



## Integrating CSP Services with Unified Communications: The Large Enterprises Speak Out!

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Richard Norris, Practice Consultant, Wainhouse Research has shared with some of the findings from a survey that he has conducted with a set of large enterprise users as part of a user association he runs for Wainhouse Research.

“It’s a very short survey. This will be a short presentation. But I think you’ll find that the findings are very interesting for the service providers amongst the audience today,” he said.

Just before I get into the main meat of the presentation and the results from this survey, I’d just like to talk a little bit — just to frame this up, I’d just like to introduce Wainhouse Research; who we are, what we do. And also a little bit of background about myself.

Wainhouse Research is a market research and consulting firm. It’s a little bit over ten years old now. And I think our USP; the unique thing about Wainhouse Research is that our sole focus is on the conferencing and collaboration space. So unlike some of the other market research firms that are in the room today, who have a broader spectrum, we purely focus on conferencing, audio, video and web conferencing. We provide market research analyses, trends etc in the conferencing UC space.

Clients include anybody and everybody who use, make or resell conferencing technology. So end users, manufacturers, resellers. But also we have a very strong service provider practice. My colleague Marc Beattie is the Practice Manager for Conferencing Service Provider Practice and is a highly respected authority in that space. And we also provide advice and guidance to those in the financial community.

I did say we were small. This is just about the whole of Wainhouse Research on one slide. So as you can see from this there are nine of us, six of whom are based in the US, two of us in Europe. And indeed one of my colleagues, Stacy Austin-Li, is probably familiar? Is there anybody in the room who knows Stacy Austin-Li who’s based in Beijing? Perhaps not. But Stacy, as I say, is based in Beijing. And she is focused wholly on the Chinese market.

A little bit of background on myself. I come to consultancy from being a conferencing end user. I was the Global Conferencing Manager for M&M Mars for ten years, from ‘95 to 2005. And it was in that capacity that I worked directly with the Mars family who used video

conferencing as a family communications tool to link themselves, the three owners of the Mars business, with their children who were spread around the world. And my focus was primarily on video conferencing, but also included other rich media technologies such as audio conferencing and web conferencing. And I left Mars in 2005 to join Wainhouse Research.

And my primary focus with Wainhouse is on the end user community. But I also provide expertise and consultancy into the reseller and vendor community as well. So I wear many hats. And although my background is in video conferencing, I do increasingly practice in the UC space as well. One of my roles with Wainhouse Research is to run an end user association, a conferencing end user association called Point Nine. And we had meetings in the US and in Europe to date. But in 2010 I'm extending the geographical reach of Point Nine into other geographies. We're having meetings in Brazil, in Chile. South Africa there's a very large meeting. And that's in addition to Switzerland and the US as well. And I hope to also arrange an end user meeting here in Asia Pacific. So if anybody wants to talk to me about getting conferencing end users together, I'd be glad to hear from you.

So now I just want to talk about the main body of this presentation. As I say, it's very short. It was a very short survey, an online survey I ran to my Point Nine group. So the Point Nine group is around about 200 people primarily in North America and Europe. And although the findings are from North America and European respondents, I do think that they're completely applicable to large enterprises in the Asia Pac region. So I don't think the equation is different for the large enterprise in this region.

You'll see from this that there were 44 respondents. So I'm not going to pretend this is a deep, vast survey. It was a snap survey done just a few weeks ago in March. So the data is very current; it's very relevant. And although there were only 44 respondents, you'll see that the size of the enterprises they represent is significant. Over 70% of the people who took part in this survey worked in organizations of more than 10,000 people. So we are primarily talking about the large multinational enterprise here.

If we have a quick look at the verticals they represent. This is slightly misleading. You'll see that a large number of people said they worked in IT organizations. What they really meant was that they actually work in the IT department of, actually, large enterprises, most of those enterprises being pharmaceuticals, or in the banking, financing insurance sector. So typically the respondents were people like Hoffman-La Roche, Pfizer, manufacturers like BMW, Morgan Stanley and large insurance companies. So very large organizations.

So as I say, it was a very short survey. What I wanted to understand was what do they currently have in the way of conferencing service providers today. What are they currently consuming in the way of audio, video and web conferencing? So the first question was, who's your current service provider providing these services. And you've got the usual suspects here with AT&T, Global Crossing. But the big two were InterCall and Verizon. Number two on the list — and I'd group these together because I think they're actually closely connected — were people who use on-premise equipment, or they've answered 'none' but these are people who run audio conferencing on their internal switches, on their internal PBXs. And that's a sizeable number of these respondents.

So that was the CSP side. The next question was trying to understand what they're currently using or intending to use in the way of unified communications, either currently, today, or within the next 12 months. So definite plans to use unified communications solutions. And again I don't think any great surprises from these replies. We'll see that 45% of these large

enterprises either currently or immediately are going to use Microsoft solutions, OCS or BPOS, with IBM Sametime coming up there as well. And you can see from the slide that there were a mixture of other solutions mixed in there.

So now we really get into the interesting stuff. We've looked at the conferencing service providers they're using, the audio conferencing primarily from the InterCalls and the Verizons. We've looked at the unified communications platforms that these large multinationals are using. So I'm trying to understand with this question — and I won't read it, it's up there on the slide. I'm trying to understand what their plans are from whether or not these UC solutions are going to be on-premise with the boxes physically in house, managed by internal IT staff; or a managed solution where the boxes are actually on premise, but they're managed by a third party provider; or a hosted solution, where we've heard a lot in the last day and a half about cloud computing, and this would fit under that umbrella, so these would be services provided within the cloud and taken internally; or indeed a hybrid of any or all of those solutions. And you can see that there's a clear decision by these large enterprises to have a hybrid solution. I think this reflects a certain amount of uncertainty in the enterprise today on exactly how they're going to take unified communications. And I think most envisage a mix or match of on-premise managed or hosted solutions. Indeed if you look at this none of the people, none of the 44 respondents actually suggested that they were going to do everything themselves in-house [off CPO based] equipment.

So where does this leave unified communications with existing CSP solutions? What are their plans? And there are some very interesting comments. I think the comments around the result, that are shown up here on the slide at the moment, are very telling. There's obviously a very clear intention from these large multinationals who took part in my survey to integrate existing conference service provider solutions with their UC solutions. But nobody suggested that they were going to run these in isolation as separate silo technologies. There were a certain number undecided, but I think many of those will use an integrated CSP and UC solution.

And I think, if I just highlight a couple of the comments that are listed down there on the right hand side of this slide, I think, comment number two from one of the respondents where they state that they're looking for an integrated solution that combined existing HD video conferencing telepresence and OCS. So it's a Microsoft house, they've got an existing video conferencing deployment and in their case quite a substantial one. And they want to integrate that video conferencing into their OCS. They want to use the Presence engine. The Presence is what we in Wainhouse consider to be the dial tone of the twenty first century for the enterprise. So it's no surprise that these large enterprises want to use that Presence engine and bring in these multi modal ways of collaboration, including video conferencing.

And the point now that will interest [Arthur] and the video team is these particular people want to replace their current desktop video systems. So I'm sure that's of interest to some folks here.

I think there is a degree of uncertainty. I think there's a distinct intention to a) adopt unified communications and b) most certainly integrate unified communications with the existing CSP services.

So that basically was the very short survey that I've done. It's data that around about eight to ten weeks old. It's not prehistoric. Yes, the respondents were totally North American or European, but I think the same set of arguments is applicable to Asia Pac. And I think you

can see from those conclusions that there's a clear intention to integrate UC with CSP services, and to have a hybrid way of deploying that out to the enterprise.

And I think I'd like to leave you people, the service providers anyway that are present with us today, with a clear message that if you don't currently provide a hosted unified communications solution for your large enterprise customers, I think you're in danger of missing out on the game. I think cloud services, cloud computing, hosted UC, different names, different flavours of similar solutions, are very popular with large enterprises. Particularly whilst there's a degree of uncertainty it's very easy for the large enterprise to take UC as a hosted service. There's no CapEx involved; it's very easy to introduce, to evaluate. Even in the longer term they adopt UC as an on-premise solution, either managed or standalone.

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