EasternManagementGroup

**Unified Communications
Productivity Analysis**

Small Business

2019

Methodology

Research Assignment Tools

Telephone surveys	From 115 small businesses that acquired UC expressly to improve productivity
Eastern Management Group 2018 UC survey	3,000 responses
Eastern Management Group Monitor UC surveys (10 years)	40,000 responses
Secondary research	
Analysis	

A Digital Transformation Is Occurring

▶ Digital transformation is not purely about the implemented technology

- It's about how companies integrate it into their global organizations, which is why the adoption process for digital oriented technology is crucial for this transformation

▶ There are several reasons companies are striving to be more digitally mature ①

- Economic reasons - Maintaining the ability to cope with other competitors regarding new digital products or providing other beneficial processes
- Digital leaders are more attractive to employees - Companies have to transform their working environment to become digital leaders
- Employees want to work for digital leaders

① Kane, G., Palmer, D., Phillips, A.N., Kiron, D., Buckley, N.: Strategy, not Technology Drives Digital Transformation: Becoming a Digitally Mature Enterprise, http://sloanreview.mit.edu/projects/strategy-drives-digital-transformation/ (Accessed: 15.01.2017)

A Digital Transformation Is Occurring (cont.)

▶ Information Systems need to adjust to different architectures to serve the people's increasing need for efficiency and mobility

▶ A more digital life comes with more convenience and saves time, and most of all it is more efficient [1]

▶ Unified communications are part of more future-oriented architectures for businesses

- It starts with a new unified communications business communications system

[1] Atkinson, R.D., Castro, D.D.: Digital Quality of Life: Understanding the Personal & Social Benefits of the Information Technology Revolution. Information Technology and Innovation Foundation,(2008).

Acquiring a New Phone System

Why Businesses Get a New Phone System

▶ 44-46% of IT managers acquire a new phone system to get needed features/capability not available on the previous system

Why Businesses Get a New Phone System	Percent
Needed features/capability not available on the previous system	44%
New business / initial phone system	28%
Outgrew previous system	22%
Moved location	12%
Added location	11%
Previous system failed	13%
Cost savings	33%
Other	8%

Source: The Eastern Management Group IT Manager survey, (n = 7,099)

Acquiring a New Phone System (cont.)

Businesses Want Unified Communications

► When businesses acquire a new phone system, to get needed features/capability not available on the previous system, they get unified communications

  ▪ Traditional phone systems are going away

Most Recent Phone System Purchase	Percent
Traditional Phone System	14%
UC System	82%
IPPBX	
Hosted	
Hybrid	
Server virtualization	

Source: The Eastern Management Group

Unified Communications Systems

▶ Half of all small businesses are stuck in an entirely pre UC world, but there is reason to escape

▶ Drivers of UC Adoption are hard bottom line benefits[1]

- Productivity Gains   52%

- Efficiency   45%

▶ 93% of UC buyers see at least some benefit realized post-deployment

[1] PwC, and The Eastern Management Group

PWC https://www.pwc.co.uk/communications/assets/unified-communications-report-march-2015.pdf

Unified Communications Defined

▶ Unified communications is a single system to manage multiple tools, such as phone, video conferencing, instant messaging, voicemail, email, fax, customer service, etc.

▶ UC makes businesses more productive and helps smaller companies take advantage of features that make them appear more extensive and more competitive

▶ UC levels the playing field for small and medium-sized businesses (SMBs)

Unified communications Hallmarks

▶ Mobility: seamlessly integrate a corporate office with its mobile or remote workers

▶ BYOD: organization's communications system to work with employees' devices

▶ Reduced costs - advanced technology uses cost-effective resources

Source: Digium and Sangoma

Unified Communications Defined (cont.)

- ▶ UC is a business communications system that encompasses a range of technologies and applications that have been designed, sold and supported as a single communications platform or as one entity
- ▶ UC systems generally enable companies to use integrated data, video, and voice in one supported product
    - ▪ Integrates voice, video and data into one solution
    - ▪ Features include: instant messaging, presence information, video conferencing, and unified messaging
- ▶ Unified Communications can boost productivity and efficiency by offering greater mobility, promoting collaboration and saving employees' time
    - ▪ UC enables greater mobility in a number of ways, including the provision of softphones

Unified Communications Defined (cont.)

▶ The promise of UC is that it will revolutionize the workplace by providing a more synchronized fit between the way people communicate and the technology they use ①

① TRANSFORMING COMMUNICATIONS IN THE WORKPLACE: THE IMPACT OF UC ON PERCEIVED PRODUCTIVITY IN A MULTI-NATIONAL CORPORATION" Interdisciplinary Journal of Information, Knowledge, and Management Vol. 12, 2017 http://www.ijikm.org/Volume12/IJIKMv12p175-187Fluker3442.pdf

Unified Communications Productivity

Factors of Productivity Associated with Unified Communications

Unified Communications		
Factor of Productivity	**Definition**	**Role of Unified Communications**
Efficiency	• The ability to save costs while getting the job done.	• Supplants the high cost of other communications channels such as cell phone usage, long distance calling and conferencing services without reducing quality
Speed	• The ability to complete tasks and resolve issues more quickly	• Accelerates the speed of business by increasing employee availability, flexibility and accessibility.
Multi-tasking	• The ability to work on more than one task at the same time.	• Supports participation in multiple and simultaneous communication venues and information sharing activities
Development of interpersonal relationships	• The ability to build interpersonal relationships with teammates enhancing collaboration and creativity	• Provides an improved communication flow that fosters stronger relationships among team members leading to better quality work products and work life.

Unified Communications Productivity (cont.)

Factors of Productivity Associated with Unified Communications
(continued)

▶ Study Participants provided strong evidence that performance factors were supported within a UC environment

▶ Features most often cited were presence management; persistent access through which a 'click and drag' dynamically adds a person to an on-going conference; desktop sharing that facilitates real-time exchange of information

▶ Participants noted that having the right information at the right time is a contributing factor to improving productivity

▶ Another major strength of UC is that it makes communication easier. The integration of multiple communications mediums and features, such as Click- to- Talk and the ability to auto-join a conference call, reduce the steps and time it takes to open a communications channel

▶ Allowing users to select the communications medium most appropriate for the task at hand

Unified Communications Productivity (cont.)

Factors of Productivity Associated with Unified Communications
(continued)

▶ Participants noted that they are now communicating with team members more frequently and often informally. Informal conversations promote self-expression and elicit personal interaction. UC was described as 'breaking down the walls of the cubicle' eliminating physical barriers that often impede effective communication

Summary of the Findings

▶ The features of UC facilitate better and easier communication in the workplace.

▶ UC provides support for efficiency, speed, multi-tasking, and developing interpersonal relationships

  ▪ These functions increase perceptions of productivity as users feel more efficient in doing their jobs because UC reduces costs, decreases the time it takes to get work done, and affords the ability to work on multiple tasks at the same time

Unified Communications Productivity (cont.)

Factors of Productivity Associated with Unified Communications
(continued)

- These productivity gains stem from the fact that UC increases employee flexibility, accessibility, and availability resulting in an increased communication flow

► Features most often cited as beneficial were the ability to dynamically choose the communications medium most appropriate for the task at hand, the ability to simultaneously use multiple communications channels, the ease of being able to instigate multi-party ad-hoc conversations, and presence management

Source: TRANSFORMING COMMUNICATIONS IN THE WORKPLACE: THE IMPACT OF UC ON PERCEIVED PRODUCTIVITY IN A MULTI-NATIONAL CORPORATION" Interdisciplinary Journal of Information, Knowledge, and Management Vol. 12, 2017

http://www.ijikm.org/Volume12/IJIKMv12p175-187Fluker3442.pdf

Unified Communications Features

Useful to IT Managers

► Eastern Management Group's survey of several thousand IT managers identified many unified communications applications useful to small businesses

Application	Percent
Instant messaging/chat	77%
Unified messaging	84%
Data sharing	79%
Collaboration	86%
Presence information	88%
Calendaring	79%
Mobility	93%
"Bring your own (mobile) device"	88%
Speech recognition	77%
Video	85%
VoIP	98%
SIP trunking	98%

Source: The Eastern Management Group

Representative UC Configurations

- ► Shown below are model UC system configurations common in small businesses
- ► Every employee does not need every UC feature

		Configuration 1	Configuration 2	Configuration 3	Configuration 4	Configuration 5
Total Users	Network connectivity	8 users	12 users	12 users	24 users	24 users
Basic Features	Oversubscription ratio 3:1 Business continuity - failover to PSTN Telephone instrument - None Station -to-station calling 3-way calling Dial tone Local and LD capability Call forward Call transfer Caller ID Voicemail Visual voicemail Auto attendant - 1-tree Cost to add more trees Web Portal (User) Toolbar	8	12	6	24	8
Unified Communications Features	Unified messaging Instant messaging chat Presence Mobile integration Meet-me video conferencing Fixed-mobile convergence	0	0	6 + Basic Features	0	8 + Basic Features
Contact Center Features	Call flow management tools Monitoring in real time Reporting Manage disaster recovery	0	0	0	0	8 + Basic Features + Unified Communications features

Source: The Eastern Management Group

Unified Communications Feature Benefit

UC Business Operations Matrix of Productivity Improvement

Unified Communications		
Feature	**Operations Improvement**	**Value**
Instant messaging/chat	• Real-time communications with users • Team building across distant locations • Multitasking • Nontariff international calls • Records Archiving • Spam reduction	• Speed - faster communications • Timely decisions
Unified messaging	• One platform (EM, IM, VM) versatility	• Convenience • 25-50% savings on multiple platform costs
Data sharing	• Group participation, information and idea sharing	• Collaboration, knowledge

Source: The Eastern Management Group

Unified Communications Feature Benefit (cont.)

Unified Communications		
Feature	**Operations Improvement**	**Value**
Collaboration	• Telework • Team decisions • Faster business response to opportunities and threats	• Reduced time to complete projects • Up to 10% productivity improvement • Cost reduction - Dial-In conferencing • 62% of IT managers find that collaboration is essential to their business
Presence information	• Roundup - Get people when you need them • Force multiplier - More people involved in decisions • Faster decisions	• Decision speed and quality • Up to 10% productivity improvement
Calendaring	• Expedited scheduling of team meetings	• Time saver

Source: The Eastern Management Group

Unified Communications Feature Benefit (cont.)

Unified Communications		
Feature	**Operations Improvement**	**Value**
Mobility	• Improve time usage, productivity, collaboration, and customer satisfaction • Strengthen the capabilities of the workforce • Work wherever people are on any device	• 24/7 full operating availability • Captures wasted hours • Up to 10% improvement in mobile employee productivity
"Bring your own (mobile) device"	• Communications productivity expanded beyond the desktop	• More productive working hours per day • Savings of $150-300 per seat by not purchasing phone appliances
Speech recognition	• Time savings	• Up to 25% improvement in attendant efficiency • Enhance perception of the business size

Source: The Eastern Management Group

Unified Communications Feature Benefit (cont.)

Unified Communications		
Feature	**Operations Improvement**	**Value**
Video	• Group participation, data and idea sharing • Team building • Global teams and meetings • Customer contact	• 25% reduced travel (cost savings) ①
VoIP	• Make and receive voice calls over the internet	• Network savings
SIP trunking	• Enables Internet telephony • Anytime, anyplace, any device • Cost	• 50% network savings over PSTN ② • SIP prices declining 5-7% yearly②

① JP Morgan, The Eastern Management Group

② The Eastern Management Group

Unified Communications Feature Benefit

Unified Communications		
Feature	**Operations Improvement**	**Value**
Contact center	• Customer satisfaction • Inside sales • Shorten sales cycle • Selling on the service-call	• More sales • Faster closing of sales • May lower staff operating costs
Overall Unified Communications	• Work anywhere • Connect with partners and customers from the road • 24/7 worldwide allows remote teams to work seamlessly while other teams are not available	• 52% improvement in business productivity ① • 45% increase in business efficiency ① • Up to 25% increase in business operating profit ② • 20-25% productivity increase in organizations with "connected employees" (e.g., email, collaboration) ③

① PwC, and The Eastern Management Group
   PWC https://www.pwc.co.uk/communications/assets/unified-communications-report-march-2015.pdf
② The Eastern Management Group
③ McKinsey Global Institute
   https://www.mckinsey.com/industries/high-tech/our-insights/the-social-economy