AberdeenGroup

Beyond Dial-Tone

Unified Communications Benchmark Report

— Underwritten, in Part, by —

Executive Summary

Key Business Value Findings

- 66% of organizations have at least five Unified Communications applications, and only 5% have just one

- Increase in employee productivity is the top driver for adoption of Unified Communications solutions

- Lack of knowledge is the major obstacle for adoption of Unified Communications solutions

- 48% of organizations will be implementing new Unified Communications solutions within next 12 months

Implications & Analysis

- The Best-in-Class, have superior performance:
    - Increasing ROI (33% vs 18%)
    - Increasing audio quality (27% vs 17%)
    - Increasing availability (36% vs 23%)
    - Increasing user satisfaction (38% vs 27%)
    - Fewer IT help desk calls about communications problems (35% vs 17%)

- All Best-in-Class organizations measure their communications service availability, audio quality and capacity performance in real-time or on a daily basis

- 77% of organizations are deploying Unified Communications solutions to improve responsiveness to customer's needs

- 61% have in place or plan to deploy integrated enterprise voice with mobile services to improve the 'reach-ability' of executives and mobile workers

Recommendations for Action

1. Accelerate adoption of high impact collaboration applications such as instant messaging & presence and conferencing services to improve employee productivity

2. Accelerate investment in mobile Unified Communications solutions to improve user productivity and responsiveness to customers

3. Deploy capabilities to monitor availability and audio quality more frequently for faster communications department response to outages

4. Use pilot programs to manage technology risk

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Table of Contents

Figures

Tables

Chapter One:
Issue at Hand

Key Takeaways

- 66% of organizations have at least five Unified Communications applications, and only 5% have just one

- Increase in employee productivity is the top driver for adoption of Unified Communications solutions

- 48% of organizations will be implementing new Unified Communications solutions within next 12 months

- Two-thirds of Best-in-Class organizations have revised their communications strategy within the past 12 months

In the converged world of Unified Communications, there is no separate data and voice network, only the Ethernet network is required. Connectivity to the digital telephone network is provided through gateway devices, such as in the IP PBX world.

Unified Communications systems are the next generation of IP PBX, extending many of architectural elements of the network, and leveraging advanced technologies such as Session Initiation Protocol (SIP). Historically, Unified Communications has been attempted or positioned in previous manifestations as unified messaging or integrated communications. The definition of Unified Communications, as referenced in this Benchmark Report, as the sum of the parts, the constituent applications – IP Telephony, voicemail, instant messaging and presence, mobility, telecommuting, softphones and conferencing – is tested.

Aberdeen's research showed an amazing appetite for Unified Communications applications. Figure 1 below shows that 66% of the respondents have at least five applications, and only 5% have just one. Three out of eight respondents have implemented as many as seven or more applications. Unified Communications, by definition in number of applications deployed, is a well established market.

> *"Unified Communications shouldn't be viewed as a point application, but rather an 'infrastructure' application that spans every knowledge worker's desktop, like email."*
>
> *Telecom manager, Defense company, USA*

About the Best-in-Class

Aberdeen defines the Best-in-Class as no more than 20% of the respondents through the process, organization, knowledge and technology results reported. In this Benchmark report the Best-in-Class, when compared to the rest of the sample had superior performance:

- Increasing ROI (33% vs 18%)
- Increasing audio quality (27% vs 17%)
- Increasing availability (36% vs 23%)
- Increasing user satisfaction (38% vs 27%)
- Fewer IT help desk calls about communications problems (35% vs 17%)

Figure 1: Respondents with at least 'n' Unified Communications Applications
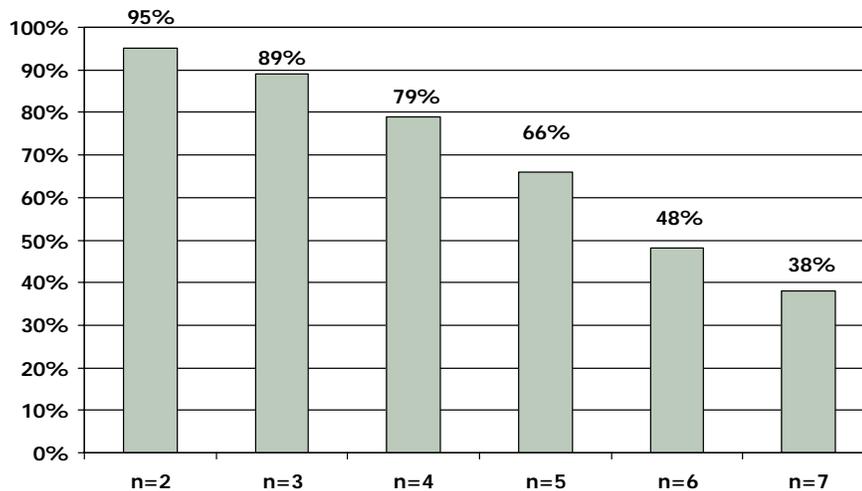
In Figure 2 below, the top five factors driving implementation of Unified Communications are shown.

Figure 2: The Top Five Factors Driving Adoption of Unified Communications
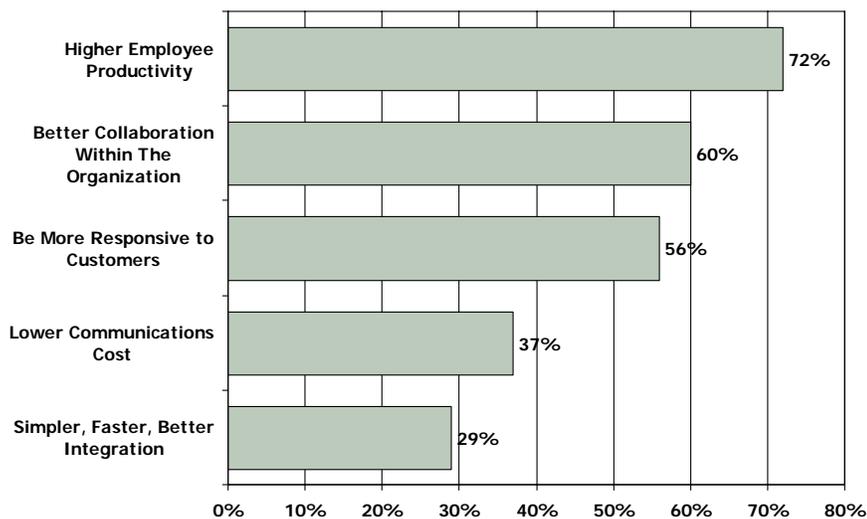
Of the top five, four are internally centered – productivity, collaboration, cost and integration – leaving only the third ranked option as externally focused and customer-centered, namely be more responsive to customers. Despite this observation, it is encour-

aging to see such strength in the selection of the top three drivers. Nearly three out of four respondents identified increasing employee productivity as one of the top three factors driving Unified Communications investments. And better collaboration within the organization is really a euphemism for higher productivity in those organizations where the work output is a collaborative offering. Clearly, Unified Communications is considered by a wide margin of respondents to be a productivity investment.

A question that follows naturally, is 'are the drivers reflected in the choice of applications deployed'?

Yes and no. Or should we say, yes and not yet?

Figure 3: Applications That Have Been in Place for More Than 12 Months
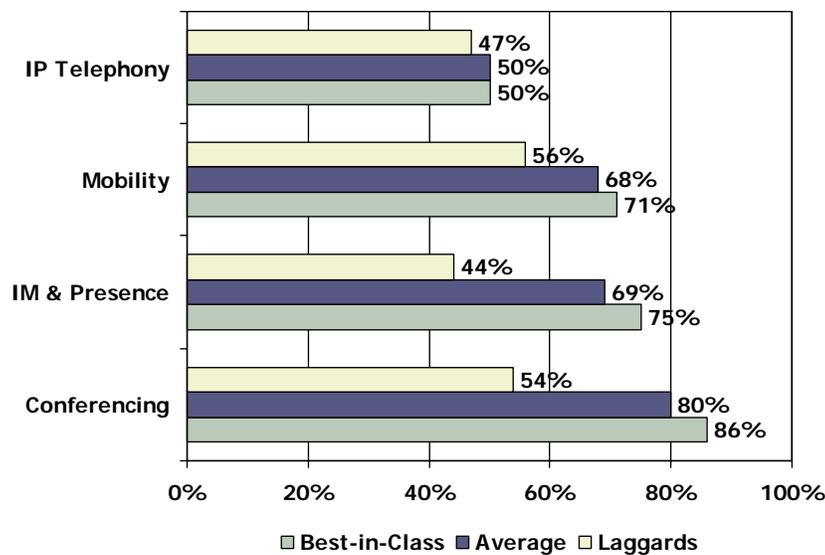
Source: Aberdeen Group, December 2006

As shown in figure 3 above, a large proportion of the Best-in-Class have invested in the *collaborative* applications of Web, Audio and Video Conferencing (86%), Instant Messaging and Presence (75%) and Mobility (71%). As well, the Best-in-Class have made these investments in consistently larger measure than the average and substantially larger measure than the laggards: audio, video and web conferencing (60% more), Instant Messaging and Presence (70% more) and Mobility (27% more). So, it is true that the Best-in-Class are strategically invested into productivity enhancing applications, the average and laggards are not at this time, but could be a year from now.

Yet, despite the evidence of extensive penetration of sophisticated applications throughout this market there is still plenty of growth available: 48% of respondents expect to implement technology solutions for Unified Communications within the next twelve months, and there are new capabilities emerging in virtually every category of Unified Communications applications. There was little variation in the 12-month future purchase intent of the Best-in-Class, the average and the laggards. No doubt, much of this demand

will be manifested as system expansions, hosted-to-installed and installed-to-hosted conversions, software upgrades and even complete technology refreshes.

Key Components of the Unified Communications Strategy

Further to validating the definition of Unified Communications, respondents were asked to position ten features of their Unified Communications Strategy. As shown in figure 4 below, the Best-in-Class top five components of their organizations' strategy: unified vision, unified security and usage policies, unified location-based services, unified purchasing and unified service providers.

Figure 4: Components of a Best-in-Class Unified Communications Strategy
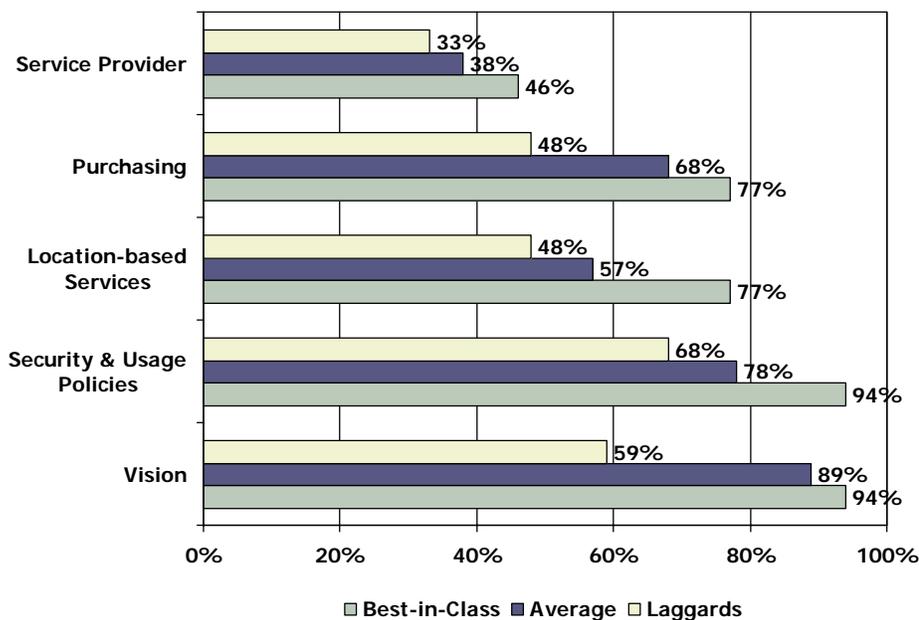
Source: Aberdeen Group, December 2006

"Carriers do not recognize priority settings from other carriers. If multiple services are required linked by different carriers, the lack of standards in network performance may make the application inoperable.

Ron Cooke, Multimedia Victoria, Department of Infrastructure, Australia

Interestingly, it wasn't just that the Best-in-Class companies chose these specific elements more frequently than industry average and more frequently than laggards. The Best-in-Class companies make decisions, and make them often, revisiting the enterprise communications strategy more often than average, and considerably more often than laggards. Two thirds of the Best-in-Class reported the latest

revision of their communications strategy as being less than twelve months old, compared to 58% for the industry average and 6% for the laggards.

Unified Communications, for the Best-in-Class is a suite of productivity applications unified by vision, security and usage policies, location-based services, unified purchasing and unified service providers.

More of the Best-in-Class have deployed *collaboration* applications, more have updated their communications strategy in the past 12 months and more consider the five critical components to their strategy than average or laggards. Also, as shown in figure 5 below, more of the Best-in-Class also reported the same performance level or an increase in performance this period compared to last period in ROI, availability, audio quality and user satisfaction than industry average or laggards.

Figure 5: Performance Improvement in the Last 12 Months

Category	Best-in-Class	Average	Laggards
ROI	62%	54%	50%
Audio Quality	77%	64%	54%
Availability	86%	72%	52%
User Satisfaction	86%	75%	53%

■ Best-in-Class ■ Average □ Laggards
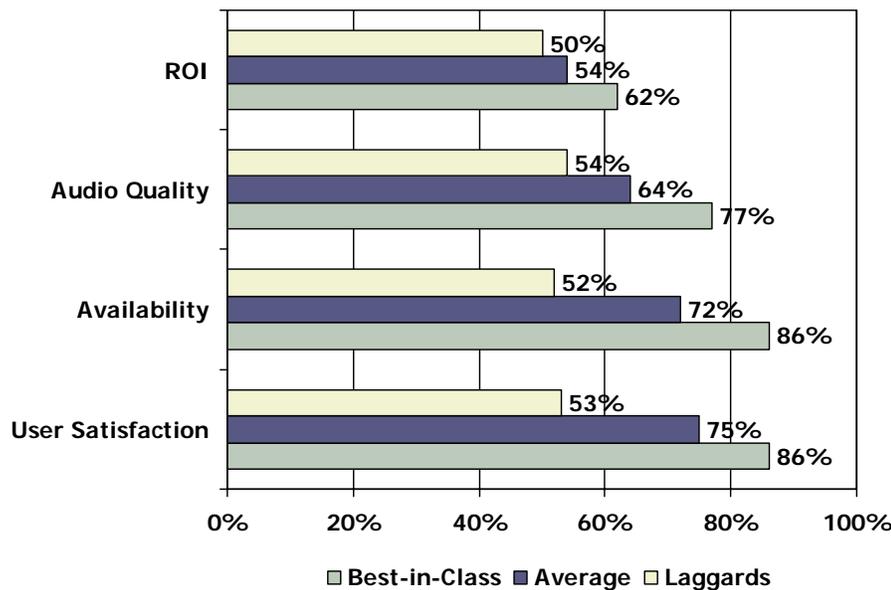
Source: Aberdeen Group, December 2006

Roadblocks Preventing Deployment of Unified Communications

Despite the high incidence of Unified Communications applications discussed in this Benchmark, ten percent of respondents did not have a strategy for Unified Communications. These organizations have implemented Unified Communications applications, in some cases more than one. Two-thirds without a strategy expect to have a Unified Communications strategy within the next 24 months. The factors preventing those organizations with no formal strategy from deploying Unified Communications are shown in table 1 below.

The top obstacle was found to be the lack of knowledge about Unified Communications. There are many resources available for educating the Unified Communications system manager. Resources such as participation in industry conferences, independent seminars,

vendor product courses, communications technology websites, the hiring of a Unified Communications expert, consultant or pilot programs. Pilot programs are recommended for larger organizations where the design and implementation of a small scale initiative can be a powerful organizational learning platform. 62% of the Best-in-Class use a system of pilot programs to reduce technology risks.

Implementation cost was the second most important obstacle. For the cost-conscious organization, capital costs often in the range of $500-$1000/user for modern communications functionality can be converted into a period cost of $40-$50/user/month through a hosted service from any number of service providers. Concern about managing disparate applications made management of solutions a major obstacle for 43% of respondents without strategies.

> *"Being able to track a person throughout their entire time at work is likely to be viewed similarly to be the Orwellian 'Big Brother.' Having an off-switch to presence is tantamount to not having Unified Communications at all."*
>
> *Telecom manager, Global Business Consulting Organization, USA*

Unproven business case gives voice to the concern for few 'hard' benefits. In some organizations such as government or higher education, higher worker productivity does not necessarily manifest as higher goal achievement, since the role of communications in these operations is not directly associated with the value delivered. Often times, the business case is based on the technical exhaustion of the implementation or the engagement of a third part to bring their credibility and experience to bear on the business case.

Table 1: The Top Obstacles and Responses to Adoption of Unified Communications for Organizations with No Strategy

Obstacles	% Selected	Responses to Obstacles	% Selected
1. Lack of knowledge	50%	1. Initiate pilot program	50%
2. Implementation cost	43%	2. Test solutions	36%
3. Management of solutions	43%	3. Do nothing	36%
4. Unproven business case	36%	4. Hire Unified Communications expert	21%
5. Few communications-intensive workers	29%	5. Engage Unified Communications consultant	20%

Source: Aberdeen Group, December 2006

Chapter Two:
Key Business Value Findings

A s shown in figure 2, the adoption of Unified Communications solutions is primarily driven by needs for increase in employee productivity, improved collaboration within the organization, and better responsiveness to customer needs. In order to improve performance in these areas organizations are taking various strategic actions with a number of goals for their implementation. Specifically, as shown in figure 6 below, it is the improvement in productivity to address customer needs that remains the highest goal.

Figure 6: Top Five Goals of Unified Communications solutions Deployments
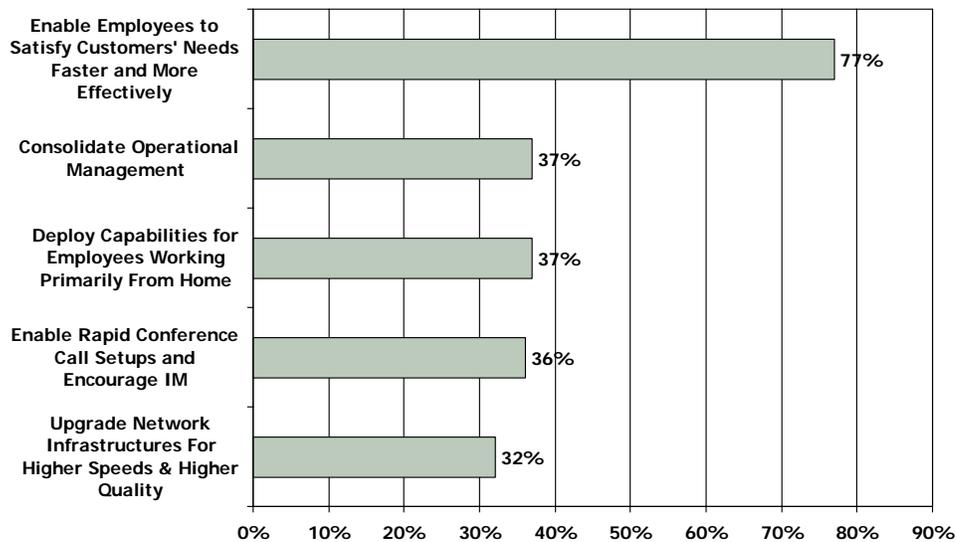
Source: Aberdeen Group, December 2006

Figure 7 below shows the integration of voice with mobile services as the top organizational technology priority. The second capacity of integrating voice across all units to share resources improves survivability service utilization and reduces cost by eliminating network and resource capacity. Similarly, the fifth capacity in place or planned for SIP trunking offers similar benefits to the enterprise. In this case, the carrier delivers an IP service to the enterprise premise and leverages PSTN gateways or IP phones on which to terminate the session and complete the communication.

Figure 7: Top Capabilities of Unified Communications in Place or Planned
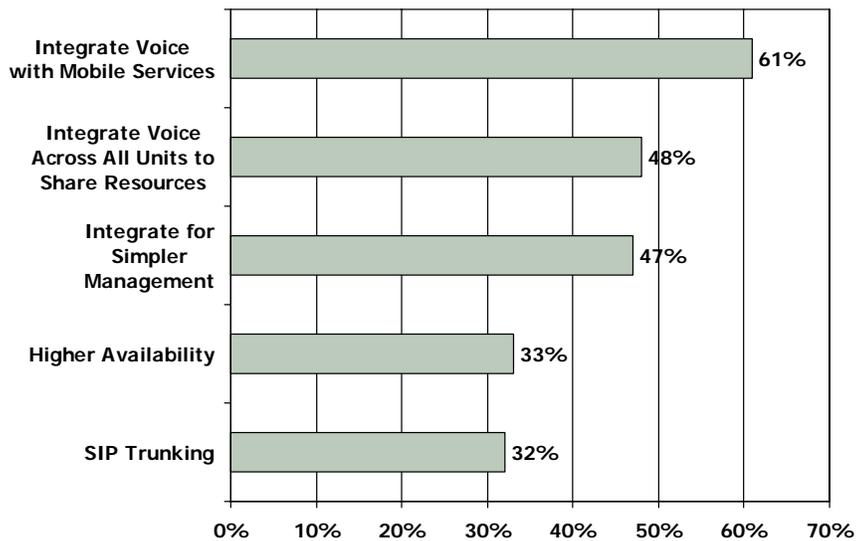
Source: Aberdeen Group, December 2006

Challenges and Responses

Table 2 below shows the most frequent challenges to Unified Communications and the how organizations are responding.

Table 2: Unified Communications Challenges and Responses

Challenges	% Selected	Responses to Challenges	% Selected
1. Security	57%	1. Creating central management for communications architecture and technology	47%
2. Business Justification	48%	2. Implementing a system of pilot programs	44%
3. Interoperability	46%	3. Learning about unified communications prior to adopting a solution	40%
4. Cost of Implementation	38%	4. Developing an enterprise-wide security policy	39%
5. Measuring ROI	36%	4. Defining business case metrics to determine value of projects	37%
6. Integrating new services into user support systems	32%	6. Periodic reviews to assess services and implementations	30%

Source: Aberdeen Group, December 2006

Challenges and Responses: Unified Communications Security?

Aberdeen's research identified security as the most frequent challenge organizations are facing when implementing Unified Communications solutions. However, even though 57% of respondents see security as the most serious challenge, only 39% are specifically implementing a security policy.

The Best-in-Class see security as a greater challenge for the information infrastructure of the entire organization and are developing enterprise-wide policies to address that business need. Sixty-seven percent of the Best-in-Class organizations see security as the biggest challenge and an even higher proportion of the Best-in-Class (82%) are developing enterprise-wide security policies to address this issue. Unified security policy is also a major component of 94% of the Best-in-Class Unified Communications strategy (figure 4). Clearly, the industry average and laggards have recognized security as an important obstacle to the effective deployment of Unified Communications, but represent a greater opportunity for security education and technology adoption than the Best-in-Class.

Challenges and Responses: Where's the Business Case?

Productivity has become an important Unified Communications theme for users as reported throughout this Benchmark:

> *"Make sure the project is tied to a very specific business unit initiative with measurable business returns."*
>
> *IT manager, Software Company, Canada*

- Figure 2 shows 72% of survey respondents selecting user productivity as the top factor driving Unified Communications adoption;

- Figure 3 shows large numbers of Best-in-Class companies choosing the collaborative applications of web, video and audio conferencing, mobility, instant messaging and presence; and,

- Figure 10 shows productivity as a key performance indicator (KPI).

Clearly, in many organizations the adoption of Unified Communications features such as global four-digit dialing within the enterprise, self-administrated move, add, change to services, click-to-conference functionality on the mobile phone, instant messaging, video conferencing or tele-presence, may not lead to significant productivity improvements in their own right. But, taken in totality within the context of Unified Communications over a period of time, the benefit of fewer dialing errors, faster initiated calls, less telephone tag, fewer voicemail, instant messaging instead of phone calls or email, reachable and mobile employees and less business travel can be a major step forward in the productivity of employees.

Challenges and Responses: The Open Source Potential?

> *"Unified Communications is anything but standardized, even conceptually."*
>
> *Telecom manager,*
>
> *Global Business Consulting Organization, USA*

Interoperability is identified as one of the top three challenges in the implementation of Unified Communications as shown in Table 2. Over the years interoperability was addressed through the adoption of industry standard protocols, some simple, some complex, for applications and systems interoperability. The limited functionality of the standards assured a wide common denominator, such as being able to make a call, but provided limited feature transparency and therefore limited value for users. It may be that standards alone, never really delivered on that promise of extensive feature transparency and component substitutability.

It seems that some of the Best-in-Class have chosen a new approach to fulfilling the promise of feature transparency and interoperability: open source software.

Aberdeen's research shows that 36% of Best-in-Class organizations that identified interoperability as a major challenge are responding by deploying open source software solutions. Although 64% did not make open source a top three selection, it is nonetheless important to consider the high degree of credibility that 36% of the Best-in-Class lends onto the open source model at addressing this challenge.

The natural propensity of open source to rely, as a starting point on open standards, gives this solution category an opportunity to address feature transparency and the inter-changeable parts aspirations of many users.

Solutions Sources

Figure 8 shows the various distribution sources of communications technologies. Despite the maturity of the technology solutions available, the role of services – communications connectivity, installation, integration, operational service, warranty and optimization – continue to be components of the complete offer for the system integrator and service provider channel.

For the direct, catalog and Value Added Reseller (VAR) sale, the customer is usually required to arrange for connectivity services separately. Nevertheless, it was found that there is no relationship between the channel choice and Best-in-Class since the Best-in-Class, average and laggard segments purchase solutions from all categories in approximately the same proportions.

Figure 8: Sourcing Communications Technologies
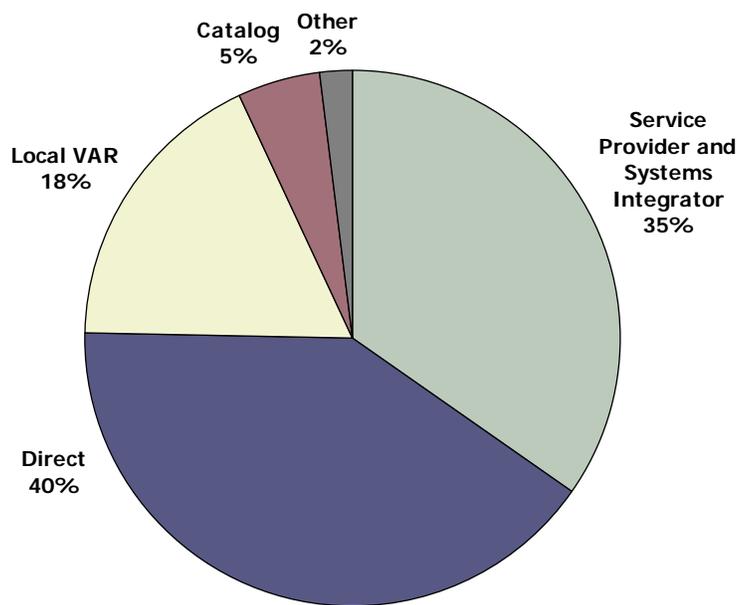
Source: Aberdeen Group, December 2006

Chapter Three:
Implications & Analysis

Key Takeaways

- All of Best-in-Class organizations track communications availability, quality and capacity performance in real-time or on a daily basis

- 72% of Best-in-Class organizations rated their ability to measure their Unified Communications ROI as medium, high or very high; 36% as high or very high

- 70% of Best-in-Class organizations leverage collaborative applications including audio, video and web conferencing, instant messaging & presence and mobility

As shown in Table 3, survey respondents fell into one of three classes – laggard, industry average, and Best-in-Class — based on their characteristics in four key categories: (1) process (ability to track availability, quality and capacity of enterprise communications), (2) organization (structure of enterprise communications network); (3) knowledge (awareness of solutions available, knowledge about benefits of unified communications, ability to measure ROI); and (4) technology (scope of communications services and applications deployed, level of integration of applications).

Table 3: Unified Communications Competitive Framework

|	Laggards	Industry Average	Best in Class
Process	Service availability, quality, and volume measured quarterly or not measured at all.	Service availability, quality, and volume measured weekly or monthly.	Service availability, quality, and volume measured in real-time or daily.
Organization	Central authority makes Unified Communications decisions.	Central authority makes Unified Communications decisions.	Decisions made within departments and divisions; coordination assures architectural and functional consistency.
Knowledge	Low knowledge of benefits of unified communications.	Good awareness of solutions available for Unified Communications. Moderate to low ability to measure ROI.	Intimate knowledge of Unified Communications solutions available on the market as well as the value of deploying a solution.
Technology	Few advanced services: predominantly voicemail and IP telephony.	Few advanced services: predominantly voicemail, IP telephony and softphones.	Collaborative applications such as web, video and audio conferencing, instant messaging and presence, mobility solutions dominate application investments.

Source: Aberdeen Group, December 2006

Process, Organization and Knowledge

Availability and audio quality are key performance indicators for communications service performance in the enterprise. Figure 9 shows that 100% of Best-in-Class organizations track these two indicators in a real-time or daily. That capability shows not only that Best-in-Class organizations are able to immediately detect and respond to defects in service performance, but also that these organizations understand the high impact of availability and audio quality performance of the enterprise communications network on overall effectiveness of the organization.

Figure 9: Percent of Organizations Measuring Communications Availability and Quality in Real-time or on a Daily Basis

Availability and Quality

☐ Best-in-Class ■ Average ☐ Laggards
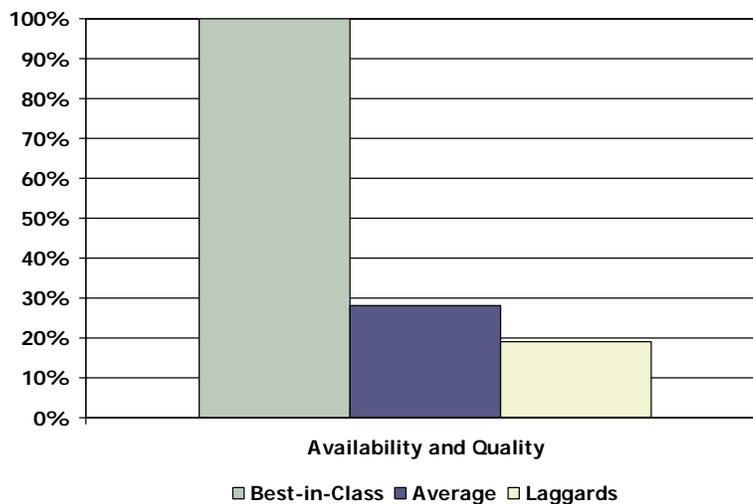
Source: Aberdeen Group, December 2006

It is logical that the structure of an organization's network is a reflection of business process, which would tend to drive the organizational decision model and performance measurement standard. Aberdeen's original hypothesis was that organizations with large networks measure more communications service attributes more often precisely because the cost of network outages or poor quality are sizable costs. Instead, Aberdeen's research shows that the Best-in-Class organizations measure frequently regardless of the network geometry and regardless of the size of the organization.

While average and laggard segments are well aware of Unified Communications solutions that are available and the benefits of deploying these solutions, only 22% of these considered their ability to measure the ROI of Unified Communications as high or very high. In contrast, 36% of Best-in-Class organizations rated their ability to measure ROI as high or very high, and 72% considered their ability to measure ROI as very high, high or medium. This suggests that industry average and laggard organizations are learning about technology "per se" as opposed to Best-in-Class organizations that are more concerned about learning those Unified Communications solutions can help achieve the business goals.

Technology Usage (Industry "Ah-ha")

As shown in figure 3, the collaborative applications of web, audio and video conferencing, instant messaging and presence and mobility applications have been installed for at least the past twelve months in over 71% (mobility), 75% (instant messaging and presence) and 86% (conferencing) of Best-in-Class organizations. In fact, these three applications are coincidental in 70% of Best-in-Class organizations. Collaboration in work execution and Unified Communications further reveals how the Best-in-Class make solutions decisions.

> *"Greatest challenge: guaranteeing a consistent quality user experience."*
>
> *Mark Millman, Inphotonics, USA*

They tend (50%) to rely on a process of coordination across divisions and departments, allowing the divisions to make the decision. In contrast, the average and laggard segments tend to centralize Unified Communications decisions (68% and 67% respectively).

Pressures, Actions, Capabilities, Enablers (PACE)

Each of the segments - Best-in-Class, industry average and laggard - is facing a common set of pressures to be addressed through adoption of Unified Communications solutions. However, when it comes to prioritization of these pressures, the segments differ significantly. It is important to note that the survey respondents are NOT focused on the pressures they face, but instead, on how they respond to these pressures.

> *"Assuming we can get beyond the business justification, scheduling the required upgrades, staff skill improvements, etc required will be challenging since resources are already fully committed to support ongoing operations."*
>
> *Eric Depres, Federal Government, Canada*

Table 4 shows the pressures our survey respondents highlighted as most critical and the strategic actions, capabilities, and enabling technologies the best in class use to overcome those challenges.

Table 4: PACE (Pressures, Actions, Capabilities, Enablers)

Priorities	Prioritized Pressures	Prioritized Actions	Prioritized Capabilities	Prioritized Enablers
1	Increase employee productivity	Upgrade the network infrastructures for higher speeds and better quality of communications	Invest in strategies to deliver higher availability of communications services across the enterprise	Ethernet Auto-homing IP phones Mobility applications
2	The need for strengthening collaboration within the organization	Deploy communications capabilities for employees who work primarily from home	Deploying session border controller solutions to deliver corporate citizenship for remote employees	Conferencing, instant messaging, presence, mobility SIP trunking
3	Pressure to create value for customers anytime, anywhere	Empower workforce to meet customers' needs better, faster, more efficiently than competition.	Integrating voice communications across all locations to share telecom assets and corporate resources.	Soft phones FMC mobile VoIP Instant Messaging and Presence
4	Communications costs efficiency	Enable employee self-service for communications service configuration and consumption	Centralizing communications budgets, technology planning and operations	Unified Communications portfolio Pilot programs
5	Simpler, faster, better feature integration for enterprise communications solutions	Consolidate operational management responsibility of communications applications	Integrating communications more effectively for simplified management, security and resource control	Unified Communications portfolio Open source

Source: Aberdeen Group, December 2006

Chapter Four:
Recommendations for Action

Key Takeaways

- Improve productivity through the collaborative Unified Communications applications: web, audio and video conferencing, instant messaging & presence and mobility
- Consider open source as an emerging category, worthy of investigation
- Use pilot programs to reduce technology risk
- Increase frequency of availability, quality, and user satisfaction measurements to assure operational performance

Employee productivity, better collaboration within the organization, and improved responsiveness to customer needs are identified as the major factors driving adoption of Unified Communications solutions. For the Best-in-Class, these goals are achieved through the adoption of the collaborative Unified Communications applications – web, audio and video conferencing, instant messaging and presence, and mobility – which are a priority for more organizations than the average and laggard segments.

> *"Plan, plan, plan, plan. Test. Pilot and implement."*
>
> *Willem Balk, Unisys, The Netherlands*

A third of the Best-in-Class have adopted Open Source solutions more aggressively than other classes as a model for higher interoperability. The use of pilot programs for testing and tuning the complete solution – technology, service, user experience and business impact – is a proven method adopted by 62% of the Best-in-Class, compared to 40% for the others. Finally, the role of measurement of service performance is a fundamental that Best-in-Class organizations consider most important. It's really a case of the old business school adage – if you want something to grow, measure it.

As shown in figure 10 below, the productivity, user satisfaction, availability and ROI are measured by a large proportion of both Best-in-Class and the other respondents. Interestingly, more of the average and laggard segments are concerned with the cost of services, choosing to rank the measurement of the monthly spend in minutes per month higher than the ROI measurement.

Figure 10: Top Key Performance Indicators (KPI) in Unified Communications
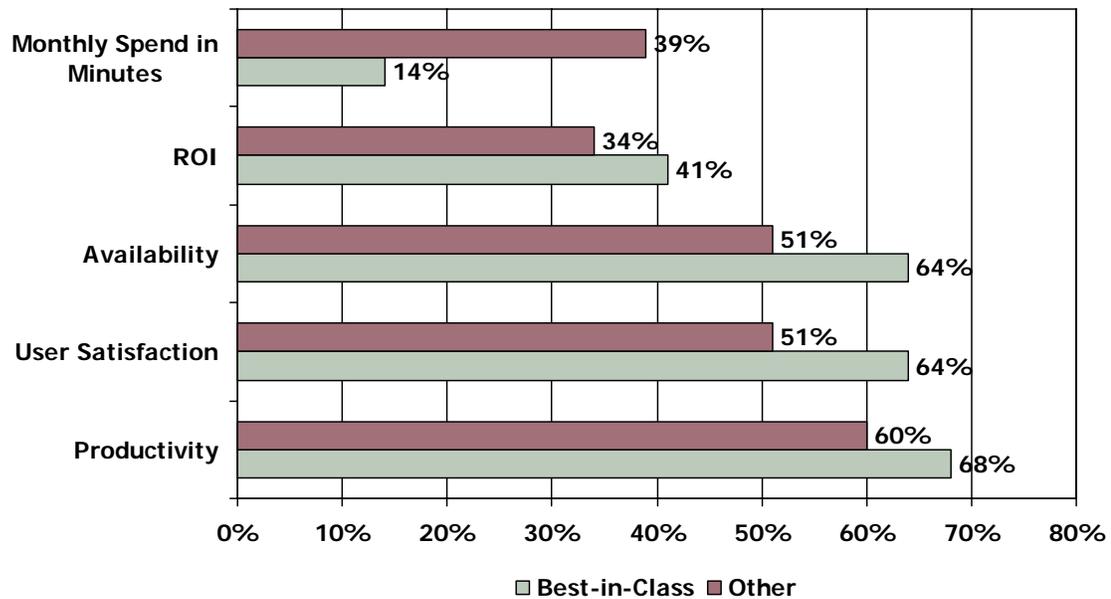
Source: Aberdeen Group, December 2006

Laggard Steps to Success

1. Improve user productivity:

    a. Accelerate instant messaging and presence service adoption

    b. Implement conferencing service capabilities

2. Adopt pilot programs for implementation preparedness

3. Increase frequency of availability, user satisfaction, quality measurements

Industry Average Steps to Success

1. Accelerate investment in mobility solutions to assure continued productivity improvement of mobile employees

2. Develop capabilities to measure availability and quality of communications service in a real-time

3. Consider the role of open source solutions for Unified Communications

Best in Class Next Steps

1. Broaden (engage more employees) and deepen (deploy more functionality) investments in mobile Unified Communications solutions to increase productivity of executives and mobile workers

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Author Profile

Peter Brockmann
Vice President and *Research Director – Communications Research*
Aberdeen Group, Inc.

Peter is responsible for research programs, products and services, as well as client development related to the Communications Industry. Prior to joining Aberdeen, Peter has over 16 years of experience in senior marketing and business development including positions at Nortel, 3Com and FirstHand Technologies. Peter was co-founder of A4 Networks, a privately funded inter-business process automation company. While at Nortel, Peter served as an expert before the US Department of Justice and the European Merger Task Force in their review of the Nortel-Bay Networks merger of 1998, and later led the marketing of their enterprise division and the call center unit. Peter has an MBA from McMaster University in Hamilton, Canada, a Bachelor of Engineering Science from the University of Western Ontario in London, Canada, and a degree from the Western Ontario Conservatory of Music in London Canada.

Bojan Simic
Research Analyst – Communications Research
Aberdeen Group, Inc.

Bojan Simic performs fact-based research within the Communications Practice, with a specific focus on wireless and mobility. He brings to Aberdeen Group years of experience in the bio-tech, content management, and public administration. Through benchmarking studies and extended research, Simic provides insights on how companies can leverage wireless and mobile technologies to gain a competitive edge, achieve operational excellence, and realize efficient operations.

Simic holds a B.A. in Economics from Belgrade University in Belgrade, Serbia and a M.B.A. from McCallum Graduate School of Business at Bentley College.

Appendix A:
Research Methodology

O ver November 2006, Aberdeen Group examined the Unified Communications implementation plans, procedures, experiences, and intentions of more than 200 enterprises in aerospace and defense (A&D), automotive, high-tech, industrial products, financial services, telecommunications companies and other industries.

Responding communications professionals completed an online survey that included questions designed to determine the following:

- The **best practices** for deploying unified communications solutions

- The **plans** and **goals** companies are trying to achieve when deploying these solutions

- The **metrics** companies use to measure the **effectiveness and value** associated with unified communications.

- **Vendors** that companies are **considering** when deploying these solutions

Aberdeen supplemented this online survey effort with telephone interviews with select respondents, gathering additional information on Unified Communications management strategies, experiences, and results.

The study aimed to identify emerging best practices for Unified Communications deployments and provide a framework by which readers could assess their own Unified Communications capabilities.

Responding enterprises included the following:

- *Job title/function:* The research sample included respondents with the following job titles: CIO, CFO, vice-president (22%); director, senior manager or manager (43%); IT staff (13%). 44% had functional responsibility for IT in their organizations.

- *Industry:* The research sample included respondents from a cross-section of industries and sectors as follows: computer equipment and peripherals (16%), apparel, automotive, chemicals, consumer products and consumer electronics (14%), defense and aerospace (6%), high technology and software (25%), finance, education and government sectors (9%), telecom services and equipment (25%). Other sectors participating included utilities, retail and logistics organizations.

- *Geography:* Over half of the respondents were from North America (54%) and 24% were from Europe. Remaining respondents were from the Asia-Pacific region. Only 5% were from South America.

- *Company size:* 59% of respondents were from small and medium enterprises with annual revenues less than US$500 million; 26% were from large enterprises with annual revenues greater than US$5 billion.

Solution providers recognized as underwriters of this report were solicited after the fact and had no substantive influence on the direction of the *Beyond Dial-Tone – The Unified Communications Benchmark Report*. Their sponsorship has made it possible for Aberdeen Group and to make these findings available to readers at no charge.

Table 5: PACE Framework

PACE Key
Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:
Pressures — external forces that impact an organization's market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)
Actions — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product/service strategy, target markets, financial strategy, go-to-market, and sales strategy)
Capabilities — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products/services, ecosystem partners, financing)
Enablers — the key functionality of technology solutions required to support the organization's enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)

Source: Aberdeen Group, December 2006

Table 6: Relationship between PACE and Competitive Framework

PACE and Competitive Framework How They Interact
Aberdeen research indicates that companies that identify the most critical pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute.

Source: Aberdeen Group, December 2006

Table 7: Competitive Framework

Competitive Framework Key
The Aberdeen Competitive Framework defines enterprises as falling into one of the three following levels of Communications practices and performance:
Laggards (30%) — Communications practices that are significantly behind the average of the industry, and result in below average performance
Industry norm (50%) — Communications practices that represent the average or norm, and result in average industry performance.
Best in class (20%) — Communications practices that are the best currently being employed and significantly superior to the industry norm, and result in the top industry performance.

Source: Aberdeen Group, December 2006

Appendix B:
Related Aberdeen Research & Tools

Related Aberdeen research that forms a companion or reference to this report include:

- *Enterprise Strategies: Can Microsoft-Nortel Really Deliver on the Unified Communications Promise?,* December 2006

- *Sector Insight: Twice as Many Mid-Market Organizations to Purchase IP Telephony in 2007 then Large Organizations,* December 2006

- *Research Perspective: Unified Communications in a New Light*, November 2006

- *Market Alert: Cisco Acquires Orative*

- *Market Alert: Avaya Acquires Traverse*

- *Benchmark Report: Enterprise Mobile Messaging*, December 2006

- *Benchmark Report: Enterprise Mobile Adoption*, October 2006

Information on these and any other Aberdeen Communications channel publications can be found at www.aberdeen.com/channel/comm.asp.

Aberdeen Group, Inc.
260 Franklin Street
Boston, Massachusetts
02110-3112
USA

Telephone: 617 723 7890
Fax: 617 723 7897
www.aberdeen.com

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