

The Benefits of Unified Communications for SMBs

An Osterman Research White Paper

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Why Should You Read This White Paper?

OVERVIEW

Unified communications is an important capability that offers a number of benefits, including:

- The ability to integrate email, voice and instant messaging into a more cohesive communications system than most organizations have available to them today.
- Faster decision making because all of the data that users and organizations need is available through any access point and users can communicate with others inside and outside their organization more easily and more quickly.
- Lower overall IT and telecommunications costs, particularly for labor, because of the inherent economies of scale available with an integrated communications platform.

The benefits of unified communications are particularly important for small and mid-sized businesses (SMBs) for a variety of reasons:

- A large proportion of employees in the SMB space are mobile and highly distributed, meaning they are often away from their primary, desktop communications tools; or not based at a corporate headquarters location where they are supported by on-premise IT staff. For example, an Osterman Research survey conducted in late 2009 found that more than 30% of employees in SMBs are mobile at least some of the time, and one in six employees is out of the office much of the time.
- SMBs tend to have a higher cost per seat for communications capabilities like email and telephony given that they can spread the fixed costs of the infrastructure over a relatively small number of seats. This makes hosted solutions of various types even more advantageous given the greater proportional cost savings that can be realized.

Further, a hosted unified communications solution offers significant benefits for SMBs beyond just overall cost savings. Most notably, the benefits include the ability to use a carrier-grade communications capability that allows them to operate more on par with larger organizations, but without the significant outlay of capital and without the IT staff necessary to deploy and manage the system.

KEY TAKEAWAYS

There are two important issues for SMB decision makers to consider: a) unified communications can provide a significant number of IT, employee and business benefits; and b) hosted solutions should be seriously considered as a way of deploying unified communications more quickly and managing it less expensively.

ABOUT THIS WHITE PAPER

This white paper was sponsored by Intermedia, a leading provider of hosted services, including unified communications, Microsoft Exchange, Microsoft SharePoint, BlackBerry Enterprise Server, email security and other applications. The white paper discusses the

many benefits of unified communications, and it discusses Intermedia's offering in this space, Unison.

Unified Communications Defined

THE LONG-AWAITED PROMISE OF UNIFIED COMMUNICATIONS

For many years, the "Holy Grail" of communications in the workplace has been unified communications – the integration of email, calendars, telephony, directory services and real-time communications in a unified interface. As far back as the 1980s, analysts were predicting the imminent merger of these technologies into a unified system that would offer greater employee productivity, lower IT management costs and enhanced functionality.

Analysts got one out of two right: unified communications would provide the aforementioned benefits. However, they were wrong about the timing – unified communications has taken far longer than expected to become a practical reality. Part of the delay has been the traditionally high cost of offering these integrated technologies.

THE KEY ELEMENTS OF A UNIFIED COMMUNICATIONS SYSTEMS

At its core, a unified communications system should provide five basic capabilities:

- **Email**
A standards-based email capability that will either be accessible via Outlook, the de facto industry standard for email clients, or via an Outlook-like interface. Doing so will allow users to hit the ground running with unified communications and will minimize training and help desk costs.
- **Telephony**
Telephony capabilities must be available that will allow calls to be placed either through a desktop handset or a softphone capability. Voicemails must also be available within the user interface.
- **Real time communications**
Instant messaging capabilities are another important capability of a unified communications system so that users do not have to employ a separate tool for managing impromptu conversations and seeing presence information. This is particularly important from a security perspective so that consumer-grade instant messaging clients can be replaced with the real time communications capability built-in to the unified communications system.
- **Calendars**
As with traditional email, calendars are a critical component for any unified communications system. Preferably, the system will allow users to maintain multiple calendars – work, personal, project, etc.

- **Directory services**

An important feature for a unified communications system is support for standards-based directory services, such as LDAP. Here again, multiple directory support is important so that personal, group and company-wide calendars can be supported.

UNIFIED COMMUNICATIONS IS MORE RELEVANT NOW THAN EVER

Unified communications continues to become more important over time for two key reasons:

- The number of remote workers continues to grow over time. For example, a Gartner study found that the number of workers who work from home at least one day per week will increase at an average compounded rate of 4.4% through 2011¹. Remote workers are simply more efficient if they have access to all of their communication tools in a single, IT-managed interface instead of tools that individuals select on their own and cobble together with varying degrees of success and efficiency.
- While unified communications offers a number of important benefits for both IT and end users, as discussed in the next section, a key benefit is reducing the cost of real estate and related expenses. Because unified communications makes it easier for individuals to work remotely by giving them all the communications tools they need in a single interface, a worker can be anywhere – at home, on the road or at a client site – and be just as productive as when in the office. As a result, unified communications is an enabler for reducing the number of people who must come into an office, allowing companies to rent less office space, thereby reducing their cost of rent, taxes, power and related amenities. This is a concept that is today being used by very large companies like Boeing and IBM, but that can also offer significant cost savings for SMBs, as well.

The Benefits of Unified Communications

IT BENEFITS

Unified communications typically results in long term cost savings for any organization because both email and telephony – the two most important communications tools – can be managed as a single entity, and because hardware and software costs are typically reduced. This leads to greater efficiencies in the use of IT staff time and lower labor costs, not to mention substantially hardware and software costs. However, an added benefit is that some portion of IT staff time is freed for other tasks or initiatives that can provide greater value to a company.

However, using a hosted model for unified communications can yield even greater benefits, particularly for smaller organizations. Because hosted services are generally less expensive than deploying and managing on-premise systems, a hosted unified communications system can result in significant cost savings. The cost savings will typically be greater a) the smaller the organization is and b) the more geographically distributed it is.

¹ Gartner, Inc. "Dataquest Insight: Teleworking, The Quiet Revolution (2007 Update)" by Caroline Jones, May 14, 2007

END USER AND BUSINESS BENEFITS

Why does unified communications offer a better experience for end users and IT alike? There are several benefits that employees and employers alike can realize:

- For end users, having access to all of their communications tools – email, calendars, telephony, real time communications and corporate directory – in a single interface offers a major productivity boost. Instead of having separate interfaces for checking email, making appointments, placing telephone calls, or having instant messaging conversations, all of this can take place in one interface.
- The use of one interface for all communications allow employees greater flexibility in where they work. For example, using a unified communication system an employee can be just as productive at home or in a hotel room as he or she is in the office. That means that teleworking is easier, leading to improved employee morale and greater employer flexibility in hiring employees independently of their geographic location.
- Unified communications can also improve the speed of decision making, since an employee sitting in an airport or at home can receive calls or conduct instant messaging conversations just as if he or she was at their desk. This eliminates much of the “telephone” tag that takes place in business today.
- For those organizations focused on “green” initiatives, unified communications can support these initiatives in several ways, including reducing the number of individual systems and power requirements that a company must support, reducing employee travel into the office by allowing them to work remotely more often, and minimizing the amount of floor space in an office by allowing employees to use the “hoteling” concept – i.e., coming into an office location only when necessary.

Comparing the Status Quo With the New Paradigm

THE OLD PARADIGM

A typical user that has email, telephony and real time communications capability uses several interfaces:

- An email client, most often Outlook, that provides a number of useful features in addition to managing email, such as calendars, contacts and task management. This email client will typically have access to the corporate directory of contact information, as well as a personal database of contacts.
- A desktop telephone that provides voicemail capabilities through an audio interface, typically also accessible remotely for checking messages while on the road.
- An instant messaging client – often AOL Instant Messenger, Yahoo! Messenger, MSN Messenger – or a Web-based tool like Meebo.

Admittedly, working with a set of tools like this is not horrible – users can and do accomplish real work using them. However, this collection of tools is not ideal, particularly in the SMB space where integrated, enterprise-grade tools have not been deployed. For example, telephone numbers delivered in an email message must be entered manually on the telephone to place a call. Voicemail must be accessed sequentially from a voice interface, a sometimes time-consuming process, particularly after a period out of the office. Instant messaging contacts are most often maintained in a separate and incompatible directory from the corporate directory.

In short, this works, but it is far from ideal.

THE NEW PARADIGM

By contrast, unified communications offers a more efficient user experience. A telephone number clicked in an email can open a soft phone client to initiate a call or the call can take place via a handset. Voicemails are delivered to the email inbox so that users can visually sort through them quickly based on time of delivery, phone number of the caller or some other parameter. An instant messaging contact is stored in the same directory as the one used for email addresses and telephone numbers, providing users with every access point for every user they need to contact. Add to this the fact that all of these capabilities are available from any location with an Internet connection – in the office, in a hotel room, at home, at the airport or in a car.

The result is an easier-to-use communications infrastructure, a more efficient and more accessible workforce, faster decision making and reduced IT costs.

DETERMINING IF UNIFIED COMMUNICATIONS IS RIGHT FOR YOU

Is unified communications right for your company? The answer will depend to a large extent on how communications is used in your organization. For example, an organization in which employees send and receive only a few emails each day, in which only a few telephone calls are placed or received each day, or where real time communications is employed only for personal use will be unlikely to find substantial benefit from the use of unified communications.

By contrast, an organization that makes extensive use of email, telephony or real time communications – or that will want to do so in the future – will realize enormous benefits from the use of a unified communications infrastructure.

PICKING A PROVIDER OF UNIFIED COMMUNICATIONS

Selecting a provider of unified communications technology is not necessarily an easy thing to do. One of the key issues that has vexed organizations – particularly large ones – is where to start deploying unified communications. For example, should an organization use its existing PBX as the starting point and then add capabilities like email and presence into that infrastructure? Should it begin with its email system and then add voice and presence into the mix? Should it choose a middle route and preserve its email and PBX infrastructures as they are now and simply “glue” them together to provide unified communications capabilities?

The decision is not an easy one and will often involve some resolution of philosophical differences between decision makers:

- The decision will sometimes be a “political” one as email- and telephony-oriented decision makers decide who will manage the project – the IT group, the telecom group or some task force comprised of members drawn from both.
- The decision will also be guided by an organization’s legacy investments in email and PBX systems – a key issue, since organizations are unlikely to be at a point at which both systems are in need of a major upgrade.
- Add to this the fact that in a difficult economy IT and telecom budgets are often being cut or holding steady.
- Then, factor in the cost savings and gains in employee productivity that organizations will realize from unified communications and the decision becomes all the more complicated.
- Add to all of this the delivery model: on-premise or hosted.
- Last, but not least, is the sometimes-conflicting information that decision makers hear from vendors that are emphasizing different aspects of the unified communications problem and that are coming at the problem from various philosophical viewpoints.

Generally, Osterman Research recommends that organizations of all sizes seriously consider appliance-based or hosted communications solutions because of the cost savings, reliability, flexibility, rapid deployment and other benefits that they often can provide relative to on-premise solutions. However, that is particularly true for SMBs because of the higher costs per seat for these organizations relative to their enterprise counterparts, and because SMBs often lack the internal expertise to deploy unified communications solutions. Using a unified communications system available as an appliance or as a hosted service can make deployment faster and easier and lower the overall cost per seat for the solution.

FOCUS ON THE LONG TERM

Another important consideration is planning for the long-term communications strategy for an organization. For example, your needs today may be met adequately with separate email and voice capabilities. However, the vast majority of organizations will be migrating to unified communications for the reasons discussed in this white paper. As a result, it is critical to choose a provider that takes a full service approach, one that will be able to meet today’s needs for email and tomorrow’s needs for unified communications and migrate its customers seamlessly. This will allow an organization to use just one vendor and not integrate offerings from several vendors on its own. It will allow support requirements to be satisfied more fully by dealing with just one support team instead of several. It will allow an organization to have a single bill for its communications systems instead of multiple bills. And, it will usually result in lower overall costs than if several vendors are used to satisfy a variety of communications needs.

Summary

Compared to standalone solutions, unified communications systems can provide any organization – but particularly small and mid-sized ones – with a number of important benefits that include lower IT labor expenditures, greater employee productivity, faster decision-making and lower real estate costs. While there are a number of vendors and delivery models that can be used to deploy unified communications, appliance-based or hosted solutions will typically be the best choice for SMBs given the relatively high cost per seat for on-premise solutions and the lower deployment and management expertise possessed by many smaller firms.

About Intermedia

Intermedia is the premier provider of business communications services, including hosted Microsoft Exchange, to small- and mid-sized businesses. For an affordable monthly fee, customers get business email, telephony, smartphones, instant messaging, fax and other communications delivered as a service with 24x7 support. Intermedia also empowers thousands of smaller MSPs, VARs and IT consultants – as well as select Fortune 500 companies – to sell communications services under their own brand.

Founded in 1995, Intermedia was the first company to offer cloud-based business-class email – including the first to market with hosted Exchange 2010 – and now has over 225,000 premium hosted Exchange mailboxes under management – more than any other provider.

The company was also the first to offer hosted unified communications (UC) designed specifically for small- and medium-sized businesses (SMBs). Called hosted Unison, the service combines telephony, email, instant messaging and more into a single service delivered over the Internet. The service is based on proprietary technology from Unison, a software development company specializing in unified communications, and combines technology and services built specifically for small businesses to create a cost effective, easy-to-manage communications offering that mirrors UC offerings available for large companies. Hosted Unison integrates email, telephony, chat, presence, contacts, calendar and more into a single service. The service also supports mobile synchronization of email, contacts and calendar. Intermedia manages hosted Unison service delivery from start to finish, including – through an affiliate telecommunications company – the provision of phone numbers and voice service. The service is backed by Intermedia's 24x7 support, migration tools and a multi-million dollar infrastructure that includes four datacenters.

For more information, visit www.intermedia.net.

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