

MID-MARKET UC DEPLOYMENT IN 2017

Are mid-sized companies reaping the benefits of UC for improved business performance?





ABOUT NODE4

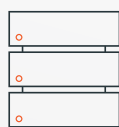
Node4 is a UK-based Cloud, Data Centre and Communications specialist that is dedicated to serving its customers to ensure that they benefit from the most effective and flexible application of technology. Since 2004 Node4 has achieved great success and growth based on its focused customer service, market leading customer retention and comprehensive service offering.

In addition to offices in Reading, Nottingham and London, Node4 owns and manages Data Centres located in Derby, Leeds and Northampton, which has a PUE of 1.2, as well as having dedicated space in a Slough Data Centre. The Data Centres are connected using Node4's national fibre network, recently upgraded with a multi-million pound installation of DWDM, which includes points of presence in Manchester and London, as well as interconnects to major UK carriers. Using this infrastructure, Node4's offerings include Cloud, Colocation, Connectivity, SIP, Hosted Unified Communications and Managed Services.

For more information, visit: www.node4.co.uk.



Cloud



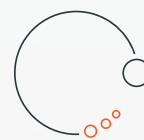
Colocation



Connectivity



Collaboration



Continuity



INTRODUCTION

Although unified communications (UC) has been around for more than two decades, mid-sized companies have traditionally been slower to embrace the benefits it offers, from lower costs and higher productivity, to better collaboration and ultimately staff satisfaction and retention.

Traditionally, the cost of UC technology has been a barrier for mid-market companies. Today however, the arrival of new cloud-based models means the mid-market is set to gain access to enterprise-level solutions that provide all the benefits of UC at a much more attractive price point.

Now that the mid-market has a real opportunity to embrace new collaboration technology and reap its benefits, Node4 sets out to find where mid-market businesses are on the UC 'maturity curve'.

We commissioned a survey of 200 IT decision makers representing mid-market companies to find out how many are really benefitting from UC. Our intention was also to find out how satisfied — or otherwise — these mid-market companies are with their existing UC systems.

This report outlines the results of this study. It shows where mid-market companies are positioned on the UC adoption curve and asks how easy it will be for them to reach the next level and enjoy the full benefits of collaboration technology.

UC ADOPTION OVERVIEW

OVER HALF OF THE MID-MARKET HAS DEPLOYED UC, BUT FEW ARE REALISING ITS FULL BENEFITS

Mid-market companies are expecting to create thousands of new jobs by 2020 according to data published by accountants and business advisors BDO. Currently employing over 6 million people, the mid-market sector is currently driving job growth almost three times faster than the FTSE 100.

Many of these employees will be used to using multiple modes of communication — from voice and email to chat and video-conferencing — both at home and at work.

Being able to meet the communications needs of employees will be critical to ensuring mid-market companies are able to hire the right talent and provide an environment where collaboration can thrive. Yet our research shows that while adoption levels are growing, the mid-market is still a long way from realising the full potential of UC.



Just over half of mid-market companies (52%) have adopted UC in some form. Encouragingly, the remainder are either running a pilot (17%), planning a trial in the next 12 months (12%) or considering various UC options for their business (12%). The study suggests that the mid-market is just beginning to embrace UC as a service (UCaaS), which represents one in ten UC deployments in our study.

However, those mid-market companies that have deployed UC are not entirely satisfied with the solutions they have implemented. Alarming, just one in five mid-market companies claim to be 'very satisfied' with their UC setup, with 'monthly costs', 'sub-optimal audio conferencing facilities' and 'a lack of integration with company social networks' listed as the biggest bugbears.

Given these findings, it is perhaps not surprising that, the majority are either at a very early stage of deployment or settling into the 'middle-ground' of UC capability. Just 18% of mid-market companies feel their systems operate within the top quartile of UC functionality.

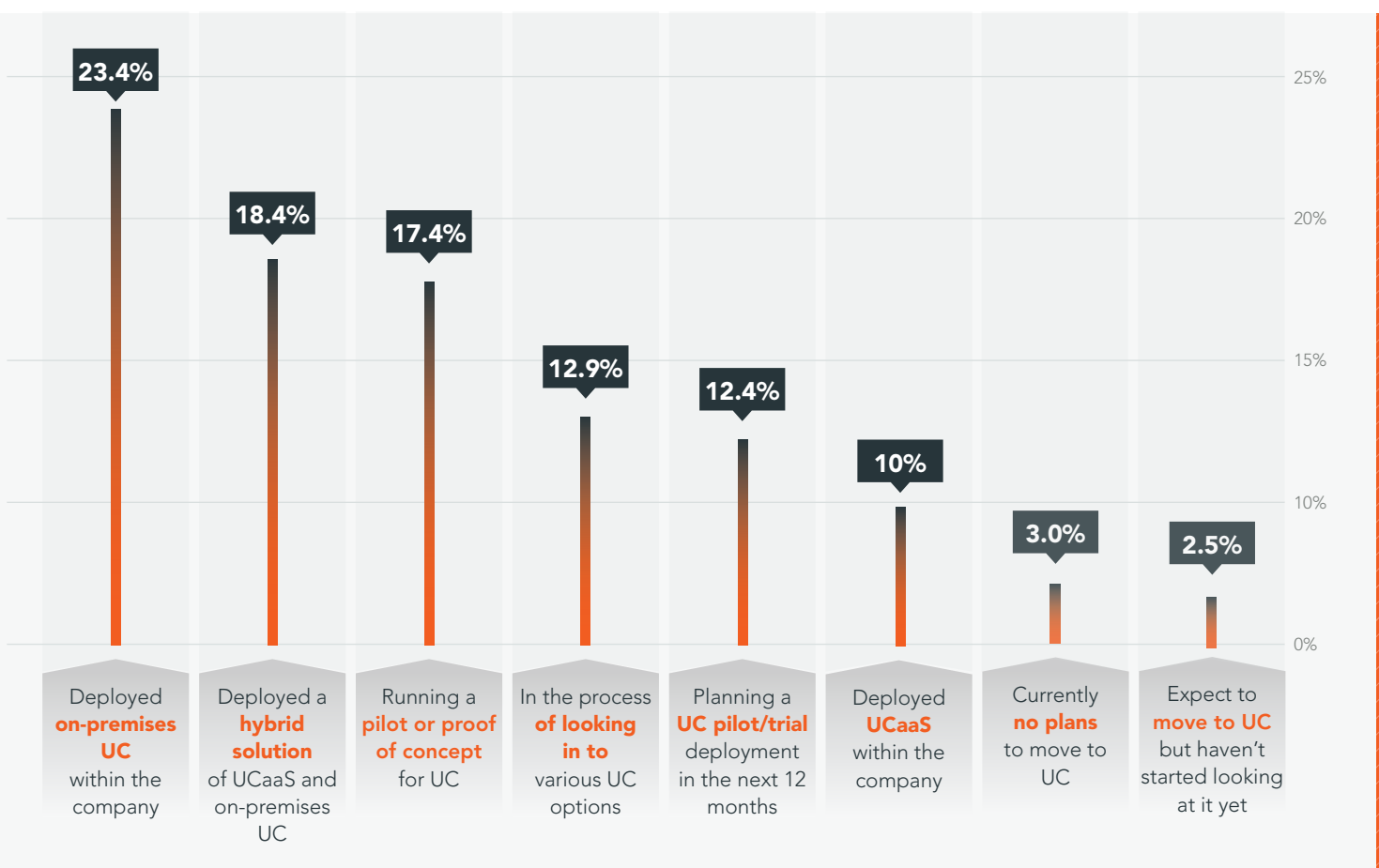
Overall the mid-market outlook presented by our research is that UC should be working harder for these businesses, both in terms of price and functionality. Most mid-market companies are yet to tap into and experience the true potential of UC, and are therefore not reaping the full business benefits of such solutions.



MID-MARKET UC ADOPTION STATUS

Looking at the mid-market's deployment plans in more detail, it is encouraging that just over half of companies (52%) in our study have already adopted some form of UC. The remaining 43% are either running a pilot, planning a trial within the next 12 months, or are considering various UC options.

However, our research also shows that although the mid-market is willing to embrace new collaboration technologies, it is still missing a trick when it comes to deploying cloud-based infrastructures. Just one in ten current deployments are 'pure' UC as a service, (although 18% of the mid-market has deployed hybrid solutions of UCaaS and on-premises UC).



Until now, enterprise-class UC solutions have been unaffordable and inaccessible by the mid-market. However, new UCaaS options are now available, offering a flexible opex pricing model, excellent support and sophisticated features including voice, video, instant messaging, presence, conferencing, voicemail, integrated messaging, mobility and even contact centre functionality.

HOW SOPHISTICATED ARE THE UC SYSTEMS THAT MID-MARKET COMPANIES ARE IMPLEMENTING?

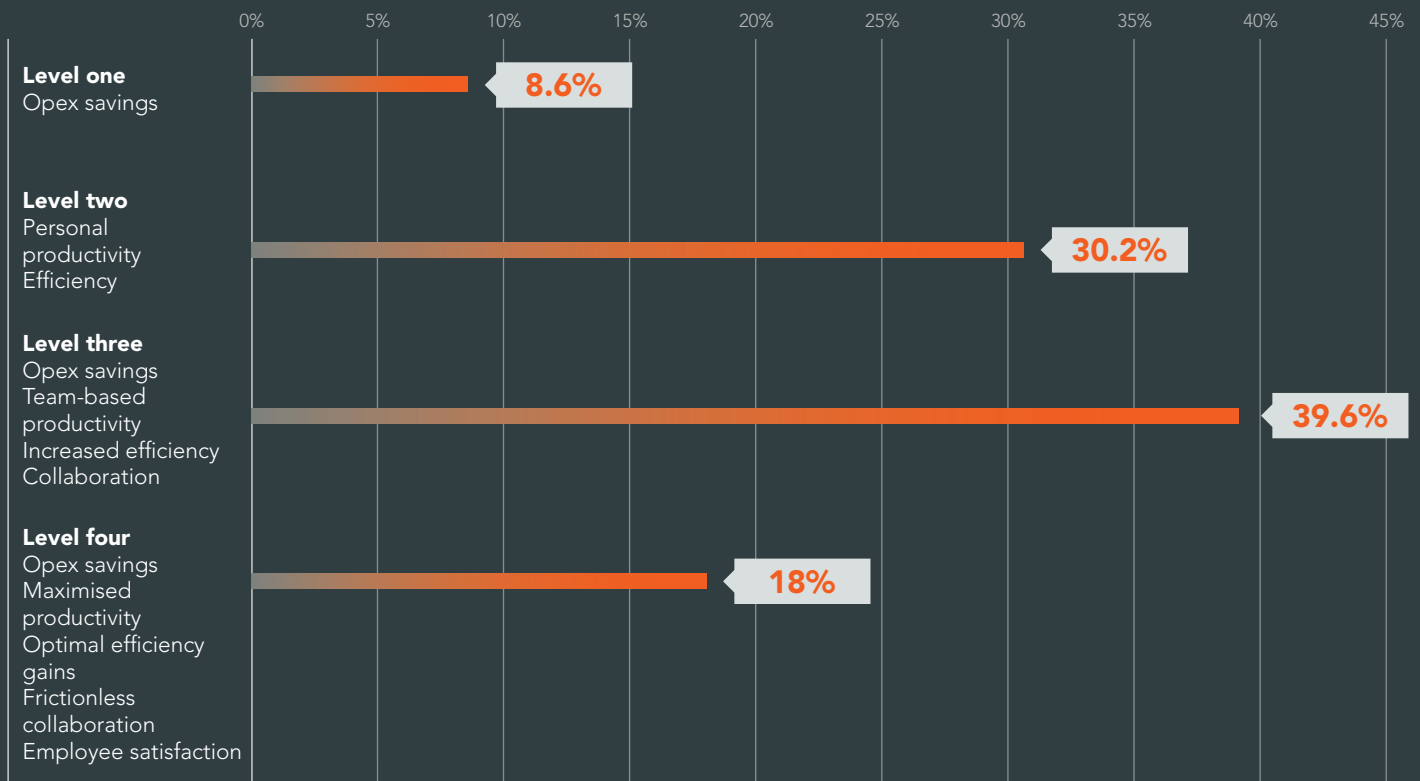
The full benefits of UC extend well beyond telephony systems. To realise its full potential for employee productivity and organisational efficiency, UC needs to offer an integrated environment that provides a seamless user experience wherever and however they are working and supports team-working across locations.

To find out whether the mid-market is realising the full benefits of UC, we've put together a maturity table, which shows the user journey from the foundation level all the way through to fully-featured enterprise-level UC.

We mapped the companies in our study against this maturity table, to provide a full picture of the level of UC sophistication in the mid-market.

Level one	Level two	Level three	Level four
Foundation Voice	Intermediate Voice and video	Advanced Voice, video and collaboration	Fully-featured Voice, video, collaboration and integration
Largely restricted to voice functionality with some additional benefits: <ul style="list-style-type: none"> • Desktop app • Mobile app • Special ring features 	Voice functionality with remote dialling and fixed mobile convergence and limited additional benefits: <ul style="list-style-type: none"> • Videoconferencing • Messaging (IM) 	Voice functionality, remote dialling and fixed mobile convergence with some additional benefits: <ul style="list-style-type: none"> • Videoconferencing • Messaging (IM) • File sharing • Presence 	Voice functionality, remote dialling and fixed mobile convergence together with: <ul style="list-style-type: none"> • Videoconferencing • Messaging (IM) • File sharing • Presence • Social media • Integrated billing • Integration with other business software

Adoption levels of UC



Just 18% of mid-market companies' UC deployments rank in the top quartile of fully-featured UC systems, where users are realising the full benefits that UC can bring in terms of higher employee satisfaction, team-based collaboration and greater productivity both at an individual and an organisational level.

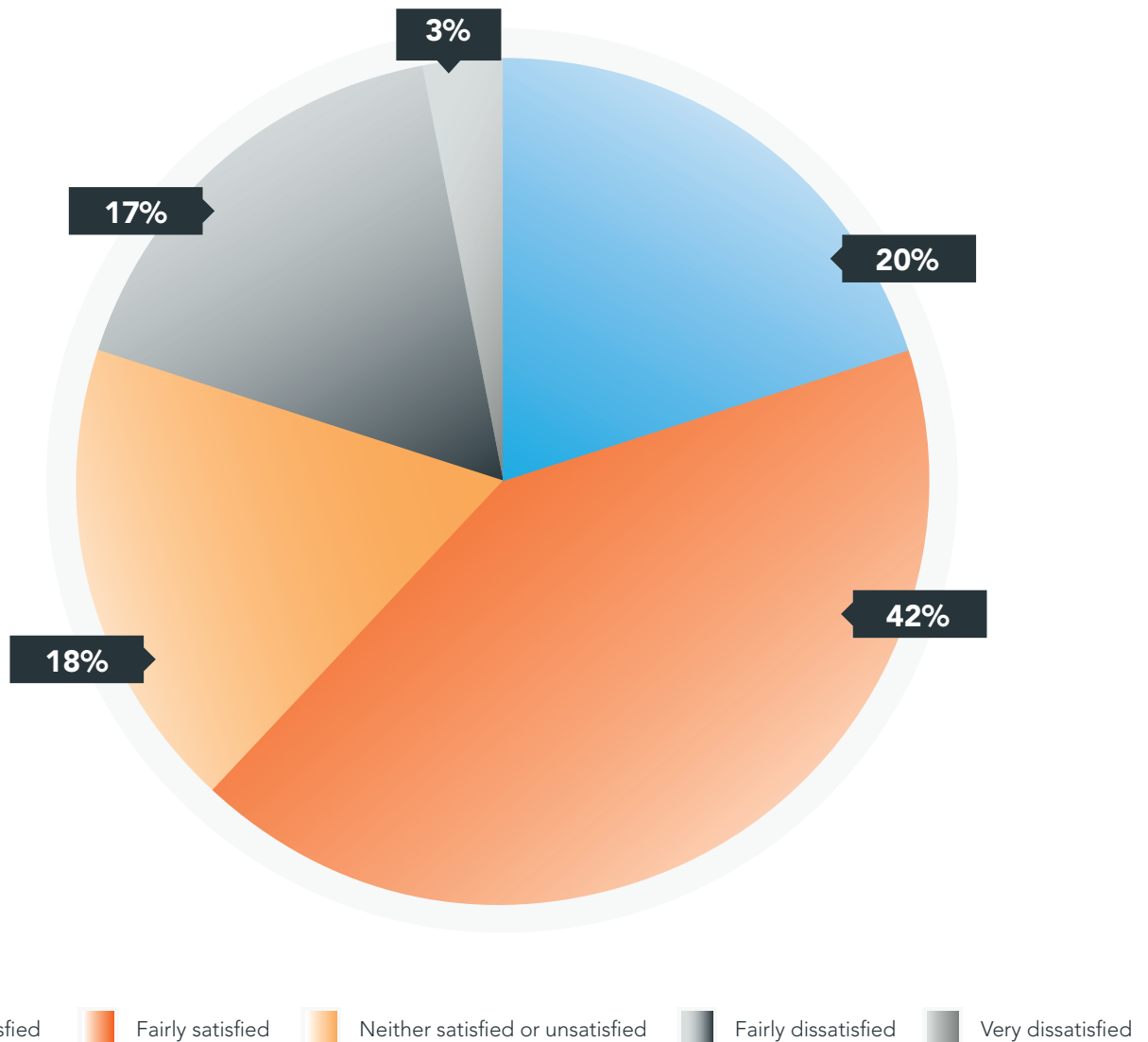
The majority of mid-market companies - 70% - that have deployed UC, sit in the middle ground between basic telephony capability and enterprise-class functionality. While these companies will be enjoying some of the time-saving benefits of UC, such as audio and video conferencing, messaging within a consistent environment, they will be missing out on the full range of team-based productivity benefits that UC can bring.

The real strategic value of UC is not just about cost savings and the improved efficiency that comes when employees no longer need to switch between various communication systems; it is about supporting more effective team working, regardless of location and communication method, so that teams can deliver richer value from communication processes.

There is a real opportunity here for mid-market companies to aim for level four of our maturity table. Not only will this drive cost and efficiency savings, it will also ensure they can provide employees with the optimal work environment to perform and compete effectively in a challenging economy. The increased availability of UCaaS options with flexible pricing models brings this vision within reach of the mid-market.

HOW SATISFIED ARE THE MID-MARKET WITH THEIR CURRENT UC SETUP?

Given that most mid-market companies that have adopted UC sit in the middle of the UC adoption curve, and are missing out on many of the advantages of what are currently considered to be 'top-drawer' UC products, it is perhaps not surprising that levels of satisfaction with their system are relatively low.

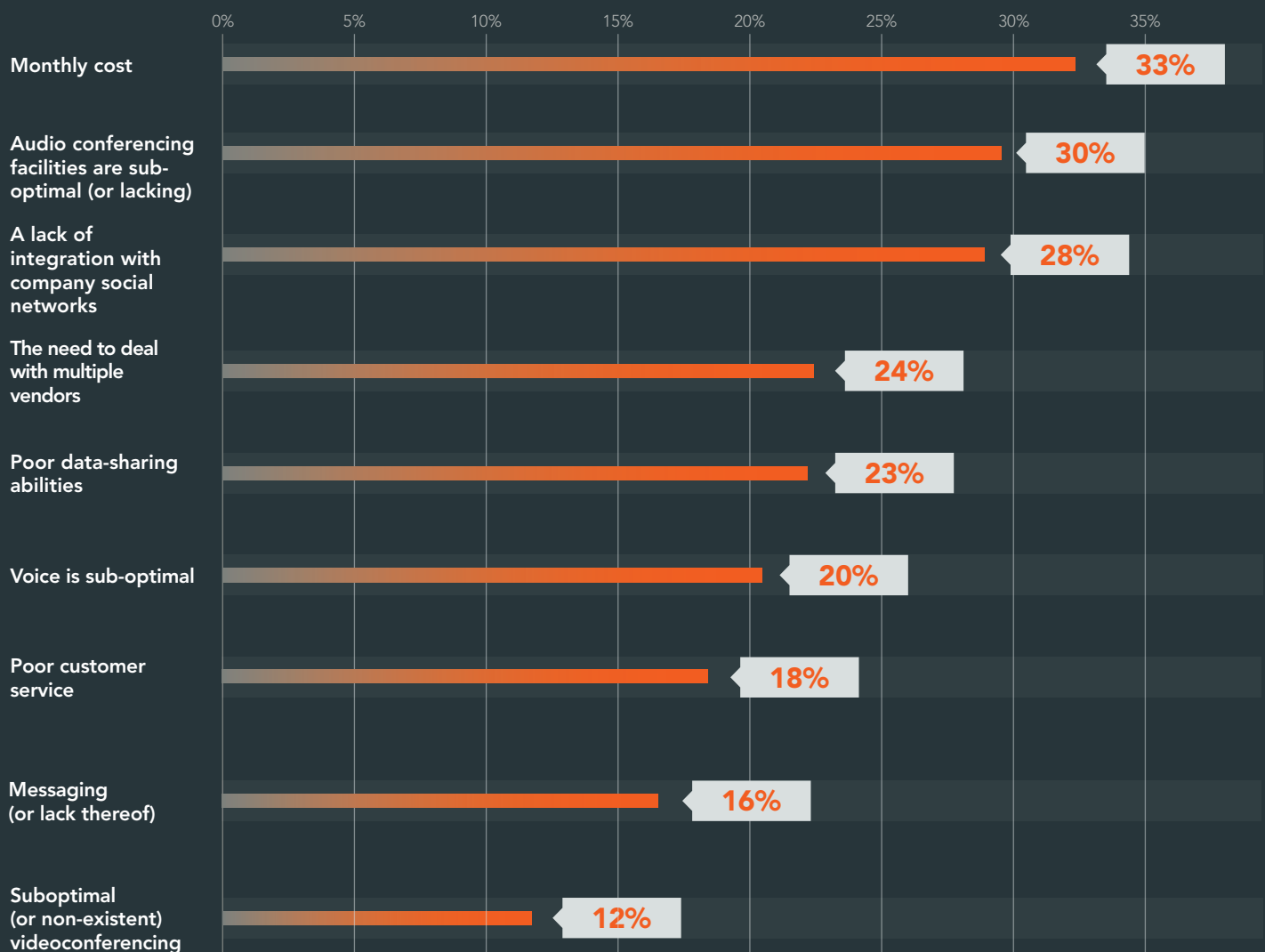


Just one in five are very satisfied with their current UC setup, which correlates closely with the 18% of mid-market companies who occupy the top quartile of UC maturity. A further 42% are fairly satisfied with their current UC set-up. That means 38% of UC deployments in the mid-market are falling a long way short. So, what's causing these low levels of satisfaction?

LIMITATIONS OF MID-MARKET UC DEPLOYMENTS?

The number one problem mid-market companies have with their UC systems is cost. However, it is disappointing to see that the quality of basic UC functions, such as audio conferencing and even voice quality feature on the list of major bugbears.

It is also clear that integration with social networks, an issue for 28% of UC deployments in our study, is becoming an important priority, something that UC providers need to take into account if they are going to deliver value to their users.



Our study made it clear that the UC market has still not completely overcome the difficulty in establishing a guaranteed quality of service (QoS). Most UC vendors rely on routing their traffic across several fibre networks and data centres. This multi-vendor approach makes it difficult to guarantee voice quality, for example, with any reliability.



CONCLUSION

Our earlier report, *Mid-market IT priorities in 2017*, showed that IT decision makers in this sector are amongst the most confident, capable and adventurous in the industry in terms of their IT abilities and IT spend. So why do they express such disappointment with their companies' UC implementations? Shouldn't they have top-of-the-range UC?

Our research suggests that the presence of older, less sophisticated legacy UC equipment is one issue holding the sector back from realising the full cost, productivity and collaboration benefits of UC. But it seems that the poor experience and QoS delivered is another issue.

But perhaps the biggest obstacle to fully-featured UC for the mid-market has been the lack of such solutions at a price suited to the mid-market. Today's employees expect to be able to move seamlessly between multiple communication types to collaborate with colleagues who may be in another branch, working remotely, or even at home.

If the mid-market is to provide its workforce with the collaboration tools it needs to fulfil the economic promise of this sector, then it needs access to more 'feature-rich' solutions that provide substantially better QoS, at a price the mid-market can afford.

The good news is that the market is now beginning to see a new generation of UCaaS products emerge that bring enterprise UC capabilities into the mid-market, together with attractive pricing and comprehensive service options. This latest generation of UCaaS solutions has the potential to transform UC deployments for the mid-market, the UK's fastest growing sector.

NODE4 AND THE MID-MARKET

Node4 is a UK-based cloud, data centre and communications specialist. Since 2004 Node4 has achieved great success and growth based on its focused customer service, market-leading customer retention and comprehensive service offering.

Node4 views the mid-market as a key sector, one that has a clear appetite for UC, cloud, and general IT solutions that are closely optimised to its needs.

Node4 has a broad range of cloud services, including back-up, security provisioning, UCaaS, and infrastructure services, tailored to address the unique requirements of the mid-market.

For further information visit www.node4.co.uk

Node4's UCaaS offering

Node4's latest UCaaS solution offers enterprise-level capability, with attractive pricing aimed at the mid-market. Based on the Cisco Hosted Collaboration Solution (HCS) platform, it offers voice, video, instant messaging, presence, conferencing, voicemail, integrated messaging, mobility and contact centre functionality.

This solution is delivered through the Node4 cloud, using Node4's national MPLS network and UK data centres, with carrier-grade connectivity and quality of service (QoS). Node4 offers a wide range of connectivity options to users of its UCaaS solution, including SIPLink.

About this series:

Node4 believes that, as the powerhouse of the UK economy, the needs of mid-sized businesses demand closer examination.

This is the second in a series of whitepapers from Node4 examining mid-sized businesses, their attitudes, and the technologies they use. Node4 has also published a whitepaper examining mid-market IT priorities in 2017, which can be downloaded via www.node4.co.uk.

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