

Unified Communications Applications:

Uses and Benefits

July, 2008

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Executive Summary

Many benefits of deploying an IP Communications (IPC) system are, by now, well-known and well-documented. However, once the basic IPC foundation is set, there are many additional applications that can leverage this converged IP network even more fully. Quantifying the real productivity gains and out-of-pocket cost savings of these relatively new value-added Unified Communications¹ applications can be challenging for those organizations. Yet if armed with such information, potential adopters could make a far more comprehensive ROI justification for their planned deployments. One source of such information is benchmarks from current users.

Based on a survey of 244 small, medium, and large organizations in the United States, presently using or planning to deploy Unified Communications applications, this paper outlines both the challenges that those applications address and the actual benefits that current adopters experience. This paper presents very specific results that quantify both staff-time and out-of-pocket cost savings that users have experienced by implementing Unified Communications applications, thus giving decision-makers a real-world reference for evaluating the technology.

Throughout the findings presented in this white paper, three general themes that characterize the results are highlighted:

- **Unified Communications applications lead to more effective communication.** Beyond replacing a traditional channel for contacting employees, Unified Communications applications also enable smarter communication. Employees can consult the best method for reaching coworkers before even initiating contact, thereby improving the efficiency in their interactions with others.
- **Unified Communications application benefits include both time savings and cost savings.** Real-world users' experiences clearly indicate that these applications provide both employee productivity benefits and direct monetary savings. As a result, the ROI case for Unified Communications applications is fairly comprehensive.
- **The level of Unified Communications application benefits increases as the number of different applications available increases.** Simply put, the more Unified Communications applications an organization deploys, the greater the overall return in terms of both time and cost savings benefits. While this finding is somewhat intuitive, the actual size of this deployment effect is rather pronounced.

The Adoption Context

A typical communications challenge facing many organizations today is an inability to reach coworkers reliably on the first try (see **Exhibit 1**). Even though communication tools have proliferated, the fact that employees are becoming increasingly mobile makes collaborating with coworkers increasingly more difficult (workers today have no shortage of means for staying in touch). In fact, the average organization in this study reports using over

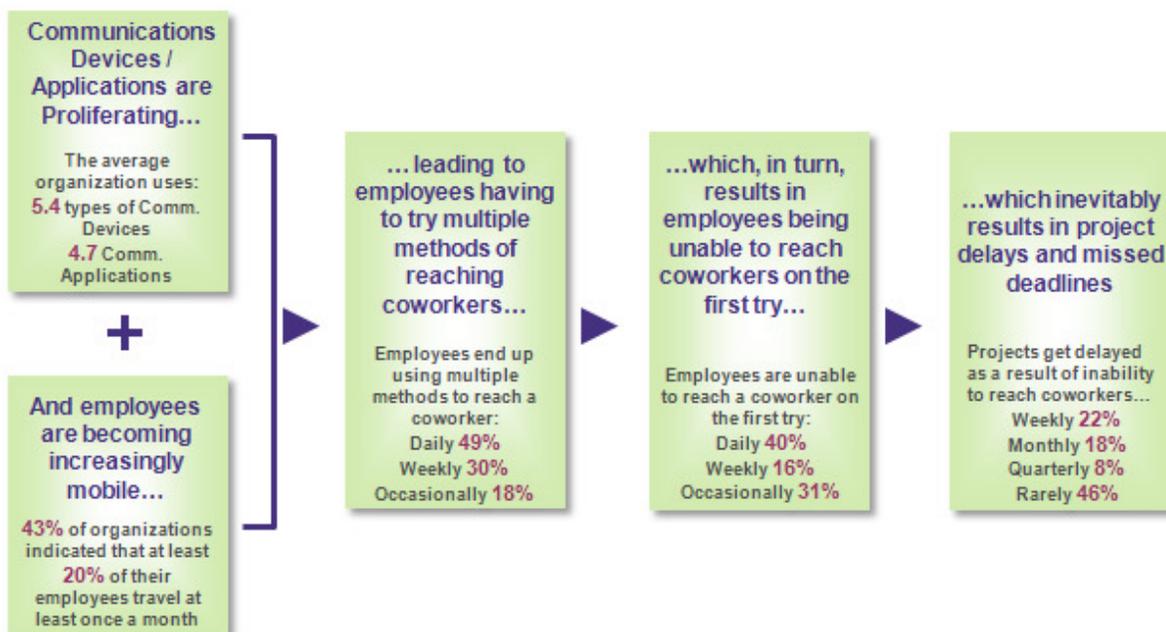
¹ Unified Communications applications are defined as applications built on an IP Communications system. These include Unified Messaging, Conferencing and Collaboration (such as voice and video conferencing), Enterprise IM integrated with Unified Communications clients and Mobile Unified Communications, among others.

five different types of communication *devices* (e.g., desktop phones, mobile phones, etc.) and four communication *applications* (e.g., instant messaging, conferencing applications, etc.)². However, employee mobility is an ever-present fact of life: on average, 43% of current Unified Communications adopters report that 20% of their workforce travels at least once a month.

Working together, these two factors have led to a real communications bottleneck. Even though more tools should lead to easier coworker access, if the devices are not properly integrated the net effect can be counterproductive. In practice, employees must often guess which method (e.g., desk phone, cell phone, email, instant messaging, etc.) is best for reaching their colleagues at any given time. Their first attempts often fail; in fact, 56% of organizations that do not currently have Unified Communications (UC) clients deployed report that employees are unable to contact coworkers on the first try at least on a weekly basis.

Although this scenario might only seem a modest annoyance, it has real economic impact. These internal communication obstacles lead to critical delays over time. In fact, nearly half of all organizations without UC clients (48%) at one point have experienced a missed deadline or project delay at least quarterly as a result of impeded access to key decision-makers. Although the questionnaire did not quantify these setbacks in dollar terms, it is clear that being cut off from key team members will jeopardize core business operations in the long run.

Exhibit 1 • Relevant sources of pain



² Note: the data in Exhibit 1 are based on organizations that do **not** currently have UC clients deployed. "UC clients" are desktop or laptop clients that integrate communications applications into a single interface for presence, device awareness, collaboration, video, visual voicemail, telephony and IM.

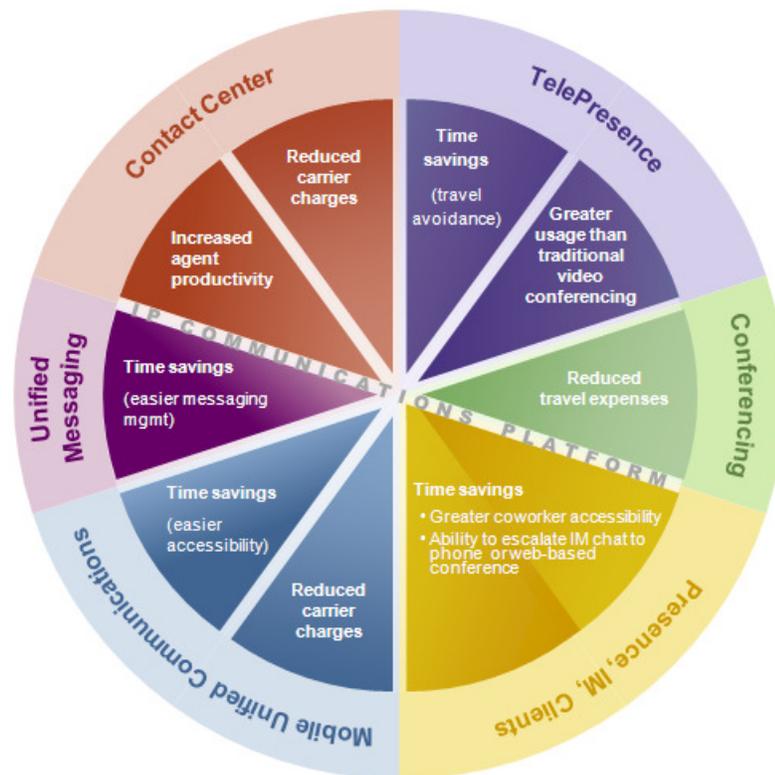
The Benefits Outlook

How do Unified Communications applications alleviate this communication challenge? While there is no one cure-all solution, Unified Communications applications have proven effective in addressing the employee access issue. Several of the savings reported by the average Unified Communications application user directly relate to improved employee access. For example, 49% of organizations using UC clients report that the typical user saves up to 20 minutes daily by being able to reach other coworkers on the first attempt. In addition, 50% of organizations using unified messaging report savings of up to 20 minutes per day for the typical user as a result of more efficient message management (e.g. being able to manage all emails, voicemails and faxes from a single inbox). As these results illustrate, Unified Communications applications are enabling smarter communication practices by giving workers intelligence that improves how they keep in touch and collaborate with one another.

Furthermore, as illustrated by the graphic in **Exhibit 2**, different types of Unified Communications applications help unlock productivity in a wide array of operational areas. For example, organizations that use Mobile Unified Communications and Unified Messaging experience improvements in mobile employee productivity (time saved from easier accessibility) and time savings from easier and more efficient message management.

These gains in worker productivity are no small feat as the prevalence of geographically dispersed teams within organizations continues to increase. Unified Communications enable organizations to respond to this shift internally as well as externally through better customer responsiveness, which results in enhanced customer satisfaction.

Exhibit 2 • Unified Communications Benefits: Beyond Basic Deployment



Scope & Methodology

With the goal of helping decision-makers to assess the true impact of Unified Communications applications, this white paper quantifies the specific benefits application users report today, including both employee time savings and direct, out-of-pocket cost savings. The questionnaire results from 244 US-based small, medium and large organizations (20 to over 100,000 employees) in this white paper can help decision-makers considering Unified Communications application adoption to build the business case at their own organizations.

Chadwick Martin Bailey conducted this research in March 2008. It is a refresh of research originally conducted in September 2005, with certain content changes to reflect advancements in Unified Communications applications. Where relevant, this white paper highlights differences between the 2005 and 2008 research results.

All participants responding to the questionnaire met the following criteria:

- Responsibility for influencing, evaluating, planning or managing their organization's IP PBX (pure or hybrid)
- Already deployed, currently testing or planning an IP PBX (pure or hybrid)³
- Currently use at least one unified communications application (e.g., instant messaging, voice mail, unified messaging, voice, video or web conferencing, SoftPhone, Unified Communications clients or speech-based access to applications)

Respondents represent a wide range of industries, including financial services, manufacturing, healthcare/pharmaceuticals, education, professional services, government, and retail/wholesale among others.

³ "Planning" is defined in the questionnaire as "have already budgeted for (IP PBX) and selected a vendor."

Unified Communications Applications

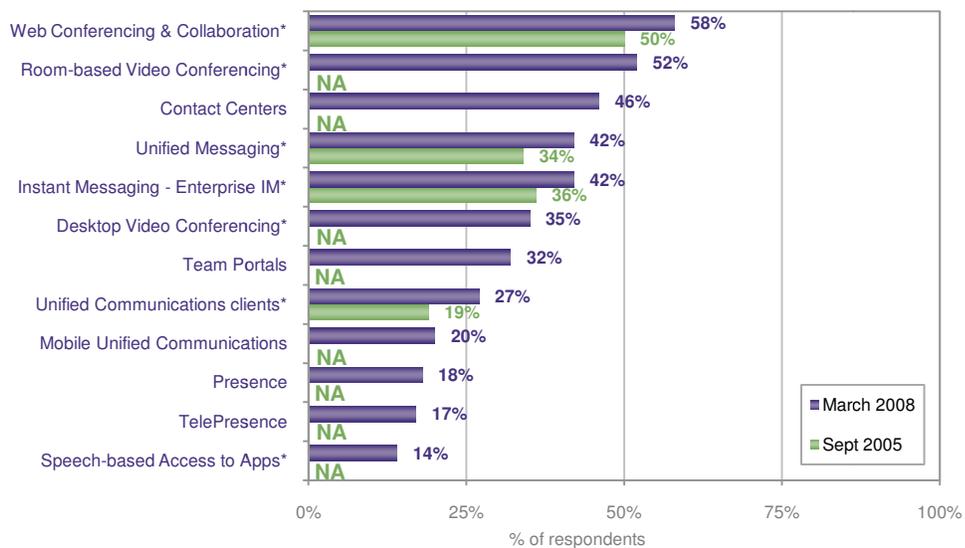
While many first implement Unified Communications as a simple traditional PBX replacement, current users have begun to integrate additional applications into a Unified Communications platform to take greater advantage of new productivity benefits. Companies are implementing an increasing variety of these Unified Communications applications in more and more areas throughout the workplace, as organizations deploy them for an expanding segment of their workforce.

UC Application Usage

Adoption of these value-added Unified Communications applications has moved beyond early adopter status and is entering the mainstream of the Unified Communications applications user base (see **Exhibit 3**). This type of progression is expected over time, and the data suggest that adoption of these applications has been picking up momentum over the last three years. For example, 42% of organizations surveyed in 2008 have deployed unified messaging, an increase of 8% from 2005 deployment levels. Further, 58% of organizations with Unified Communications surveyed in 2008 use web conferencing and collaboration, representing an increase of 8% from 2005 levels. While adoption for newer applications like Unified Communications clients (27%) is more modest at this time, adoption has increased (8%) since 2005. It is important to note that these statistics only represent organizations that currently use, trial or plan to deploy IP PBX systems today. Nevertheless, it is clear that many organizations that have deployed IP PBX systems have moved beyond the initial step of basic “dial tone” replacement and are now realizing the benefits of increasingly sophisticated Unified Communications applications on top of these IP platforms.

Exhibit 3 • Current use of UC applications

Q: Which of the following unified communications (UC) applications does your organization currently use?



N=203 (Sept 2005) / 243 (March 2008)

Note: This is not a random sample. Respondents were screened into this survey based both on current use or trialing of IP PBX systems as well as currently using at least one of the applications indicated with an asterisk.

Unified Communications Applications Benefits

Just as Unified Communications applications are gaining increased presence in the workplace, so too are the benefits surfacing in more areas throughout the organization. The results from this primary research plainly demonstrate that Unified Communications users experience a multitude of benefits – both in terms of employee time savings as well as direct financial savings. Not only do Unified Communications applications bring productivity improvements for mobile employees, they can also favorably change ways in which all employees communicate as well as reduce the necessity of travel (see **Exhibit 4**).

Exhibit 4 • Summary of Unified Communications Application Benefits

Time Savings from Unified Communications Applications	
Presence, IM, Clients	49% of user organizations save up to 20 minutes per employee daily by reaching workers on the first try
	54% of user organizations save up to 20 minutes per employee daily by escalating IM chats into phone calls
	50% of user organizations save up to 20 minutes per employee daily by escalating IM chats into web conferences
TelePresence	46% of user organizations realize travel savings of more than five days per employee annually
	68% of user organizations report productivity improvements between geographically-dispersed functional groups
Unified Messaging	50% of user organizations save up to 20 minutes per employee daily from more efficient message management
Conferencing & collaboration	Over 75% of user organizations experience improved productivity of employees across geographically-dispersed locations due to voice and video conferencing
Mobile Unified Communications	33% of user organizations save 11-20 minutes per employee daily from corporate directory access, click-to-dial, presence, and visual voicemail on mobile devices
	67% of user organizations report increased mobile worker productivity and faster problem resolution
	40% of user organizations indicate 11-30 minutes saved per employee daily with single business phone number and voicemail regardless of device
Contact Centers	41% of user organizations report contact center upgrades lead to a 6-10% increase in first call resolution
	33% of user organizations report contact center upgrades decrease average call response times by 11%-25%

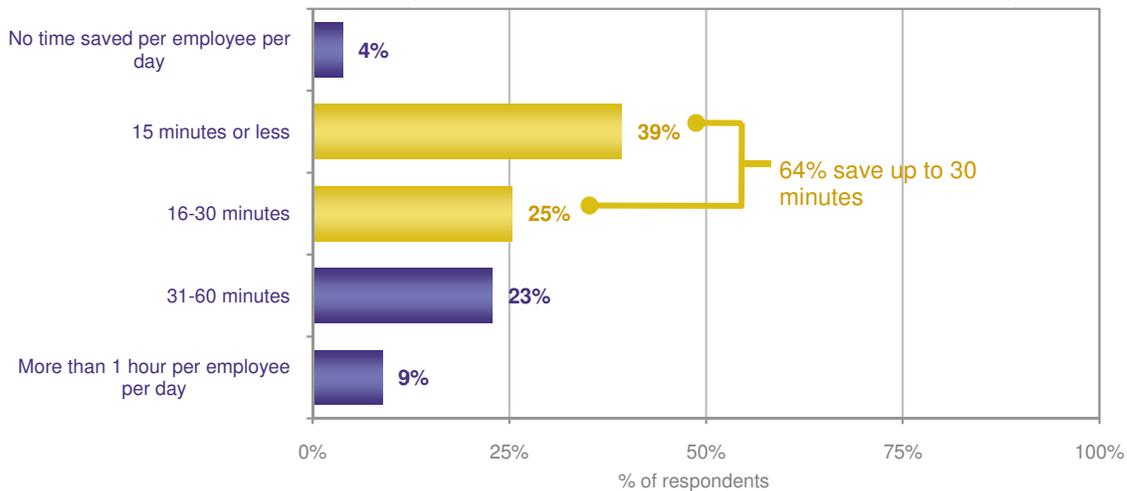
Direct Cost Savings from Unified Communications Applications	
Mobile Unified Communications	36% of user organizations save 11-25% monthly from cell phone and long distance avoidance
Conferencing & collaboration	64% of user organizations experience reduced travel cost of over 10%
Contact Centers	19% of user organizations report a 26-50% reduction in monthly telecom charges as a result of upgrading to next generation technology in their contact centers

Employee Collaboration

The growing use of Unified Communications clients that unify presence, IM, voice, video, conferencing, directories and messaging has given employees a new and more immediate way of collaborating. Organizations often see sizeable added savings from these capabilities. In fact, 64% at organizations using unified communications clients report that the typical user saves up to 30 minutes a day by being able to consult the best method for reaching a coworker before attempting to contact him/her (see **Exhibit 5**). Further, when voicemail or email messages are necessary, unified messaging saves time by enabling for more effective message management and - consequently - more timely responses to those messages (see **Exhibit 6**).

Exhibit 5 • Time savings by knowing the best way to reach coworkers

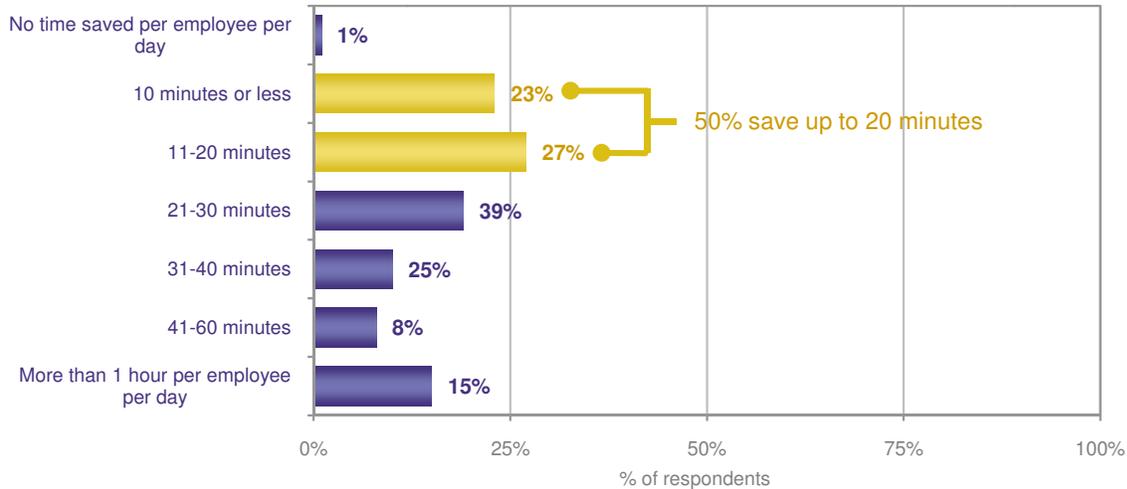
*Q: On average, how much time do you and other employees at your organization save during a typical day as a result of automatically **knowing the best way to reach your coworkers** (desk phone, IM, cell phone, etc.) before trying to make contact?*



N=79

Exhibit 6 • Time savings Unified Messaging

Q: How much time does the typical employee save at your organization by being able to check, manage, and respond to all voice mails, emails, and faxes from a single inbox?



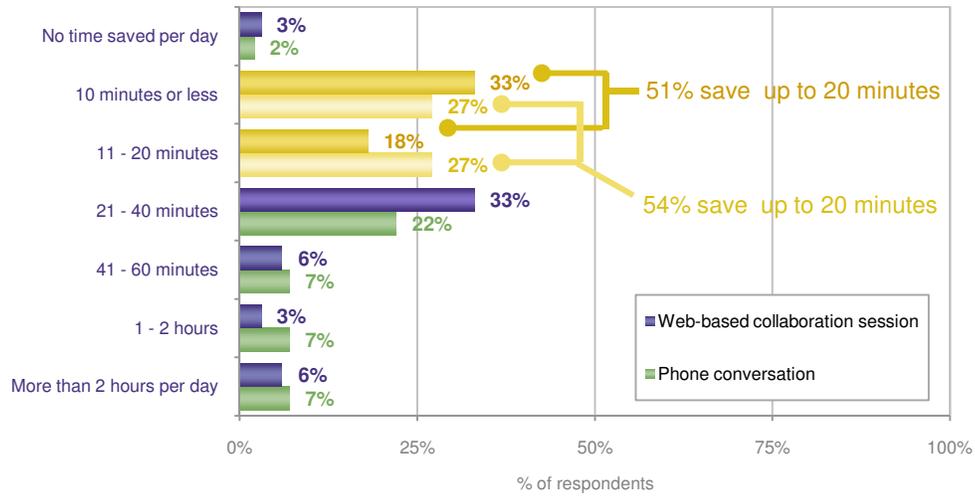
N=98

This integration also enables seamless transfer capabilities that result in additional staff productivity benefits and increased usage of collaboration applications. For example, some Unified Communications client users can seamlessly transfer an IM chat into a live telephone conversation or web-based collaboration session with a single click. This translates into up to 20 minutes of savings per employee daily for 54% of users escalating IM chats to phone and 50% of users escalating IM chats to web-based collaboration sessions (see **Exhibit 7**).

Exhibit 7 • Time savings from escalating IM session to live phone conversation or web-based collaboration session

Q: How much time has the typical employee saved per day at your organization by being able to escalate an instant messaging session into a live phone conversation with a single click?

Q: How much time has the typical employee saved per day at your organization by being able to initiate a web-based collaboration session during an instant messaging session or a live phone conversation with a single click?

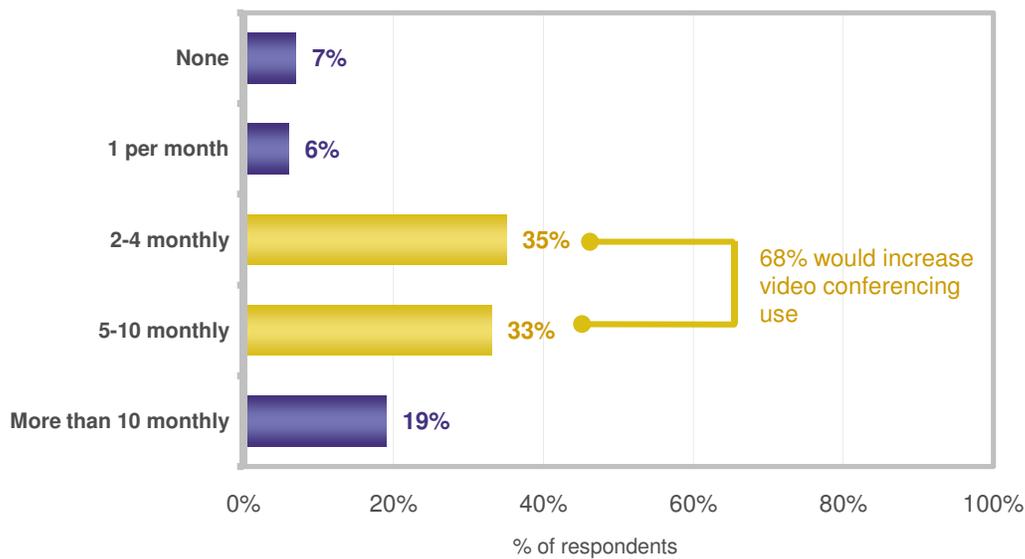


N=41 (Phone) / 34 (Web)

These integrated capabilities also result in employees making greater use of existing video and web collaboration technologies. For instance, 68% of decision-makers would use video conferencing anymore from 2-10 times more per month if they could instantly initiate a web or video conference with others when viewing their availability through presence (see **Exhibit 8**).

Exhibit 8 • Increase in video or web conferencing use from presence-based click-to-initiate capabilities

Q: If you could view users' availability and immediately initiate a web or video conference with 1 or more other people, on average, how many more web and video conferences would you conduct monthly?

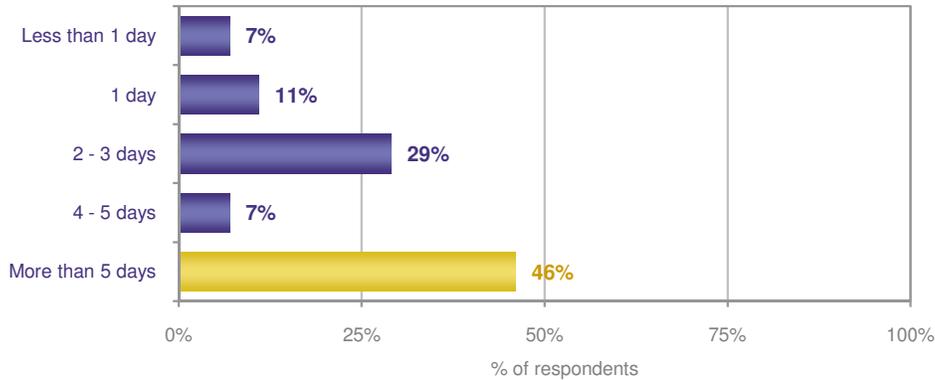


N=198

Time savings are also realized through travel avoidance due to the adoption of Unified Communications applications such as TelePresence (**Exhibit 9**). Nearly half (46%) of organizations deploying TelePresence save more than five days of travel per employee annually as a result of employees being able to attend realistic virtual meetings. An additional benefit of less travel is the reduction of an organization's carbon footprint. As "green" initiatives become more mainstream, travel avoidance can bolster the productivity enhancements and cost savings justifications for applications such as TelePresence. As this paper will discuss in greater detail below, travel avoidance is also realized from traditional voice, video, and web conferencing solutions and has a major impact on mitigating travel costs (**Exhibit 13**).

Exhibit 9 • Travel employee time savings from using TelePresence

Q: How many average days per year per employee are saved as a result of employees being able to attend meetings via TelePresence?



N=28

Furthermore, this research also demonstrates that the impact of Unified Communications applications is directly tied to the total number of Unified Communications applications deployed (**Exhibit 10**). For example, 21% of organizations deploying up to five Unified Communications applications report saving more than 20 minutes daily per employee as a result of more efficient message management. This figure increases to 56% for organizations deploying over five unified communications applications.

Exhibit 10 • Benefits by Number of UC Applications Deployed

Realized Benefit	Percent of User Organizations Receiving the Benefit	Typical Extent of Benefit Experienced by User Organizations			
		Time Savings			
Unified Messaging <i>Employee time savings from more efficient message management</i>	100%	▶	Up To 5 UC Apps 21% save more than 20 min/emp daily	Over 5 UC Apps 56% save more than 20 min/emp daily	
UC Clients <i>Employee time savings from reaching coworkers on the first try</i>	96%	▶	Up To 7 UC Apps 6% save 16-20 min/emp daily	Over 7 UC Apps 12% save 16-20 min/emp daily	
Cost Savings					
Conferencing & Collaboration <i>Reduced organizational travel costs</i>	94%	▶	Up To 5 UC Apps 13% experienced more than a 25% reduction in overall travel costs	Up To 5 UC Apps 27% experienced more than a 25% reduction in overall travel costs	

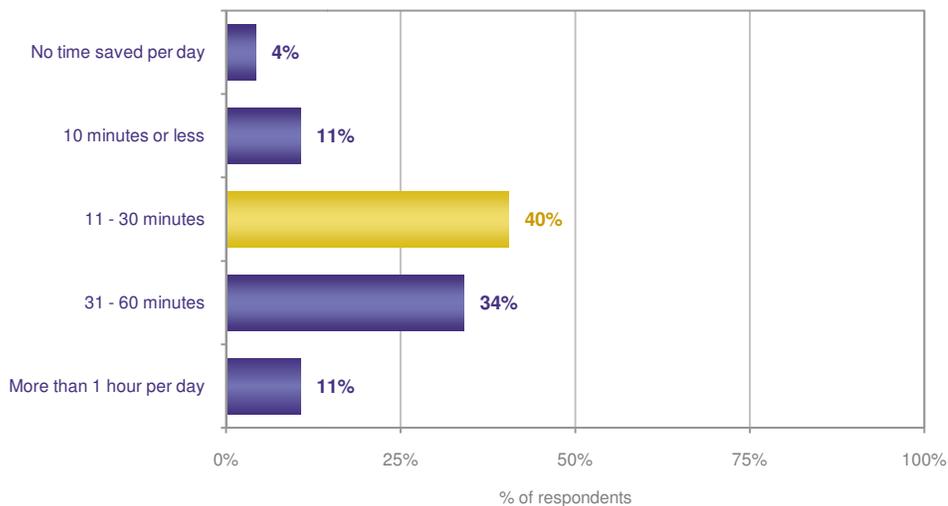
This trend implies a type of “collaboration” effect – that is, the more applications that are integrated through the Unified Communications umbrella, the greater the overall productivity benefit (since employees have more channels from which to gain benefits). Interestingly, time and cost savings benefits realized from well-established and widely deployed Unified Communications applications such as unified messaging and IM are enhanced as organizations deploy and integrate more advanced Unified Communications solutions.

Employee Mobility

Employee mobility is an ever-increasing fact of life these days and Unified Communications can be a primary tool for those who need to travel or simply work off-premises. With the help of Unified Communications applications such as Presence, mobile employees are becoming more accessible to customers, management and their own coworkers. While such applications help users throughout the organization, they benefit organizations deploying mobile unified communications to an even greater extent. As illustrated in **Exhibit 11**, 40% of organizations deploying mobile unified communications report per-employee time savings between 11-30 minutes per day by having a single business phone number where employees can be reached regardless of the device (desk phone, mobile phone, PDA, etc.) they may be using. This enhanced accessibility enables mobile employees to be more productive while on the road as well as more timely in addressing and resolving problems, as 67% of organizations with mobile unified communications report (see **Exhibit 4**). Further, capabilities such as real-time corporate directories and click-to-dial on traveling employees’ mobile devices enable them to be more effective while on the road. As illustrated in **Exhibit 12**, 33% of organizations with these capabilities report savings of up to 11-20 minutes daily per mobile employee.

Exhibit 11 • Time savings from using Mobile Unified Communications-Single phone number

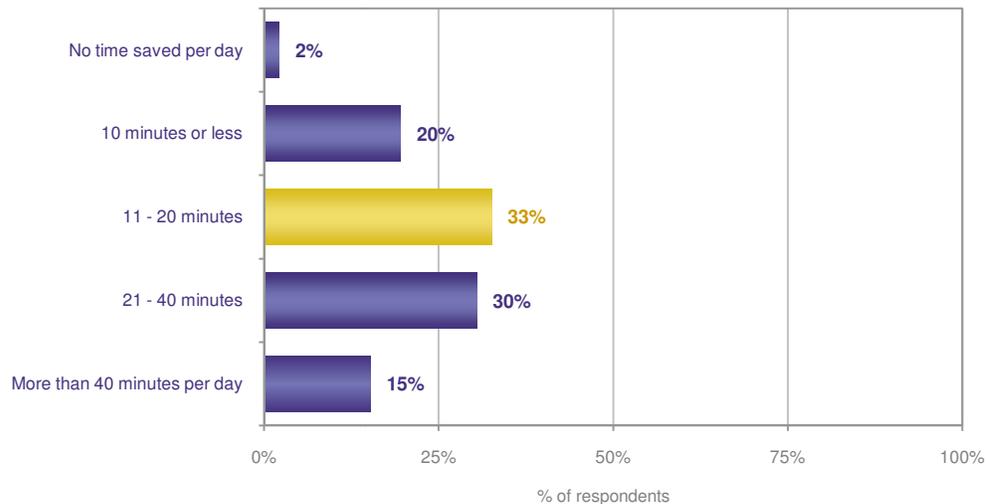
Q: How much time do you and your coworkers save by having a single business phone number where you can be reached (i.e. business calls ring on your desk and/or mobile phone) and a single voice mail box to check (i.e. as opposed to having to check business phone and mobile phone messages separately)?



N=47

Exhibit 12 • Time savings from using Mobile Unified Communications: Real-time corporate directory access, click-to-dial, presence, and visual voicemail on a mobile device

Q: How much time do you and your coworkers save by having real-time corporate directory access, click-to-dial capabilities, coworker presence status information, and visual-voicemail capabilities on your mobile phone or smartphone?



N=46

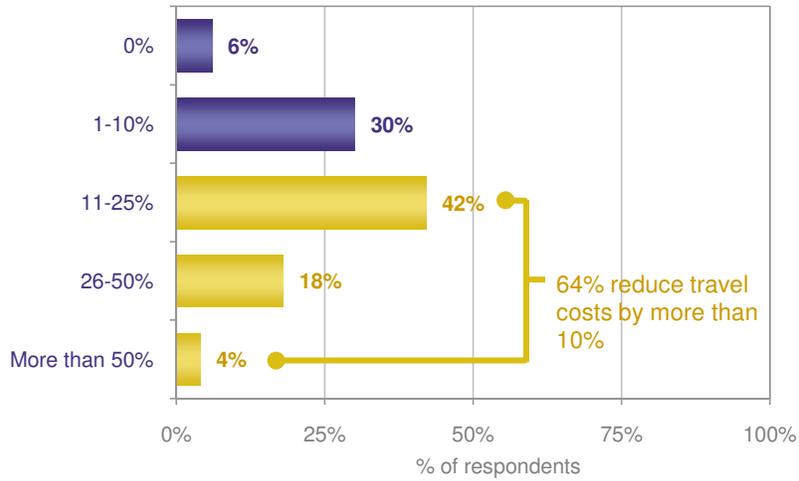
Cost Savings

Beyond the employee productivity benefits, these value-added Unified Communications applications also yield direct cost savings. Two areas where these savings are readily reported are in voice and web conferencing and next generation contact center technology use.

- **Voice and web conferencing savings** – Nearly two-thirds (64%) of organizations that have deployed voice, video, or web conferencing applications report organizational travel cost savings of more than 10% (see **Exhibit 13**).
- **Telecommunications carrier savings** – By deploying next generation technology in contact centers, 48% of organizations report monthly telecommunications carrier charge savings of more than 10% (**Exhibit 14**).

Exhibit 13 • Travel cost savings due to Conferencing solutions usage

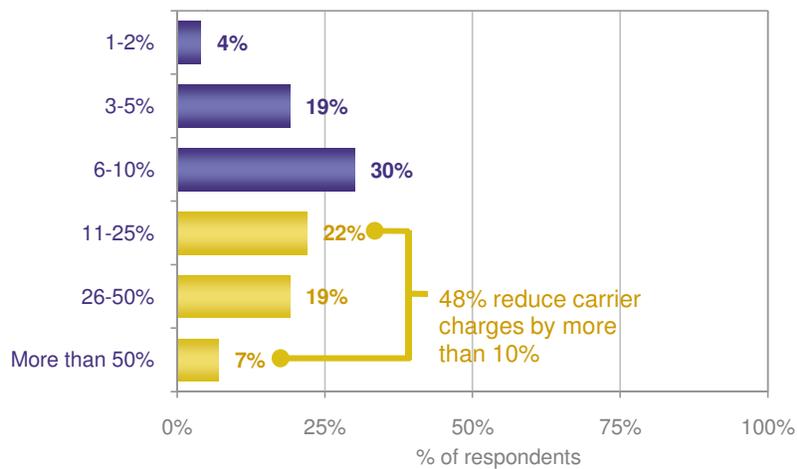
Q: On average, how much has the use of conferencing solutions reduced your organizational travel costs?



N=203

Exhibit 14 • Telecommunications Carrier savings per month due to next generation Contact Center technology

Q: Approximately how much of a reduction in average monthly telecommunications carrier charges have you seen since upgrading your contact center infrastructure?



N=27

Conclusion

The use of Unified Communications applications is clearly on the rise. By deploying a Unified Communications system today (or building upon an existing Unified Communications platform), an organization is not only laying the groundwork for a new world of potential value-added applications but also enhancing the benefits realized from existing applications.

The current and potential uses of Unified Communications in the workplace are varied and far-reaching. For example, retail employees can use Unified Communications applications to track and manage product inventory in real time using voice commands over an IP phone. Doctors and nurses in a hospital can gain remote access to patient test results over a Unified Communications system or even discuss via a conference bridge a critical case that has just been admitted as they all rush to surgery. Teachers can take student attendance and even locate their students anywhere in the building from an IP phone. Once a Unified Communications system is in place, the possibilities for new applications are really wide open.

Until now, many organizations have adopted Unified Communications primarily in the name of direct cost savings (e.g., toll bypass and reduced support expenses by combining voice and data). However, as demonstrated in this research, the more organizations exploit Unified Communications as a platform for higher-end Unified Communications applications today, the more benefits they experience—both in employee productivity as well as in direct cost savings.

Further, these improvements in productivity result in the optimization of business processes that yield a variety of other business benefits. The streamlining of communications within the enterprise made possible by Unified Communications not only enables greater responsiveness within the enterprise but also outside of it. So, improvements in the ability of employees to reach one another within the organization also occur externally in the form of enhanced reachability of employees by customers. As employees become more accessible to customers, problems are resolved faster, which enhances customer service.

Similarly, in addition to the direct cost savings associated with travel avoidance, an organization's carbon footprint can be reduced by leveraging Unified Communications applications such as traditional conferencing applications and TelePresence. In the current climate of environmentally-friendly corporate governance, organizations deploying Unified Communications applications are better equipped to meet their sustainability goals and run their businesses as responsible corporate citizens. Finally, future plans for Unified Communications applications strongly suggest that this technology will not only bring operational efficiencies but also provide a real source of competitive advantage in these areas the long run.