Integration, Optimization, and Cost Reduction Drive Investments in Business Communications

An Analysis by Steven Taylor and David DeWeese

Introduction and Key Findings

In February of 2010, members of Avaya's user groups were invited to participate in a survey about business communications requirements and investments, and over 700 IT professionals responded. Roughly 82% of the survey respondents were located in the United States, with another 9% in Canada. Respondents in the healthcare/pharmaceutical, higher education, government, and financial industries comprised the largest number of respondents (51%, collectively), though users from manufacturing, insurance, telecommunications, and other industries were also represented in single-digit percentages each.

The survey sample included mostly respondents from companies in the mainstream of technology adoption: 79% replied that their organization invested carefully in their communications infrastructure after weighing needs and costs, while 14% indicated that they sought best-in-class communications solutions. Only 7% said that their communications did not change much over time.

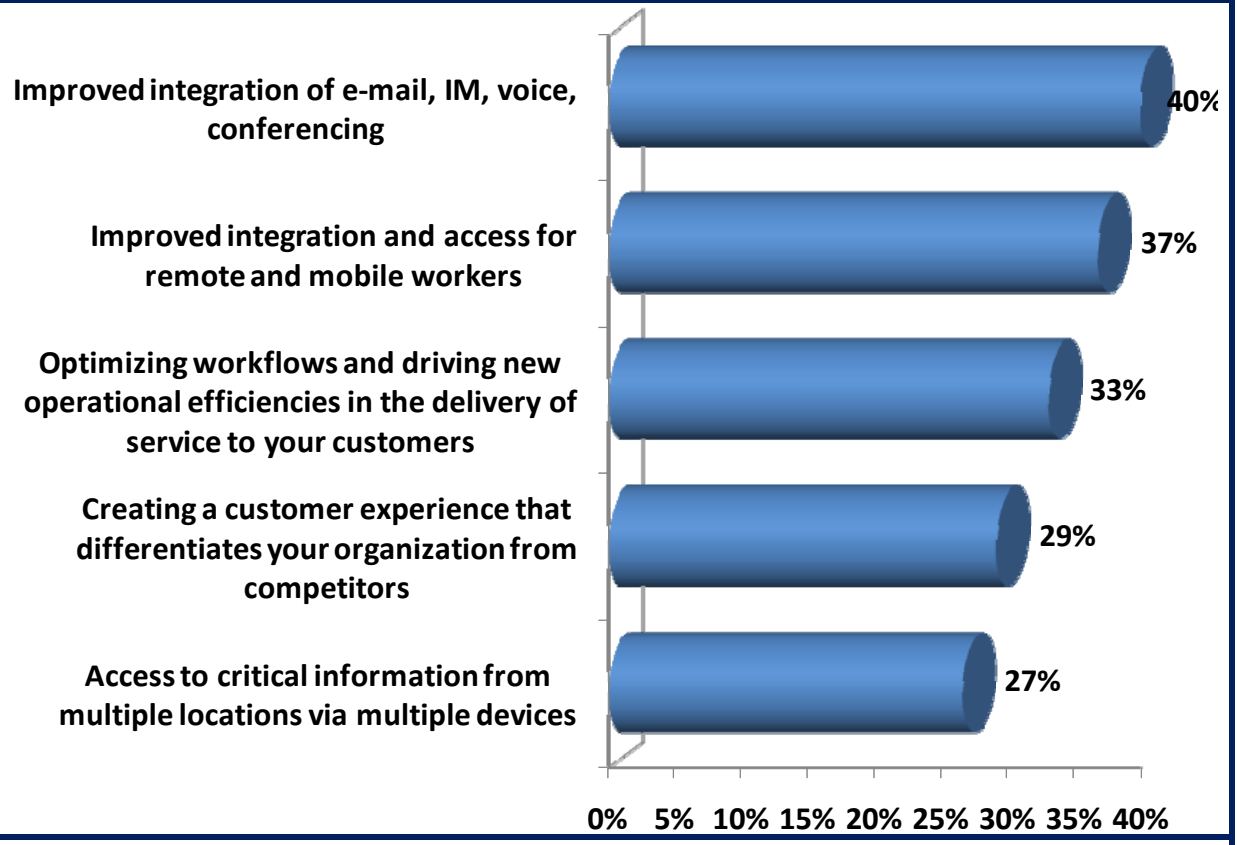
The key findings of this analysis are:

- Businesses are most interested in integrating and optimizing communications technologies and methods.
- Businesses plan to make new investments in IP Telephony (IPT) and Unified Communications (UC) to meet their integration goals.
- Green IT technologies continue to draw interest for their own sake and for the associated cost reductions.
- The desire to integrate communications and provide support for mobile employees continues to drive interest in UC.
- Investments in Contact Centres are focused on agent productivity and the enablement of IP and/or SIP based solutions.

Business Communications Requirements and Investments

As stated above, further integration topped survey respondents' wish lists, with 40% indicating that users in their company wanted improved integration of email, IM, voice, and conferencing technologies, and 37% desiring better integration and access for mobile or remote workers (**Figure 1**). 33% wanted more capabilities to optimize workflows, a possibly related goal. Furthermore, many requested simplification in management of multiple communications devices and multiple inboxes (26%, not shown). Complementing the broad push for remote worker integration, 27% specifically wished for more access to important information from more locations using more devices. The popularity of all of these responses indicates a broad push toward giving workers the tools they need to work more quickly and effectively, no matter the location. This desire is no doubt partially driven by a desire for cost savings, since it can be much less expensive to invest in new technology than to hire and train new employees, and today's impaired yet improving business climate still has many organizations thinking about how to get the most out of what they already have.

Figure 1. Business Requirements

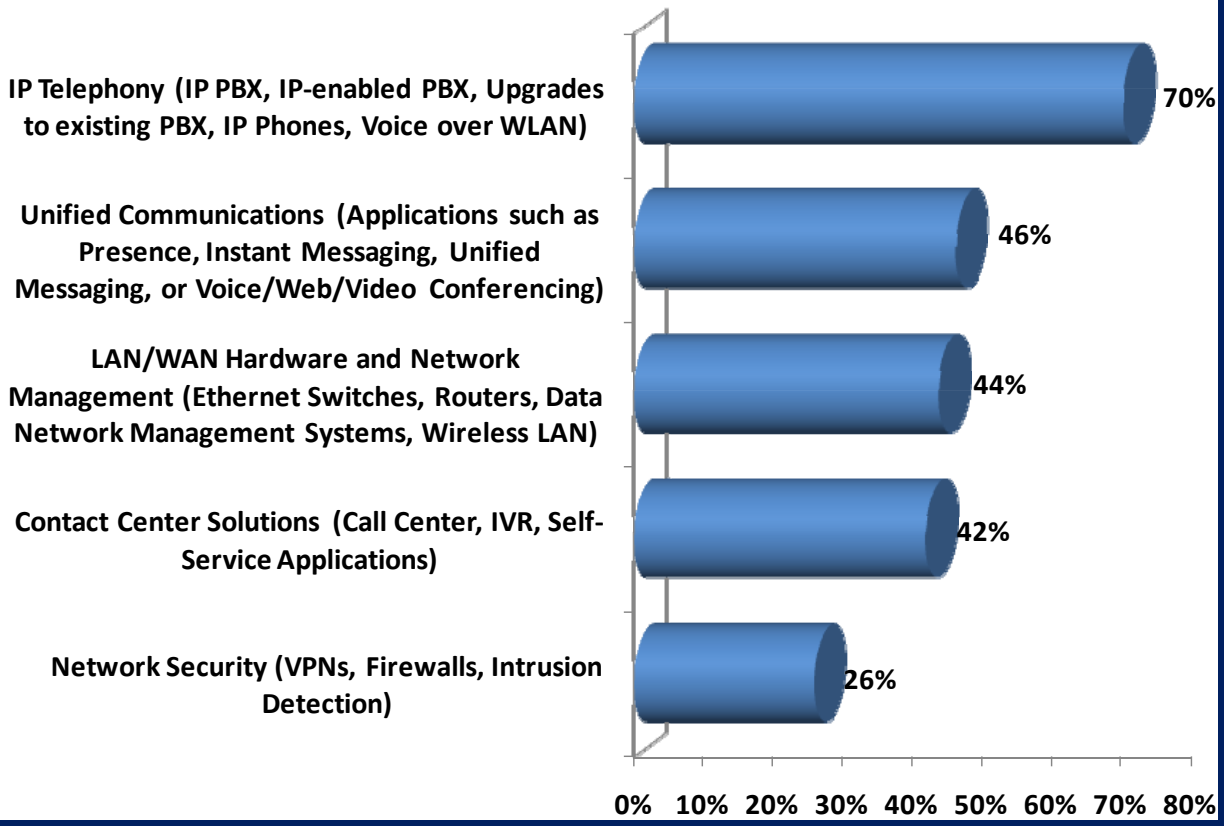


Please select the TOP THREE business communication requirements that users in your company want today.

Integration, then, is not simply a matter of user convenience, but critical for continuing business competitiveness. It is perhaps this drive to be competitive that explains the presence of "creating a customer experience that differentiates your organization" (29%) in the top five business requirements, which are all otherwise business-user facing needs, rather than customer-facing ones. Organizations are looking for any edge they can get, and they are looking to their communications investments to help provide it.

Moreover, a full 85% of those surveyed also intended to make significant investments in one or more business communications areas over the next 12 months. With the above business requirements in mind, the top areas of investment are no surprise (**Figure 2**). Among those making significant investments over the next year, a whopping 70% intend to purchase IPT equipment or solutions, with another 46% interested specifically in UC applications and solutions. Contact Center solutions drew the interest of 42% of those making significant investments as well. Purchases to augment the functioning and security of the network itself will continue, with 46% interested in network hardware and management systems, and 26% intending to make significant investments in their network security solutions.

Figure 2. Business Investments Over the Next 12 Months



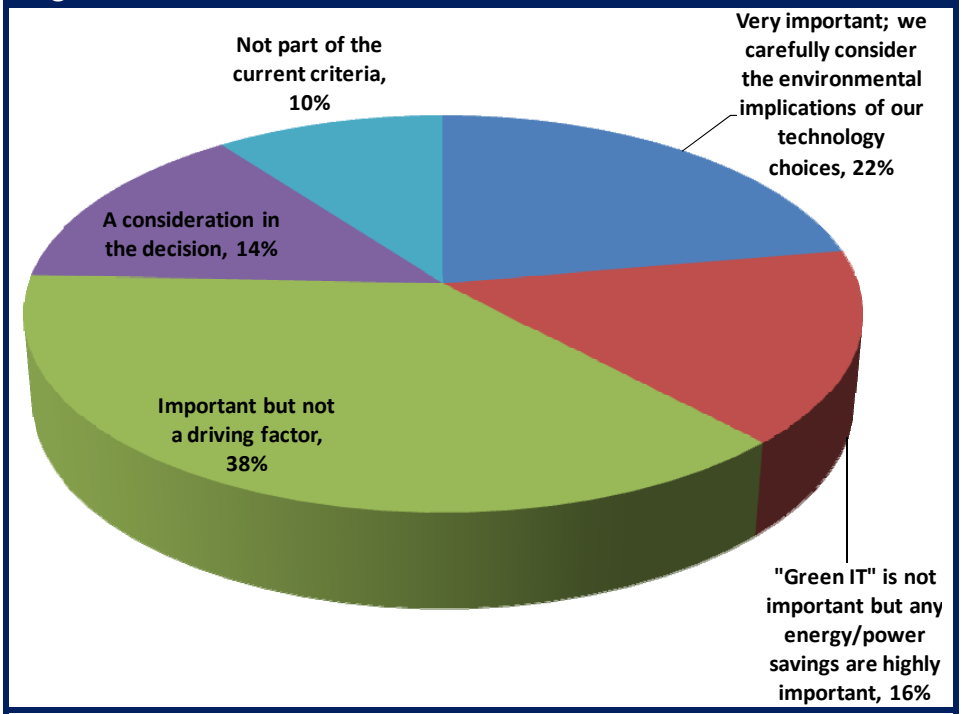
In which of the following areas do you expect to make significant investments over the next 12 months? Please check all that apply, and please include first time purchases and supplemental/replacement purchases.

Wanting better integration and efficiency, organizations are making substantial investments in their communications technology - and the network resources necessary to support, manage, and protect it. UC in particular directly addresses the desire to integrate multiple communication streams into one easily usable flow. Planned IPT, UC, and Contact Center investments will also help integrate workers with varied locations or devices – allowing access to business resources from the office, field locations closer to customers, or the road, as well as creating meaningful customer experiences. The projected network investments directly support this integration and efficiency quest as well, ensuring that sufficient capacity exists to support the new applications and provide good quality of service. With the growing push to integrate mobile or remote workers, though, more organizations should be looking to improve their network security, particularly as the number of locations they are trying to support grows. Overall, though, organizations' planned business communications investments seem in line with what is required to meet their acknowledged desires.

Green IT

One of the compelling benefits of business communications technologies has been its potential to facilitate more environmentally friendly business operations, both for their own sake and for the cost savings that could be produced by reduced travel. Survey responses indicated that companies are well aware of the potential benefits of Green IT (**Figure 3**). 22% of survey respondents indicated that environmental implications were very important for their own sake, and another 38% considered them important but not the most important. A further 16% valued the resulting cost savings, and a mere 10% did not evaluate the environmental impact of their technological choices at all. Fully 76% of respondents indicated that Green IT was important, either for

Figure 3. Green IT



How important are the environmental (or "Green IT") benefits of UC to your decision?

its own sake or for the savings that come with improved efficiency of business operations. Since concerns about efficiency and cost are unlikely to diminish in the near future, information technology firms will likely be prizing green technologies for some time to come.

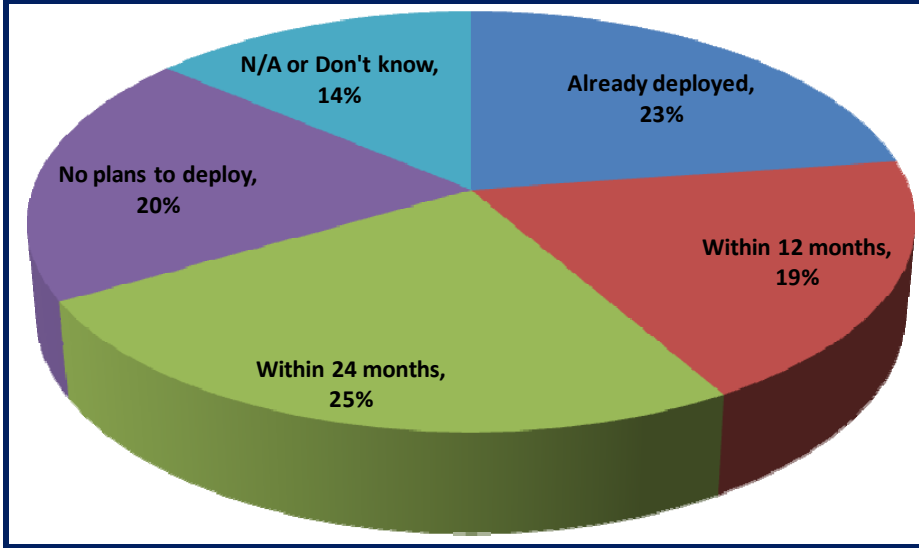
Many business communications technologies, discussed above, and specifically the Unified Communications and Contact Centre solutions discussed below, have Green IT implications. For example, better support for mobile or remote workers will cut down on the travel necessary to ensure access to the network resources they need to do their jobs. Planned UC investments in video conferencing solutions will no doubt be used to reduce, or outright eliminate, the need for costly business travel, and an employee using Contact Centre mobility technologies to work from home doesn't need to travel, nor do they require climate-controlled and electricity-supplied office space. These are just a few of the many benefits that Green IT technologies can bring to the environment and the bottom line.

Unified Communications Deployment and Investments

The growing popularity of UC in particular among business communications technologies warrants a closer look. For the purposes of this survey, Unified Communications (UC) was defined as "presence-enabled communications, delivered as a unified user experience, that includes some or all of: telephony, conferencing, video, mobility, unified messaging, desktop and business applications."

As already noted, the survey sample included mostly organizations well within the mainstream of technology adoption (79%), so the broad interest in UC represents a growing awareness of the technology and market growth beyond those seeking state-of-the-industry solutions.

Figure 4. UC Deployment Status

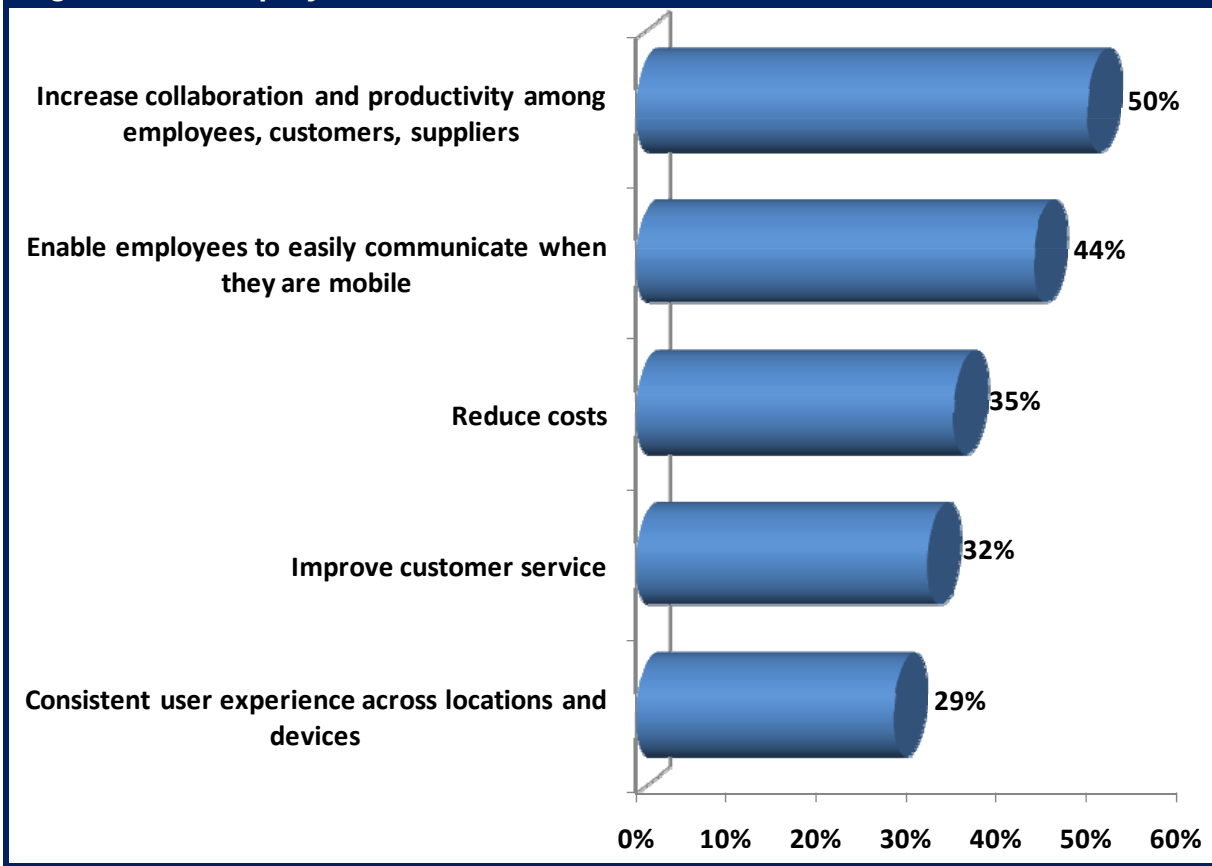


What is the status of your company's UC deployment?

67% of the respondents reported that they already have or will have begun deploying UC within two years (**Figure 4**). UC's broad applicability to business communications is driving adoption of the technology, despite the recent poor economic conditions. If economies continue to improve, expect UC to achieve even greater market penetration.

The reasons respondents gave for exploring the deployment of UC broadly mirror the business requirements outlined above, with a few key differences (**Figure 5**). Note that efficiency (50%) and support for mobile workers (44%) with many different connected devices (29%) are key drivers for UC, as they were for business communications investments in general. Here, however, respondents specifically cited cost reductions (35%) as a driver of their interest in UC. It is also notable that organizations' reasons for deploying UC are also somewhat more customer-facing than those for making business communications investments more generally, with a specific desire to improve customer service (32%) making it into the top five. Given the broad interest in UC, it should come as no surprise that drivers of UC adoption closely parallel the drivers of business communications technology adoption more generally, as customers are increasingly turning to UC in particular in order to fulfill those general requirements.

Figure 5. UC Deployment Reasons

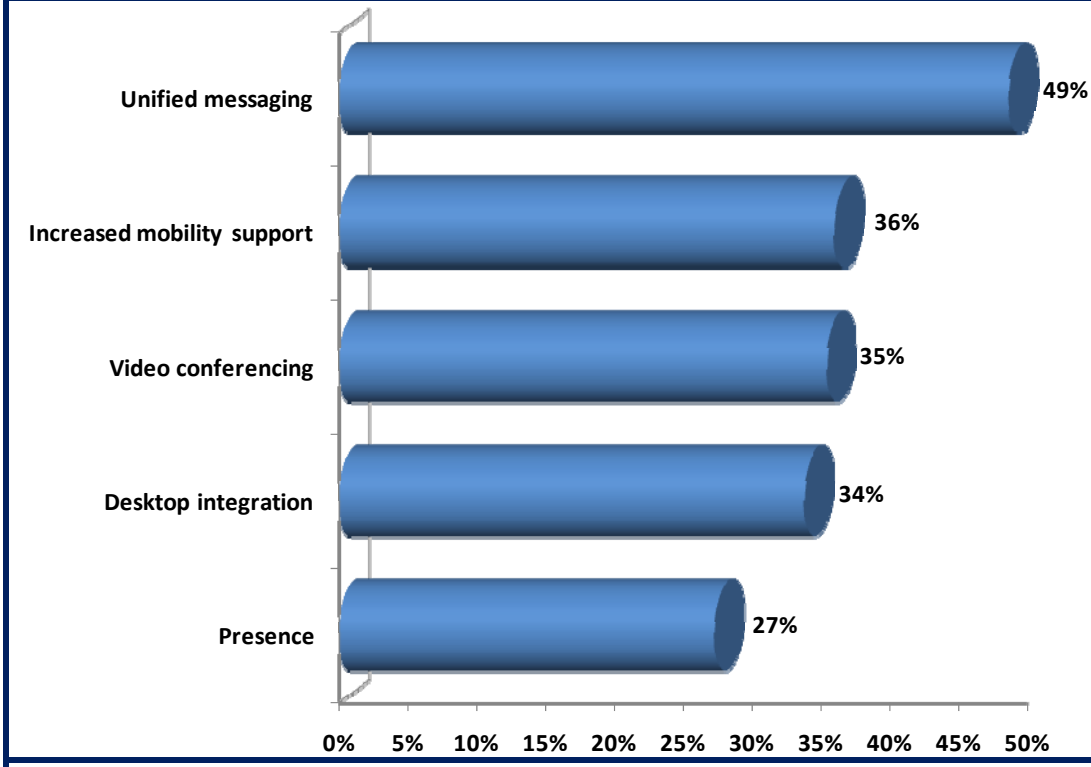


What are the TOP THREE reasons for your company's deploying UC?

Organizations have carefully chosen their upcoming UC purchases to meet their communications challenges (**Figure 6**). Among those intending to make significant investments in UC over the next 12 months, unified messaging led the way, attracting the interest of 49% of respondents. 36% are looking to UC to improve their support for mobile workers. Video conferencing, desktop integration, and presence solutions also drew much interest (36%, 35%, and 26%, respectively).

Each of the top five investments seeks to address business communications requirements in one or more ways. Unified messaging directly confronts the sometimes bewildering array of information streams by integrating them into one. Mobile worker support allows employees who need to move around in order to do their jobs effectively to receive critical communications and information where and when they need them. Video conferencing solutions could improve communications for mobile employees, improve customer service, reduce costs by reducing business travel, or all of the above. Desktop integration makes workers more efficient, and presence solutions enable more efficient management and use of employees, as well as facilitating communication. The

Figure 6. UC Investments Over the Next 12 Months



In which aspects of Unified Communication do you plan to make a significant investment in the next 12 months?

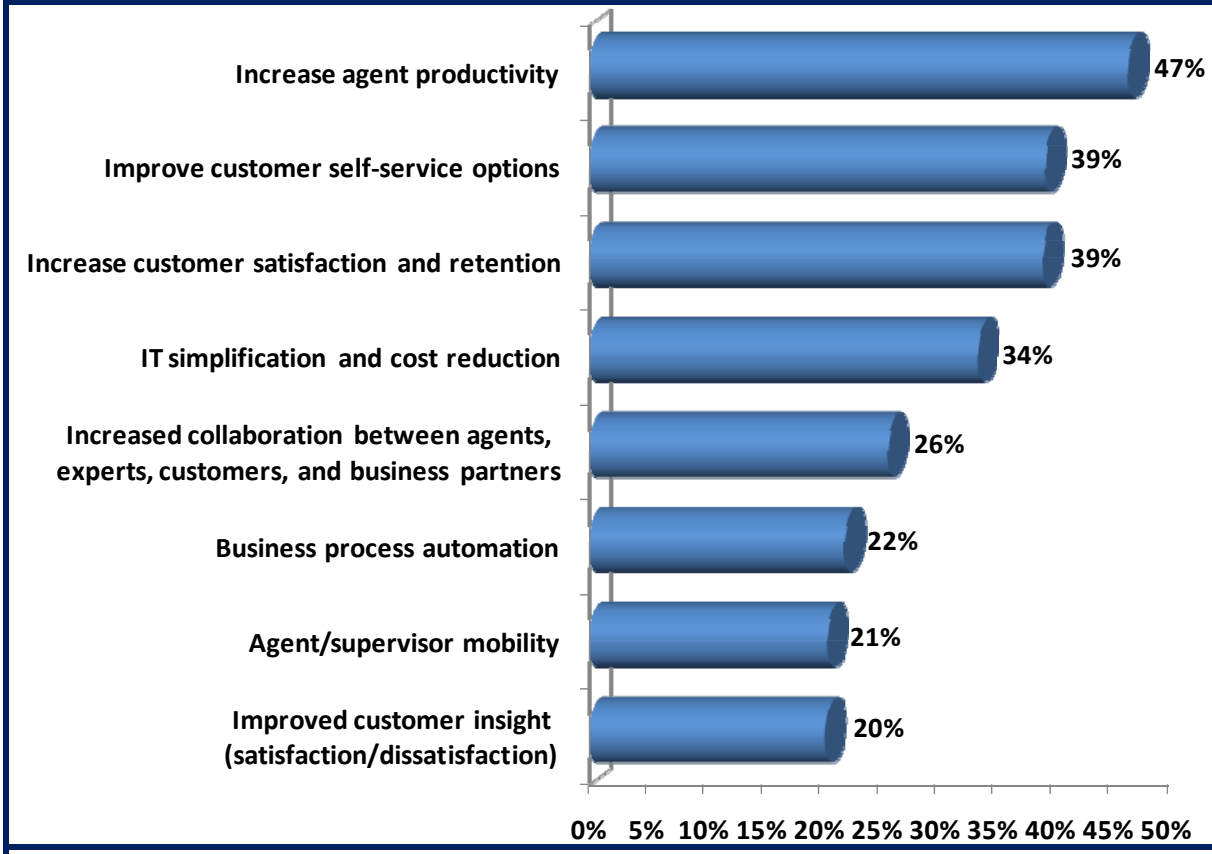
various components of UC, then, are ideally suited to the challenges that have emerged as business communications requirements have grown.

Contact Centre Challenges, Requirements, and Investments

As a solution drawing broad interest from survey respondents (42% planned to make significant investments there – as noted in Figure 2), Contact Centres deserve a closer look as well. For the purposes of this survey, "Contact Centre" was defined as a business function that manages all customer interaction using intelligent call routing tools, inbound and outbound communications, as well as self-service and proactive customer contact applications. The 68% of respondents who indicated that they were involved in the operation or decision-making of their company's Contact Centre were also asked what challenges their deployments faced in 2010 (**Figure 7**).

Overall, these responses reflect the desire to leverage Contact Centre technology to do more at lower cost while making customers happier. The top two challenges seem linked; the 47% who wanted to increase agent productivity and the 39% who wanted to improve customer self-service options are seeking greater efficiency in their business processes, as are the 26% who desired increased collaboration and the 22% who

Figure 7. Contact Centre Challenges

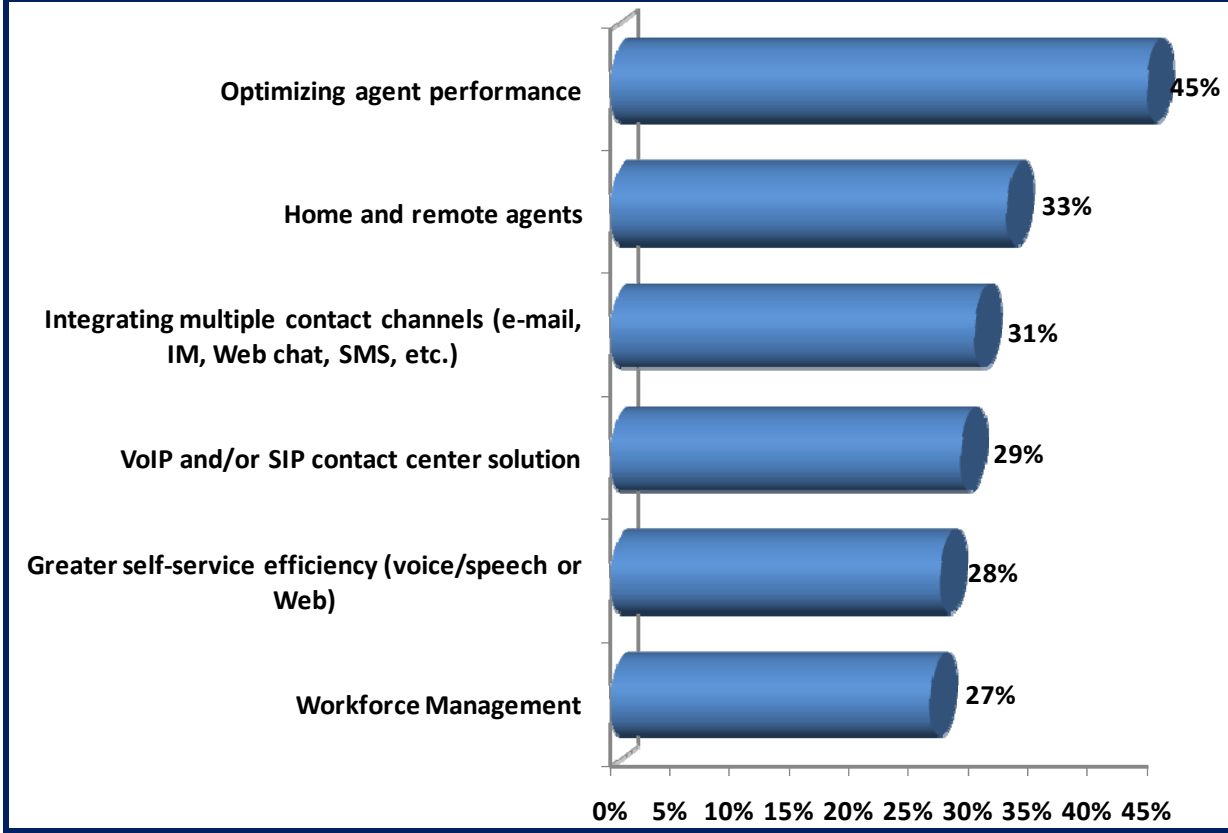


Please indicate the TOP THREE Contact Centre challenges for 2010.

wanted to automate those processes more. Likewise, 39% chose the goal of increased customer satisfaction, while 20% specifically wanted to improve insight into customer attitudes. Done well, customer self-service could also be a boon to satisfaction and retention. While 34% cited IT simplification and cost reduction as an explicit challenge they hope to meet with their Contact Centre, this same goal could not be far from the minds of those who wanted to improve their operational efficiency, as gains in productivity contain the growth of future costs.

Survey respondents were also asked their requirements for their Contact Centre deployments today (**Figure 8**). Mirroring the desire for improved productivity, 45% reported that they required a means to optimize agent performance. Correlating with the more general desire to use business communications technologies for improved support for mobile workers, 33% required Contact Centre solutions that supported home or remote agents. 31% needed to integrate multiple contact channels, concurring with those who saw a general need for UC solutions. 29% needed a VoIP or SIP solution, no surprise given the broad interest in deploying IPT noted above. As with the challenges, a significant percentage of respondents required efficient customer self-service (28%), and 27% needed workforce management as part of their Contact Centre solution, no doubt as part of improving productivity and taking advantage of the presence technologies that drew interest above. Enterprise users, then, are already

Figure 8. Contact Centre Requirements



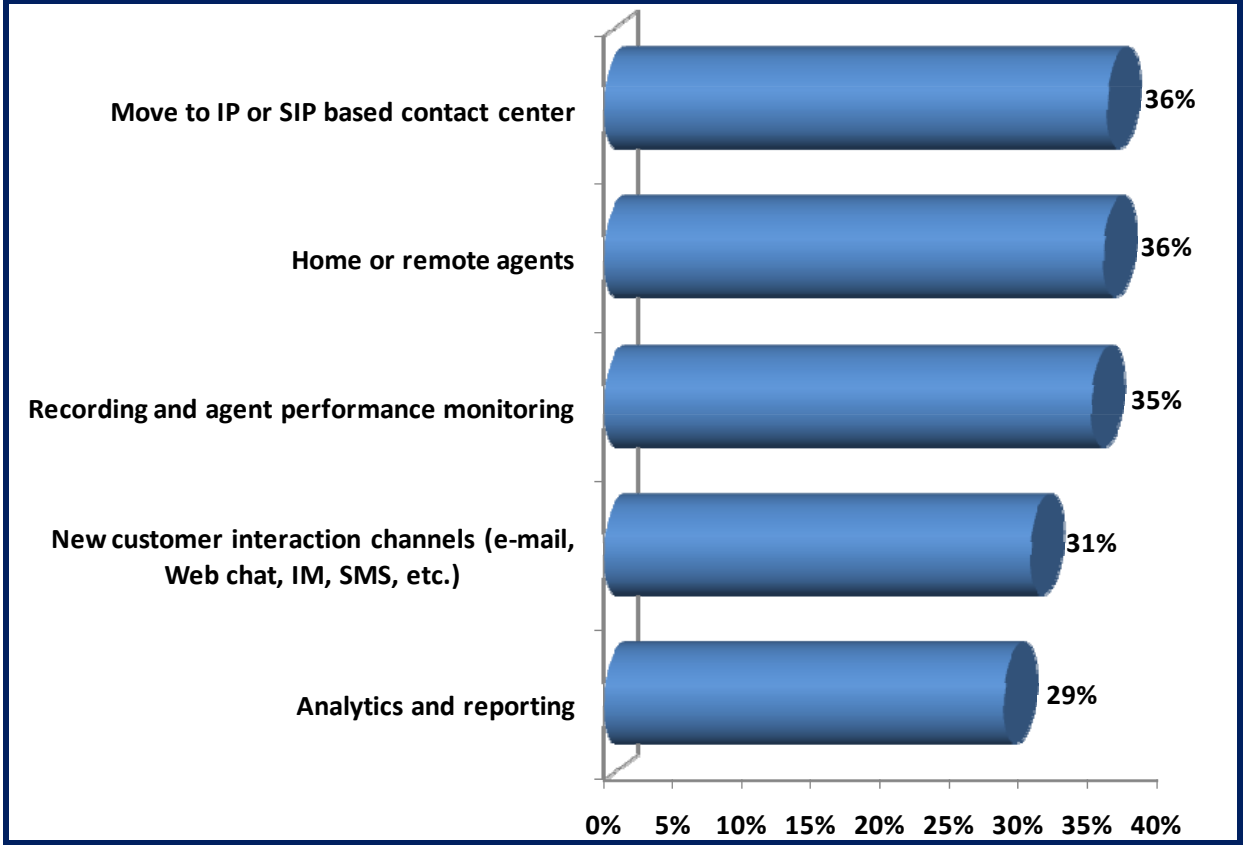
Please indicate the TOP THREE Contact Centre requirements for your business today.

taking advantage of Contact Centre solutions today to meet their business communications needs generally, and their hopes for UC specifically.

As with UC, survey respondents were asked in which areas of their Contact Centre they planned to make significant investments over the next 12 months (**Figure 9**). Of those who intend to make investments, 36% replied that they wanted to move to an IP or SIP based center, and 36% also wanted to increase support home or remote agents. Many intend to invest in performance monitoring (35%), and providing new customer interaction channels (31%). Additional analytics and reporting solutions drew the interest of 29%.

These investments directly meet the anticipated challenges business technology users hope to meet in 2010 with their Contact Centres or movements in the industry more generally. The industry-wide push for IPT makes its mark here as well, and in fact makes possible some of the sophisticated applications enterprise users desire. Better support for remote agents will improve their productivity and efficiency, as will better monitoring of their performance. Providing new ways for agents and customers to interact can improve customer satisfaction and retention and also create a means to differentiate from competitors, and new analytics can ensure the efficient functioning of

Figure 9. Contact Centre Investments



In which areas of your Contact Centre do you plan to make a significant investment in the next 12 months?

the network, allowing further growth in deployed technologies. Overall, organizations are making sensible investments in their Contact Centres as a means to confront the challenges and exploit the benefits of the future of business communications.

Conclusion

As economic conditions continue to recover, more and more organizations of all kinds are looking to make major investments in their communications technologies in order to satisfy their customers and deliver quality products at low costs by making workers more efficient and effective and by directly reducing overhead costs. Businesses are investing in an array of technologies to meet these needs, most notably IP Telephony, Unified Communications, and Contact Centres. The alignment between the drivers for the adoption of UC and Contact Centre solutions and the drivers of business communications investments in general indicate that UC and Contact Centres have provoked widespread interest in meeting an array of communications challenges and will do so for the foreseeable future.

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