Whitepaper

How SMEs can drive growth with Unified Communications

Content

Executive Summary

For the last forty years or more, the corporate telephone system, locked away in a dedicated room, has been the principle medium of business communication, defining virtually every transaction, process and operation carried out.

However in the last decade with the arrival of convergence and the merging of traditional IT and telecoms functions, the majority of businesses are now familiar with the concept of VoIP and unified communications (UC). Indeed more than 30% of small companies and

55% of mid-sized companies plan to deploy some form of UC in the next 12 months (IDC).

However, there is still much confusion over what these technologies offer to modern day businesses and not all are aware of the real commercial benefits and how this technology can help them prosper and grow.

This whitepaper seeks to reveal the reasons that SMEs invest in unified communications and the range of benefits it delivers both in the short and longer-term.

Facts & Figures: The market for Unified Communications

- The unified communications (UC) market is worth £3.6 billion in EMEA, according to IDC

- Infonetics predicts that the growth in the VoIP market will continue apace, with total revenue generated by domestic and business VoIP services combined forecasted to amount to $76.1 billion by 2015.

- The UK has one of the highest penetrations of IP desktop in Europe, in 2011 IP desktop shipments forecast to represent 60% of total UK PBX/IP PBX market, in Europe as a whole forecast to be 37% (MZA Consultants)

- IP desktop shipments in the UK forecast to grow 50% in the period to 2016 to represent almost 80% of market (MZA Consultants)

- UC Applications market in the UK reached in excess of £200m at end user levels in 2010 and forecast to grow more than 70% in period to 2016 (MZA Consultants)

The role of Unified Communications in driving growth and efficiencies

The development of convergence and the adoption of unified communications has already essentially changed forever how companies can operate, now and in the future. In the past, the telephone system was a discrete island that was isolated from any other forms of communication such as email which developed autonomously as part of the general IT infrastructure. However, unlike email which can transcend geographical boundaries, the phone system has been severely limited by its location, often designed to connect calls to employees sat at their desks at a particular office.

Unified Communications has meant that the phone is now subsumed into the IT infrastructure and the barriers have been torn down. Now, you have the possibility for employees to be reached seamlessly, regardless of their location via a choice of different mediums such as phone, email, SMS, Instant Messaging and Video.

This **'always on' culture** combined with the possibilities of merging communications with any other IT application on the network or indeed the Internet, is part of why UC can boost efficiency and ultimately drive growth.

In many organisations, voice (mobile or desktop), video and messaging (e.g. Instant Messaging) networks are rarely integrated with the IT infrastructure. As a result they are not part of business workflow, which will directly impact on the productivity of processes, individuals and teams.

It is the 'openness' of a UC concept that at last connects everything together and liberates companies to become more flexible, agile and competitive. With the advent of 'mobile' employees that no longer reside at a particular location or desk and are either on the road, work from home or a number of different offices, UC with its **'single number'** concept provides the infrastructure that keeps workers, suppliers and customers connected.

In fact, the **'presence'** characteristics of UC whereby everyone can see clearly the status of others in a group, means that individuals can interact more easily and can also share resources, irrespective of location.

So what are the implications for businesses that are considering the deployment of UC and how can individual companies assess its relevance to them.

Key business applications & benefits for UC

Due to the massive potential of UC, every business may have a different way in which they can benefit from the technology. There is certainly not a 'one size fits all' approach, but it is possible to build a range of scenarios where UC delivers tangible benefits.
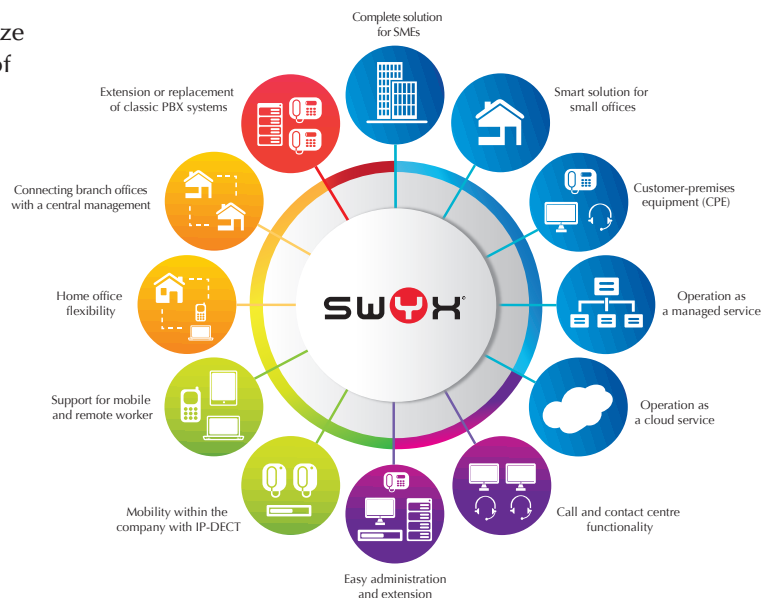
In terms of technical features that UC provides over and above a traditional old-fashioned PBX you can expect:
- 'Single number' contact
- 'Rich' Presence Management
- Real Time Messaging
- Unified Messaging (UM) –all messages easily accessible from a single point, regardless of type
- Routing of calls automatically
- Conferencing & collaboration
- Full integration of communications with other systems (e.g. back office/cloud etc.)
- Fixed Mobile Convergence (FMC)

However, to make sense of these features you need to apply them to a range of typical business challenges that may include a combination of the following:

Reducing cost of IT ownership
With a combined telephony and IT network you will invest less in overall equipment and you will also reduce the cost of on-going technology roll outs and day-to-day support and maintenance. For example if you can deploy new updates/software across all sites at the same time, rather than in series, costs are saved and overall productivity is increased.

Complete solution for SMEs

Extension or replacement of classic PBX systems

Smart solution for small offices

Connecting branch offices with a central management

Customer-premises equipment (CPE)

Home office flexibility

Operation as a managed service

Support for mobile and remote worker

Operation as a cloud service

Mobility within the company with IP-DECT

Call and contact centre functionality

Easy administration and extension

Improve customer service & competitive edge – Availability is key

An ICS (Institute for Customer Service) study reveals that UK firms fear losing 10% of their customer base over the next three years.

Keeping customers happy is paramount to any business. When they call with a query they expect it to be resolved there and then, not to be called back whilst someone is found to deal with it.

Key business applications & benefits for UC

Presence combined with intelligent call routing can help to achieve **'first call resolution'** where possible, as the receptionist knows exactly who is available and whom to route the call to. By linking presence information with key business applications such as calendar functionality you can identify times when a user (or community, e.g. a sales office or support department) is available and how best to contact them.

The ability for teams to collaborate on support issues is also invaluable because the advantages of **'crowd-sourcing'** enable problems to be solved quicker. UC systems will work easily with third party collaboration solutions such as SharePoint, so that employees can discuss projects or issues on-screen without being in the same room. What's more they can also use the same technology for training staff and/or customers remotely.

Staff across the business can check the availability of colleagues, wherever they are, and conference them in, if a customer needs an answer there and then to a specific question.

By integrating your phone system with the rest of your back office applications it is possible to tailor your communications depending on a particular customer. So with UC it is **possible to flag and route problem clients,** such as ones that hold bad debts to the accounts payable department when they call your support or sales number, or alternatively **fast-track a repeat or loyal customer** to the same individual that they would normally request to speak to.

Some software-based UC solutions such as SwyxWare even allow you to configure your calls so you can also 'pop-up' web-based information dependent on who is calling. For example **you might want to incorporate 'Google Maps' or a specialist 'RSS feed'** so you can draw on specialist information that could be pertinent to the conversation.

Save money on renting/owning property by supporting flexible or home-working

In the past, organisations may have been reluctant to incorporate home or remote working, as normally this involved using two or more different communications platforms that were not integrated. For example if an employee was working from home or from another location it was impossible to connect them to a client or colleague without dialling another number and hoping they would be there to pick up. However, with rich presence you can see immediately when and how you can communicate with the remote employee. This makes it much easier to chat or set up virtual 'face-to-face' meetings between colleagues and customers regardless of their location.
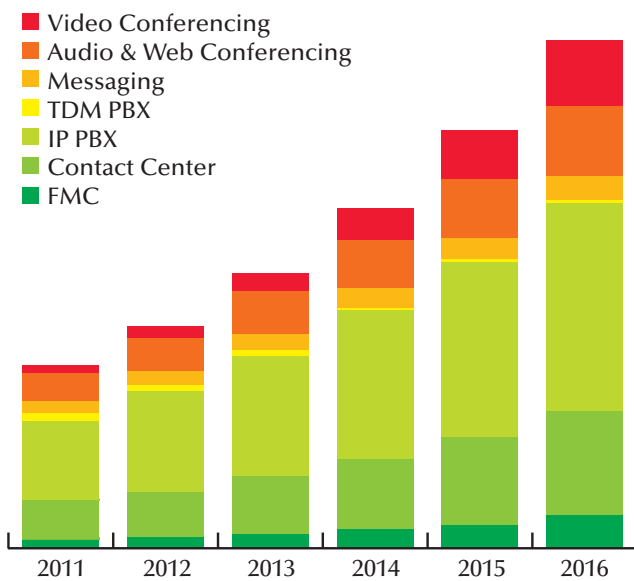
By offering the option for workers to operate away from the office, you can reduce your property overheads too. **With concepts such as 'hot-desking' you can dramatically reduce your office space,** because on average the number of people there at any one time will be a fraction of what it was when every individual had their own dedicated desk. This concept is far easier to embrace when an employee knows that they can still access all the information they need regardless of where they are sat. With UC, every remote employee has the same access to communication and third party applications as their office-based colleagues.

Key business applications & benefits for UC

Research from O2 suggests that one in four companies uses no technology at all for this, only 26% have a remote working solution in place, indeed 86% believe a flexible approach will help them retain staff. In parallel, according to research firm IDC, by 2014, 1.2 billion workers won't be working from a traditional office.

Total Unified Communications Market by Component World Market, Forecast: 2011 – 2016

■ Video Conferencing
■ Audio & Web Conferencing
■ Messaging
■ TDM PBX
■ IP PBX
■ Contact Center
■ FMC

2011   2012   2013   2014   2015   2016

Improve internal communication within and across different national/international sites & time-zones

We have all played the game of 'telephone tag' within our organisations. This is bad enough when we are operating from just one site, but this frustration is amplified when your operation has multiple sites around the country and/or has international branches. Rich presence eliminates this instantly, by letting you know whether a contact is 'away', 'busy', or 'available'. Furthermore by drawing information from additional external sources such as their electronic calendar you can also integrate their status according to whether the person is in a meeting, on holiday and so on.

Lower line rental & call costs

With UC it is often possible to rationalise the number of phone lines you need, especially if you have multiple sites giving you considerable cost-savings on a yearly basis. So for example if you have 10 sites, you can reduce this down to just one line rental by centralising your communication at a single site.

By replacing costly ISDN 2 circuits with SIP trunks you can also **realise immediate savings on monthly running costs.** On the actual phone charges, all calls within the same VoIP network will be free, so if you are running a multisite or international operation or have employees on the move, at home or abroad, you can potentially make significant savings in call charges. With software-based UC solutions such as Swyx **you can log in to make an 'office' intitiated call wherever you are,** either via your desktop via a broadband connection, or alternatively from your mobile if you have SwyxMobile installed.

Key business applications & benefits for UC

Increase overall employee productivity

However, perhaps the greatest opportunity for increased productivity is how you can combine presence information with applications that allow colleagues and customers to communicate remotely in different ways such as high resolution video, audio conferencing and/or application sharing. In the past it may have been difficult to track someone down or waste time in telephone tag, but **with the latest presence information you can see immediately when and how you can communicate with another person or party.** In turn this makes it much easier to chat or set up virtual 'face-to-face' meetings without the usual delays.

Whilst UC alone can transform the way a business works and communicates with its customers, the addition of presence helps both employees and customers build closer and more fruitful relationships.

This approach of user-centricity is developed further by **the concept of groups or communities, which can each have their own independent attributes** (contact details, phone number, email address, etc.) and into which users can be subscribed so that they become part of a user community as well as, or instead of, part of a physical location

Make your sales team more effective – with smart call management never miss an opportunity

By 2013, mobile phones will overtake PCs as the most common web access device worldwide. With support for FMC (Fixed Mobile Convergence), you can extend the benefits of rich presence information to mobile devices such as iPhones, Blackberries and even tablets. If members of your sales team are 'on the road' their status can still be viewed in the same way as if they were in the office and they still make/receive communication.

Imagine you are waiting for a lucrative sales deal to be confirmed. With intelligent call routing a UC system can detect the number of your prospective customer and route it directly to the sales representative who is handling the order. Likewise, during busy periods where you have an influx of sales calls but the main reception is overwhelmed, calls can be distributed automatically to available resources, so you **never miss a potential sale.**

For this to work well, the user needs the facility to update their desired contact information "on demand". Swyx for example has addressed this through a standard client interface or through a Web portal, giving the user as much or as little control as required.

Reduce costs of IT hardware such as phones

By integrating your UC capability within your smartphone such as a Blackberry or iPhone, ultimately we could see all users replace their desktop phones with just a single mobile communications device.

Key business applications & benefits for UC

Use collaboration technologies to optimise communication and cut travel expenses

Perhaps one of the greatest benefits of rich presence is how you can combine presence information with applications that allow colleagues and customers to communicate remotely in different ways. These options can now include high resolution video and audio conferencing, application sharing and innovations such as webinars and webcasts. **According to IDC, conferencing technology is used by 45% of medium-sized businesses, primarily to reduce travel-related costs.**

Other examples of how UC can be applied to transform the workplace include sharing of intercompany documents and Instant access to knowledge/information across the organisation. When businesses are located in different geographical locations it can be difficult to share and update information in a timely manner. When documents are passed around for review by multiple employees, comments/updates can often easily get out of sync.

And, if the document contains technical material, different readers may have different interpretations of the contents of the document. The application sharing facility of UC applications can avoid this. This feature allows a worker not only to have key information at their finger-tips, but also **enables them to access ano-** ther desk-top or lap-top computer and present in 'real time' to view a PowerPoint presentation, price list or accounting figures on an Excel spreadsheet. This not only improves productivity, but also gains the undivided attention of the employees participating in the application sharing.

More effective & cost-effective recruitment – hire employees on merit rather than location

UC means that **location is no longer a barrier to managing business.** For many businesses that do not require employees to be at a physical location, staff can just as easily work from home or be somewhere in between. The natural extension of this is that location is no longer a barrier to employment either, so that dependent on your business needs you can hire the best employees without concerning yourself with where they live.

Become more agile

By moving to a single network and a central point of control, not only do you streamline your business processes but you can react quickly to changing business needs. More now than ever, **it is a company's ability to adapt to new environments that will be the difference between success and failure.** With UC, it becomes much easier to adapt, so reconfiguring your communication system or giving more workers access to new information and/or applications that will make them more productive and/or competitive

Key business applications & benefits for UC

Enhance brand value with greener credentials

By 2014, most IT business cases will include carbon remediation costs. In fact 'being green' and building your eco-credentials is likely to become a key part of an organisation's CSR (Corporate Social Responsibility) programme and overall brand values and customer loyalty. The benefit of a technology such as UC is that on the whole it requires less hardware (with fewer servers and greater adoption of softphones) and for pure software-based UC systems for example like SwyxWare, many users can simply use softphones rather than invest in expensive handsets that will eventually end up in landfill.

With software-based UC systems, you can minimise the hardware required and in many cases users only require a single device such as a mobile or smartphone to access all their communications, making the deskphone redundant. The other advantage is that you can harness your existing IT infrastructure, so there's no need to install separate cabling and you can use an existing server to host the software, so it's just like adding another application on to your network.

There is also a greener upgrade path too - instead of investing in new phones and installing new software from a CD, the latest developments can simply be downloaded without any packaging, so you are always up to date without increasing your carbon footprint.

Business Continuity – Maintain productivity and minimise downtime in spite of events e.g. severe weather

According to YouGov, 58% of small and medium-sized businesses in the UK suffered as a result of the severe winter weather.

Sometimes it takes unusual circumstances such as severe weather conditions, a fuel crisis or other event which stops you getting into the workplace, to highlight the vulnerability of our businesses. One of the major problems faced during the cold spell, was that staff were unable to get to work equating to many man-hours lost as well as potential opportunities. UC offers a contingency plan in this situation, allowing staff to work from home.

Who benefits?

If you are a business that relies heavily on communication to run your business, whether it's communicating with customers or ensuring that a distributed workforce can engage with each other, regardless of location, then you are likely to benefit from UC.

In particular the following types of organisations should seriously consider adoption. Whether or not an existing phone system is up for renewal, UC can be implemented in parallel. Latest research from AMI Partners "2011-2012 North America SMB Unified Communications Overview" contends that more than half of SMBs were using at least one piece of a UC solution already.

- Multi-site operations (including international)
- Any business with customer service and/or support desks
- Remote or home workers
- Have or want 'service' as a differentiator
- Sales force on the road or distributed geographically
- Teams working together e.g. problem solving
- Employees that work together to create sales proposals/tenders
- Challenges hiring the right people due to location/ different time zones e.g. contact centres
- Staff travel costs are significant

# CASE STUDY – Romec uses UC to boost productivity and keep service staff working during severe weather

With the responsibility of responding to over 4,000 service calls per days, from over 25,000 sites including major blue chip organisations, **Romec** (originally part of The Post Office) prides itself on delivering a highly efficient service that sets it apart from other FM providers.

IS Services Manager at Romec, Stuart Keating says, "Our incumbent system had been installed for some time and was struggling to cope with the demands we were putting on it. To improve the efficiency of our operation we also needed new functionality such as on-line presence, so we could immediately see from any location who is logged on and who is not. We also wanted support for remote working, so operators could be based from any location, complete call integrity between all three sites for disaster recovery purposes and simple to use call recording for training and dispute resolution."

Swyx's UC solution is used by all Romec's employees including call centre operators, facilities managers, admin staff and directors and according to Romec delivers the following key benefits

- Unprecedented levels of flexibility which has had a major impact on operationally efficiency. E.g. manage the peaks and troughs of the inbound and outbound calls, so that they can make better use of call centre operators
- Managers can work from any location using their lap-tops and soft-phones instead of their mobiles, thus saving money on call costs and travel
- The integrated Conference facility is saving the company around about £1,000 per month, compared with using the previous outsourced facility
- Cuts out additional telephony support costs – Romec's in-house team does all of its configurations
- Wall board integrated with SwyxWare display all calls actioned, missed etc. – allowing closer analysis of procedures, how much time is spent on the call, when the peaks and troughs are, staffing during low activity times etc.
- Business continuity – able to route calls to different locations and use SIP trunking to backup main ISDN lines in case of catastrophic failure. During severe weather in 2010, Romec's staff could not get to work, but were able to log in and work from home.

To read the case study in full visit www.swyx.com/romec

RomecFM
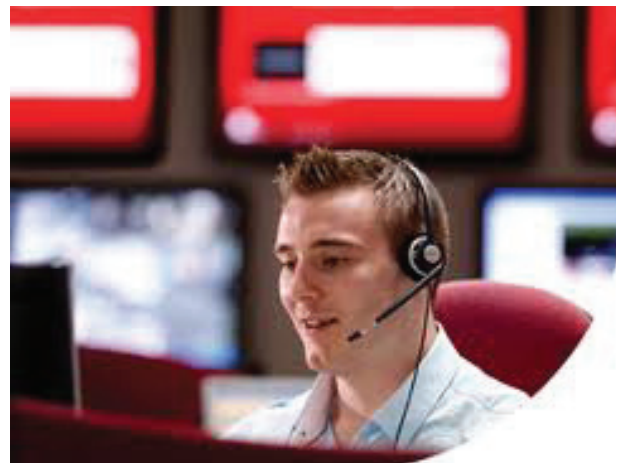
'UC as an App' – Not all solutions are equal

One of the longest running debates amongst unified communications vendors, is whether a hardware or software approach works best. The old telephone systems or PBXs were all hardware- based and unsurprisingly some of the traditional vendors still have hardware at the heart of their solutions. These are often referred to as IP hybrid solutions. In parallel, there are also vendors that supply 'software-only' solutions that run as just another 'application' on the IT network and these are known as pure IP solutions.

According to MZA, pure IP and IP hybrid solutions now represent 90% of all solutions shipped in the UK

How do pure IP solutions work?
Using a 'soft' IP PBX technology, voice and telephony just becomes another server based application that runs within a company's network environment. Voice like data, can be delivered to anyone, anywhere, regardless of their location, and like data it can be integrated into other business critical applications, opening up endless new opportunities to improve a business's operational processes.

Key attributes include:
- Can be managed just like any other application
- Can be integrated with other third party applications e.g. CRM
- Can be managed in-house by IT Manager
- No expensive support contract – Moves & changes can be done internally
- No additional hardware – works on existing servers
- Will work with any handset
- Both voice & data can be centrally managed

Software based UC solutions also offer interfaces such as TAPI and client SDK (Software Developer Kit) which allow companies to simply build their own specific applications and their own soft phones. This can be a very powerful tool in the IT manager armoury as it allows the corporate IT offering to be customised to meet the direct needs of the business, again without any reliance on a third-party supplier.

Correctly implemented, a UC solution built around a 'soft' PBX will evolve as the dynamics of the business change, meaning you can protect your investment in the future.

It is not unusual for software-based UC solutions to **achieve an ROI within 12 months of implementations.**

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Measuring return on investment

It is difficult to create a definitive formula to calculate cost-savings and length of return on investment for UC deployments, because every company is different, but there are areas that you can examine so you can justify the expenditure.

Here is a checklist to help you make a decision

Conferencing – if you are a 'heavy' audio conferencing user, it is worth assessing how much is spent on this annually as the majority of UC systems include this as part of a larger package of features

Travel – Cutting out needless travel whether it's between different sites or internationally can significantly reduce your commuting costs.

IT Equipment – Moving to a software-based UC system could mean less IT hardware purchases now and in the future, by replacing desktop handsets with softphones or other devices such as smartphones.

Maintenance – Replacing an old phone system means you can often eliminate expensive maintenance, by simply relying on a single supplier that supports your IT network. Alternatively, you may already have IT expertise in-house that can now also look after your telephony/communications needs too.

Call Management – If you are missing potential sales opportunities, then introducing more effective call routing technology that enables calls to be automatically re-directed to the most relevant and available resource can make a big difference to your total sales.

Disaster Recovery – If unforeseen circumstances such as severe weather have affected your business in the past, understand what the lost revenues were and how much you could save with the contingency of a UC strategy.

Call recording/Voicemail – In certain industries, especially the financial services sector, call recording is a must, as is the ability to retrieve call data records so time can be re-charged to customers. If you currently have no capability to do this or are looking to upgrade this, then buying it as part of an overall UC solution could make sense, rather than buying it as a standalone item. The same can be applied to voicemail. If you are looking to add or upgrade your voicemail capability, the cost of buying voicemail alone can be greater than the cost of a fully-featured UC solution.

Call Charges – Scrutinising your monthly phone bills will allow you to see exactly what type of calls are being made and whether you would be able to reduce these. Taking advantage of SIP gateways could allow you to use sip connections between locations and to use dynamic line handling with sip trunking connections to service providers, delivering additional lines in business peak times.

Phone lines – If you have multiple sites each with its own dedicated phone line, you could save on the collective cost of individual line rental by centralising your communications at a single site.

Office costs – Estimate your yearly property costs (rent, heating, light etc.) and whether by introducing concepts such as flexible working could help reduce overheads and even increase productivity of staff.

Measuring return on investment

Recruitment – With technology tearing down the boundaries of geographical location, many employees can now work remotely. Not only does this reduce commuting and your ecological footprint, but it also means that there is more scope to hire people in different areas. This has several advantages including cheaper labour, for instance you might be able to offer a different salary if based outside London. By widening the labour pool you can also cast the net further and attract labour with higher skills. For example, home working could be used to attract or retain senior or high value staff to the business. This means that companies in locations that may be considered unappealing can attract high calibre personnel without the need to insist on relocation.

Virtualisation – UC solutions can be either based on on-premise equipment or can be hosted in the cloud. The latter can further reduce your reduce hardware investment, power consumption and management complexity. By 2015, Infonetics predicts, the number of active VoIP and unified communications (UC) user stations (or 'seats') supported by a hosted service will have more than doubled.

There are also other areas which should also be considered although maybe more difficult to quantify until after the system is in place. This could include the effects of **enhanced customer service, improved employee welfare** (e.g. the option to take advantage of flexible working) and **better internal communication** and its impact on overall productivity.

A daily model of how UC is estimated to save an executive's time

Activity	Minutes spent each time			Times a Day	Time Saved
	Before	After	Improvement		
Playing phone tag	1	0.2	0.8	10	8 Min
Searching for an e-mail, doc or IM	2	0.5	1.5	20	40 Min
Dialing phone to call people	0.1	0.05	0.05	15	1.5 Min
Dialing into conference bridge	1	0.1	0.9	6	6 Min
Contact history research	2	0.2	1.8	5	10 Min
Skimming Voice Mail	1	0.5	0.5	5	5 Min
Total					**1.2 Hrs**

Future trends

By 2013, mobile phones will overtake PCs as the most common Web access device worldwide. The pace of change for how the world is communicating is accele-

rating at an ever increasing rate. This means that businesses need to protect their IT investment and choose technologies that are flexible and continue to evolve with an easy and inexpensive upgrade path.

About the sponsor of this Whitepaper

Always ready to challenge the market, Swyx, established in 1999, develops software based unified communication solutions that continually push the boundaries whilst maintaining its core belief that technology must always deliver tangible business value and productivity for clients.

Renowned for product innovation, Swyx aims to continually delight its customers and business partners by providing the best possible products and services to help make them more competitive in their markets.

Headquartered in Dortmund, Germany, Swyx has offices across Europe. Today the company is recognised as the market leader for unified communication in Europe and has enabled thousands of businesses to take advantage of the benefits of unified communication and associated applications.

An easy-to-install, easy-to-maintain software-based system, SwyxWare is designed to drive a company forward. Based around familiar Microsoft® Windows® applications, the Swyx solution is designed to integrate perfectly with existing business software, including all financial and business process management tools. It offers all the agility of a business-class communication solution with the flexibility to match – and to grow with a company's specific needs. Powerful business communication, that is simple, quick and easy to set up and manage, giving businesses full control, and making them more responsive to the needs of its customers, wherever they are.

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