

The logo for NODE4, with 'NODE' in orange and '4' in white, set against a dark background with a grid pattern.

NODE4

Empowering business to do more

UC Adoption and satisfaction among mid-market businesses in 2018

What benefits has the deployment of UC brought to mid-sized companies and what's to come?



Introduction

Last year our study ‘UC deployment amongst mid-market businesses in 2017’ looked in detail at the level of UC sophistication in the mid-market — mapping where businesses were on our Unified Communications (UC) ‘maturity curve’ — an illustration of the user journey from foundation level all the way through to fully-featured enterprise-level UC. It also looked at the challenges mid-market businesses were facing and whether they were reaping the benefits of what should be a transformational technology.

We found that over half (58%) of mid-market companies were missing out on the full collaborative potential of UC for their businesses. This lag in adoption was caused by perceived high initial investment costs, uncertainty over return on investment (ROI) and the complexity of solutions.

At the time of the study, emerging cloud-based UC models were just beginning to hit the market giving the mid-market access to new and cost-effective UC options.

Unified Communications-as-a-Service (UCaaS) enables mid-market companies to pay for a complete UC solution on an OPEX basis, eliminating any large upfront cost.



UCaaS covers everything from deployment, connectivity, physical equipment and on-going management of the system. Additionally, it offers greater flexibility, where organisations can scale up or down in line with their precise business needs.

UCaaS is a real opportunity for the mid-market to reap the benefits of UC and collaboration so we wanted to understand if UCaaS has increased adoption and changed the UC 'maturity curve' outlook.

This report outlines the results of a new survey of 200 IT decision makers representing mid-market companies (defined as companies with a turnover of between £15m and £800m). We surveyed respondents about their current state of deployment (including perceived limitations and level of satisfaction) and their collaboration and scalability priorities.

Here is what we found...

UC Adoption Overview

UCaaS deployment increases, but limitations remain

The latest figures from BDO¹ places UK mid-sized businesses as having the highest profits of the leading five EU economies (UK, Italy, France, Germany and Spain) at £111bn. Given this huge economic contribution, it is fundamental that businesses in this sector can meet the communication needs of both their employees and the end users they are delivering services to.

Our research found that a quarter (26%) of mid-market companies have already deployed a hybrid solution of UCaaS and on-premise UC within the company. This is an increase of nearly 10% from 18% last year. 12% have adopted a 'pure' UCaaS solution. However, the majority of respondents (48%) are only fairly satisfied with their system and 43% rate their UC systems as delivering on some benefits, such as video conferencing, instant messaging (IM), file sharing and presence, but not complete integration with the business.

Whilst UC adoption levels are growing, there is still a large untapped opportunity for the mid-market to harness. Vendors and the channel market need to educate organisations more and help them to better understand UCaaS technology benefits. Especially as many are experiencing scalability and user skills and training issues that are still holding them back.

In terms of functionality and enabling further growth, UCaaS models can eliminate scale, cost and skills concerns with fully-managed designs, builds, pre-configures, installs and support, as well as a predictable user-based subscription model, helping with budgeting, growth and cost control. In turn, this will help the mid-market to deliver on the priorities we found in the same research, which include improving workplace productivity and delivering on digital transformation.

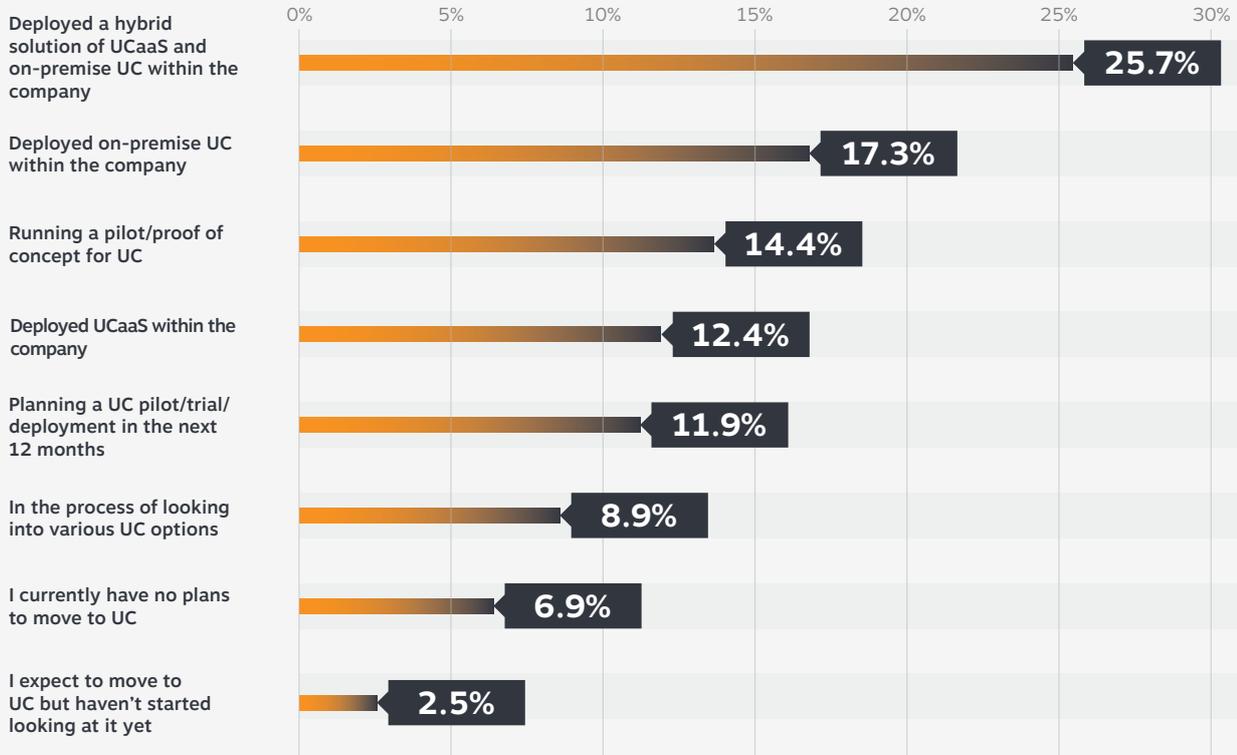
¹ Despite high profits, UK mid-sized business revenue growth falls behind EU counterparts

The move to UCaaS

Mid-market adoption of unified communications is on the rise, with our research finding that 97% of companies have already moved, or are planning to move, to a UC system. Positively, over a third (38%) of these deployments include UCaaS, either as part of a hybrid solution or a fully 'pure' cloud-based system. This is compared to 28% of businesses last year, which shows a steady increase and transition towards better facilitating communication and collaboration, and reducing IT complexity where support resources are scarce.

Our research also found that the mid-market is increasing IT budgets and it's excellent to see that this is being invested in UC tools, with UCaaS investment doubling compared to last year.

Mid-market UC adoption status:



Collaboration Priorities

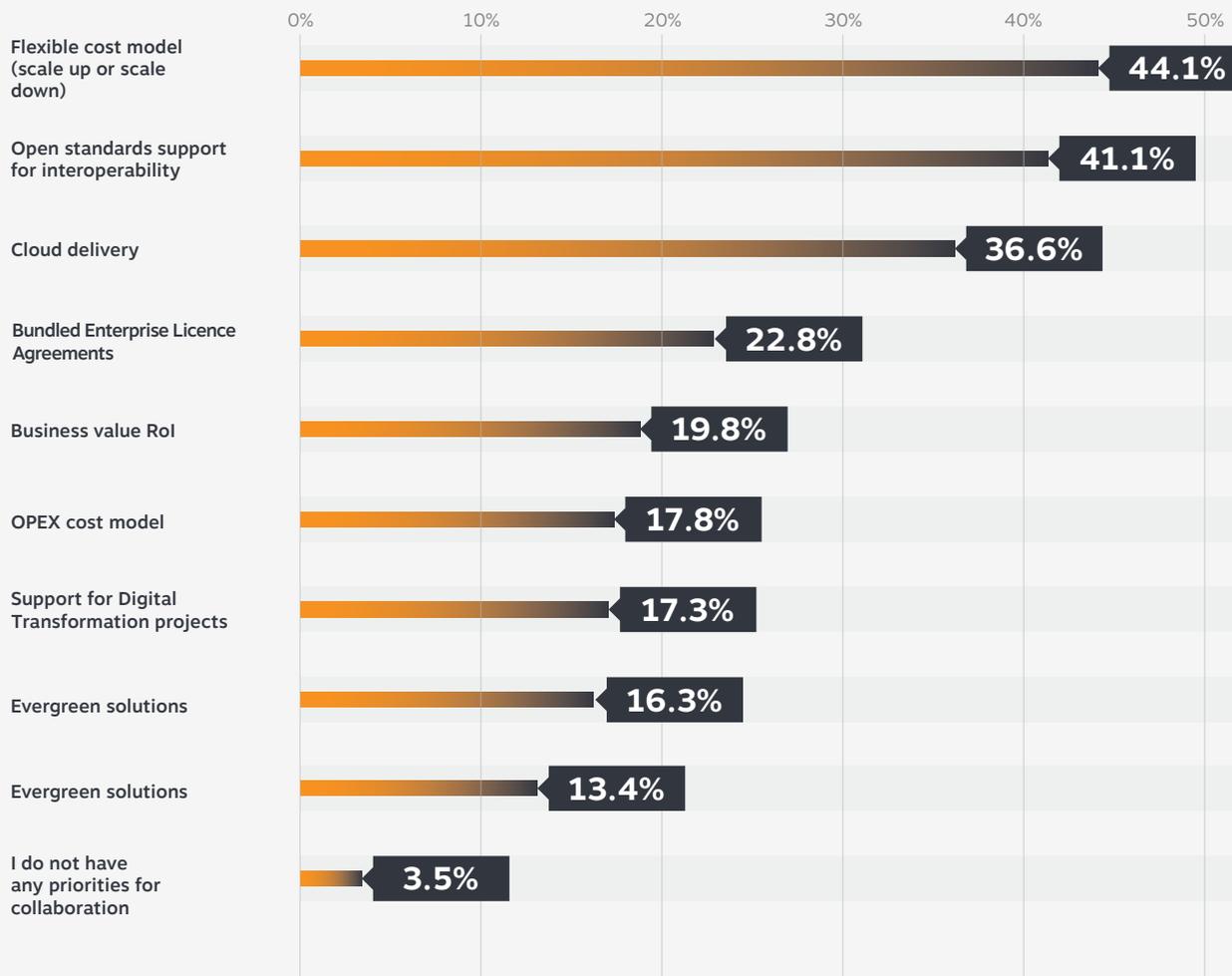
UCaaS deployment increases, but limitations remain

As there is a continual adoption of UC, we also wanted to discover the mid-market's top three priorities for collaboration technology delivery. Our results showed that scalability, flexibility and cloud delivery are of the utmost importance. At the same time, single collaboration applications for meetings, messaging and calling, IoT integration, enterprise social software, and personal video communications were the most-valued advanced collaboration technologies for the future.

This supports the mid-market's drive for digital transformation and workplace productivity and it is positive to see that a purely cost driven model is a low consideration. Employees will continue to crave the tools they are familiar with in their daily consumer lives in the workplace, and the mid-market must ensure that it doesn't fall behind.

A UC implementation can deliver improved collaboration, mobility, and efficiencies without huge infrastructure overhauls or licensing fees with carefully selected partners to help to achieve this.

What do mid-market companies look for in collaboration technology delivery?



Increased sophistication of mid-market UC systems

To find out whether the mid-market is realising the full benefits of UC, last year we developed 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 and found that the majority of mid-market companies sat in the middle ground between basic telephony capability and enterprise-class functionality.

However, this year we're seeing a greater shift towards the top quartile of fully-featured sophisticated UC systems — an increase to 27% from 18% last year. This level enables companies to benefit from voice functionality, remote dialling and fixed mobile convergence, together with video conferencing, instant messaging (IM), file sharing, presence, social media, integrated billing and integration with other business software.

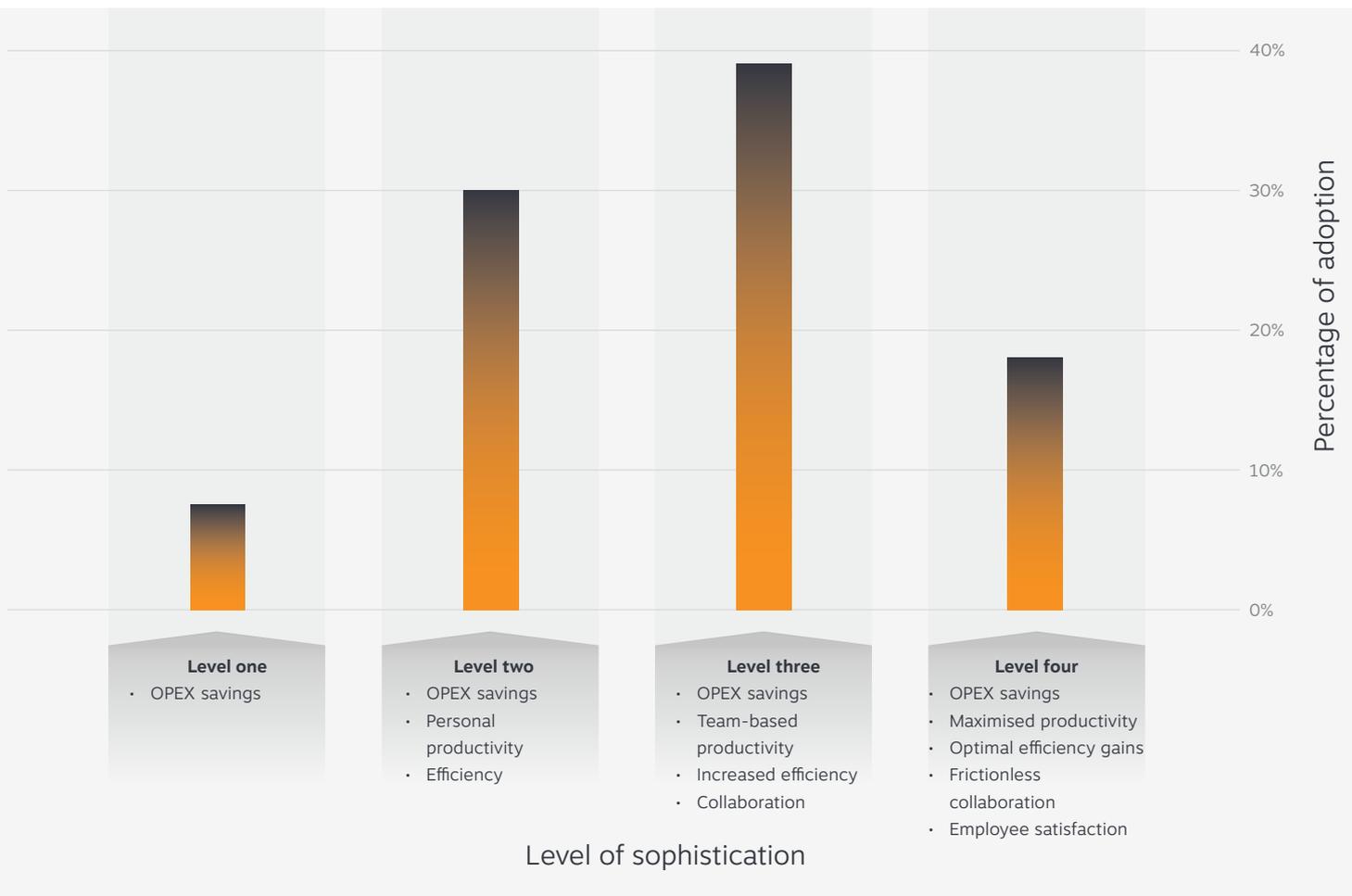
The mid-market UC maturity table:

Level one	Level two	Level three	Level four
<i>Foundation</i>	<i>Intermediate</i>	<i>Advanced</i>	<i>Fully-featured</i>
Voice	Voice and video	Voice, video and collaboration	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"> • Video conferencing • Messaging (IM) 	Voice functionality, remote dialling and fixed mobile convergence with some additional benefits: <ul style="list-style-type: none"> • Video conferencing • Messaging (IM) • File sharing • Presence 	Voice functionality, remote dialling and fixed mobile convergence together with: <ul style="list-style-type: none"> • Video conferencing • Messaging (IM) • File sharing • Presence • Social media • Integrated billing • Integration with other business software

Implementing such tools is an absolute must if businesses want to boost their employees' job satisfaction and productivity, as well as attract top talent. Employees will only continue to demand better access to on-the-go, easy-to-use technology in the workplace and organisations can't afford to fail to deliver or they risk high staff turnover.

It is therefore imperative that mid-market companies are investing in, and realising, the full benefits UC can bring in terms of higher employee satisfaction, collaboration from any device and anywhere, and greater productivity both at an individual and an organisational level.

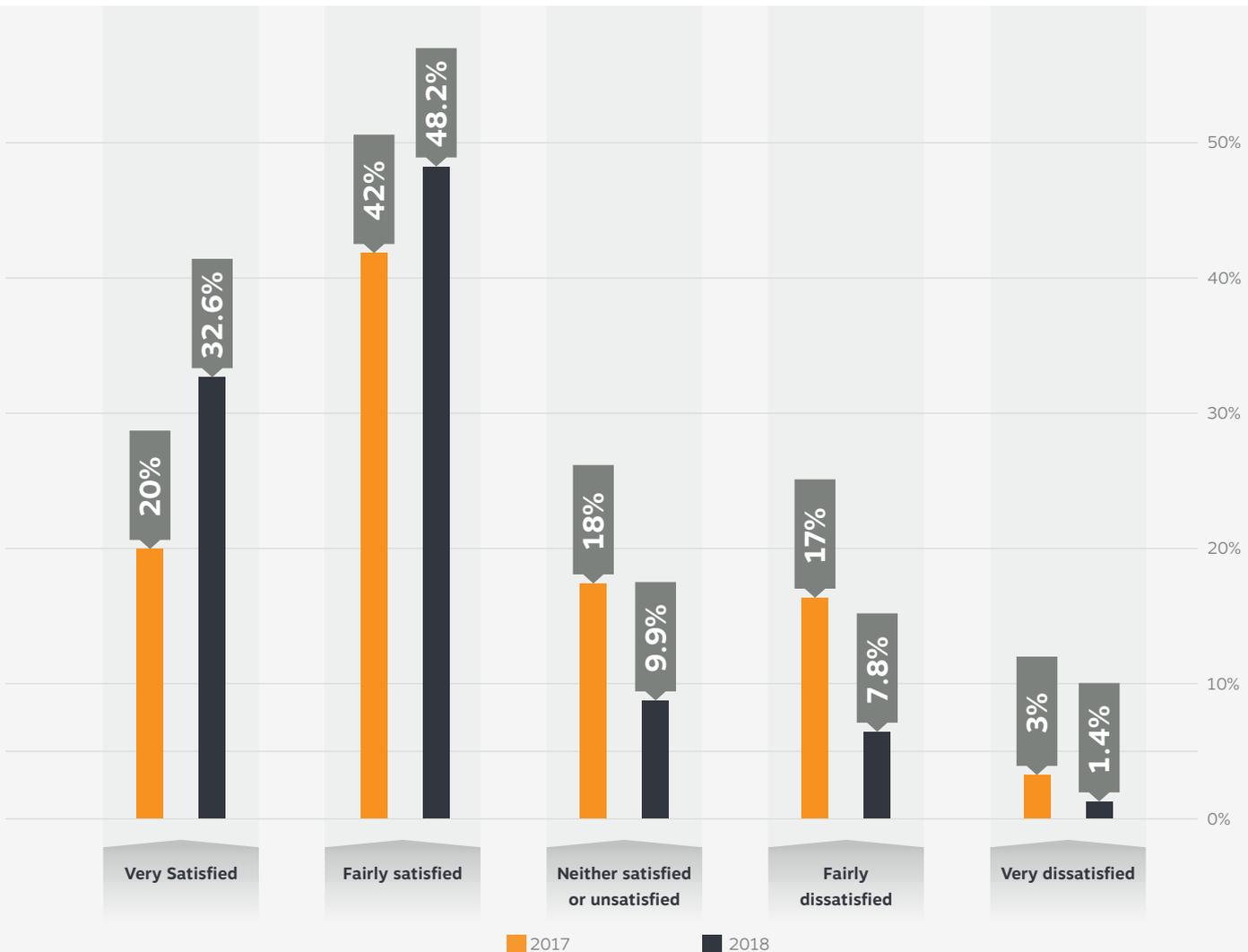
There is still a huge opportunity for more organisations to achieve level four of our maturity table and UCaaS in particular offers the flexible pricing models that can make this a possibility. An OPEX solution means organisations only pay for what they use, providing flexibility in volume and service and any specific business needs.



How satisfied are mid-market companies with their current UC setup?

As more mid-market companies are sitting in the top quartile of the UC maturity curve this year satisfaction levels have also increased. A third are very satisfied with their current UC setup and only 9% are dissatisfied compared to 20% last year.

This is thanks to cloud-based and hybrid solutions that have given mid-sized organisations access to more feature-rich solutions, which provide substantially better quality of experience at a more affordable price and in turn lead to increased satisfaction.

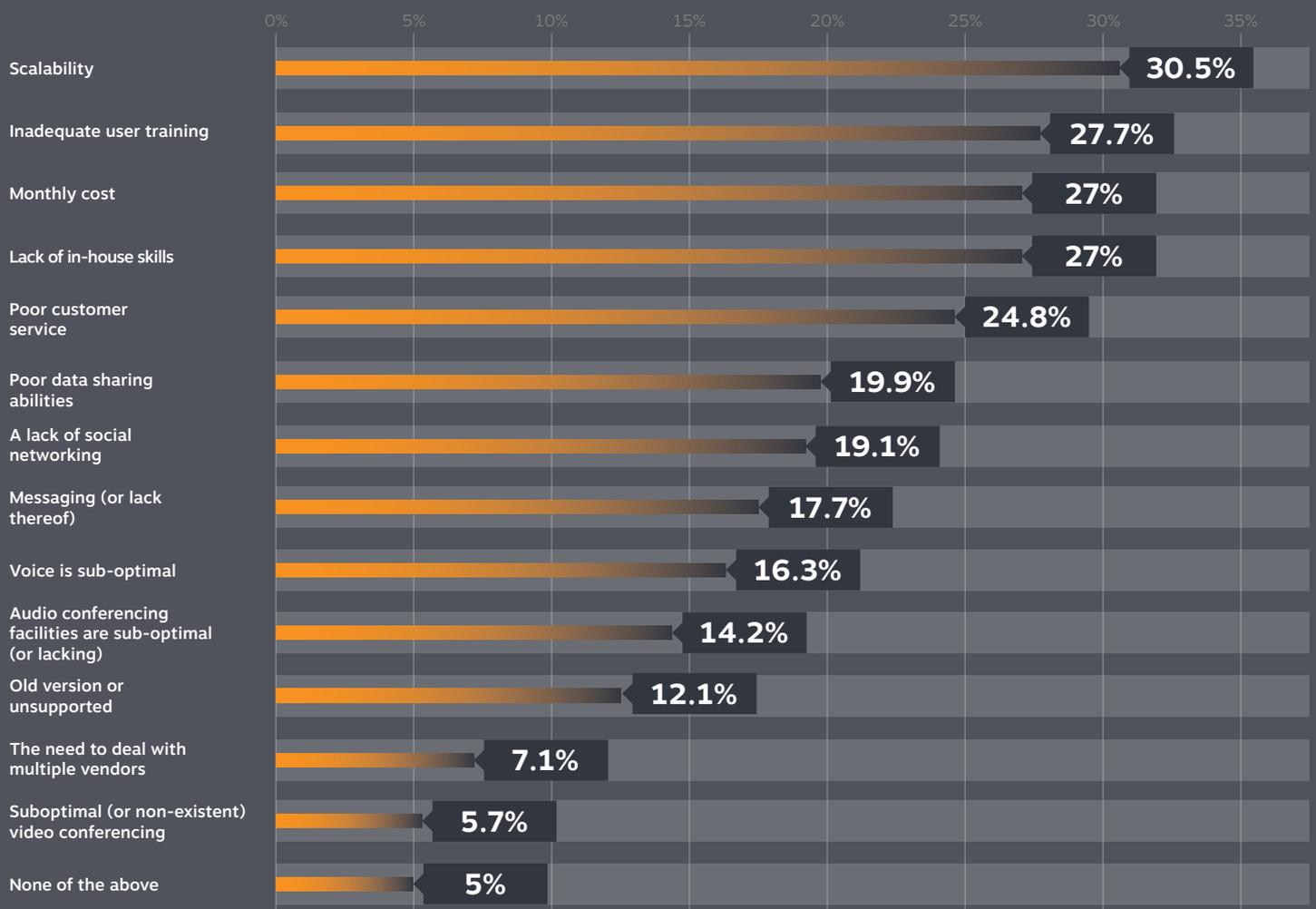


Limitations of mid-market UC deployments

This year the biggest bugbears of mid-market companies still include budget, but scalability and skills are also limiting them more. 77% of businesses believe their IT budgets will grow this year but one in four are finding it harder to recruit staff with appropriate skills and qualifications.

The fact that the mid-market wants to scale and cannot is unacceptable for a sector that contributes so much to the UK economy. Mid-market IT managers can ensure that they don't feel held back by making efforts to reduce their risks and costs. This can be achieved by working with trusted technology providers that can offer the latest tools cost-effectively and manage services where required.

Limitations for mid-market UC deployment



Conclusion

Our earlier report from the same research, Mid-market IT priorities in 2018, showed that while IT managers are feeling the effects of market challenges including Brexit and GDPR, they are responding to such challenges and updating their priorities accordingly in order to bolster their business.

Leaders were keen to focus on integral business outputs such as productivity growth and saw the opportunity in new technologies to assist them. UC is a perfect example of this, and it is positive to see that the latest generation of UCaaS solutions that we identified last year have begun to transform a number of deployments for the mid-market.

With UC, everything is in one place for the IT department - one server, one interface - making it easier to manage the communication environment. Companies have total control over their infrastructure together with enterprise grade resiliency, redundancy and reliability. Moreover, this increase in productivity leads to innovation that creates competitive advantage through knowledge, good practice, and information sharing.

We look forward to more business benefiting from Level 4 sophisticated UC technology, with fully-featured voice, video, collaboration and integration. UCaaS provides enhanced productivity and simpler collaboration that will lead to better business performance - driving profitability and competitiveness.

Working with managed service providers that can look after on-going management and maintenance of UCaaS deployments ensures optimum performance and puts less strain on employee skills and training. Most importantly of all, it makes sure that you're agile and always firmly on the front foot when it comes to the flexibility and scalability to quickly adapt to future requirements.

Node4 and the mid-market

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

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Node4 perceives 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, collaboration, and infrastructure services, tailored to addresses the unique requirements of the mid-market.

For further information visit www.node4.com

Node4's Collaboration offering

Node4 has built a wide portfolio of collaboration solutions which are known as 'Collaboration Experiences', to provide customers with the most comprehensive and complementary collaboration capabilities, ensuring that all of their collaboration needs can be met.

Our market leading Collaboration Experiences provides the user with a seamless, engaging and simple user experience. Our approach is very user centric enabling us to connect People, Process and Technology together, therefore providing an optimum platform with the ability to deliver key business benefits.

Node4's Collaboration Experiences are based on market leading technology, with a Cisco Powered HCS platform as its core which provides a cloud platform for businesses to take advantage of a full suite of enterprise class collaboration tools and applications. This secure 'as-a-service' cloud-based offering seamlessly integrates with Node4's carrier grade SIPLink service and is delivered across Node4's national MPLS network through its UK Data Centres, and DWDM infrastructure with carrier-grade connectivity and quality of service (QoS). Our resilient infrastructure ensures that customers receive industry-leading performance and disaster recovery.

Key solutions overview

- **Workplace Experiences:** Provides an integrated voice, video, IM & presence, conferencing, voicemail & integrated messaging, and mobility application suite along with a comprehensive call reporting and analytics capability. Workplace Experiences is delivered either as a Dedicated Instance model, where customers have a dedicated set of UC applications, aimed at organisations of 300 – 3000 users, or Shared Architecture, a multi-tenant model aimed at organisations of 30 – 300 users, allowing smaller organisations (with few as 30 seats) to affordably access top-tier collaboration tools.
- **Customer Experiences:** Adds multi-channel customer contact, call recording and compliance solutions.
- **Meeting Experiences:** Provide web, audio and video conferencing, utilising Cisco Webex Meetings, and Team Collaboration with Cisco Webex Teams.

Our Workplace Experiences and Customer Experiences solutions are delivered by Node4's infrastructure and data centres. Our Meeting Experiences are delivered as a fully integrated hybrid cloud solution, leveraging the Cisco Webex Cloud.

All of our Collaboration Experiences are connected to PSTN services by our SIPLink product and underpinned by our extensive professional services offerings. SIPLink from Node4 provides SIP trunks which can be used for voice calls by using our Network to establish an IP connection to the PSTN.

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 [here](#).

The logo for Node4, featuring the word "NODE" in a gradient from red to orange, followed by "E4" in white with a black outline. The background is a dark blue grid pattern over a blurred architectural structure.

NODE4

Empowering business to do more

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