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Cisco's Edge Calling Powers

WORKPLACE TRANSFORMATION

WHITE PAPER

Prepared by
Zeus Kerravala

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Kerravala Consulting

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INTRODUCTION: DIGITAL TRANSFORMATION REQUIRES WORKPLACE TRANSFORMATION

The digital era has arrived and is changing the business landscape faster than ever. This is why digital transformation has become a top mandate for almost every IT and business leader. The ZK Research 2019 IT Priorities Survey found that 94% of businesses currently have digital transformation initiatives underway, up sharply from 84% in 2017. In the digital business era, sustaining market leadership is no longer about having the best products, the lowest prices or the best people. Rather, the industry leaders will be determined by an organization's ability to understand market transitions and capitalize on them faster than the competition.

Businesses that master being digital will thrive and maintain their market leadership, while those that cannot do so will struggle to survive. Evidence of this can be seen today, as 55% of Fortune 500 companies from the year 2000 have disappeared. For example, big established brands such as Toys "R" Us and RadioShack are shells of their former selves, while companies like Sears are a fraction of their previous size.

Current economic data shows that the digital leaders control 79% of their respective industries' profits and hold an average of 71% market share. They achieve this by being able to make the best decisions as fast as possible while involving the right people and content—regardless of where individuals are located—which drives the requirement for better collaboration tools and workplace transformation. Companies need to bring teams together quickly, make a decision and then move on to the next project.

Also, the way people work has changed, and employees need access to all of their collaboration tools from any device, regardless of where they are. A challenge is that the legacy communications platforms are very rigid and not designed for this kind of use case. In addition, to thrive and maximize productivity, workers need a consistent experience across all devices as well as an intuitive interface to minimize the amount of time and money spent training workers. Older communications platforms cannot enable this experience, as they were built to be location specific and often tied one user to one device. For example, on-premises PBX or key systems only allow desk phones to connect to them. A worker might be able to forward calls to a mobile phone, but then the native dialer on the cellular phone would be used. In most cases, workers would need to adapt how they work to fit the collaboration tool. However, collaboration systems should be adaptable so they can bring a human-centric experience across workstyles, workflows and workspaces to power the transformation of the workplace.

Another issue with collaboration today is that the workforce has only been trained to use meetings and messaging tools to collaborate with other internal employees. Often, an entirely different set of tools and applications is used to interact with external constituents such as customers and partners, which makes the worker the integration point for the various applications. When this happens, users will defer to the mode of least resistance, which is voice, causing them to miss out on a rich experience. It also causes application overload, where workers spend more time manag-

ABOUT THE AUTHOR

Zeus Kerravala is the founder and principal analyst with ZK Research. Kerravala provides tactical advice and strategic guidance to help his clients in both the current business climate and the long term. He delivers research and insight to the following constituents: end-user IT and network managers; vendors of IT hardware, software and services; and members of the financial community looking to invest in the companies that he covers.

ing work than actually working. The cloud is ideally suited to deliver this kind of functionality, as it centralizes capabilities and makes them easily accessible from any device.

Cloud communications (CC) has exploded in popularity, and this trend will continue. ZK Research forecasts that unified communications as a service (UCaaS) will grow at a 21% compound annual growth rate (CAGR) between 2017 and 2023—far outpacing legacy on-premises solutions (Exhibit 1), which will decline in the same time frame.

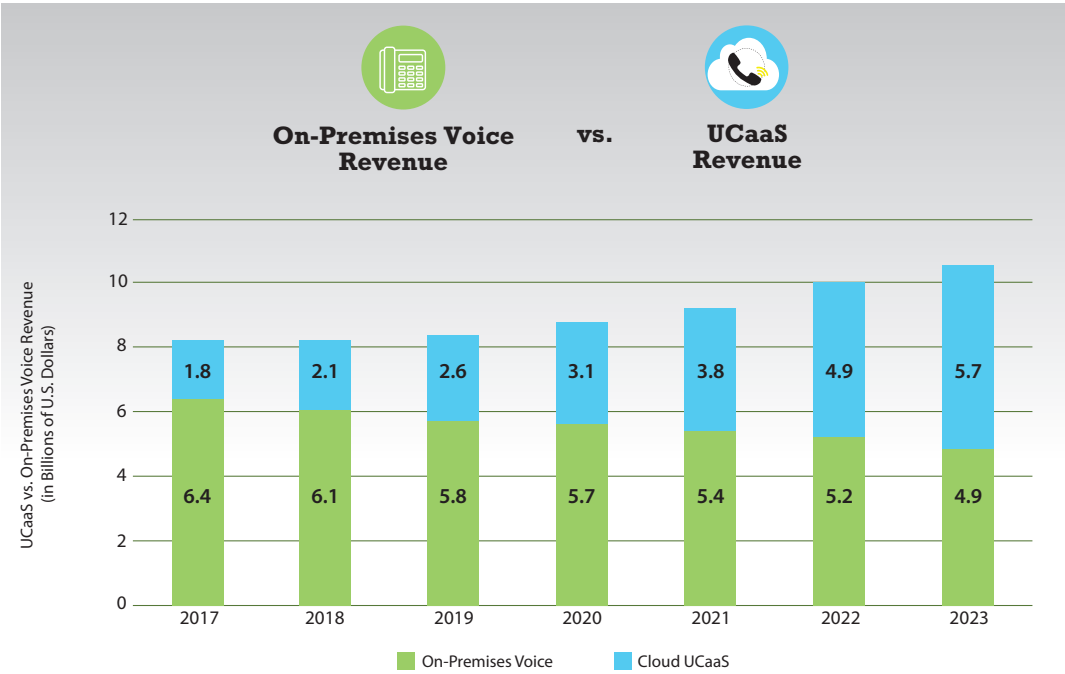
Cloud unified communications (UC) is transformative, as it provides users with a consistent experience across all devices. Also, by moving to the cloud, companies will realize the following benefits:

Location independence: Customers can access any feature from anywhere on any device, and the need to go to a physical office is virtually eliminated. The location-independent nature of the cloud makes mobility easier, and the cloud makes planning for business continuity/disaster recovery simpler.

Faster innovation: Customers can use new features as soon as they are available instead of having to wait months or even years to go through the testing and refresh process.

Economic efficiency: Businesses can provision what they need now and then add resources when required.

Exhibit 1: Cloud UC Outpaces On-Premises Voice



ZK Research 2019 Global UC Survey

Modernizing communications has never been more important.

Advanced features built on artificial intelligence: UC and CC vendors have been using artificial intelligence (AI) to create advanced capabilities. Legacy systems don't have the processing capability to perform AI at the scale necessary to deliver advanced services such as facial recognition and analytics.

Rapid deployment of services leading to faster time to market: Digital transformation requires speed, and legacy communications are the antithesis of speed. Cloud-delivered services can be rolled out as fast as an organization is comfortable doing so.

SECTION II: CHALLENGES WITH MODERNIZING COMMUNICATIONS

Modernizing communications has never been more important and needs to be a priority for business and IT leaders. This initiative will provide workers with a more consistent set of collaboration services, enabling them to work with who they need to, regardless of location or device. The cloud facilitates this, as it makes services pervasively available to be delivered anywhere and to anyone. However, several risks associated with moving to the cloud must be considered, including the following:

Investment protection: Almost all companies have invested in some kind of on-premises solution, and most are not ready to retire their existing platforms yet. Finding a way to gracefully migrate from the old to the new while maintaining the investment is important to most CIOs.

Innovation without chaos: Shifting from an older legacy platform to a new cloud service will bring many new capabilities but can create an IT management headache. Managing the old systems along with the new ones and keeping policies and features consistent can be very difficult.

Workforce disruption: Transforming the way people work is necessary to compete in the digital era. However, new tools and capabilities can be disruptive, as users need to change the way they work. It's critical that any tools brought in have minimal impact on the workforce.

Complexity of existing collaboration tools: Most businesses have multiple collaboration tools to provide calling, meetings, video, team messaging and other functionality. Trying to tie all of these systems together at a management layer is difficult, if not impossible—particularly if they come from different vendors.

Graceful transition: Businesses need the flexibility to transition to the cloud over time using a cloud hybrid model that provides cloud innovation now to meet workplace transformation objectives while productively co-existing and networking with on-premises PBX estates.

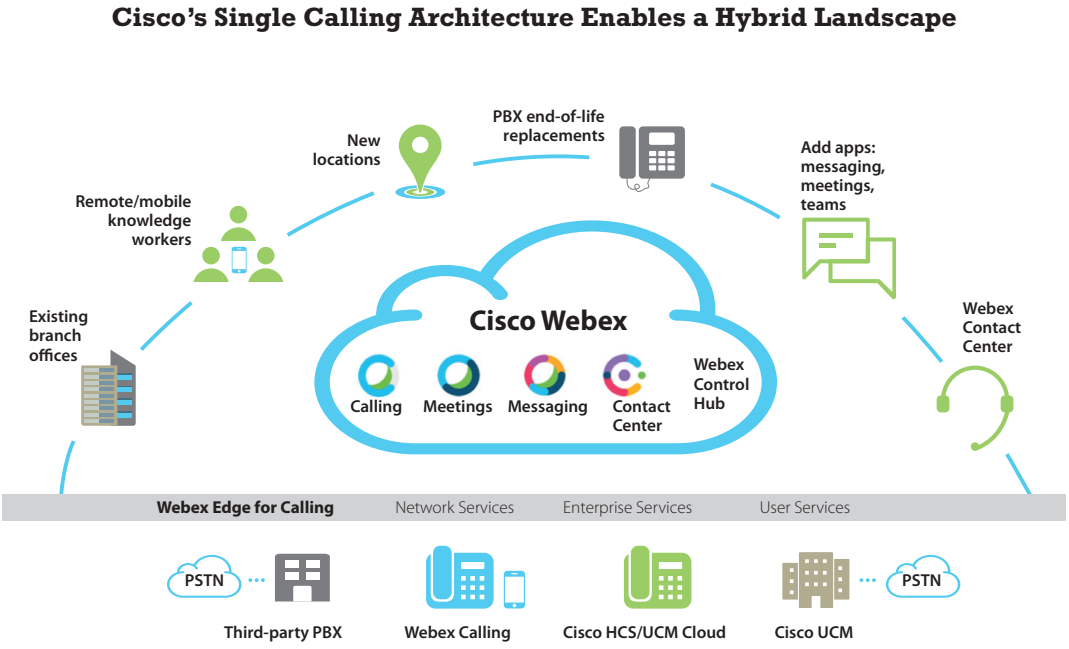
SECTION III: CISCO'S WEBEX EDGE FOR CALLING DELIVERS A FLEXIBLE PATH TO THE CLOUD

Cisco has been a market leader in the collaboration industry for years. It was first to market with several innovations, including telepresence, and its Webex product was one of the first meeting products introduced. Cisco recently announced Webex Edge for Calling, which will disrupt the cloud industry and be consumable by every company. Webex Edge for Calling provides a single unified calling architecture that enables on-premises Cisco and third-party phone systems to connect to the global Webex Calling platform. This ensures users, teams and customers have a consistent and intelligent experience that fuels workplace transformation without disrupting the business. Webex Edge for Calling leverages a unique hybrid architecture (Exhibit 2) that connects Cisco's Unified Communications Manager (UCM—formerly known as CallManager), UCM Cloud, Hosted Collaboration Solution (HCS) and third-party PBXs directly into the Webex Calling cloud. The solution provides an agile migration path to innovate cloud services while protecting customers' existing on-premises investments.

Cisco's Webex Edge for Calling enables many new capabilities, including the following:

Simplified connectivity: Businesses can connect branches, systems and end-user devices to the cloud and gain a common, global dial plan that will work on Cisco on-premises, partner-hosted and Cisco-hosted calling platforms and non-Cisco PBXs.

Exhibit 2: Cisco's Unique Hybrid Architecture



Cisco and ZK Research, 2019

Cisco currently is the runaway market share leader in on-premises enterprise voice, and it's held this position for almost two decades.

Centralized services: All collaboration and calling services are integrated via the cloud, which makes administration, lifecycle management and security easier.

Unified experience: The integration of applications provides a single, consistent experience for workers regardless of how they connect or what devices they are using.

Cisco Webex Edge for Calling gives enterprises a single global platform that delivers unprecedented scalability, security and all the necessary features for collaboration and contact centers. The product's primary benefit is that it provides a flexible migration path for companies. When it comes to migrating to the cloud, there's no one right way to do it, as each business is unique. One company may choose to leave the existing UC system in place and access many of the new functions from the cloud, while another could choose to use a private cloud in large locations and then augment that with software-as-a-service (SaaS)–based services for branch offices and remote workers. The key is that Cisco Webex Edge for Calling enables flexible migration paths that fully support hybrid deployments and offers superior investment protection for in-place investments with software-defined calling networks and centralized services and management. In addition, this platform can support any way a business wants to migrate to the cloud.

SECTION IV: CISCO OFFERS MARKET-LEADING CAPABILITIES AND INNOVATION

Today, buyers can choose from a wide range of UC vendors. Cisco is unique in that it is well established but continues to be one of the most innovative solution providers. Exhibit 3 shows that Cisco currently is the runaway market share leader in on-premises enterprise voice, and it's held this position for almost two decades. According to the latest data from Synergy Research Group, Cisco is also the dominant market share leader in hosted and cloud UC platforms.

Cisco has achieved this position because its breadth of products is unparalleled and unique. The vendor's UCaaS products have a well-defined set of competitors, none of which compete with Cisco in the area of on-premises calling. The same can be said for online meetings, team messaging, private cloud and contact center. Cisco is the only vendor that can offer on-premises, hybrid cloud and public cloud versions of every aspect of collaboration, and the Webex Edge solutions offer a way to connect on-premises calling and devices to the cloud. Cisco also has a global presence; offers local sales, service and support; and has a channel presence in almost every country in the world, giving it greater reach than any other competitor. Below are some proof points from Synergy Research Group that support the statement that Cisco is the market leader:

- Pioneered voice over IP, video and hosted PBX technology and markets
- Holds more than 50% market share in cloud PBX/UC
- Holds 37% market share in premises-based IP PBX

Looking past collaboration, Cisco is a massive, $200 billion technology vendor that has been one of the most innovative in the industry. It was a pioneer in routing, switching, voice over IP, video conferencing, WiFi and security, and it's now disrupting the collaboration industry.

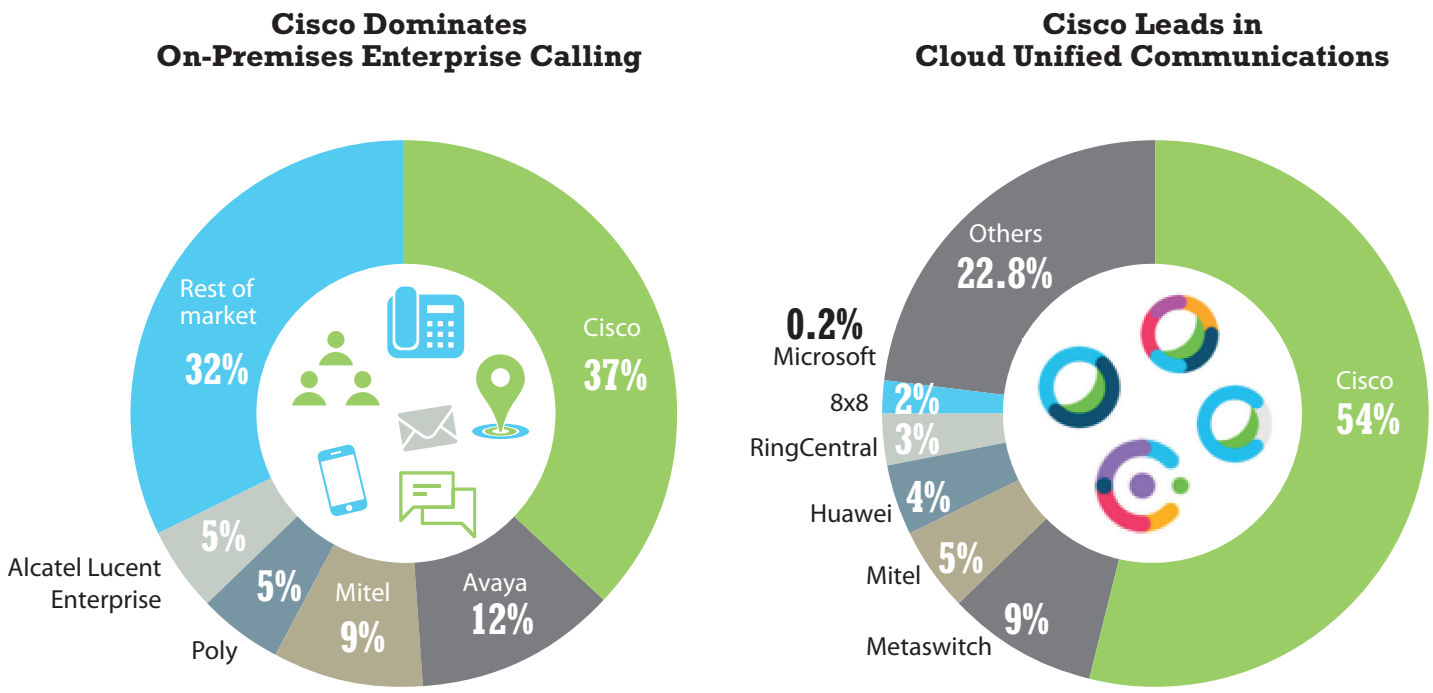
Cisco has a long history in the collaboration industry with a reputation of building products that are highly secure, reliable and of good quality. The vendor services companies of all sizes as well as service providers, so it has a good understanding of the challenges associated with building products that need to work on a global scale.

As mentioned earlier, there are many choices available to buyers, but Cisco Webex Edge for Calling meets the CIO challenges highlighted in this paper, including the following:

Commercial Flexibility

Cisco Collaboration Flex Plan is a user-based subscription pricing model for cloud, on-premises and hosted collaboration. Flex Plan enables companies to buy what they need today and then scale up as the business grows. This option offers financial protection through the transition to cloud and simplifies the process.

Exhibit 3: Cisco's Market Domination



Synergy Research Group and ZK Research, 2019

Hardware as a service (HaaS) for collaboration is a financial program designed to let Cisco channel partners sell UC solutions on a per-user, per-month basis. HaaS helps organizations to retain their working capital.

IP phone firmware upgrade enables companies to automate the upgrade of the firmware on Cisco IP phones and allows IP phones that were used with on-premises systems to be used with cloud services.

Workplace Transformation

Feature consistency across all communications channels: The Cisco unified collaboration experience is extended to all collaboration-related workloads. Cisco offers complete, integrated cloud collaboration that provides the following:

- Full cloud PBX functionality
- Team messaging and collaboration
- Meetings
- Cloud contact center
- Phones and collaboration devices
- Video
- Emerging AI use cases
- Open application programming interfaces (APIs) to connect with applications

Advanced user experience: Cisco's UC services are integrated into several Cisco and third-party applications and devices to create unique experiences. For example, voice-enabled AI lets workers start meetings with an audible command, while intelligent proximity recognizes an individual and can start a meeting automatically when the person enters the room. These kinds of features will make meetings simple to start and manage. Below is a sampling of the advanced features available in Cisco's collaboration solution:

- Unified experience across applications via Webex Teams
- AI-powered Webex Assistant, People Insights, facial recognition, Contact Center intelligence
- Extensive business app integrations, including embedded support for Microsoft Office 365 and Google
- Strong API and developer ecosystem supported by Cisco's DevNet program

Continuity of user experience: The on-premises version of Jabber has a nearly identical user experience to that of Cisco Webex Teams, so workers can have continuity regardless of which service they are using.

The market comprises a wide range of vendors, but most are pure play and have only one core competency.

Disruptionless transition to the cloud: With Webex Edge for Calling, the cloud transition is driven by the customer rather than a one-size-fits-nobody vendor strategy. Customers get the benefits of cloud innovation while protecting their investments in on-premises systems and user experiences. Cisco offers several flexible cloud transition plans, and the following are the most common:

- **Hybrid premises and cloud deployment:** UCM, UCM Cloud (new Cisco-hosted HCS) and Webex calling
- **Unified UX:** Jabber and Webex Teams interworking and common interfaces
- **Unified architecture and management** via Webex Control Hub
- **Collaboration Flex Plan:** Flexible licensing across the premises and the cloud

Best-in-Class Support

Cisco's global network of authorized and trusted channel partners provides customers with an exceptional level of local support but on a worldwide scale. Cisco also has more than 450 global service provider partners that offer support.

Customers can have full PSTN connectivity as a bundled service, or they can choose to bring their own carriers.

Customers can choose to work with a wide range of partner types including service providers, value-added resellers (VARs) and systems integrators.

Cisco offers a wide range of support models through its channel partners, so customers can choose to operate the cloud themselves, use a fully managed service or something in between.

Customers have the comfort of knowing the service is backed by Cisco regardless of who they use for fulfillment and delivery.

As mentioned previously, the market comprises a wide range of vendors, but most are pure play and have only one core competency. For example, Slack does team collaboration well, but that's all the company does. Similarly, Zoom provides excellent meetings but can't meet any other needs. This means CIOs would likely need to procure services from five or more suppliers to provide calling, meetings, contact center, team collaboration, video and other functions.

Webex Calling is the central communication hub behind the Webex collaboration suite, which also includes Webex Teams, Webex Meetings and a complete range of integrated Cisco devices for every room and situation. When used together, the result is a magical collaboration experience that will transform the workplace and the way work gets done.

SECTION V: CONCLUSION AND RECOMMENDATIONS

The digital era has arrived, and it's transforming all industries at an unprecedented pace. Businesses that master digital transformation will achieve market leadership and be able to sustain it, while those that do not will find it increasingly difficult to keep up with the competition.

Digital transformation puts an emphasis on a company's ability to bring the right people together, regardless of where they are located, and make the best decision quickly. Collaboration tools—including meetings, calling, video, team collaboration and contact center—are critical in facilitating a better working environment. Choosing the best collaboration provider is of significant importance to IT leaders, line-of-business managers and other stakeholders responsible for corporate strategy. ZK Research offers the following recommendations to help accelerate the decision process for businesses considering collaboration solutions:

Understand that collaboration is evolving. Technology is moving very fast, and the meetings of tomorrow are changing just as fast. For example, meetings never used to include mobile workers, but now this is the norm. Video used to be a rarity, and now it is commonly used. Choose a platform that you know will evolve as meeting requirements change.

Choose an end-to-end vendor. Collaboration is too important to piecemeal a solution together. Buying point products, particularly cloud solutions, means the end user often must be the integration point. Instead, choose a vendor whose solution can deliver any collaboration function to any worker using any type of deployment model. Cisco's Webex Edge for Calling is an excellent example of this.

Be cautious of free or low-cost vendors. A common axiom in IT services states, "You don't get what you don't pay for"—and that certainly applies to online meetings. Many vendors offer extremely low-cost or free solutions, and these may be appealing because of their price and the perception that significant money will be saved. However, low-cost solutions are often missing critical capabilities for businesses such as those discussed earlier. A low-cost vendor might be the right solution, but businesses should do their due diligence and understand how that vendor plans to fund research and development, what kind of support it offers and how strong its solution road map is. Only providers that continue to innovate and evolve their solutions will be able to meet ever-changing market needs and customer expectations.

CONTACT

zeus@zkresearch.com

Cell: 301-775-7447

Office: 978-252-5314

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