ATTENDEES FROM LEFT: **CRAIG NEIL** NSC | **PUSHKAR TANEJA** GLOBALCONNECT | **GERALD LIPMAN** FREDON | **GAVIN JONES** BTAS **AUDREY WILLIAM** FROST & SULLIVAN | **BRIAN WALSHE** DIMENSION DATA | **ROSEMARY DURAND** AVAYA **MAURIZIO FRAGASSO** NET | **NADIA CAMERON** ARN | **MICHAEL PRZYTULA** VINET | **NICK SONE** ENSYST **PETER MCCRINDLE** CTI SOLUTIONS | **CRAIG PRINGLE** GEN-I | **STEVE DEIBE** UNITY SYSTEMS

Unifying communications

The unified communications concept has been floating around for several years now, but what does it mean today, and where are customers in terms of adoption? ARN recently brought together several industry experts to discuss collaboration and communication, the impact on infrastructure and local opportunities.

This roundtable was sponsored by Unity Systems in conjunction with Avaya and NET.

NADIA CAMERON, ARN (NC): What does unified communications [UC] mean today?

GAVIN JONES, BTAS (GJ): You can ask 10 different people and get 10 different answers. What I believe it is it is the pulling together of infrastructure, applications and different devices to enable an organisation to communicate more effectively with their partners, suppliers, employees and customers, and reduce the time delay of making decisions. Or to access knowledge, which could be across a broad geographic space.

CRAIG PRINGLE, GEN-I (CP): UC is really more of a destination than a product set. It's something people are looking at as a long-term strategy. What it means today, if you get passed all the confusion in the market, is bringing together existing communication siloes and laying a foundation for the future.

CRAIG NEIL, NSC (CN): Unified communications for me started as a new, broad term for bringing lots of technologies together. I was a bit of a cynic in some ways and felt very confused every time someone asked me about UC because I wanted to clarify which bit they were talking about. But today it's got a life of its own – it's really evolving. That has simplified it for us because we can call it one thing: UC. For customers, it's a way of the future and provides us with better ways of communicating across multiple technologies. We're seeing that evolve now, which is exciting, and some are doing it better than others. There are also new players coming into the market, which is interesting as well. Companies like Microsoft and Google are coming into play, and where it's going to take us is an exciting road.

NC: What's driving take-up of UC?

PUSHKAR TANEJA, GLOBALCONNECT (PT): There are a number of different factors we see from a market segment point of view. There are companies that have workforces spread over multiple territories and geographies that want to connect them together. Other customers are being driven by the mobile workforce – they're trying to make sure staff can carry communication channels with them, and provide them with functionality they would have in their office space.

NICK SONE, ENSYST (NS): One of the key drivers we're finding is the confusion in the market place. There's plenty of hype out there, so as an IT provider, customers are often asking us about what UC means and what they can do and achieve. Every customer is a bit different and has a different thing that UC can do for them immediately. When you talk to them under that umbrella of UC, you can start solving individual problems for a company. In some cases might be IM and presence, in other cases it might be full voice services. I'm excited about the fact that we're having lots of discussions about it. UC doesn't mean a specific thing, it is this broad term that can mean lots of things.

BRIAN WALSHE, DIMENSION DATA (BW): There's a generational change too. What we're seeing is the consumer world having a much bigger influence on the workforce than in the past. We've got Gen Ys coming in that expect organisations to have Instant Messaging and presence, and that are used to communicating in very different ways. Whereas for a long time, there was a telephone and a few of us are old enough to remember when email became a new tool. I'm sure most people today recognise email as business critical, and that if it goes down, it's almost the end of the world. In fact if you asked most organisations, they'd be more concerned about email going down than their phone system. In the end, we talk about unified communications, but most of the vendors have moved now to collaboration. And you can't have great collaboration without communication. So the obvious endpoint is how we share information.

PETER MCCRINDLE, CTI SOLUTIONS (PM): We have driven our successes on that [collaboration] front. It started with IM and presence, then it built into document sharing and collaboration, enabling people to take advantage of all the resources they've got around the country. Taking up on Pushkar's theme, mobility has been another big one fitting into this space, as is working back with companies that have Microsoft applications and enabling those to work with telephony. Microsoft pushes OCS [Office Communication Server] quite heavily and to them, unified communications is the way forward. Google has the ability to dominate this space as well and is coming at it from an open source perspective, whereas Microsoft is coming at this with a licensing, proprietary perspective, as are most of the vendors.

NC: Is it the data infrastructure or the telephony needs driving UC discussions?

STEVE DEIBE, UNITY SYSTEMS (SD): I think people are moving away from point solutions. There are looking at their business applications and what that means to their infrastructure. What you sell them is almost irrelevant – they have a communications issue, or they want to change the way they do business, or they've got people on the road wanting to access information. It's all about what's at the front-end.

Identity management

The cornerstone of a successful UC implementation is having up-to-date user information. Dimension Data's Brian Walshe said integrators often took for granted that identity information within a customer's organisation was accurate and managed properly.

"Identity has mostly resided in the directory components, but telephony being brought into the network has created that second identity, and that's where they need to sync," NET's Maurizio Fragasso said.

Another problem was there were many customers already using things like Active Directory, but that hadn't filled in all the appropriate fields of information required for a comprehensive UC solution, VInet's Michael Pryztula said.

"You have to educate those customers to put that information in. But it also can raise issues around security and privacy – do I want my mobile phone in there for others to see? But some of the functions of UC only give you true value when there's a richness of information in there," he said.

"It also changes business workflow – in the past, HR would employ someone and someone would create an AD account, then another person would assign a telephony extension. But that process needs to change when you go towards UC."

Customers and integrators also had to bear in mind hidden identity management costs, Walshe said.

"If you're having to manage everything separately, you invariably end up with a user leaving an organisation whose phone is cut off but who still has a live email account. From a security point of view, you have to clean those up and have one source of truth. But if you haven't managed things together before, there is a cost there," he said.

For Gen-i's Craig Pringle, helping customers understand identity and implementing a single system was a major opportunity for integrators.

MAURIZIO FRAGASSO, NET (MF): I think there's a lot more association between how I can leverage what I have now, and make it into better communications. That was a discussion that never happened before because everything was so siloed and there was never an expectation that the telephony platform could leverage anything else in the network – my back-end, databases, business intelligence or CRM. What's happening now is that discussion is taking the lead.

NC: Is that discussion more prevalent because of what's going on in the economy?

MF: To an extent. Anyone who doesn't think about leveraging what they already have is crazy, whether the economy is good or bad. But the economy has helped it.

GJ: It's not all about a refresh – some are looking for point solutions, as long as it's future-proof and can take them where they want to go. It's about what gives them an ROI quickly, what doesn't disrupt my business too much now, and let's migrate to where we need to be.

SD: A lot of the ROI discussion is difficult with UC because a lot of the cost savings are soft. In the old days, you could save money by bypassing dial tone and doing voice over IP – it had specific cost savings. A lot of the UC stuff is about soft cost savings. End users are either going to try and invest to differentiate themselves, or they'll batten down because they can't see the benefits of investing. It's difficult from an ROI perspective when times are tough. A lot of SMEs are trying to keep their heads above water, and spending money on infrastructure is the last thing they want to do. It makes the reseller's job at lot harder.

CP: Twelve months ago you could talk about the soft benefits of UC and people would get it and the value to their business. Now they want you to prove the ROI and they're looking for a hard and short ROI.

GERALD LIPMAN, FREDON (GL): We operate in that mid-market and we see that ROI story coming into play. The big drivers for us have ended up mobility and video conferencing because it's easier for customers to get their head around the ROI – it's much more tangible. IM is a nice story, but it's difficult to build ROI around it, and it's the same with collaboration. What's important is that whatever the hot button is, there's an opportunity to put in the core UC application and infrastructure.

MICHAEL PRZYTULA, VINET (MP): In the sales cycle, it's talking about those specific aspects and justifying the ROI. Things like IM and presence are the hardest things to sell, but they're also the hardest things to take away from an organisation once they have them. It's hard to sell that to the organisation because things like IM are not replacing something they've already got.

BW: UC has played very well with people who have already made an IP telephony decision. When people see that converged data and what's going on, the UC angle is fairly simple. If you've still got an organisation on analogue PBXs, then the UC argument is a lot tougher. Once people have accepted converged comms and that it's just a packet on the network, then the UC story works. The other thing is people who've spent a lot of money on IP tel are saying 'Okay, I've only got dial tone, and I need to use this infrastructure to get a better return'.

ROSEMARY DURAND, AVAYA (AD): Is the promise of UC going to drive those TDM customers to move to IP tel to take advantage of UC? In an overall base in Asia-Pacific, we've still got a group of customers on systems that are 10-14 years old. How do we move them? We expected UC to help make that happen, but we're not finding it yet.

BW: I think there just needs to be a level of maturity in the customer base. I don't think we've really seen enough case studies that talk about the benefits of UC. I think as that starts to spread, it will get to a tipping point where if you don't have it, you are suddenly disadvantaged when hiring people, and in a business sense in terms of how you react. If you're still sweating a 14-year-old asset, chances are it's going to take a big lump of wood to get you to move.

SD: If you've got a customer that has already got IP WAN to every endpoint, half the job is done. If the customer still has thousands of users on analogue handset, they have to invest in IP WAN across the network before they start doing all the other stuff. And they're loathe to move.

CP: A lot of those customers in the TDM space actually had IP tel on their roadmaps, but they've taken it off because of the economic situation. So they're excellent candidates for extending what they have now. The question is, do they have business issues that UC will add value to, or do they have other priorities.

NC: Are you finding UC conversations are best had with people at the business level, or are decisions being made by IT managers?

MF: It has to be CIOs because they're the ones setting the strategy for the company. They need to be on-board and they want to see their IT strategy landed within the next 3-5 years.

SD: The whole consultancy-led sell is not at the IT manager at all, it's at the business stakeholders. It then gets distilled to a solution the IT manager has to rollout.

GL: Is the strategy just around OCS at the moment? Because that often dictates what your UC strategy is.

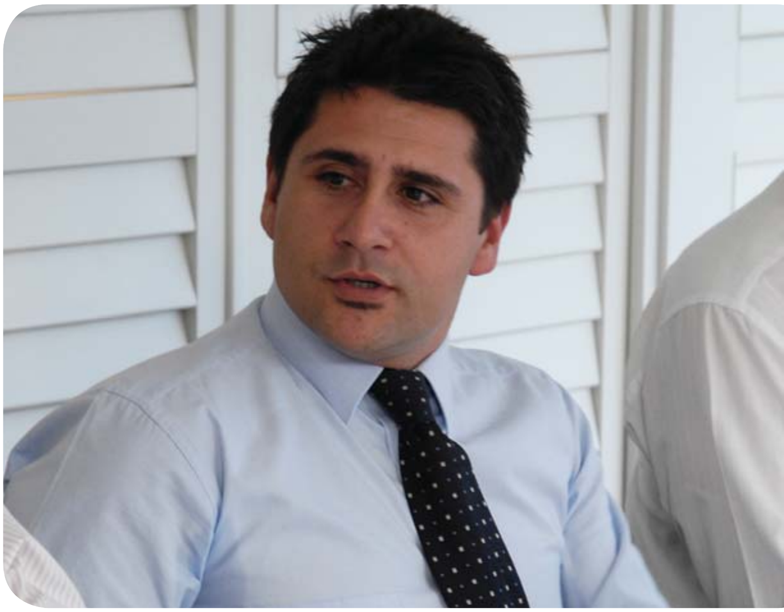
MF: UC isn't just OCS – it's really a way of bringing all the information I have into my communications.

GL: I don't disagree, but I'm talking about initial timing. Is the strategy discussion taking place around OCS or is it a broader UC strategy that's being discussed? Often when I sit with a CIO, they haven't got all the bits and bobs in place yet and they're still wondering about whether to go down the Microsoft road, or the Avaya road. It makes the UC road easier, because you understand the lay of the land and you can be targeted and focused with what you're bringing to the table.

CP: There isn't one magic bullet or offering you can bring to the table. If you understand a customer's starting point and what the top requirements are, you can guide them to the right point and appropriate investments.

MP: The OCS topic on the table is more about OCS as the communicator client and front-end users are going to use. The reason why it's so hot is it gives you the capability to choose what you're going to do at the back-end – what is going to be your voice and video platform, who is going to do call control. As an organisation, you can pick and choose what platform you want the end client to integrate with. From an end-user's perspective, they're using things the same way regardless of what's on the back-end. From a CIO's perspective, it's about what I'm giving to my users and is it familiar to them. If I'm giving them a familiar interface, then I can use my integrator on the back-end to integrate with an existing investment in Avaya or Nortel's teleconferencing solution, or my Tandberg video solution.

BW: I had a meeting earlier this year with a customer to talk about UC. I walked in and there were 10 people in the room. Five were telephony guys, and five were networking. Sitting in the room, it was obvious that what we were seeing was a power struggle about who owned the direction moving forward. The telephony guys had controlled that environment for a very long time and they didn't care what users wanted in a phone. The IT guys saw this as just another packet going down the network and UC was driving it towards them. Then there were the business guys who came in and said what is important is what the user wants, not what you think they want. Traditionally, telephony was defined and the drama now is people in the business need these [UC] to better collaborate and communicate, and that's having a flow-on effect into IT and the separate telephony group.



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Maurizio Fragasso, NET

RD: Who had the louder voice in that discussion?

BW: It depends. You could pick up most tenders for UC and by half-way through you'll know who it's written for. Certain things mean it has been written by the telephony guys; if they're asking for other things, it is being driven by the IT guys.

SD: That inhibits the business going forward, because there's internal wrangling going on.

"The ROI discussion is difficult with UC because a lot of the cost savings are soft. In the old days, you could save money by bypassing dial tone and doing voice over IP – it had specific cost savings. A lot of the UC stuff is about soft cost savings. End users are either going to try and invest to differentiate themselves, or they'll batten down because they can't see the benefits of investing."

Steve Deibe, Unity Systems

GJ: IT are already the owners. I think the shift is actually moving more towards the business units making the decision, and IT are the deployers.

BW: Anything that touches the end user, they want a say in how it works. OCS is a player… but you'll find moving forward that other vendors, whether it's Google or Avaya, that come out with plays around that integration. People will make decisions based on functionality and cost. Cost is now probably at the top of people's lists in terms of position criteria. A lot of the videoconferencing interest we're seeing at the moment is really just trying to drive down their travel costs.

CN: I'm a bit frustrated with where UC is today and I don't think we are anywhere near we need to be in many ways. We've talked a lot about OCS, and having that as the client… but we're still going to sell a $700 handset with it. And then we talk about the openness of SIP, but we still have to make sure that version matches the gateway and the server driving it. Where is this influx of $50 phones from China?

MF: Personally, I think dial tone is the initial discussion about UC. It's very minimal and indifferent. The way I make a call shouldn't be the deciding factor of my UC strategy. Where these types of software-based platforms can take a company is where the real value is.

CN: It will get there, but I think a lot of the vendors that hold market share aren't there yet. I don't think they've let go of enough to make it work. And even OCS – I've seen it turned off. We are in a hard financial crisis right now. I had one customer where OCS was a $600,000 unbudgeted cost, so it just got cut. I hear a lot of collaboration, but I don't think we're here yet.

NC: What do we need to get this right?

CP: I think the standards will evolve. It's early days yet for UC, and because of the nature of it, heterogeneous environments are going to be a fact of life, particularly since UC, by its nature, is going to be not just within organisations but also between them. There will be a combination of ratified standards that perhaps get tightened up, and proprietary standards, which are licenced. It will intensify and some vendors will disappear.

AUDREY WILLIAM, FROST & SULLIVAN (AW): I think the standards are still evolving. People talk a lot about SIP but a lot of the end points still don't talk to one another. Eventually there will be a few winners out of this, but it is still continuously evolving.

BW: IP tel has been out there for 10 years, but what percentage of users are on it today? I think we have to be careful around our expectations of UC – we've had it 10 years and we're only about 50 per cent for IP tel. If they don't see the value in IP tel, they probably won't see the value in UC.

MF: So you think IP tel is directly linked to UC?

BW: Out of all our wins, we only had one analogue customer. It could be because most of our UC wins are IP tel already, but it was amazing to see that statistic. You struggle to get the analogue engaged unless they're looking to move to IP tel.

RD: What they don't understand in that situation is the association. IP tel is just an infrastructure providing the productivity, application, tools and the 'you beaut' stuff that solves business problems. Why would a TDM customer today not see the value in UC? IP tel doesn't really matter, because IP tel is just the plumbing.

BW: Why would a TDM customer not have moved to IP tel? Because they saw it just as dial tone and what they had was good enough. So they have a 'good enough' mentality.

RD: But what we were delivering with IP tel wasn't much more than what they had with the TDM. There were some cost savings at the infrastructure layer and around telecom provider costs, but before UC applications, unless you were in a big contact centre and doing a lot of distributed agents, moving to IP tel as a single location company gave you nothing.

SD: From my experience, you are changing people's mentality of the switch. It becomes part of your software patching mechanism.

GJ: It has to be in your plan and happen every couple of years. And you have got to remember that most voice vendors are now software companies. They won't support it after its initial release, so they're forcing that upgrading.

CP: It also depends on that internal power struggle as to how an organisation is going to approach UC. I would have some customers making a strategic decision to do UC who haven't gone down the telephony path yet – their first step was collaboration or IM and presence, because that was the low hanging fruit. Voice is down the line, but it's not there yet. I don't see UC as analogous with IP tel.

RD: We found in a couple of cases that it's literally the system not being able to boot up again, which causes them to think about what it is they should be doing. It's almost a catastrophic event to get them to look at what's out there that they could take advantage of. It is geographic – Australia is a lot more sophisticated than other markets, and in Asia we have hundreds of TDMs chugging away. It's usually in the larger SMB market, or 150-200 seats.

BW: Is the answer for them not another on-premise solution, but going to hosted services?

RD: With the whole hosted applications, we see a lot of interest in one geography and two or three customers do it but hate it, then go back to doing their own. I'm not sure where that's going to end up.

PM: That's because the big players haven't really pushed it. If you look at Telstra now hosting Microsoft stuff, as well as doing the Broadcom stuff, generally more and more people are getting comfortable with the datacentre being hosted. I think that's the first step. But then where does this leave vendors like Avaya?

RD: The investment we need to put in is significant, as it brings in new billing systems and so on.

GL: Are you able to deliver that at a cost advantage? I think there is a perception in the market that if it's delivered as a service from a datacentre, it will be a lot cheaper than hosting the application yourself. That hasn't happened, and I wonder if that's why it hasn't kicked in.

CN: I think the concept of hosting is more around the commercial model where instead of buying the technology, services and the licensing, you're accessing that on a per user basis. I think it's a bit scary for organisations to put things in the cloud. I wonder if it's even worth doing that. Why not put it in their datacentre? That's what we have been doing quite a lot of.

AW: We just completed research on UC and we found that only very small organisations [less than 20] in Australia will probably go down that hosting path. A lot are still very skeptical about the model. There are a lot of offerings coming out in the market, and Telstra is doing some work around this, but a lot of them are hybrid models. Customers still want to own the technology, especially if it's mission-critical, like voice.

BW: I would think that mid-market is going to start getting attractive to hosted models because they'll be asking whether they have the people capable of running the environment for them. The other thing is all the BPOS stuff now is competitive migration. And if they use OpEx instead of CapEx, they can get things up.

CP: What we are seeing is the buzz created around cloud computing, our larger customers are wanting cloud-like access to infrastructure and applications over the Internet, but you control it. There is a lot of appetite for that.

BW: The interesting thing that the mobile phone culture has given us is that telephony just has to be good enough. In the past, the expectation was telephony services had to meet the five nines. That will have an impact on where telephony is going.

"Avaya has made some very strategic decisions in recent times to focus a lot of our R&D on the experience of the user. I think we've got our money in the right place, listening to this conversation. It's the value to the person sitting behind the phone or keyboard, which is going to determine some of the purchasing decisions."

Rosemary Durand, Avaya

MF: Wait till we get to the stage where communication will be facilitated out of something that's happening that you're not aware of. That's where it's headed.

MP: It's not just voice either – it's being able to do business workflow with UC for things like putting in an expense claim, or an employee wants to process something and the system is smart enough to know who can approve that while they're away for three days. Presence into business process is going to be key. ■

Achieving interoperability

The UC market is full of vendors promoting tools that allow organisations to communicate and collaborate more effectively. But according to our roundtable attendees, third-party offerings have to integrate successfully if UC is really going to take-off with customers.

Regardless of whether the video conferencing platform is based on Tandberg technology, or the front-end interface is Microsoft's OCS, every vendor had the responsibility to make sure their solutions were based on open standards, Unity Systems' Steve Deibe said.

At the same time, customers were becoming increasingly aware of the need to ensure any new system was future-proof with UC investments they planned to make tomorrow, or in two years' time, VInet's Michael Przytula said.

"Customers are even coming out with tender documents asking for functionality they have no plan to implement at the moment, but they want you to provide SIP trunking and so on, so they won't get shot later on," he said.

The problem was available standards in the market were constantly changed and being interpreted differently, CTI Solutions' Peter McCrindle said.

Even though most vendors seemed to be standardising against the popular SIP protocol, Przytula claimed SIP itself still had too many "ifs, buts and maybes in it".

He called for the standard to either be tightened up, or for the industry to agree to follow everything that 'should' be done.

"I might run SIP, and you might run SIP, but we still can't talk to each other. There is still a lot of work that needs to be done. There's the standard, but there's also the question of how the industry applies that standard to how they will interoperate," he said. "We see this happening with Cisco and Microsoft – they have all had SIP for years but never been able to talk together, so let's mutually agree on how we'll interpret what the standards say."

Avaya's Rosemary Durand said the SIP forum had been slow on how to put that together.

"Maybe the complexity around SIP is such that it's not easy to pull it all together and show how as a vendor, you must implement things. It's so open you can interpret it anyway you want," she said.

But this failing was also one of the main positives, NET's Maurizio Fragasso said.

"SIP is one of the most versatile standards you can get. Even though there may be that nuance, it's a lot easier to make things work together," he said.