



## **The Top 10 Reasons to Consider Hosted Collaboration Solutions**

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## Introduction

The value proposition of unified communications and collaboration (UC&C) is multidimensional. UC&C empowers workers to streamline the collaborative process, raising productivity to new heights, enables individuals to collaborate (Exhibit 1) in real time with coworkers, partners, customers and suppliers in different parts of the globe, and can significantly reduce communications costs.

### Exhibit 1: The New World of Work Requires Greater Collaboration



Source: ZK Research, 2011

Because of the strong potential ROI, deploying a collaboration solution should be at or near the top of every CIO's priorities list. Collaboration technology is widely used by technically savvy early adopters, and is now moving into the mainstream. During this transition, deploying organizations must consider:

- **Budgetary concerns:** Traditional CPE-based solutions require a significant upfront investment. In the current macro environment, this may limit the budget IT leaders can be aggressive with to deploy a collaboration solution.
- **Long deployment times:** Collaboration solutions can have long deployment times due to the infrastructure that must be deployed, tested and optimized.
- **Operational and management skill-set gaps:** Managing communications used to be very simple. Systems were self-contained and relatively straightforward, but offered no flexibility. Today's systems offer significantly more power and potential but require a new operational skill set for IT.

ZK Research believes the benefits of collaboration are strong enough that companies should not wait any longer to deploy. Organizations should use the current macro environment to build a strong collaboration portfolio to position them well for the future. To meet UC&C's challenges, IT leaders should consider hosted collaboration, since it offers all the benefits of a premise-based solution.

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## Section II: The Top 10 Reasons to Use a Hosted Collaboration Service

Historically, organizations shied away from hosted services because of a perceived lack of security and control. Today's hosted solutions can offer enterprise-grade security and manageability and much more. Below are the top 10 reasons to leverage a hosted collaboration solution.

### 1. Flexibility of deployment

Historically communications infrastructure has been deployed on a node-by-node basis. Each branch office or location had its own PBX, voice mail and features. As organizations migrate to IP-based communications, they often replicate this model; however, this limits the flexibility of deployment.

Organizations used to deploy customer-premises equipment (CPE)-based solutions on a location-by-location basis. While this met the needs of the workers at the specific location, it made it difficult to distribute applications to users outside of the location. This is problematic if department personnel are located in different offices, parts of the country or regions of the globe. As organizations try to get geographically dispersed teams to collaborate for competitive advantage, effective distribution of applications becomes critical.

For example, an organization may have a collaborative application, such as Web conferencing, which they want used by a highly distributed sales force. With a premise-based solution, the long rollout process to different locations would mean some of the sales force would be using the new tool and some would not — creating inconsistencies for the entire sales force.

A hosted solution provides the ultimate in deployment flexibility. The solution can reach any worker, in any location, on any device, over all networks. This means the deployment strategy will no longer need to be structured around the limitations of the technology. Instead the company can choose to deploy whichever applications will

benefit the business most to whatever group of users they choose to, when they desire.

### 2. Ability to centralize management functions and administrative tasks

One of the more difficult challenges in managing any kind of premise-based application is scaling management functions and administrative tasks. These are tasks such as setting up new users, making changes to user profiles, updating features, application software patches. Exhibit 2, below, shows the lifecycle of UC&C management and all of the related tasks.

With a premise-based solution, many of these tasks may need to be repeated a number of times based on how the deployment is structured. For example, the simple task of applying a patch to the system in an organization with 50 locations could mean doing that specific task 50 times. This significantly increases the chance of human error or misconfiguration, let alone time and resource use.

Another difficulty is managing client-side software. If the user's application is local to the endpoint, each end point may need to be upgraded to enable a new feature. This is why some organizations can spend months going through software upgrades and will often pass on minor software upgrades. The administrative burden outweighs the user productivity benefits.

With a hosted solution, all administrative and management tasks are centralized, so the administrator can perform tasks once and have confidence that the result will be complete companywide. In addition, because hosted solutions often use a Web browser for the user interface, the frequency of upgrades for a user device is minimal.

Centralization of management and administrative tasks can save companies hundreds of hours over the traditional distributed model.

**Exhibit 2: The UC&C Management Lifecycle**

Deployment		Maintenance	Operational Support
Plan	Design	Implement	Operate
Plan	Design	Implement	Operate
Plan	Design	Implement	Operate
Site surveys WAN analysis Project requirements workshop Hardware readiness assessment Bandwidth modeling/voice capacity requirements Security policy development Change management process development Fault management process development Availability benchmarking	Low-level network design Proof-of-concept testing Network modeling Solution review and acceptance Floor plans and cutover sheets	Network staging Customer acceptance criteria Installation integration and configuration Acceptance testing Create documentation Cutover support Operational handoff training Customer admin. and end-user training	Technical support Online account Hardware replacement Configuration backups Moves, adds and changes Network monitoring Problem determination resolution Configuration management Availability and service-level reporting LAN and PSTN management
			Ongoing software release assessment Ongoing design support Knowledge transfer Performance analysis and recommendations Network tuning Network reliability improvement analysis Security audits and assessments

Source: ZK Research, 2011

**3. Rapid deployment of services and faster speed to market**

The legacy distributed deployment model meant organizations could spend months rolling out new applications or feature upgrades to its user population. IT needed to load the new feature set to each location, and then test independently.

With a hosted solution, a new feature or application can be made available to the company as soon as the service provider makes it available, so the organization can roll it out on their own schedule. Ultimately the organization can be as aggressive as it wants, allowing it to respond to competitive pressures and almost overnight.

**4. Extend deployment quickly to home office, remote workers, branches and business partners**

To say today's workforce is highly distributed is a huge understatement. ZK Research estimates that over 75 percent of workers today reside outside of corporate headquarters. In addition, more and more, workers are collaborating with partners and customers outside of the organization.

Effective collaboration must reach individuals whether they are at home, in an airport, in a branch

office, or at another company. With legacy communications, this required remote access tools, VPNs, specialty software and an administrator.

A hosted solution can reach any individual anywhere, and provide a consistent experience. Companies with a hosted application can deploy collaborative applications to any user immediately, even those outside traditional corporate boundaries.

**5. Meet the challenges of device evolution and consumerization**

The world of end-user devices has absolutely exploded. Five years ago a technically advanced user carried a corporate-issued laptop, typically running Windows, and a corporate mobile phone. IT had tight control over these devices and was able to manage user experience because of limited end points. User experience could be managed because all users looked similar from a device perspective.

Today is entirely different. A user may have a laptop, two smart phones and a tablet, and augment that with other devices such as a netbook. ZK Research has found that tablets have already reached 12 percent penetration of all corporate workers, which is staggering considering the first tablet came to market in early 2009.

The struggle for IT now is how to enable the same applications across a set of devices with different operating systems that IT does not control. Adding to the challenge is that consumer devices have a replacement cycle of 18 to 24 months, vs. corporate devices at 30 to 36 months — so even if IT could solve this problem today, it could face migration to a whole new set of devices in 18 months.

The only way to meet this challenge is to push the application(s) into the cloud via a hosted service. A hosted service can deliver any application to any device, and let the user switch devices at their leisure. A hosted solution is the most scalable, cost-effective way of meeting the challenges of device evolution and consumerization.

## 6. Budget efficiency

A hosted solution provides many budgetary advantages over CPE-based solutions, including:

- **Lower budget barrier to entry:** There is no upfront capital outlay for a hosted solution. This means an organization can get started with deployment immediately, instead of having to find a large budget to purchase new call servers and application servers.
- **Budget planning:** A hosted solution allows the company to plan its budget for the collaboration solution more accurately than with a CPE-based solution, since the subscription model provides spend that is predictable and easy to calculate. There are many ongoing advantages to a consistent monthly spend.
- **Lower overall TCO than traditional deployments:** A hosted solution costs less to run, without the upfront capital investment. Migration of a business application to an SaaS-based solution is typically 30 percent to 40 percent lower over a five-year period.
- **IT resources and staffing efficiencies:** By shifting the collaboration infrastructure to the cloud, IT can offload many repetitive maintenance tasks. This allows IT to focus on more strategic initiatives, maximizing efficiency.

## 7. Improved business continuity

Disasters can strike at any moment. Natural disasters, power outages or even manmade problems can strike without a moment's notice, making any particular location, the resources in it, or people located at it unavailable.

Ensuring collaborative applications are continuously available to workers wherever they are, using whatever equipment they have, over any network connection needs to be of the utmost importance. Often, collaboration tools are used to communicate with customers and business partners, meaning any unavailability could mean lost revenue and brand damage.

Since a hosted solution is not tied to any particular location, individuals can access them over whatever infrastructure using any device, whether the physical location is available or not. This can greatly simplify an organization's business continuity plan: The alternative would mean having to build a redundant data center with infrastructure that must be continually maintained and tested. Additionally, a hosted collaboration solution obviates the need for a dedicated, physical disaster recovery location, so that in a disaster, workers can function anywhere including from a home office.

## 8. Application diversity

A hosted solution can provide great application diversity, since any application can be made immediately available to any user at any time. Organizations can have the latest version of an application, or an entirely new application without the restrictions that CPE-based solutions presented.

The distributed nature of CPE-based solutions meant keeping all of the locations at current patch levels or version levels, which is very challenging. Many organizations would only upgrade as-needed, creating a high degree of version inconsistency. Upgrading the system or adding a new application could mean having to get all locations up to feature parity before the rollout could even start.

None of these limitations exist with a hosted solution. The organization is assured to always have the latest and greatest features and services, which can create a significant competitive advantage.

Additionally, a hosted service provides the most flexible access to collaborative applications, while maintaining a consistent level of secure access as well. Flexibility and security must both be assured before IT can deliver applications on any device over any network.

### 9. Business agility

True business agility can only be achieved with an agile IT infrastructure. CIOs need to be able to respond to line-of-business leaders faster and with projects completed on time for organizations to meet their larger business goals. ZK Research has found 90 percent of IT projects are delivered late or cancelled altogether, which can have a tremendous ripple effect. Nowhere is this truer than with collaboration applications. A robust collaboration solution allows companies to streamline business processes and create new ones that provide information to more workers and customers faster and more accurately.

A hosted collaboration solution provides a stable, rock-solid collaboration foundation. CIOs can respond to corporate leaders immediately and deliver the project on time. Instead of having to say “no” or “not yet,” a hosted solution allows the CIO to say “yes and the company can have the solution when required.”

### 10. Low entry-cost migration vs. rip-and-replace

Migrating from legacy communications infrastructure to a robust collaboration solution can be an expensive, risky process. Organizations are faced with the daunting challenge of ripping out old technology and replacing it quickly with new infrastructure, so user downtime is minimized. This is often followed by long troubleshooting periods, as IT needs to understand what functionality isn't working and how to quickly fix the issue.

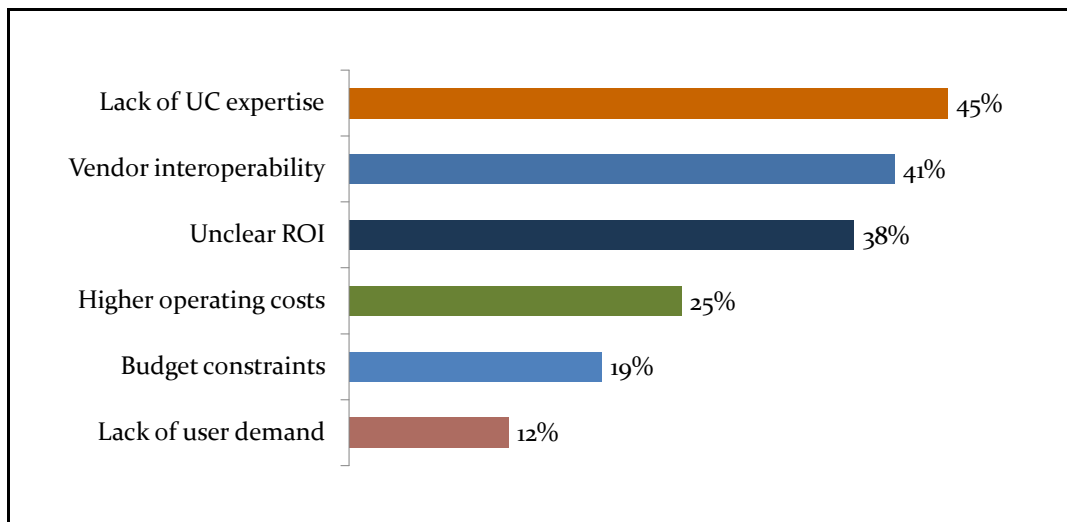
Juxtapose this with a hosted solution: IT can enable new functionality immediately and run solutions in parallel, hybrid environments, if they choose to, with a very low upfront investment. The company can gather lessons learned and best practices, and understand the productivity and cost benefits in hybrid mode, before rolling the solution out to the entire organization.

A hosted solution allows a risk-free migration path at a pace the organization feels comfortable with.

A hosted collaboration solution can bring all of the benefits of the technology to the company immediately, without the risk. Additionally, a hosted solution can address all of the barriers to deploying UC&C (Exhibit 3).

#### Exhibit 3: Barriers to Deploying UC&C Within an Organization

Question: What are the top barriers to UC in your organization? n=1098



Source: ZK Research, 2011

### Section III: What to Look For in a Solution Provider

Enterprise decision makers have many choices when it comes to choosing a hosted collaboration solution provider. The following should be used as decision criteria:

- **Breadth of solution:** UC&C and collaboration are both very broad terms. Many solution providers use just one of the terms, and offer only a very small portion of what an organization needs to build a full collaboration strategy. At minimum, the solution should provide basic UC functions such as voice and Web conferencing and chat, but also areas like videoconferencing, telepresence and other emerging collaborative applications. In addition to internally facing collaborative applications, the solution provider should be able to deliver customer-facing collaboration tools such as CRM or contact-center applications.
- **Highly secure solution:** Delivering applications from the network can make any IT or business leader nervous due to the risk of a security breach. Choose a solution provider that can deliver a service with a high level of security with regard to application access and securing the information. Additionally, the vendor needs to be able to provide device security as part of the service. End-to-end, integrated security is a must when it comes to evaluating cloud-based service.
- **Robust management interface:** When looking at the functionality of services, look past just the collaboration tools and into the management interface. Does the solution allow IT to self-manage the environment by doing moves, adds and changes? How easily can new services be provisioned? Can you manage by user, or by group? Ensure all of the management tasks needed for day-to-day operations are available.
- **Visibility tools:** Real-time voice and video are subject to erratic performance due to network issues. Ideally the solution will be not only integrated into the network, but also will provide visibility into network performance. This will allow network managers to avoid performance issues.
- **The service is built on a platform specifically designed for the cloud:** Many solution providers offer a service built on technology that predates the cloud era. Check with the solution provider to ensure the service is optimized for the cloud and provides a user experience that is similar to a premise-based solution.

- **Scalability and geographic coverage:** Every organization today has the potential to be global. Even if the company is predominantly based in a single country, it may have customers, partners or remote employees anywhere in the world. The solution provider that you choose needs to have wide geographic coverage, and the service should scale as large as you need it to.
- **People-centric solution:** Many solutions today are optimized for a particular device — a mobile phone or desktop. However, the solution needs to be centered on the user and be capable of delivering a mobile, social and visual experience that can be tailored to the user.

### Section IV: Conclusion and Recommendations

Unified communications and collaboration has the power to change the way people work, streamline business processes and raise corporate productivity to new heights, all at a dramatically lower cost than traditional communications. However, there are many significant barriers that prevent companies from being more aggressive with their collaboration deployments — meaning the company isn't realizing the full potential as quickly as they should.

A hosted collaboration solution can help organizations deploy UC&C to more workers in more places faster than with traditional CPE-based solutions. To help companies get started, ZK Research recommends the following:

- **Consider a hosted collaboration solution to at least augment your current deployment:** The hosted solutions available today are significantly different than the solutions of a few years ago or legacy IP Centrex. Today's hosted solutions are at feature parity with premise-based solutions and should be considered a viable option.
- **Evaluate at least three hosted collaboration solutions:** The market is still developing and evaluators should not make a decision based purely on incumbency. Evaluate three service providers, which includes checking with reference clients to validate the solution provider's claims.
- **Start the deployment with a small, controlled pilot group:** Learn best practices, calculate the productivity benefits and cost savings with a pilot group, and then use these metrics to justify a larger deployment. The barrier to entry is low, so there's no reason to not get started immediately.