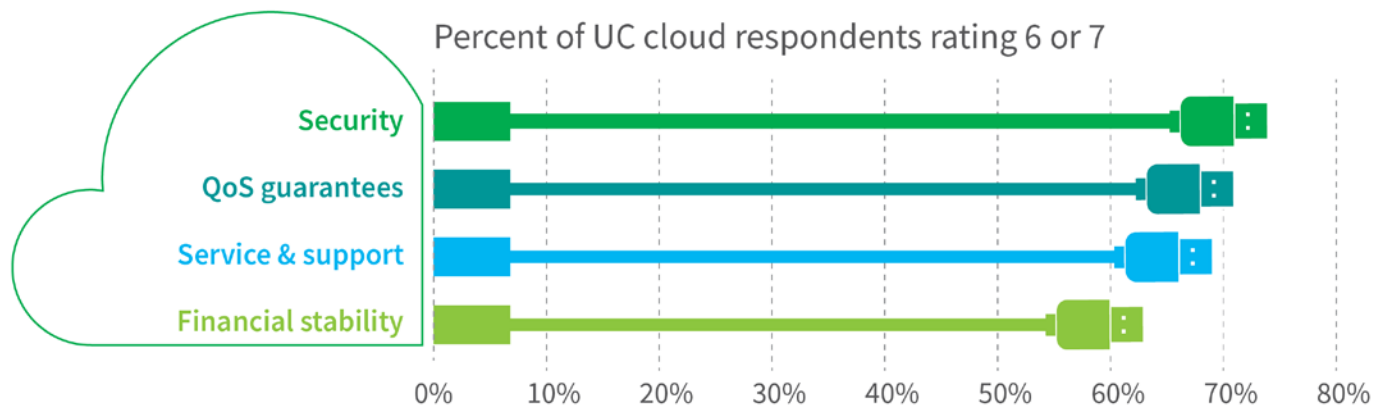
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Key Considerations in Evaluating UCaaS Providers

The cloud offers tangible benefits for enterprises for a variety of UC needs. But one of the challenges is finding a provider that best fits your company's requirements. We asked our survey respondents about the most important criteria in selecting a cloud provider. Quality of service guarantees and security top the list as businesses want to ensure the UC is being delivered in a secure environment and with high quality

Without high-quality service and the accompanying support, businesses will quickly churn away from providers. In discussions with enterprises that are evaluating or have selected cloud providers, a consistent theme is having responsive account managers and proactive support teams. Aside from having the necessary features and capabilities and a high-quality service, the interaction with account and support teams is critical for businesses.

Exhibit 4: Key Evaluation Criteria



Source: IHS Markit UC Strategies and Vendor Leadership North American Enterprise Survey – March 2018

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Bottom Line

With the number of options readily available, people rarely communicate with just a phone call anymore. The broad range of communication tools from a wide variety of companies can quickly make it overwhelming for businesses to manage all the ways employees and customers want to communicate. For this reason, we see an increasing number of companies evaluating and migrating to UCaaS for access to enhanced applications from a single provider and to ease the implementation. UCaaS takes what can be complicated and requires unique skill sets beyond what a company may possess in-house and simplifies the implementation and ongoing management of UC. Additionally, UCaaS allows companies to seamlessly standardize on a common set of tools from headquarters to branch offices to remote workers.

Although deciding to migrate to UCaaS sounds simple enough, the biggest challenge can be sifting through a large pool of options and service providers. At the end of the day, businesses need high-quality, secure services from a reputable provider, and businesses need to ensure customers, partners, and employees can communicate with each other without disruption. Communications with voice at the center remains a critical tool for businesses of all sizes that must remain dependable while building in more modern capabilities.

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