

Powering clients to a future shaped by growth

A Frost & Sullivan White Paper

The New Way to Work Requires a Novel Approach to Technology Investments



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Introduction

Demographic, socio-economic and technological trends are changing profoundly the way businesses operate and deliver customer value. Evolving work styles are placing considerable pressure on businesses to find new ways to empower the highly distributed workforce.

To thrive in a highly dynamic competitive environment businesses are adopting digital technologies and evolving their business models. Digital transformation is at the heart of sustainable growth strategies in the era of business agility.

New technology consumption models are needed to enhance business continuity, boost productivity and effectively serve customers. To enable flexible communications and collaboration anywhere, anytime, on any network and connected device, businesses are adopting modern cloud solutions.



2020 Proved Cloud Services are the Way Forward

Cloud Communications and Collaboration Solutions Enable New Ways of Doing Business

The recent pandemic disrupted entire industries and highlighted a pressing need to boost business continuity programs. The new economic and social realities will forever change the way business is done.

- ▶ **The abrupt and pervasive shift to remote work** has been detrimental to businesses that lack the tools to support flexible work modes. To stay relevant, forward-thinking businesses have started reimagining their business models and methods of customer engagement.



say the rise in remote work has had a very high/significant impact on their organization



say low employee morale and engagement have had a very high/significant impact on the organization



say allowing employees remote access to company data and applications and supporting remote workers' technologies represent key challenges for IT admin staff

- ▶ **Cloud services** have been a life-saver for businesses looking to provide access to communications and information resources to a vastly distributed workforce. Technology decision-makers understand better than ever that a robust cloud strategy is the necessary foundation of successful business transformation.



say a cloud strategy is essential to remain competitive in their industry



are adopting cloud services to improve business continuity/disaster recovery



report that either cloud-based applications or video conferencing will represent top investment areas post-pandemic

- ▶ **Effective communications** are an important pillar of business performance. Explosive growth in cloud meeting, messaging and calling services is a clear indicator of their strong ability to keep remote workers productive and power new ways to engage with customers.



provide conferencing/meeting services to remote workers



provide team collaboration spaces to remote workers



provide business phone services to remote workers

“ You have been disrupted; take charge to build your company’s digital future. ”



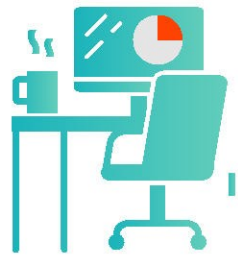
Yesterday’s Solutions Cannot Support the Future of Work

Resilience and Agility will Determine Success in the Digital Era

The recent pandemic has exacerbated trends that have been eroding the foundation of legacy business models for decades. Over time, globalization, evolving workforce demographics, shifting customer requirements and technology advancements have transformed value propositions and competitive factors in every industry.

- **Future organizations** will be distributed and decentralized with hybrid teams. Employees will demand flexible work arrangements for multiple reasons, including budget, convenience and work-life balance. Companies will be compelled to support remote and hybrid work models to attract and retain the best talent that may be located anywhere.

83% say **more than 1/4** of their workforce **will work remotely in the future.**



35% will **reduce real estate** to accommodate remote and hybrid work.



► **Digital technologies** enable workforce productivity and business process optimization. To withstand disruptive forces—whether natural disasters, competitive pressures or rapidly evolving customer requirements—businesses must adopt advanced technologies to become more resilient and agile.



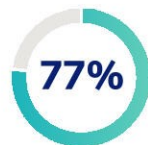
say technology investments are accelerating or remain unchanged



say digital channels or business resilience will represent top investment priorities in the next two years

► **Cloud migration** is an important enabler of business transformation and the future of work. The transformational power of cloud solutions lies in:

- Rapid and economical scalability.
- Fast and simplified deployment of new features and capabilities.
- Delivery of services based on dynamically changing user requirements rather than physical location or underlying network.
- Significantly reduced burden on IT staff with regard to service provisioning, maintenance, management and security.



say, "Cloud solutions support my company's digital transformation initiatives"



say, "The cloud is the most critical part of our digital transformation strategy"

“ Cloud services will power the adaptive enterprise and the business models of the future. ”



Key Takeaways

- ▶ Hybrid work models will be at the foundation of the organization of the future. This will impact how employees connect with each other and with customers and partners.
- ▶ Profound business transformation will be needed to deliver ever-greater customer value and withstand competition in the era of digital sustainability.
- ▶ To ensure greater business agility and effectively connect increasingly distributed workforces businesses must adopt flexible cloud communications, collaboration and contact center solutions.



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An Integrated, Extensible Cloud Platform Delivers Maximum Value



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Introduction

Today, most businesses acknowledge the need to adopt cloud services to become more agile and resilient; yet, cloud deployments are often poorly conceived and unsustainable. In the past, many businesses adopted cloud services with little regard to broader transformation goals or long-term objectives. More recently, the pandemic forced many organizations into panic mode, which led to rushed technology investments that fail to meet important security, reliability and scalability requirements. Such dated or rushed cloud services deployments typically lack the extensive feature sets or integration capabilities to meet rapidly evolving employee, customer and business needs.

The most effective approach going forward is to leverage integrated and extensible cloud services platforms that deliver excellent value today and are poised to quickly adapt to new business requirements in the future. It is critical for organizations pursuing holistic business transformation to also integrate advanced cloud communications and collaboration solutions with important workflows to more tangibly improve key performance metrics, such as employee productivity, operational efficiencies and customer satisfaction.

Avoid Common Pitfalls to Ensure Sustainable Cloud Services Deployments

Unusual Circumstances Call for Unusual Measures; However, the Wrong Choice Carries a High Price

- ▶ **Stop-gap deployments:** Rushed, poorly designed cloud services implementations, including those driven by responses to the pandemic, are prone to deliver sub-par results. A more strategic and holistic approach to cloud migration is necessary to meet the key performance indicators (KPIs) you aim to achieve with digital transformation.
- ▶ **Cloud silos:** Application sprawl due to lack of coordination across point solution deployments increases costs, complexities and risks. Integrated cloud services help simplify solution upgrades, administration and billing, as well as deliver a better user experience.
- ▶ **Non-business-grade services:** Free and freemium services enable risk-free trials and can effectively fill capability gaps at times of dire need. However, limited feature sets, lack of robust customer support and unavailable service-level agreements (SLAs) can create liabilities and reduce long-term return on investment (ROI).
- ▶ **Monolithic, inflexible platforms:** “Walled-garden” solutions based on proprietary technologies with a limited set of application programming interfaces (APIs) can hamper interoperability with third-party software, services and devices. Integration of business tools provides the right context to accelerate informed decision-making and boost productivity.
- ▶ **Legacy user experiences:** Single-modality, voice-centric services no longer satisfy modern users who often prefer more engaging messaging and/or video-centric experiences. Plain-vanilla cloud private branch exchange (PBX) services also fail to harness the power of collaboration across different types of workers and job roles within the organization.
- ▶ **Sub-par service performance:** Special care is required to identify architectural shortcomings that affect service quality, reliability, security, compliance, scalability, extensibility and ease of use. It is important to request performance records and other data that prove robust service performance.
- ▶ **Tethered solutions:** Communications solutions dependent on wireline connections, desktop devices and premises-based infrastructure (e.g., session border controllers (SBCs)) are not well-suited for mobile or home-based workers. Mobile-ready solutions leveraging native mobile dialers, mobile apps or browser-based clients enable greater flexibility for the modern enterprise.
- ▶ **Legacy technologies:** First-generation cloud communications platforms—often based on re-engineered premises-based solutions—lead to a dead end on the technology roadmap. Newer microservices-based pure-cloud platforms better support the speed and breadth of innovation required by businesses seeking a competitive edge.

- ▶ **Limited provider capabilities:** Cloud communications providers lacking broad capabilities, and requisite industry experience, may be unable to fully support businesses that have sophisticated technology requirements related to customization, integration or hybrid environments.
- ▶ **Mismatch with business operations and culture:** Cloud solutions that are poorly matched to vertical workflows or organizational aspirations—e.g., sustainability goals—may fail to deliver the broader and deeper transformational impact sought by the business.



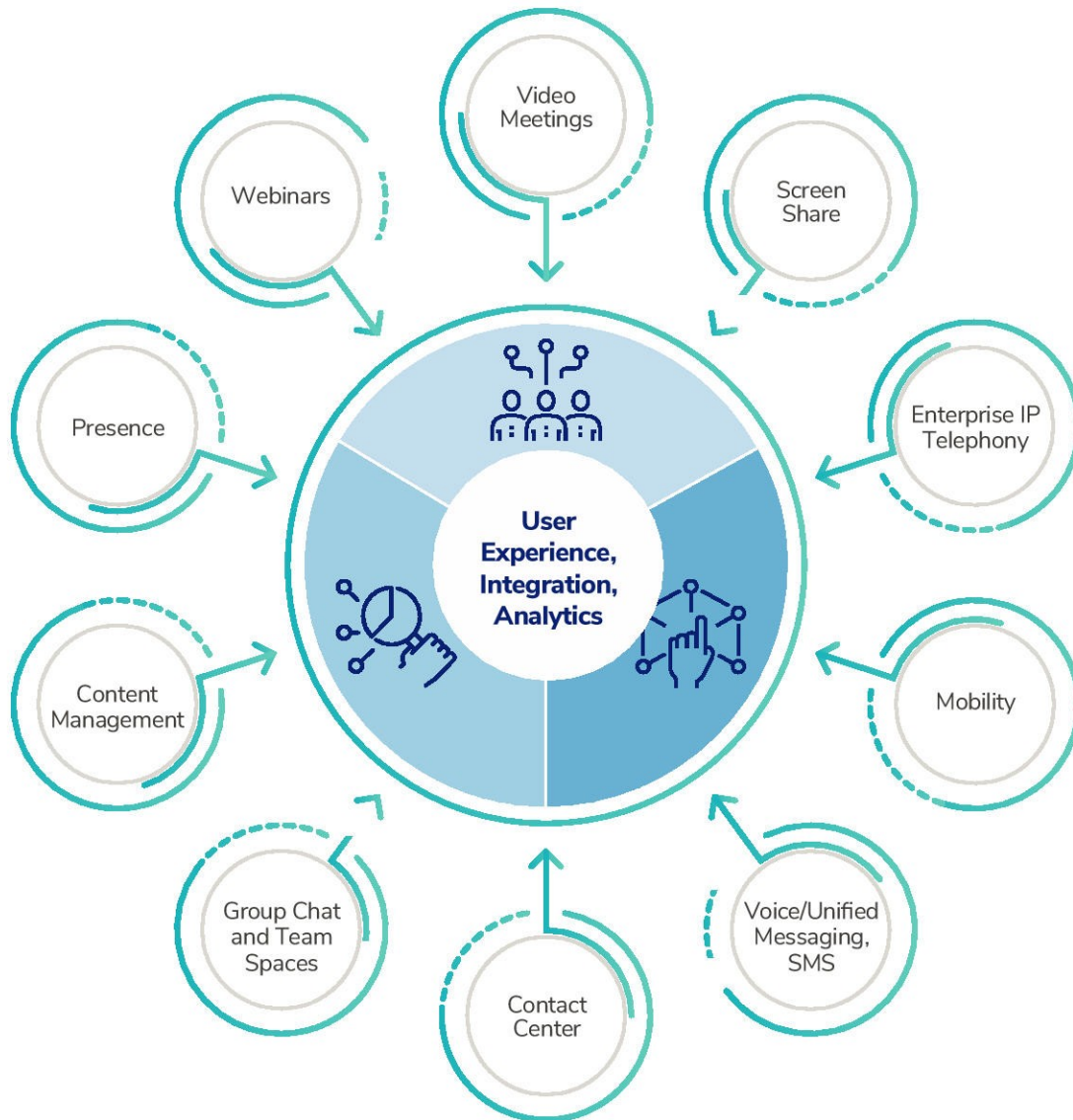
Bringing it All Together With an Integrated Cloud Services Platform

Disparate Cloud Services Investments Prevent Businesses from Optimizing ROI

An integrated cloud services platform enables businesses to achieve important objectives:

- ▶ **Address diverse user needs**—spanning office/mobile/hybrid professionals, frontline and field workers, and contact center agents—without the traditional complexity. Employers must possess a large arsenal of tools to address unique user needs. Each user type requires specific capabilities to complete their job tasks effectively.
- ▶ **Eliminate silos** to empower the entire organization. Aligning stakeholders accelerates decision-making, scales resources and improves business outcomes.
- ▶ **Enable better user experiences and operational efficiencies** on a future-proof foundation for continued services enhancements and optimization. The organization must be prepared to address current and future requirements.
- ▶ **Unify analytics, reporting and other solution administration tools** to deliver the insights required to identify inefficiencies and best practices in operations and workflows. A common platform across meeting, messaging, calling and customer experience (CX) capabilities provides a unified view and rich context to enable data-supported decision-making.

An Integrated Solutions Set Provides Considerable Benefits



APIs and Integrations Unlock the Full Potential of Advanced Cloud Communications and Collaboration

Microservices-based Solutions Provide the Building Blocks to Enable the Composable Enterprise

The truly transformative goal of cloud migration and communications upgrades is often overlooked. To respond to the ever-increasing demand for personalization and on-demand delivery of products and services, organizations must digitize their business models and scale technologies to adapt faster to dynamically changing market conditions.

Becoming an agile competitor in the digital era requires modernizing business processes through the integration of software-based communications and collaboration tools with workflows.

Extensible, microservices-based platforms with flexible APIs enable high organizational adaptability and business value in unique ways:

- ▶ Optimize operations
 - Automate repetitive and routine tasks
 - Accelerate decision-making through context
- ▶ Improve product and services quality
 - Power data-informed decisions
 - Improve process accuracy and consistency
- ▶ Drive growth
 - Create efficiencies that enable scale and expansion
 - Improve CX to boost customer acquisition and retention rates
- ▶ Create competitive advantages
 - Empower agility and innovation at speed
 - Power novel digital business models (digital product and services delivery)



Programmable Communications Deliver Considerable Benefits:



Businesses' Use of APIs is Growing

	Use Now and Plan to Use in the Future	Do Not Use Now but Plan to Use in the Future	Will be Using APIs in the Future
Email APIs	62%	28%	90%
Messaging (SMS/chat/social media) APIs	59%	28%	87%
Video APIs	58%	31%	89%
Voice APIs	54%	34%	88%
Two-factor authentication	53%	36%	89%
Provisioning/management APIs	48%	37%	85%
Chat Bot/AI APIs	46%	38%	84%

Key Takeaways

- ▶ Dated solutions, free/freemium services and technology silos can jeopardize the company's ability to leverage cloud communications to improve business performance.
- ▶ Modern, integrated cloud solutions enable organizations to effectively address diverse user needs—now and in the future—and maximize the value of cloud communications investments.
- ▶ Micro-services-based platforms with flexible APIs enable businesses to optimize key workflows and digitize entire business models by integrating communications and collaboration capabilities with the broader IT fabric.



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Balancing a Structured Approach and a Sense of Urgency Is Essential to Ensure Cloud Migration Success



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- 7** Cloud Services are Powering Business Transformation: Act Now or Risk Being Left Behind

Introduction

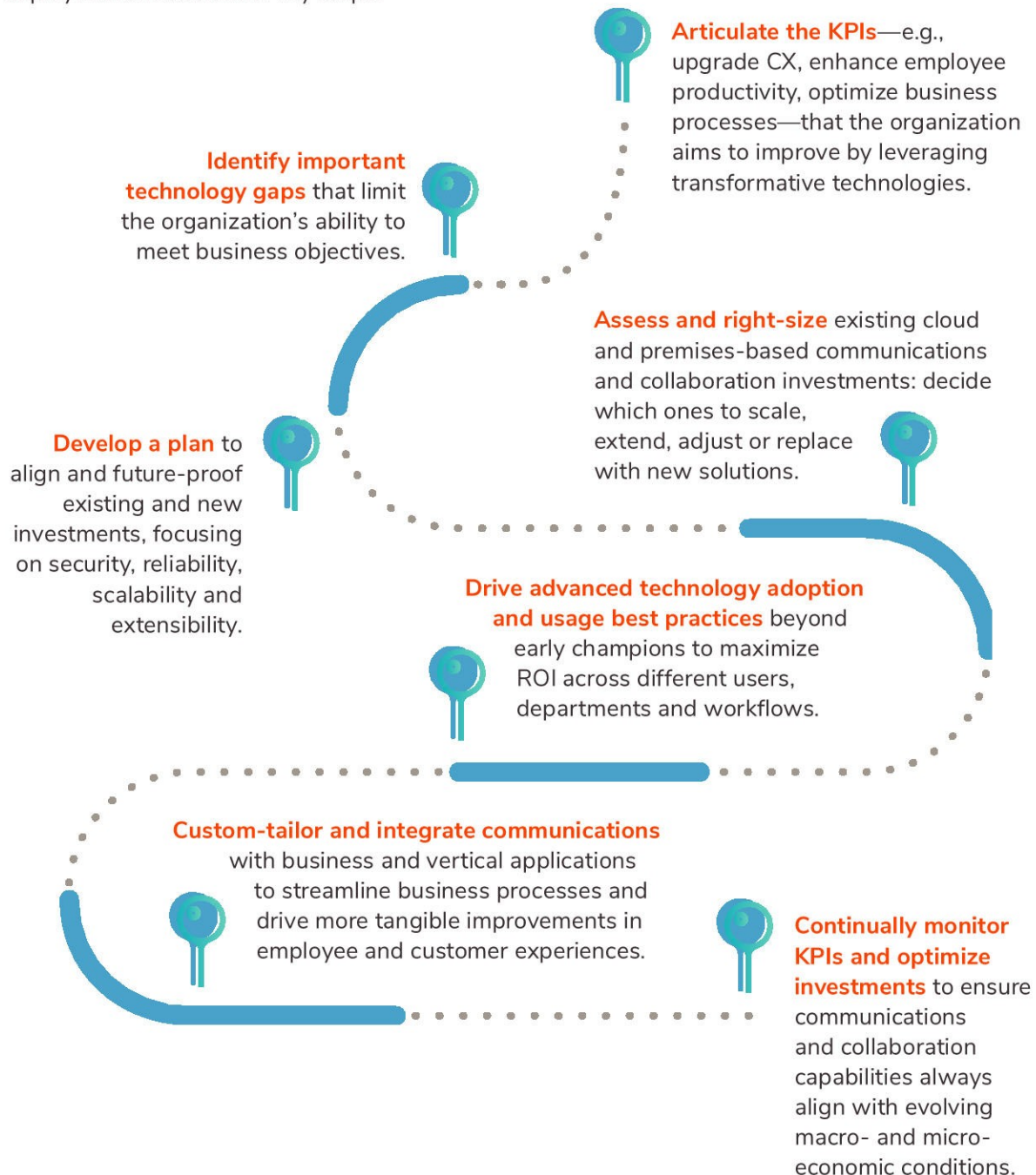
Communications, collaboration and customer experience (CX) management solutions are the lifeblood of an organization. Moving these capabilities to the cloud must be performed with a keen eye on key business objectives and technology requirements. Cloud migration must be aligned with a holistic digital transformation vision and performed thoughtfully and methodically. A structured, step-by-step approach can help optimize the cloud migration journey; however, a sense of urgency is paramount to ensure that your business is not left behind as others in the industry move ahead with digital transformation and enhance their competitive capabilities.

Cloud migration success is highly dependent on finding the right partner. A cloud solution provider with a broad services portfolio; robust communications, collaboration and contact center expertise; flexible commercial models and experience in technology transitions can ensure that cloud migration leads to a sustainable competitive edge.

Sustainable, Successful Cloud Migration Requires a Holistic Approach

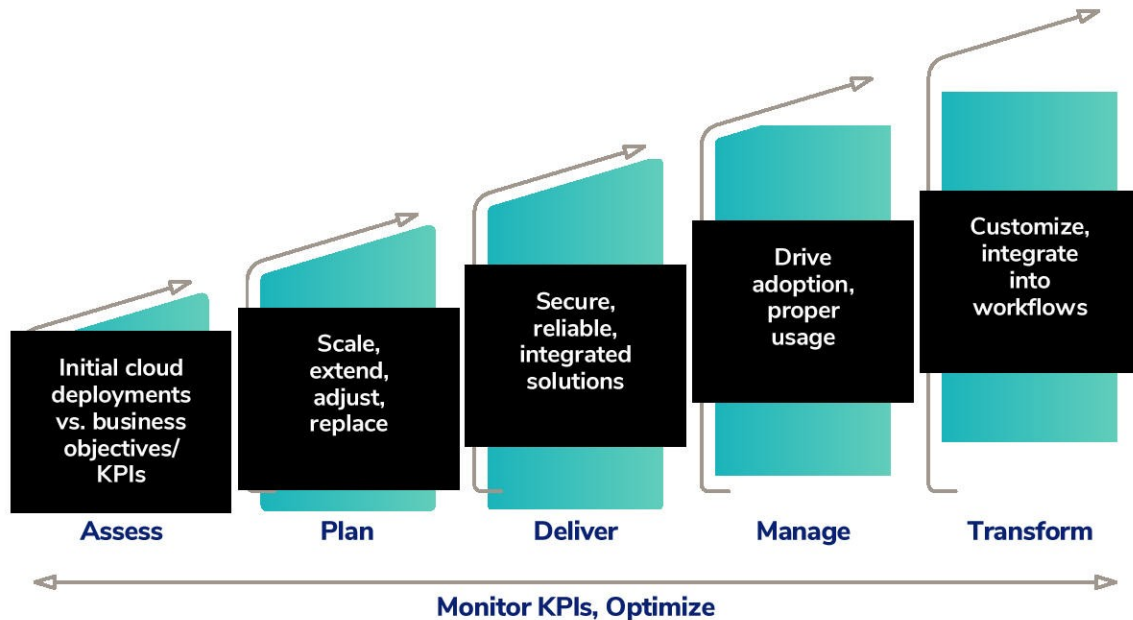
Cloud Communications and Collaboration Adoption Must Align with Broader Business Transformation Objectives

To enable effective transformation and long-term success, cloud communications and collaboration deployments must follow key steps:



Business Transformation Must Be Done Right

A structured approach to cloud services adoption ensures long-term success.



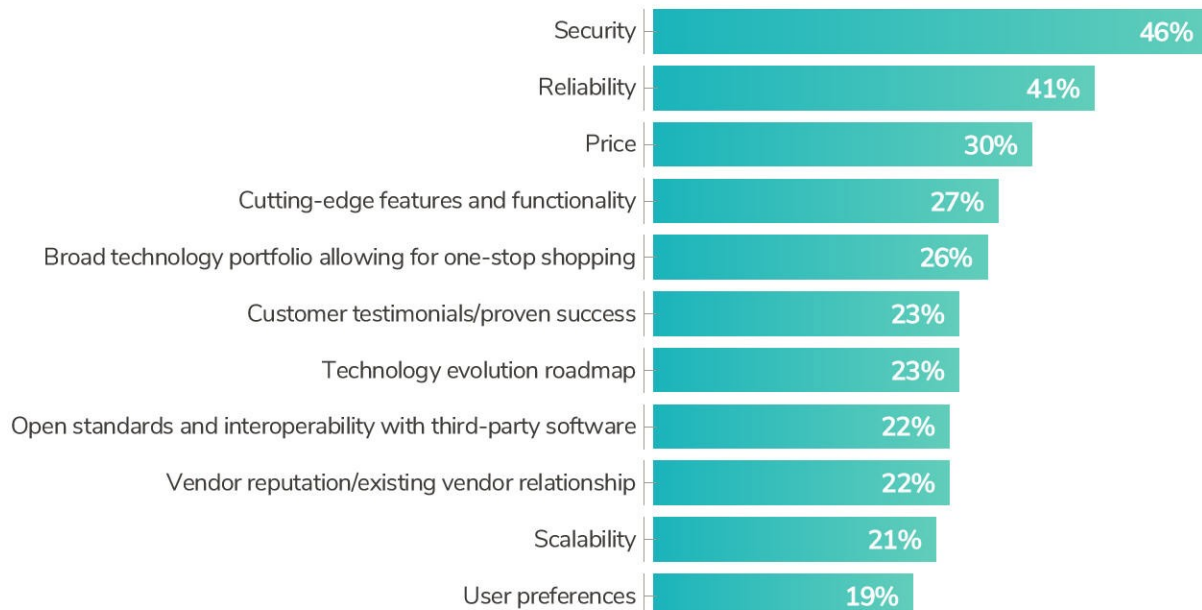
Source: Frost & Sullivan

The Right Partner Effectively Bridges Technology and Transformation Goals

An Innovative Cloud Communications Services Provider Quickly Adapts to Shifting Business and Technology Requirements

The right partner can successfully support each business's unique transformation journey. However, an effective transformation partner must also consistently address common cloud solution requirements, such as security and reliability. Cutting-edge features and functionality will provide the business with a competitive advantage today. A broad software and services portfolio and a visionary technology evolution roadmap combined with support for open standards and interoperability can ensure that a provider is well-positioned to address always-evolving customer needs.

Cloud Communications Provider Selection Criteria (% of IT/telecom decision-makers)



To enable broader transformation success, technology partners must also possess the following capabilities:

- ▶ Considerable expertise in communications, collaboration and CX technologies.
- ▶ Knowledge of businesses' existing infrastructure and solutions.
- ▶ Clear understanding of customer pain points and objectives.
- ▶ Existing expertise in technology transitions with the ability to support private and public cloud deployments, as well as hybrid environments.
- ▶ Compelling commercial models to enable smooth and cost-effective cloud migration, including subscription plans for both premises-based and cloud solutions.

“ For many organizations, the perfect partner offers industry-leading cloud solutions and a broad portfolio of communications devices, infrastructure, and professional and managed services. ”



Cloud Services are Powering Business Transformation: Act Now or Risk Being Left Behind

- ▶ Recent economic and social events have disrupted life as we knew it. It's time to reimagine business models and leverage transformative technologies to power the future of work.
- ▶ Forward-looking organizations are adopting advanced cloud solutions to enable a faster return to growth and enter the age of digital agility. Digitize your business processes and move your mission-critical capabilities to the cloud to withstand mounting competitive pressures, promptly address ever-greater customer expectations and effectively support workforce transformation.
- ▶ Visionary business leaders are building collaborative, CX-centric enterprises leveraging modern, integrated cloud communications, collaboration and contact center solutions. Capitalize on the flexibility of cloud services to enable a highly connected and adaptive workplace that fosters innovation, creativity and efficiency across distributed teams and operations.
- ▶ Not all cloud solutions are created equal. Invest in an integrated cloud services platform that supports multiple modalities—voice, messaging, meetings, mobility, contact center and more—to enable excellent user experiences, address diverse employee needs and empower IT admin staff with the tools to accurately measure service performance and business outcomes.
- ▶ The economic impact of communications upgrades is multiplied when they become part of a holistic business strategy overhaul. Leverage APIs to integrate cloud communications with important workflows and power the composable enterprise that adapts quickly and easily to changing market conditions.
- ▶ Business transformation is a monumental effort and requires the right technology partnerships. Choose a cloud services provider with a proven track record of technology innovation, service quality and reliability, and keen attention to customer needs.



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Cloud Communications and Collaboration Services Power the Customer- Centric Organization



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Introduction

Business success is determined by customer satisfaction and loyalty. Today, customers demand the flexibility to connect with different brands using the communications modalities and devices that best suit their purposes or specific circumstances. Leveraging advanced digital technologies, businesses must empower everyone within the organization—from frontliners, to contact center agents, knowledge workers and the C-Suite—to contribute customer value based on their knowledge, abilities and job roles.

As organizations become increasingly 'virtual', integrated cloud communications, collaboration and contact center solutions will provide the connective tissue among different stakeholders to enable excellent employee and customer experiences. Digitally-powered businesses will excel in terms of flexibility and effectiveness of customer contact, which will drive growth and competitive differentiation. Cloud services, in particular, will enable customer-centric organizations to innovate more rapidly, scale more efficiently and more promptly respond to constantly shifting customer needs.



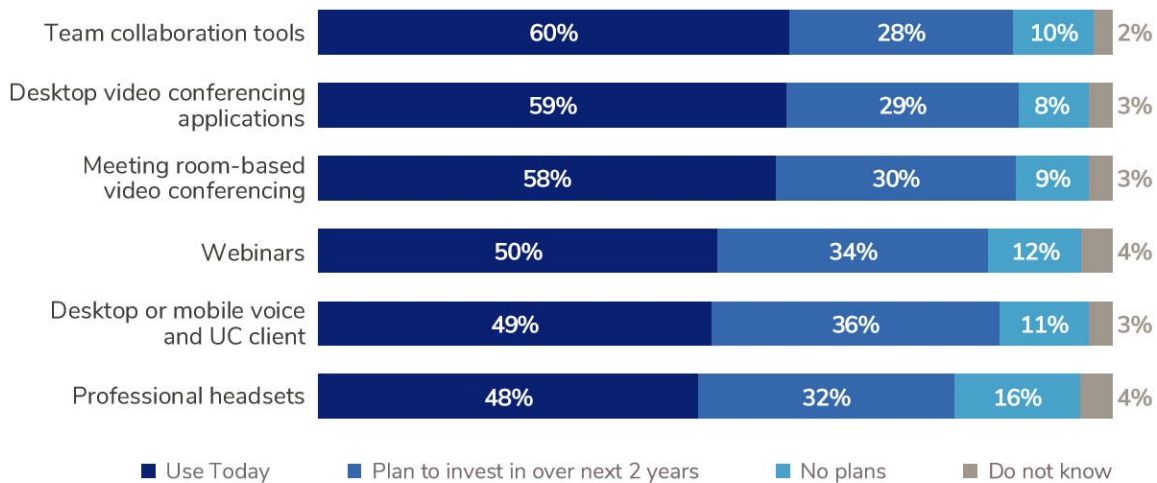
Cloud Communications and Collaboration Service Adoption is Accelerating

A Highly Collaborative Work Environment Enables Operational Efficiencies and a Better Customer Journey

Already strong adoption of advanced collaboration tools has been further catalyzed. The global pandemic and the need for physical distancing accelerated cloud collaboration tool adoption in various use cases, including remote work, telehealth, online and hybrid learning, and virtual events.

Adoption of Advanced Collaboration Tools is On the Rise

The goal is to support evolving user needs due to new work styles, changing workforce demographics and other factors.



“ Collaboration tools will empower businesses to increase participation and improve the visibility of team and individual contributions across the entire organization. ”



An abundance of perceived benefits is driving investments in communications and collaboration solutions. IT/telecom decision makers rank desired outcomes based on varying priorities and needs:

- ▶ Enable productive remote work
- ▶ Enhance the customer experience
- ▶ Augment teamwork
- ▶ Improve information management (e.g., content storage and search, knowledge transfer)
- ▶ Improve employee engagement and satisfaction
- ▶ Increase sales
- ▶ Boost in-office productivity
- ▶ Reduce operational costs
- ▶ Accelerate decision-making and reduce time to market
- ▶ Boost innovation
- ▶ Enhance resiliency and business continuity



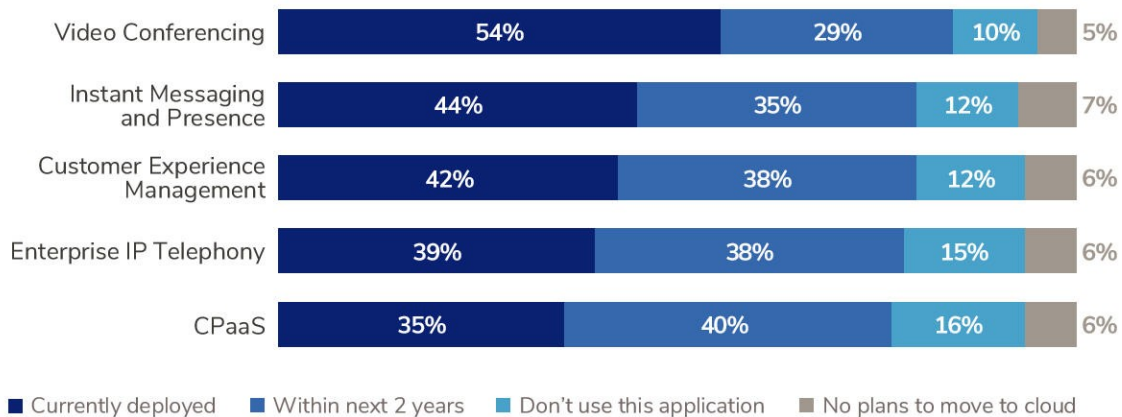
The Future of Work Will be Orchestrated in the Cloud

Early Adopters Will Set the Pace of Transformation in Their Industry; Laggards Will Suffer the Consequences

The global pandemic accelerated cloud services adoption. Frost & Sullivan data clearly demonstrate that cloud migration is well underway.

The Future of Work Will Live in the Cloud

Cloud services will power agility in hybrid workplaces.



Waiting on the sidelines is risky. Industry peers that are further ahead on their cloud migration journey are already reaping the benefits.

Organizations in advanced stages of digital transformation place a significant focus on communications and collaboration solution investments...



consider communications and collaboration investments a high or medium priority



of their annual revenues is allocated to their IT/telecom budget compared to others

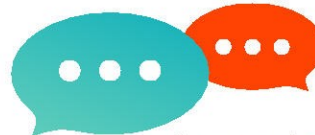


expect their IT/telecom budget to increase in 2021

... and are ahead of others in terms of cloud migration today:

63%

have already adopted **cloud video conferencing**, compared to 54% overall.



52%

have already adopted **cloud instant messaging and presence**, compared to 44% overall.

56%

have already adopted **cloud customer experience (CX) management solutions**, compared to 42% overall.



48%

have already adopted **cloud enterprise telephony**, compared to 39% overall.



44%

have already adopted **Communications Platform as a Service (CPaaS)**, compared to 35% overall.

Boost your digital transformation strategy by adopting advanced cloud-based communications and collaboration solutions.

Customer Value Determines Digital Transformation Success

Investments in Advanced Technologies Must Enhance Employee and Customer Satisfaction

Digital transformation typically aims to achieve employee efficiency, productivity and job satisfaction benefits. Most organizations equip workers with advanced tools to keep them engaged, motivated and successful, and enable them to complete their job tasks better and faster.

However, **the ultimate goal is to enable an excellent customer journey and drive greater customer loyalty**. Therefore, investment decision makers must keep an eye trained on the potential impact of communications and collaboration investments on the customer experience. A truly collaborative workplace environment empowers all employees—in the back, middle and front office—to jointly create greater customer value.

Key Digital Transformation Objectives (% respondents)



KPIs for Digital Transformation Success (% respondents):



Digital Transformation Priorities (% respondents):



To optimize technology investment value, CX solution upgrades must be aligned and integrated with communications and collaboration roadmaps to ensure consistent experiences for users and IT admins.

Integrated CX and Communications and Collaboration Solutions are the Norm



have already integrated



will have integrated by 2022

Key Benefits of Integrated Solutions



improved customer journey



better agent experience



optimized business processes

Key Takeaways

- ▶ Cloud communications, collaboration and contact center solutions are seeing unprecedented adoption due to increased need to connect geographically dispersed employees, customers and partners.
- ▶ To nurture high-performing customer-centric organizations businesses must enable highly-collaborative work environments, powered by the right digital tools.
- ▶ Integrated communications, collaboration and contact center solutions empower businesses to achieve key digital transformation goals, including better customer and agent experiences.

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