

A FROST & SULLIVAN EXECUTIVE SUMMARY

From Premise to Cloud: Adopting Hosted Unified Communications to Converge, Collaborate, and Compete



In Collaboration With:



View the onDemand version of the eBroadcast: www.frost.com/hostedUC

“ Nothing is ever perfect. An on-premises PBX is not entirely risk-free. First, there are cost considerations. The full cost of any type of on-premises equipment is not just the box and the technology contained within. There is also the on-going management and maintenance of that equipment. ”

— **Michael Suby**
Vice President of Research
 Frost & Sullivan

Collaboration is critical to being competitively relevant. However, staying relevant is not solely defined by the products or services that an enterprise now offers. Relevancy is defined by how quickly and effectively an enterprise responds to market needs, incubates new ideas, and pushes the most promising ideas to production.

This cannot be accomplished with yesterday’s technologies. Unified communications and collaboration (UCC) – the convergence of multiple modes of communication and collaboration, independent of end-user device and location – is now a must-have.

To understand the future of UCC, one must begin with an understanding of where it started — the public switched network (PSTN).

From PSTN to the Cloud

The public switched network (PSTN) is a ubiquitously accessible, hosted, and shared communication network. The PSTN delivers a consistent service experience, is provisioned rapidly, and is highly scalable. PSTN also provides an intuitive user interface with a usage-based fee structure.

“Unfortunately, PSTN did not serve enterprises well enough to meet all of their needs,” said Michael Suby, Vice President of Research at Frost & Sullivan.

“For example, companies with a large pool of intra-company calling found it economically advantageous to move to an on-premises equipment approach, a private branch exchange (PBX), with their Local and Wide Area Networks (LAN and WAN) forming the communication links” said Suby. “For calls outside of the corporation, they would still be completed over the PSTN.

At its most basic, a PBX is a telephone exchange dedicated to a single enterprise. It offers many advantages, including:

- Complete administrative control
- Choice among competing PBX vendors
- Cost containment through vendor competition and no usage fees for intra-company calling; up to PBX and network capacity

“But nothing is ever perfect,” said Suby. “An on-premises PBX is not entirely risk-free. First, there are cost considerations. The full cost of any type of on-premises equipment is not just the box and the technology contained within. There is also the on-going management and maintenance of that equipment.”

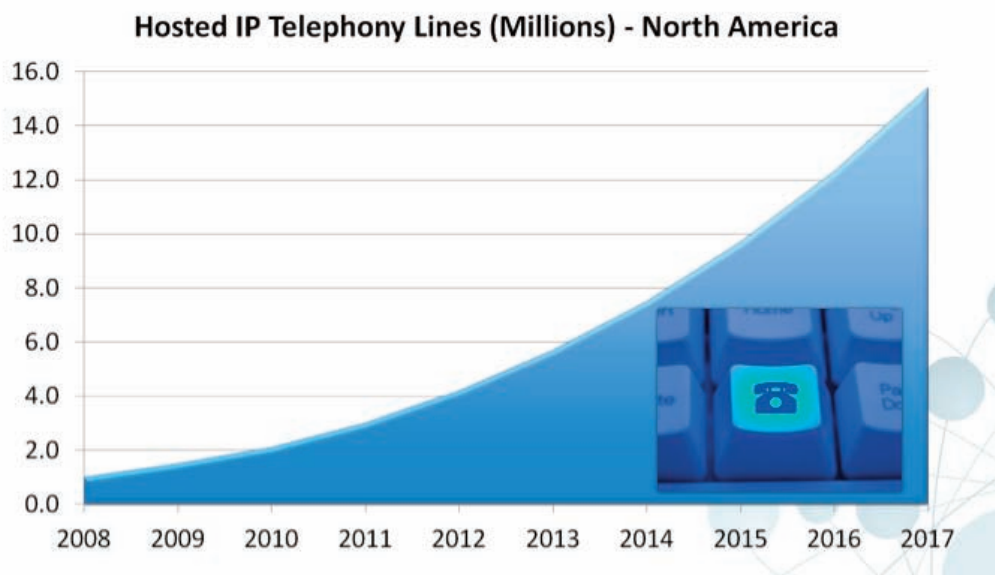
Second, there is also risk in choosing a PBX vendor. Once a system has been put in place, an enterprise can find itself locked in with that vendor for the long haul which can be problematic when new locations are added—more PBX equipment deployments—and PBX inheritances associated with mergers and acquisitions—a complex mixed vendor system.

Mobile connectivity is also straining PBX systems. The PBX system may not be equipped to extend the same features afford to desk phones to mobile phones. Additionally, enterprises need to consider that their PBX systems will need to allow them to communicate effectively with their business partners and clients.

The cloud as a PBX delivery model offers a platform where enterprises can mitigate the disadvantages of on-premises PBXs while retaining its advantages. Cloud-based or hosted communications systems deliver flexibility and variable cost management and are adaptive to the attributes of the dynamic and mobile enterprise.

Cloud-Based Communications

As a testament to the growing demand for cloud-based communication, Frost & Sullivan has documented a rising adoption in Hosted IP Telephony lines.



But communication is more than just telephony. Data and video are part of the essential mix of modern communications. Enter in Unified Communications and Collaboration or UCC. UCC represents the integration of voice, data, and video communication applications into a single system.

“ We always wanted to get to a centralized management platform, and even though I am not the first person to outsource more than I have to, I realized that this is one of the areas where it really makes sense. There were excessive costs and limitations with the current system. ”

— Paul Seibert
Director of Network Operations
 Snelling and Intrepid USA

As a cloud-delivered service, cloud UCC delivers all the benefits of a cloud service and takes communications and collaboration to a higher level through mobile integration. With mobile integration, the same feature set that is afforded to desk phones are seamlessly extended to mobile handsets. Furthermore, end users within an existing communication session can transparently transition from desk phone to mobile handset and vice versa. Coupled with system-wide presence information, end users can make effective selections on how they wish to communicate (voice, text, email, conference, file share) with each other with the added capability to change the type and mix of communication modes, also within an existing session.

Finally, not all clouds are the same. To gain the full advantages of a cloud-delivered UCC service, enterprises are wise to look for a cloud UCC service that has PSTN-like attributes in reliability, scalability, end-to-end performance, and security.

Case Study: Snelling and Intrepid USA Healthcare Services

Paul Seibert is Director of Network Operations for Snelling and Intrepid USA, managing the communication networks of the two Dallas-based companies, which have nearly 200 offices and a shared data center between them. He does all that with a staff of seven, supporting up to 1000 users.

Seibert strained to manage an infrastructure that wasn't particularly scalable, in an environment where many of the offices were subject to frequent relocation. For example, Intrepid had relocated about 75 percent of its remote offices over the past three-and-a-half years. In addition, the existing systems were not standardized across the companies, and the communications equipment was nearly at the end of its life.

With these challenges, Seibert and his team were facing significant financial costs for hardware repair, and the danger of lost revenue for the two companies due to potential down time. Looking for an opportunity to manage the companies' phone systems globally, via a centralized management platform, Seibert turned to Sprint.

“This was the perfect opportunity to look at our phone system globally,” Seibert says. “We always wanted to get to a centralized management platform, and even though I am not the first person to outsource more than I have to, I realized that this is one of the areas where it really makes sense. There were excessive costs and limitations with the current system.”

Using Sprint Complete Collaboration, which is built on the Sprint MPLS network, enables the increasingly mobile workforce as well as future adoption of enhanced collaboration features, said Seibert. The two companies are already seeing significant cost savings, thanks to reductions in long-distance and local charges through SIP Trunking connectivity, which is included in the bundle. But most importantly, Seibert's staff can now do all the necessary

cleanup for office moves themselves, and can right-size the number of circuits and phone lines they need.

Seibert added “Now I can do so much more with a finite staff. I have one telephone guy to support hundreds of sites and people in both companies. You can’t do that if you’re dealing with 20 different systems and 20 different phone companies. On top of that, we just don’t have the expertise anymore with the older systems.”

Centralized management is key to a business continuity strategy for the two companies, and enables a much higher level of service without increasing staff.

The Mobilization of UC Platforms

The skyrocketing mobility of the workforce drove Sprint's development of Sprint Complete Collaboration, explained Craig Safir, Director of Cloud and Converged Markets for Sprint. With it, companies can quickly and easily deploy UCC over an all-IP network for seamless collaboration across the enterprise.

"Mobility is the killer app for UC," said Safir. "At Sprint we really feel that the promise of unified communication is only going to be fulfilled with a dominant mobile capability and that's really why we put so much emphasis on it."

The comprehensive services enabled by Sprint Complete Collaboration allow organizations to future-proof their telephony needs, extending their solutions to remote sites, home-based workers, and other locations. Sprint Complete Collaboration bundles connectivity through SIP Trunking, IP and video telephony, integrated messaging, collaboration tools, user endpoints, and enhanced mobile integration into simple, priced-per-user packages. The solution includes full management, monitoring, and administration tools.

As Safir explained, Sprint Complete Collaboration allows companies such as Snelling and Intrepid USA to “do more with less.” He noted that many companies are seeking a new approach in which they can deploy a new communications system without huge up-front investments in hardware or software.

To facilitate the transition to the cloud, Safir explained that Sprint Complete Collaboration creates a bridge that enables enterprises to move at their own pace. Locations need not be migrated all at once, and companies that are not yet ready to move their headquarters to the cloud can be supported via a hybrid solution.

As Michael Suby of Frost & Sullivan pointed out, high and consistent service is essential in a cloud UCC offering. The path to a cloud UCC service starts “with a strong foundation, and then each subsequent layer has to be equally strong so the services at a higher point of the pyramid are just as strong.”

“ Mobility is the killer app for UC. At Sprint we really feel that the promise of unified communication is only going to be fulfilled with a dominant mobile capability and that’s really why we put so much emphasis on it. ”
— Craig Safir
Director of Cloud and Converged Markets
Sprint

ABOUT SPRINT

Sprint is a global provider of secure and reliable wireline and wireless communication services. With a best-in-class all-IP network as the foundation, Sprint helps enterprises unleash the full potential of their business critical applications and workforce through a single account team that understands converged, cloud and mobility solutions, delivering an unrivalled customer experience. For more information, visit www.sprint.com/convergence.

ABOUT SNELLING

Snelling is a full-service, WBENC-certified talent management firm serving temporary, temp-to-hire, contract and direct-hire employment needs. Since opening its first office in 1951 in Pennsylvania, Snelling has grown to 121 office locations throughout the United States and Puerto Rico. Snelling is committed to helping businesses, candidates and communities prosper by creating successful employment connections. For more information visit www.snelling.com

ABOUT INTREPID USA

Intrepid USA is a leading provider of comprehensive in-home nursing and therapy services primarily targeted for the adult and elderly patient community. Headquartered in Dallas, Texas, service operations are conducted through 73 licensed and certified Medicare agencies located in 21 states across the United States. Sixty percent of the communities served are in rural settings with populations of less than 25,000. Patients are referred to the Company by more than 5,000 referral sources predominately comprised of hospital discharge planners, physicians and assisted living facilities. The Company averages a daily patient census of more than 7,500 and provides more than 1.2 million in-home visits per year. Intrepid has developed 11 clinical specialty programs that increase quality of care and help manage clinical compliance across the organization. Reimbursement sources are comprised of government sponsored programs such as Medicare and Medicaid, commercial insurance plans and private pay by individual patients. For more information, visit www.intrepidusa.com.

ABOUT FROST & SULLIVAN

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages over 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit www.frost.com.

DISCLAIMER

This Executive Summary discusses key insights and excerpts from a live presentation and panel discussion by Frost & Sullivan, Snelling, Intrepid USA and Sprint. This summary presents industry insights, best practices, and case studies discussed by the presenters, in the context of the live presentation and panel discussion. For more details, visit www.frost.com/hostedUC. Frost & Sullivan is not responsible for the loss of original context or the accuracy of the information presented by the participating companies.