MOBILE UC IS HERE

Traditionally, the definition of unified communications (UC) is the convergence of all business communication applications, across a range of interfaces including the PC, telephone, web and mobile. 2009 has seen advances in the mobile world that are finally set to allow the mobile channel to beat the world of fixed line at the game it has dominated so far. Heather McLean investigates…

UC solutions have finally matured and providers are beginning to understand how the solutions can be used to drive real value for the end users, through increased internal communications, increased sales, reduced costs and improved customer relations.

Keith Horsted, mobile services manager at Nine Telecom, says: "In its simplest form, UC for SMEs can be the use of a single voicemail box that emails you your messages, or something that can intelligently routed calls based on your availability or time of day. For the purists, UC needs to be more intelligent, based on presence and status, but I believe that idea is driven more by technology than the actual customer need."

State of play

Today UC is still principally a fixed proposition, with large telecoms hardware vendors and leading software vendors leading the push. However, says Marie Wold, president and CFO at OnRelay, a software company focused on the FMC aspect of UC, as more and more calls and even emails are done via mobile, IT managers must plan for a mobile UC strategy. "I believe we will see mobile UC leap frog fixed UC deployments," she confidently states.

Mobile UC is still at the stage of research, development and planning, says Richard Hunt, managing director at 21c, which comes at UC from a fixed line perspective. "The major operators have yet to finalise their partnerships to deliver a true UC product to the market. I believe that training mobile dealers to sell and deliver the product will be the biggest challenge."

Yet 2009 has seen O2 and Vodafone announcing their converged solutions, which provide a unified number to reach individuals on any device. Horsted says: "I suggest that it will grow to include more intelligent routing based on location and availability."

Vodafone offers UC services with mobile at their core; Vodafone One and Vodafone One Net, aimed at large and medium sized businesses respectively. Meanwhile O2 provides a UC offering called Fixed Number Anywhere.

However, Horsted adds: "The networks have an inherent barrier to developing the service to its logical conclusion, as the most expensive aspect of the service is the fixed to mobile element, which has a direct impact on their profits. If profits decrease, the network's ability to offer high up-front commissions to their dealers decreases, and the demise of a network-dependant dealer becomes a self fulfilling prophesy."

Fixed mobile convergence

FMC as an aspect of UC has not really taken off, claims Horsted. "Predominantly because the networks have 'discouraged' the use of disruptive technologies such as fixed cellular terminals (FCT), which reduce the cost of fixed to mobile calls by translating them into mobile to mobile calls. There is a constant threat that any FCT could be cut off on the pretext that it is 'interfering with the network'. The reality is more likely that FCT interfere with the network commercial model and reduce their profits."

Yet Horsted adds that the networks are slowly, and begrudgingly, releasing their grip on FMC as the operators' importance in providing such services has diminished, or been circumvented by alternative access methods. "Undoubtedly, the massive network marketing function would have us believe that their approach is innovative, but it is not."

On whether FMC as an aspect of UC really taken off, Scott Stonham, vice president of marketing at CommuniGate Systems, which has been in the UC market for 19 years, states: "Not yet. However, for mobile carriers the fight for business consumers is not a fight with their peers, but a fight with the fixed carriers. We've seen the mobile carriers dabble in this space with a number of offerings, most recently with netbooks, but I think we are just seeing the beginnings of a more comprehensive strategy."

Stonham continues: "To win business subscribers, the mobile carriers have to offer simple to understand, cost effective solutions that fit with the needs of the business user. FMC, UC and mobile are mutually complimentary, but only with the right solution linking them together."

Revolutionary tech

Creating the right UC and FMC solution for mobile is now becoming easier, says Wold, thanks to technologies that have come to the fore over 2009. Wold comments that cloud computing has the opportunity to revolutionise the provisioning of mobile UC services. "The days of prohibitive upfront UC hardware investments are coming to an end. This will have a particular impact for the growth of the mobile UC market, in which hardware costs and complex on site deployment projects sit very uneasily.

"Open source software is also changing the game in the UC server space, just as in the mobile OS market. Open source platforms are proving themselves as serious alternatives to the big names in UC," she says.

Wold claims: "Mobile operators have clued in to the fact that they can actually take this market. New cellular FMC solutions allow mobile operators to own the fixed dialling plan, and offer on-premises or fully hosted, multi-tenanted solutions to their customers.

Fixed line vendors and dealers are about to feel the pinch as the mobile world steps in to claim UC, explains Wold. "It's the Cisco's and Avaya's of this world who will feel the impact as customers choose mobile, and realise they don't need those costly hardware-based PBX-UC systems, and the fixed line resellers who could be in for a rude awakening as they find no 2010 or

▲ *Marie Wold, president and CFO at OnRelay, a software company focused on the FMC aspect of UC,*

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2011 CAPEX budgets for their hardware-based UC solutions," she comments.

Dealers delight

The UC vision has been put out there by vendors for large enterprise, states Rob Davis, senior product manager at Gamma Telecom, while the channel has been getting on with practical UC solutions like push email, one bill and fixed-mobile solutions that save money and improve productivity. "For SMEs, UC is happening today and giving real, practical solutions," he says.

We are beginning to exit the early adopter phase of mobile UC and enter mass adoption, states Stonham. He comments: "Small businesses will drive adoption. Hungry and motivated, the SME market is always the area to watch when coming out of economic uncertainty. These are the companies that will be tomorrow's success stories and to achieve this, they will look for ways to improve the competitive positioning, reduce costs and increase sales."

Stonham adds: "Thinking from the SME perspective, UC can be a difficult sell so you need to capitalise on what the SME knows and understands, and grow from there. The simplest approach is to start with an offer like BlackBerry, which works across a larger variety of SME-friendly devices. Then you can think about offering other value added services such as hosting, security and answering services."

Overcoming odds

However, Hunt claims that mobile operators are struggling with UC: "I think that they are realising that the UC market will be a tough nut to crack. They will require a product that compels a business to change, but at the same time it must be easy to deliver through the dealer channel.

"It is clear that few mobile dealers are at a stage where they even understand the meaning of UC themselves. How will those dealers perform when asked to deliver the product to market?" questions Hunt.

Mobile dealers are not currently taking the UC bull by the horns, admits Davis. "We haven't been seeing mobile dealers really going for UC. They seem to be leaving UC to the fixed line resellers and they are going to get their lunch eaten if they don't get on board."

While Horsted comments: "In my opinion, mobile dealers have been slow to embrace UC and FMC because the network commissions have encouraged selling mobiles as a standalone proposition. This approach is not sustainable by either the networks, as it is costing them so much, or by the customers who are looking to reduce their landline to mobile costs, which they tend to constitute the majority of their call spend."

How to sell

Mobile dealers can sell the UC story to businesses with a focus on massive hardware cost reduction, notes Wold. "Mobile dealers and mobile operators are in the prime position to offer customers what they want; flexible, converged, mobile business communications without the CAPEX burden and operational costs of UC-PBX hardware."

However, Davis adds that mobile dealers should not think about UC, but instead should focus on the real solutions they can provide to customers. He explains: "The term UC is too overused. People often think of UC solutions being a future proposition, but most of the practical and compelling components are here today.

"The channel is well placed to sell these real practical solutions, and for dealers that come up with the most appealing UC solutions that save business money and improve productivity, and can clearly and simply articulate them to businesses, there will be big rewards," Davis notes.

Alex Windle, head of indirect marketing at Vodafone UK, comments that one trend for dealers to observe in mobile UC will be to recognise that not every customer will want to go straight to the end game, but will want to combine existing infrastructure over time. "The skill will be in recognising this and integrating services intelligently," says Windle. "In terms of technical evolution, we've already reached an agreement with Microsoft to include their BPOS services and expect to see this continuing."

Yet Windle states: "The point is that we're [mobile operators] moving into an adjacent market and as a result, the size of the market is greatly increased. It's a very healthy business opportunity, both for Vodafone and our partners."

Windle adds: "We're looking to have our partners deliver around 60% of sales, so this is a significant opportunity. We've seen interest from mobile, fixed PBX and IT VAR channels. All have relevant, transferrable skills. We're looking for the best partners, regardless of their original starting point."

Predicting the future

CommuniGate has four key predictions of where the mobile UC market is heading. These are: mobile carriers will struggle to understand the needs of the SME beyond voice tariffs and customer support; mobile carriers will introduce small business specialists across their stores and those who are successful will adopt a simple offering that is in-tune with SME needs; there will be UC solutions for enterprises and the larger end of the SME scale, with separate solutions that address the lower end of business sizes; and that business adoption will grow steadily, picking up pace by 2011, with consumer adoption slower, taking until at least 2015.

We will have to wait a little longer to see which of these predictions is true, but with Vodafone and O2 already on the mobile UC case, whatever happens I believe it will be good for those in the mobile channel that are prepared to step up to the challenge. ■