

Software as a Service Model Allows SMBs to Gain the Full Benefits of Unified Communications at a Reasonable Cost

by Philip Hunter

Executive Summary

Unified communications (UC) has already made a significant contribution to the competitiveness and profitability of some larger enterprises, boosting productivity and streamlining business processes. The benefits spring from a reduction in human latency, which is the time taken to reach decisions, or the delay between recognizing that something needs to be done and actually taking the appropriate action. SMBs have been slower to embrace UC, but are now doing so because they have also realized that their existing business processes can be bogged down by time spent waiting either for information or for collaboration to occur between relevant individuals. Some SMBs have tried to address this by implementing Unified Messaging (UM), and been disappointed by the results because all this does is make messages, primarily voice mails and emails, accessible from a single device. UM does not on its own unblock communication and collaborative pathways because a message can still be stuck in mailboxes, giving the sender no idea of the message status or whether the recipient is available to receive it.

UC goes much further than UM by adding presence and real time communications, as well as collaborative functions such as shared calendaring. UC provides the vital link between real time communications such as voice telephony or instant messaging (IM) and offline mechanisms like email and voice mail, bound together by collaborative software. To

Philip Hunter is a freelance IT journalist specializing in communications, web technologies, and digital entertainment. He works for Global Telecoms Business and other leading publications.



be fair, SMBs got the message almost as quickly as larger firms, but have been deterred from deploying UC by the high cost of implementation and also the lack of technical staff. However two factors are changing this. Firstly familiarity with the raw tools of UC, such as IM, mobility, calendaring and social networking, are making users comfortable with the concept, and more prepared to adopt UC effectively. Secondly and most importantly the Software as a Service (SaaS) model has matured rapidly, providing SMBs with a far more cost effective mechanism for deploying UC, avoiding the complexities of on-premise implementation, in effect passing the buck to service providers. The SaaS model scores in almost every way, being easier to deploy, more reliable, and more manageable for the SMB customer, while facilitating future expansion in both user numbers and applications.

This is where CommuniGate Systems comes in, as the provider of the world's most comprehensive and best integrated SaaS platform, CommuniGate Pro, enabling service providers to offer UC via the SaaS model. The beauty for service providers is that they can tailor the whole UC package using CommuniGate Pro, including the functions provided. They can develop versions of the package for different vertical markets, and also tailor to the needs of individual SMB customers.

The SMB business case for UC

Numerous studies have highlighted the benefits of UC for larger enterprises, in terms of dramatically increased productivity, following strategic deployment of the technology across most business operations. For SMBs the benefits have so far been confined to more isolated functions, such as sales or field service, with deployment in each department having to be justified on the basis of immediate bottom line savings. But the real gains are yet to come according to most analysts such as the analyst group Gartner, which states that “the largest single value of UC is its ability to reduce ‘human latency’ in business processes”. Since many business processes cut across different functions within an enterprise, it stands to reason that the full benefits of human latency reduction can only be achieved when UC is deployed across the whole organization and embraces all the communication and collaborative mechanisms used by employees, including email, mobile voice, IM, and calendaring. Many SMBs have so far confined themselves to just a subset of the full UC function range.

There are several reasons why now is the time for SMBs to deploy UC. One of them is technical - the underlying networking and software infrastructure is now fit for delivering UC services. UC as a concept has been on the table for well over a decade, but real implementation has been stymied by lack of bandwidth, and poor integration between the respective functions or applications. Both of these, particularly the former, have now been improved, with broadband access becoming commonly available and vendors having matured their offerings significantly in the last few years.

The second major reason for deploying UC springs from the first, being the proliferation of mobility. All enterprises, including SMBs, are experiencing growing levels of remote working, with staff needing access to the same applications, including collaborative services, from laptops, PDAs and smartphones like the iPhone 3G. The full collaborative and communication benefits of remote working and mobility can only be delivered through a properly integrated UC platform. Remote workers want to access all messages, communicate

instantaneously with relevant people, and synchronize their diaries or calendars, on the move. Increasingly mobile network providers are making available the broadband bandwidth, for example via 3G services, needed to support a full range of collaborative and office productivity applications from remote devices. Major operators such as Vodafone have pledged to make broadband bandwidth available via emerging 4G network infrastructures to the vast majority of their customers wherever they are within the next five years, enabling mobile workers to run the office productivity applications accessible now only from their offices.

Another big business factor, particularly relevant for SMBs, is the ability to deploy UC via the SaaS model, which takes away all the risks, costs and logistical headaches associated with implementation of heavy duty UC software internally on the firm’s own in-house servers. Finally there is an important factor sometimes forgotten, which is that having a flexible mobile working platform helps attract and retain staff, as has already been shown at many larger enterprises where UC has been widely deployed.

The UC challenge for SMBs

The main barriers SMBs have faced until now have been financial and logistical, with deployment involving installation of software on in-house servers as well as on client devices, along with ongoing maintenance of the system. Both capital and operational costs have been significant, and in any case most SMBs lack the internal IT resources to handle the deployment and ongoing maintenance. In practice therefore SMBs have usually relied on an external provider, which brings its own problems such as being locked in to a heavy duty, thick client, proprietary environment.

The SaaS model remedies this problem, as we describe further in the next section, cutting out the in-house IT burden, with the UC service accessed via thin client software that can be downloaded and installed automatically. But it is no use pretending that the full benefits of UC can be enjoyed without any effort at all, since they are derived from subtle but important changes in business practices. Staff

need to be educated not just in the functions of UC but also in how to incorporate them fully within their everyday working. This applies particularly to the management of their presence, which can involve layers of hierarchy, such that a senior manager may always be available to the people he reports to, but may divert his subordinates to email. The effective use of UC depends on its becoming an integral part of everyday working.

Fortunately most employees, especially younger ones, have already effectively embraced the tools of UC within their everyday lives, for example in social networking. They are therefore ready primed to go with full blown UC in their working lives. It can be seen then that the SMB market in particular presents service providers with a unique opportunity to deliver UC via SaaS as a complete package including support and training to ensure that the full benefits are obtained.

SaaS the Best Path for SMB Unified Communications

SaaS is fast becoming the preferred model for delivering UC to SMBs, because it is advantageous for both the service provider and the customer. The key point for both is that SaaS makes it much easier to expand and upgrade the UC solution at a time when functions continue to evolve fast, driven by growing integration between the components and availability of broadband bandwidth to both fixed and mobile devices. New features can be added purely at the service end, while new devices can be added at the customer end just by downloading software based on the Adobe® Flash® client Pronto! in the case of the CommuniGate Pro UC platform. The SaaS model will help SMBs close the UC gap with larger enterprises (many of which in turn are their customers and they need to communicate with) by being able to access new functions quickly, rather than having to install and test new software each time. In this way SaaS will enable a trend towards democratization of UC, which will increasingly become a ubiquitous tool operating not just within but between enterprises.

Meanwhile SaaS will help operators “monetize their bits”.

Mobile data bandwidth is fast joining its fixed broadband counterpart, such as ADSL, as a commodity, and so operators need to devise new ways of adding value added services that work across existing “access” products and telecom rate plans. UC delivered via SaaS is both an important application in its own right and the glue that knots together the component parts of business productivity, including workflow, and scheduling, as well as messaging, video conferencing, and voice communications. Having deployed UC, operators will be well placed to exploit SaaS to deliver additional services that enhance productivity and collaborative working.

What makes CommuniGate Pro the best SaaS platform?

The fundamental requirement of a SaaS platform is the ability to have “Multi-tenancy” in an efficient or high density per server model, both in services and users. The delivery of UC to SMBs presents some specific challenges for operators that do not occur in large enterprise on premise-based solutions. Some service providers already offer hosted SaaS UC services based on a combination of platforms from large established on-premise solution vendors, such as Microsoft Exchange or IBM Notes, for messaging and collaboration, along with Nortel or Cisco for VOIP. These may appear to pass the functional or feature test, but at a high price, since platforms like Exchange and Notes were designed for single enterprises, involving complex integration, with a high per seat cost model. They are all right for serving relatively few high revenue customers but break down completely for the SMB sector, which by definition involves larger numbers of smaller enterprises each requiring good value for money.

The CommuniGate Pro Unified Communications platform was specifically designed for hosting many enterprises, and the particular requirement of multi-tenancy, meaning the ability to provide customers with dedicated virtual instances and delegated administration of self-care portals and secure services over a common infrastructure, running under a single system image for easy administration.

Indeed the CommuniGate Pro Mobile Unified Communications platform delivers proven scalability for SaaS delivery of UC. While such scalability will increasingly be expected of an SaaS platform, CommuniGate Pro has several other important features that distinguish it from competitors.

- Completely agnostic support for all the core system and media components of a UC ecosystem, including virtual IP PBXs, email, calendaring, collaboration, presence, IM, voicemail, conferencing, and mobility.
- High density and performance compared with enterprise platforms like Windows, through running on Solaris and Linux.
- Support for all the principle clients, including Windows, Linux and Mac. There is also native support for Apple OS X clients like iCal, Apple Mail, and the iPhone 3G, which is highly significant given the massive uptake in Apple market share in general and significant migration patterns in the market from Windows Vista to Apple products in the Enterprise.
- Easy deployment of new services via the Web 2.0 Pronto! Flash based UC Client. This is the only genuine Web 2.0 client capable of delivering carrier grade UC services as well as media like IPTV and VOD (Video on Demand). Pronto! really does deliver on the promise of Web 2.0, by allowing users to access their voice, video, groupware, messaging and rich media services from any Internet browser anywhere in the world, using a single managed account and one in-

terface. Pronto! is based on Adobe Flash and Adobe Flex technology, which means that it can deliver UC services with the same look and feel across any combination of operating system and browser.

Conclusion

Armed with the CommuniGate Pro Mobile Unified Communications platform, service providers can deliver scalable UC services to the multitude of potential SMB customers, which collectively can generate more revenue than large bases of residential or consumer subscriber services such as ADSL and telephony. The combination of highly reliable bandwidth connections, a robust scalable platform, the SaaS model for delivery of UC, and widespread cultural acceptance of collaborative tools, means that the time is ripe for a major push by service providers into the UC SMB market. SMBs are already embracing the SaaS model for other services such as CRM or offsite storage management, according to various surveys. According to the provider of IT and communications markets intelligence, Access AMI-Partners, the number of SMBs adopting SaaS solutions has doubled since 2004, driven by the need for IT solutions that are easy to use, implement and maintain with limited resources. A number of other surveys have found SMBs using SaaS intend to increase their consumption of services via the model. Clearly UC is one of the prime candidates.

Headquarters
655 Redwood Highway, Suite 275
Mill Valley, CA 94941
USA
US Tel: 800 262 4722
sales@communiGate.com

Europe
Kreitstr. 5
86926 Greifenberg/Munich
Germany
Tel: +49 8192 99733 0
europe@communiGate.com

Russia
Ul. Vavilova, 5 corpus 3, Office 216
Moscow 117334
Russia
Tel: +7-095-720-3096
russia@communiGate.com

Japan
1-2-8 Ikego
Zushi 249-0003 Kanagawa Pref.
Japan
Tel: +81-46-872-4950
japan@communiGate.com