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2020 BEST PRACTICES AWARD

Alcatel·Lucent
Enterprise

2020 GLOBAL
COMMUNICATIONS PLATFORM AS A SERVICE
ENABLING TECHNOLOGY LEADERSHIP AWARD

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Industry Challenges

There are two distinct trends that will define the enterprise communications industry in the near future: programmable communications and the persistence of hybrid cloud and premises-based solutions environments. Both trends will leave their mark on technology development, business models and provider market positioning.

The tools businesses use to communicate and collaborate with customers, partners, and other parties will be much more customized in the future as technology developers leverage flexible application programming interfaces (APIs) to programmatically embed communications features into software and services to tailor the user (employee, customer, etc.) experience for specific use cases. Programmable communications provide a level of process automation and quality of interaction simply not possible with traditional telephony and siloed collaboration platforms. The ability to leverage voice, messaging, and even video elements within applications enables the next stage of workforce productivity, workflow automation, deeper analytics, and more personalized customer engagement. However, many businesses continue to struggle with embedding communications and reaping the benefits of programmability because their partners and vendors do not offer APIs or communications platforms as a service (CPaaS) to enable customization and integration with mission-critical software. Also, many technology providers do not possess deep understanding of unique customer or vertical industry needs to offer the right solutions. Due to the novelty of the concept and the enabling technologies, many businesses simply do not know how to take the first steps into programmable communications, nor do their partners.

Despite the rising adoption of cloud services, it is also clear that not all businesses are able or willing to completely move their communications to the cloud. Regional and regulatory restrictions, data storage requirements, established application integrations, or even the simple need to depreciate existing communications assets can become obstacles to business migration to the cloud. Regardless of the underlying factors, a hesitation to move to the public cloud can have a direct impact on a business' decision to embrace programmable communications. Established pure-play CPaaS providers often lack access to an enterprise's phone number inventory and their platforms and business models do not support deep integration with on-premises infrastructure. Conversely, many on-premises platform vendors are more focused on establishing their own footholds in the cloud than developing API-driven programmable communications within their existing products.

Leaders that focus on providing enabling technology within the CPaaS market understand that a one-size-fits-all approach is not adequate, and that flexible deployment models and a deep ecosystem of integrated products is critical. For businesses, there is no single right path to programmable communications; however, visionary technology leaders are providing the enabling technologies and services to help customer realize the full benefits of programmability.

Technology Leverage and Customer Impact

Alcatel-Lucent Enterprise stands out among technology developers with its visionary approach to business communications founded on its highly innovative Rainbow platform. The leading technology developers has reimagined its technology roadmap and value proposition leveraging programmability and hybrid architectures to provide differentiated solutions to businesses seeking a competitive edge in a highly dynamic global economy.

Brand Equity

Alcatel-Lucent has a long and rich history in the telecommunications market, and Alcatel-Lucent Enterprise has upheld that legacy among end-user organizations of all sizes and industries. Alcatel-Lucent Enterprise has been a recognized global leader in the telephony and unified communications markets for decades, and also holds a strong competitive position in the data networking space. The company has earned this reputation by demonstrating unwavering commitment to innovation as well as a strong focus on protecting and enhancing the communications investments that customers and partners have made in its products.

Alcatel-Lucent Enterprise offers a full range of field-proven on-premises UC and contact center platforms under the OmniPCX and OpenTouch brands. It has found particular success in several key vertical industries. As such, the company's go-to market strategy has evolved to develop expertise and refined business models around five key vertical markets: education, transportation, healthcare, government, and hospitality. Success for Alcatel-Lucent Enterprise has been driven by developing specific communications solutions and business offers that address the unique needs of these key industries.

Application Diversity

While many of its competitors in the on-premises communications market struggled to find their place as customers embraced cloud-based UC solutions, Alcatel-Lucent Enterprise found differentiation and ultimately application diversity with the introduction of Rainbow. Initially launched as a cloud-based team collaboration tool, the Rainbow service has evolved into a nerve center for all of Alcatel-Lucent Enterprise's communications offerings. Through Rainbow, on-premises platforms can access a full range of cloud-based services. For example, remote users can access a variety of business communications functionality, including call initiation and receipt, voice messaging, instant messaging and rich presences, video conferencing and extension dialing to coworkers from their desktop or mobile device using the Rainbow app.

CPaaS has become the shining star of the Rainbow platform. Rainbow's cloud-based platform enables businesses to expose a mix of cloud-based and on-premises platform resources to deliver a full range of services to in-house and third-party application developers through available APIs. More specifically, Rainbow enables voice calling and UC functionality, provisioning, administration, Internet of Things (IoT) integration, and analytics, among other services. While most CPaaS solutions have been largely relegated to standalone service offerings, Rainbow stands out in this growing space by bringing much of the same powerful CPaaS functionality to on-premises deployments.

Along with a compelling CPaaS offering, Rainbow also differentiates itself in terms of management delegation. IT administrators, managed service providers, and channel partners can be authorized to remotely manage a customer's on-premises or cloud-based UC deployment, including inventory management, remote configuration, and centralized analytics. In contrast, competing cloud-based solutions provide integration with on-premises platforms, but administration functions are often managed separately.

Alcatel-Lucent Enterprise continues to push innovation on the Rainbow platform, in terms of the front end-user experience of the Rainbow UCaaS client, as well as advancing the when, where, and how the Rainbow platform can be leveraged. In 2020, the company delivered an updated and enhanced user experience, streamlining workflows and making it easier to leverage the Rainbow tool. Alcatel-Lucent Enterprise has also been steadily adding more APIs to the platform and tailoring the solution to work in several deployment models. Today, organizations and business partners can work with Alcatel-Lucent Enterprise to leverage the Rainbow platform in public- or private-cloud infrastructure, as a dedicated instance in public or private clouds, or even, if needed, in edge-compute deployments where available bandwidth is limited. In comparison, many of Alcatel-Lucent Enterprise's CPaaS competitors are built to support only an over-the-top, cloud-based platform, or lack the depth of APIs that Rainbow delivers today. The flexibility that the company has developed into Rainbow represents a key differentiator for the use cases and vertical markets that Alcatel-Lucent Enterprise serves.

Stage-Gate Efficiency

Frost & Sullivan defines stage-gate efficiency as the adoption of technology to enhance the stage-gate process for launching new products and solutions. The Rainbow platform by Alcatel-Lucent Enterprise is in many ways the stage-gate engine for the company. By leveraging Rainbow and technology derived from the SIPwise acquisition, Alcatel-Lucent enables Rainbow Voice, a solution that allows providers combine their telephony services, such as SIP trunks, with Rainbow to create a complete branded UCaaS and collaboration offering. In addition, Alcatel-Lucent Enterprise is developing its own productized services that leverage the Rainbow platform.

Beyond traditional enterprise collaboration, the company has developed several turnkey solutions leveraging the Rainbow platform that can be offered on a standalone basis, including an event management service, as well as an emergency notification and messaging service. The Alcatel-Lucent Enterprise Rainbow Smart Event is a complete event management solution enabling event coordinators, front-line staff, and attendees to see a schedule of events, communicate and network with each other, and even create personalized agendas. The solution is further enhanced by integration with the company's location-based services (LBS) and Wi-Fi networking portfolio, allowing attendees and staff to view their location in the event space and be directed to their next event. Alcatel-Lucent Rainbow Guest Connect provides similar turnkey services for the hotels and the hospitality industry. For its educational and public sector customers, in particular, the company has developed a Rainbow-based service offering to deliver emergency notifications. In an emergency situation at a school, for example, the service allows

administrators to send alerts to students, parents and teachers, direct them to safety, and allow mobile check-ins to ensure all are accounted for. Each of these services is enabled by the Rainbow CPaaS platform; yet, do not require a full Rainbow license or deployment. In addition, these solutions highlight the deep vertical understanding that Alcatel-Lucent Enterprise possesses, and provides a first-step use case for business to build on.

Whether creating new products for its business partners or its own use, Alcatel-Lucent Enterprise is leveraging Rainbow as a technology platform to drive new stage-gate efficiencies.

Commercialization Success

Alcatel-Lucent Enterprise has been reporting steady quarter-over-quarter growth of its Rainbow platform since its initial launch as a cloud-based team collaboration tool in 2016. The company also reports that its Rainbow CPaaS is consistently the strongest portion of its cloud offerings. Both of these claims point to Alcatel-Lucent Enterprise's keen understanding of customer needs and its ability to deliver effective solutions based on the Rainbow platform in response to these needs.

In 2020, Alcatel-Lucent Enterprise developed a two-prong approach to address its rich installed base of on-premises customers, many of which are developing strategies for migration to cloud or programmable communications. To allow its team to focus exclusively on vertical market solutions, where it can deliver differentiated value, the company has entered a partnership with UCaaS provider RingCentral to deliver Rainbow Office, an Alcatel-Lucent Enterprise-branded version of the RingCentral Office UCaaS solution. As it is rolled out in various regions, Rainbow Office offers Alcatel-Lucent Enterprise a competitive cloud-based horizontal solution that delivers a generic set of telephony and collaboration features to a broad swath of businesses, combined with a simplified migration path for many of Alcatel-Lucent Enterprise's existing customers.

The RingCentral partnership enables Alcatel-Lucent Enterprise to address growing demand for pre-packaged cloud communications solutions among its installed base, while focusing exclusively on the more unique vertical needs of its customers. Instead of dividing its resources to develop both horizontal and vertical solutions for the communications market, Alcatel-Lucent Enterprise can double down on the development of the Rainbow CPaaS and collaboration platform, private-cloud and on-premises solutions to provide exceptional high-value capabilities for a narrower target vertical customer audience, and nurture strong customer satisfaction and loyalty in those portions of the market.

Customer Ownership Experience

Alcatel-Lucent Enterprise is keenly aware of the requirements of its current installed base of UC customers as well as the limitations of on-premises deployments. In response, the company has developed a hybrid architecture that leverages the best of on-premises solutions and the Rainbow cloud. For existing customers, a hybrid architecture instills confidence that Alcatel-Lucent Enterprise will not abandon their investments for a cloud-only future. The company is not only supporting on-premises customers, but, through Rainbow, it is enhancing the value of those deployments.

Moreover, the approach through which Alcatel-Lucent Enterprise is enabling these additional services presents a compelling alternative to competing vendors. A simple software agent, included in the latest version of many of the company's UC platforms, connects directly to the Rainbow cloud. Competing offerings require the addition of purpose-built session border controllers or adjusting firewall settings to enable similar connections. Alcatel-Lucent's simplified approach, as well as a favorable set of features in the Essential Rainbow offering will certainly appeal to both early adopters as well as more conservative business leaders.

Conclusion

Alcatel-Lucent Enterprise is leveraging its Rainbow platform to enable new use cases, deepen its own vertically-targeted product portfolio, and deliver programmable communications to a very broad range of customers.

With its strong overall performance, Alcatel-Lucent Enterprise has earned Frost & Sullivan's 2020 Enabling Technology Leadership Award.

Significance of Enabling Technology Leadership

Ultimately, growth in any organization depends on customers purchasing from a company and then making the decision to return time and again. In a sense, then, everything is truly about the customer. Making customers happy is the cornerstone of any successful, long-term growth strategy. To achieve these goals through enabling technology leadership, an organization must be best in class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.

Understanding Enabling Technology Leadership

Product quality (driven by innovative technology) is the foundation of delivering customer value. When complemented by an equally rigorous focus on the customer, companies can begin to differentiate themselves from the competition. From awareness, to consideration, to purchase, to follow-up support, organizations that demonstrate best practices deliver a unique and enjoyable experience that gives customers confidence in the company, its products, and its integrity.

Key Benchmarking Criteria

For the Enabling Technology Leadership Award, Frost & Sullivan analysts independently evaluated Technology Leverage and Customer Impact according to the criteria identified below.

Technology Leverage

> Criterion 1: Commitment to Innovation
> Criterion 2: Commitment to Creativity
> Criterion 3: Stage-Gate Efficiency
> Criterion 4: Commercialization Success
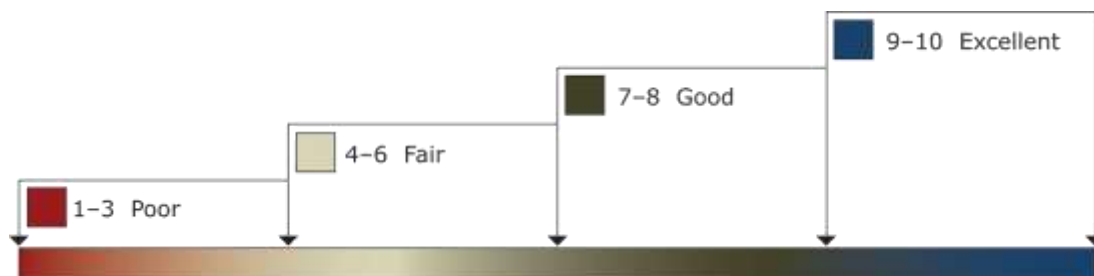> Criterion 5: Application Diversity

Customer Impact

> Criterion 1: Price/Performance Value
> Criterion 2: Customer Purchase Experience
> Criterion 3: Customer Ownership Experience
> Criterion 4: Customer Service Experience
> Criterion 5: Brand Equity

Best Practices Award Analysis for Alcatel-Lucent Enterprise

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation. Ratings guidelines are illustrated below.

RATINGS GUIDELINES

The Decision Support Scorecard considers Technology Leverage and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, Frost & Sullivan has chosen to refer to the other key participants as Competitor 1 and Competitor 2.

Measurement of 1–10 (1 = poor; 10 = excellent)			
Enabling Technology Leadership	Technology Leverage	Customer Impact	**Average Rating**
Alcatel-Lucent Enterprise	**9**	**9**	**9**
Competitor 1	7	8	8
Competitor 2	9	7	8

Technology Leverage

Criterion 1: Commitment to Innovation

Requirement: Conscious, ongoing adoption of emerging technologies that enable new product development and enhance product performance.

Criterion 2: Commitment to Creativity

Requirement: Technology leveraged to push the limits of form and function in the pursuit of white space innovation.

Criterion 3: Stage-Gate Efficiency

Requirement: Adoption of technology to enhance the stage gate process for launching new products and solutions.

Criterion 4: Commercialization Success

Requirement: A proven track record of taking new technologies to market with a high rate of success.

Criterion 5: Application Diversity

Requirement: The development and/or integration of technologies that serve multiple applications and can be embraced in multiple environments.

Customer Impact

Criterion 1: Price/Performance Value

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience

Requirement: Customers feel they are buying the optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience

Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.
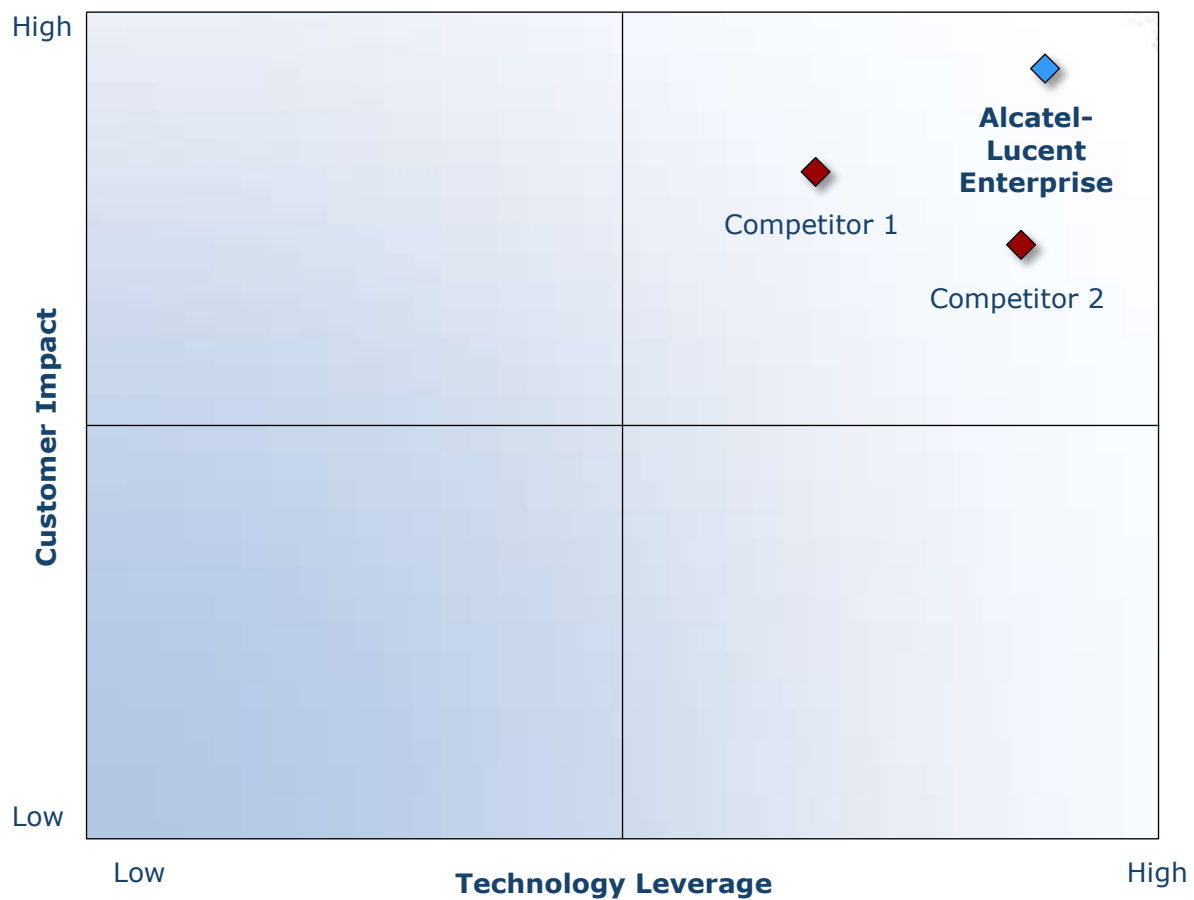
Criterion 4: Customer Service Experience

Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with select best practices criteria. The reputation and integrity of the awards are based on close adherence to this process.

STEP		OBJECTIVE	KEY ACTIVITIES	OUTPUT
1	**Monitor, target, and screen**	Identify award recipient candidates from around the world	• Conduct in-depth industry research • Identify emerging industries • Scan multiple regions	Pipeline of candidates that potentially meet all best practices criteria
2	**Perform 360-degree research**	Perform comprehensive, 360-degree research on all candidates in the pipeline	• Interview thought leaders and industry practitioners • Assess candidates' fit with best practices criteria • Rank all candidates	Matrix positioning of all candidates' performance relative to one another
3	**Invite thought leadership in best practices**	Perform in-depth examination of all candidates	• Confirm best practices criteria • Examine eligibility of all candidates • Identify any information gaps	Detailed profiles of all ranked candidates
4	**Initiate research director review**	Conduct an unbiased evaluation of all candidate profiles	• Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles	Final prioritization of all eligible candidates and companion best practices positioning paper
5	**Assemble panel of industry experts**	Present findings to an expert panel of industry thought leaders	• Share findings • Strengthen cases for candidate eligibility • Prioritize candidates	Refined list of prioritized award candidates
6	**Conduct global industry review**	Build consensus on award candidates' eligibility	• Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates	Final list of eligible award candidates, representing success stories worldwide
7	**Perform quality check**	Develop official award consideration materials	• Perform final performance benchmarking activities • Write nominations • Perform quality review	High-quality, accurate, and creative presentation of nominees' successes
8	**Reconnect with panel of industry experts**	Finalize the selection of the best practices award recipient	• Review analysis with panel • Build consensus • Select recipient	Decision on which company performs best against all best practices criteria
9	**Communicate recognition**	Inform award recipient of recognition	• Announce award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance	Announcement of award and plan for how recipient can use the award to enhance the brand
10	**Take strategic action**	Upon licensing, company is able to share award news with stakeholders and customers	• Coordinate media outreach • Design a marketing plan • Assess award's role in strategic planning	Widespread awareness of recipient's award status among investors, media personnel, and employees

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of the research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, resulting in errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients 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 practices models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit http://www.frost.com.