Will 2007 Be The Year Of Unified Communications?

Jim Burton, Marty Parker, Blair Pleasant and Don Van Doren

Four leading experts offer their view of where the UC market and technologies are headed in the coming year.

A year ago, at VoiceCon Spring 2006, the term "unified communications" got top billing in the keynote address delivered by Cisco Systems CEO John Chambers. But what really brought UC to the fore last year was Microsoft's high-profile announcement of a UC strategy and set of products that are set to roll out in mid-2007.

With that product release in the offing, and almost every vendor clamoring to tell its UC story, *BCR* editor and VoiceCon co-chairman Eric Krapf caught up with the four analysts who make up UCStrategies.com, to get their perspective on what 2007 will hold for unified communications. The analysts—Jim Burton, Marty Parker, Blair Pleasant and Don Van Doren—coordinated the unified communications track for VoiceCon Spring 2007, March 5–8, 2007.

Eric: *Let's start with a quick review of how you folks view unified communications.*

Don: Our group has defined unified communications as, "Communications integrated to optimize business processes." We believe that UC is the use of software, hardware and network technology along with the appropriate training and procedures to help an enterprise improve business results. UC will enable linkage of all forms of personal interaction through any media, on any device, from any location at any time. However, customers will want to select or emphasize the types of media, devices and networks based on business and job requirements.

Blair: I see UC as integrating real-time and non-real time communications with business processes and requirements based on presence capabilities, presenting a consistent unified user interface and experience across multiple devices and media types. I don't view UC as a product, but as a solution with various components, including presence, messaging (IM, email, voice, video), telephony, conferencing (Web, audio, video), information sharing (Web chat, file sharing, document sharing), business applications and databases.

Jim: The key fact is that UC isn't a single product, but is made up of several components. We will continue to describe each component as we do today—phone calls, IM, e-mail, etc.—but as people become accustomed to what we are now calling unified communications, things will start to blend together just as handheld devices are starting to do.

Integrating UC with other business processes is the other key. Service oriented architecture (SOA) will be used to tie voice and other unified communication elements to existing and new business processes.

Eric: *You all seem to emphasize that UC needs to be integrated with business processes. Can you explain this a bit*?

Marty: The method is integration and the goal is clearly to optimize business processes. There are only three areas of focus: The customer experience, differentiation of your business, or controlling resources (time, payroll, assets, expenses, etc.) for your enterprise. The first two, customers and differentiation, should drive up your revenue, while the third should cut your costs. The key is to change or improve your business processes to get these benefits.

Don: I agree, Marty. UC's impact in all of these areas will often be to reduce time delays caused by "human latency." In many business processes today, work-in-process languishes until someone retrieves something from an inbox. Frequently, UC can reduce time requirements by identifying how best to move a process or decision along. This can be by contacting the next person in a sequence of steps, or by convening an *ad hoc* meeting to resolve an issue.

Eric: *What's changed in the market since your article six months ago* [*BCR,* August 2006, pp. 16–23]?

Marty: I'm seeing significant investments in Unified Communications solutions, many through acquisitions. And I sense a heightened realization that UC can and will change business processes and operations and can deliver significant return on investment (ROI), if measured. Behind the scenes, we're seeing reorganizations in most communications providers, to better align with the requirements of UC solution delivery.

Blair: Not as much has changed as we would

have expected. Enterprise customers are still confused, still not sure how UC fits into their environments, and the majority are taking a wait-and-see attitude. There have been new announcements from many of the vendors, but it's still not helping to clarify some of the questions and concerns customers have. Each vendor is defining UC in the way that makes the most sense for them, but there is no uniform approach to UC.

One thing that has changed is the interest in UC—in the latter half of 2006 our UCStrategies.com team did a road show with BCR/VoiceCon in several cities, and there was tremendous interest on the part of attendees about UC and how it will impact them. People are getting on board as far as what UC is all about, and the fact that they need to start planning for it now. The number of inquiries about UC has grown tremendously, so I'd say that market awareness is what's changed the most.

Don: Six months ago, the vendors were focused on market definition and staking territory. While that will continue, we're now seeing more focus on developing the partnerships necessary to address specific market opportunities.

Jim: What's changed? Market hype, mostly. I'm a bit cynical.

Eric: *Speaking of hype, everyone seems to be jumping on the UC bandwagon. Is this a good or bad thing for the industry*?

Blair: My answer is yes—this is both a good thing and a bad thing. The good news is, everyone's getting into the act, so there will be more options for enterprises to choose from. Instead of having to go to a traditional telephony vendor for your communications needs, for example, you may be able to go to your business application provider, or a Yahoo or Skype. Choice is always good. Having more companies involved in the UC market is also making enterprise customers more aware of UC and what it's all about, which is also beneficial.

On the down side, we've seen press releases from companies stating that they're "a leading UC provider," when their products have little to do with UC. It's like the early days of ISDN and CRM all over again, when everyone and their brother are claiming to be leaders in the fill-in-the-blank market.

Marty: It's good if it's matched by solution delivery with hard-dollar ROI and is not just a marketing fad. Attention to UC is a good thing, since there is so much to be gained by eliminating waste and delay, by speeding business processes, and by improving customer satisfaction and loyalty. Watch out for UC that is only a change of branding—demand that there be measurable results.

Jim: I'm still cynical. I think jumping on the UC bandwagon is a very bad thing—it confuses the market, which could potentially slow down market growth. On the bright side, slowed market growth could be a very good thing for those vendors who are way behind and need that time to catch up. Unfortunately, many vendors seem to be more interested in joining the marketing UC bandwagon, rather then providing UC products that can be part of a broad and open UC environment.

Don: I think we all agree that it's both. A bigger bandwagon generates more attention and more interest, as well as providing more instruments and tonalities so that you can find the best music for your situation. But the risk is cacophony—all those different tunes simultaneously bombarding the marketplace will mean confusion. What is UC really? What does it do for me? Why should I care? Too many conflicting answers will slow market development.

Eric: *Who are some of the new entrants to the market that we should be taking note of*?

Jim: There are two groups to look at. The first are those companies that will be selling, installing and servicing UC solutions. Because UC takes the complicated voice and data world, and then layers applications on top, a whole new breed of channel will evolve.

The second group is companies that recognize that there are holes in all the UC vendor offerings and find ways to fill those holes. Some of these players can be companies that have been viewed in the past as IP-PBX vendors, and their products can now serve as feature servers in a UC world. Companies like Sphere Communications, ShoreTel and Vonexus will have more of a role to play.

Other entrants will be vertical market solution providers that add elements to solutions that the large vendors quite frankly haven't had time to address. Some of the existing vendors will have internal developments to address vertical markets, such as NEC, but in some cases, they will make acquisitions to address a target market or fill a hole in their product offering. Citrix and BEA are good examples of companies to look for. Oracle is another company that comes to mind that is in this space but certainly has not been viewed as a major player to this point. I also expect to see hosted application providers like Sylantro and BroadSoft migrate to UC.

Probably the biggest group to watch will be the wireless service providers and cell phone vendors. Mobility will play a very important role in UC, and as Nicholas Negroponte stated in his book *Being Digital*, "What is wired will become wireless, (and what is wireless will become wired)," and we're just starting to see that trend in the enterprise business market.

Blair: We'll see not only new entrants, but new alliances among existing players. I wouldn't be surprised to see Yahoo partnering with someone to play a bigger role in the UC market, and the same is true for the other IM and portal players. Skype will probably also get into the act a bit more. Then there are some of the social networking players that we wouldn't have given thought to a year ago, but have the potential to impact the enterprise market. It's too soon to say that MySpace will be

Mobility will play a very important role in UC

To plan for UC, visualize your company's organization in 4–7 years

a UC vendor, but they're certainly changing the way in which many people communicate.

Marty: Actually, we're in more of an acquisition and consolidation phase, as the innovators of the past several years are being acquired by the major producers to round out their solutions. This is a sure indication of major growth potential in unified communications, as these innovations are made globally available. Examples include acquisitions of Orative by Cisco, Traverse and Ubiquity by Avaya, Ascendant by RIM, Intellisync by Nokia, Good Technology by Motorola, Telephony@Work by Oracle, and the merger of Glenayre and IP Unity.

The main areas of investment that I'm watching are mobility (integrating cell phones with presence into the enterprise network); portals (delivering communication-enabled, job-specific tools); collaborative software (bringing wikis, blogs and social networks into the enterprise); hosting (lowering the barriers to UC adoption); and metrics (providing the data to manage the applications and deliver the promised ROI).

Eric: *You mentioned metrics and measurements. What evidence is there that UC is taking off in the market and paying off for customers*?

Marty: We can see this both in market growth and in specific customer success stories. The quadrupling of Research in Motion (BlackBerry solution provider) from half a billion dollars' revenue in 2004 to over $2 billion in 2006 revenue is one example of where customers are making major investments in UC types of solutions.

Yet it is not all about mobility. At VoiceCon Fall 2006, a panel of four customers described their UC initiatives (see www.voiploop.com/index.php?option=com_content&task=view&id=1358&Itemid=34). For example, Advocate Health Care described a $750,000 annual hard-dollar ROI by converting from physical meetings to desktop videoconferencing; they also used UC tools to realize improved business processes in their home health division. More and more customer successes show up on the UC suppliers' websites each month.

Blair: We've started seeing some preliminary implementations that are paying off, but most of them are related to conferencing and collaboration, which provides ROI in terms of reducing travel time and expenses. I've spoken with several users who have clearly seen the benefits of using several of the components of a UC solution, such as presence, collaboration, mobility and unified messaging, although few have been able to quantify the value of UC (with the exception of reducing travel based on using collaboration tools).

I recently spoke with a customer that implemented a UC product, who noted that the productivity gain they've seen is significant, and their ROI is easily several times the resources they invested in this project. I'm sure we'll be seeing more of these case studies over the next year as companies move from trials to actual implementations. We've also seen some examples of UC in the contact center and how, by using knowledge workers as expert agents, the contact center can provide better customer service and first-call resolution.

Don: Building on Blair's comment, there are a number of companies in a variety of verticals, including health care, insurance and retail, using UC to view the presence and availability of knowledge workers and subject matter experts within the organization, so that contact center agents can contact the expert in real-time in the appropriate manner, regardless of where the expert may be physically located. We've been talking about this for a long time, but it's really starting to happen.

Eric: *What should enterprise companies be doing about UC, in terms of implementing, prototyping or planning in 2007*?

Jim: By far the most important thing is planning. Try to predict how the organization of the company will evolve over the next 4–7 years and then layer on top of that all products and services that will see end-of-life for whatever reason. This would include systems that are fully depreciated, products that are no longer supported, or that need to be enhanced with a new service. An easy example would be the need to replace an existing PBX or voice messaging system. A more complex example would be using SOA to integrate an inventory management system with handheld devices used by a mobile sales organization.

Good planning is critical as the market for UC evolves. Some vendors are trying to keep up with industry leaders by re-branding existing products as part of their UC solution offering, while that product has no opportunity of being part of a broader UC solution. After planning the RFP and vendor evaluation process, there should be a great deal of attention paid to product trials. The trials should be used to help evaluate a vendor's product, as well as user experience and training.

Blair: While I agree with Jim that planning is essential, I think that before you can start planning you need to do some research and learn as much as you can about what's needed for a UC solution, what products and solutions are available today and are expected to be available in the near future, what's real and what's hype, and what types of UC solutions enterprises like yours are starting to implement. There's a lot of buzz about UC, but it's important to do your homework and get past the buzz to what's real (and of course, a good place to start learning about UC is www.ucstrategies.com). Next, start looking at your company's business processes, and determine where UC can have the most impact.

Remember, UC isn't something that can simply be rolled out to all your enterprise users, and it's critical to carefully evaluate the types of users, business processes and applications that can most

benefit from UC integration. Then I would move on to Jim's planning process.

Marty: The key is to take UC in incremental phases. As "communications integrated to optimize business processes," UC should be implemented for specific jobs and the specific processes that apply to those jobs. So, hopefully, you're working on multiple phases in parallel—say, implementing the UC solutions that you prototyped last year while planning and prototyping the next phases. For example, perhaps you are now implementing click-to-call from your sales automation portal and mobile devices (speeding up customer contacts and responses) based on a 2006 prototype while in 2007 you are pilot testing desktop collaboration tools (shared document editing with voice and videoconferencing). In parallel, of course, you would be planning your next two or three moves. Try to avoid making UC into a global project, since that will delay the ROI and increase the risk of failure. There are many resources available, including a course on UC Planning and Implementation available from BCR Training.

Don: In summary, we're all saying that implementation timing is really critical. Companies can waste a lot of money by slamming UC in too early. And you can lose a lot of benefits, including competitive positioning, by waiting too long. The key is to determine the "trigger conditions" that indicate that a move to UC should begin. Companies need a good understanding of UC's capabilities as well as knowing potential "use cases" that will enable business transformation. Some of the kinds of triggers may include:

1.) a need to replace core equipment platforms;

2.) a shift in business processes, a need to integrate an acquired company, or the introduction of new channel strategy, or

3.) a need to cut cycle times or cut costs of existing products or services.

For some companies it will make sense to gather information, or perhaps do a pilot, to better understand how UC can work in their environment. Others will find that they are already at a trigger point, so moving to an RFP or selection process is appropriate.

Eric: *It sounds like we'll begin to see more UC RFPs in 2007. How do RFPs change in a UC world*?

Marty: RFPs should get shorter and more specific to each individual project. If you're in charge of your enterprise's UC projects, you might want to start with an RFI (Request for Information) in which you describe the business changes and results you are seeking and ask the selected system integrator-type bidders to create and present their best approach to the problem (methods, systems, services and ballpark prices), perhaps even with prototype demonstrations. This can then be used to create a very succinct, specific RFP for competitive bids on a well-defined solution, supported by a very clear Statement of Work and project timelines. The emphasis is more on the solutions, integrations and change management than solely on product feature sets.

Jim: RFPs had major changes when phone systems moved from TDM to IP. In a UC world, there will be a number of added components to an RFP to cover areas that historically may have been covered in a separate RFP. Many of the components as well as their importance traditionally associated with an RFP will also change. For example, endpoints will go through a major evolution as many desk sets will shift from Ethernet phones to USB phones, and wireless phones will be added to that mix. A major focus of RFPs in the UC world will include how communications will be integrated to optimize business processes. Ease of implementation, administration and management will become key components. Enterprises will be looking for solutions with one (or very few) management interface/s for all UC components. The same applies to directory services as well.

Eric: *Will enterprises be able to have a single solution vendor? In other words, do you think a single vendor can provide a complete UC solution that is best in class in all categories*?

Marty: Not likely. The best vendors are forming alliances with providers of the other UC solution elements so that the interoperations and integrations are pre-tested and easy to implement. For example, most voice communication system providers are cooperating with the email and IM software providers for out-of-the-box unification of the two types of communication tools. We are also seeing partnerships between communication system companies and application software providers, to allow Service Oriented Architecture (SOA) approaches to building communication actions into the application-based business processes (such as click-to-call from the sales or logistics portal).

Blair: I have to agree with Marty—I haven't seen any vendors that can really do it all, or provide a complete UC solution. Siemens' OpenScape comes the closest in terms of completeness of solution, but even Siemens needs to partner with business application vendors such as SAP and Oracle, as well as with Microsoft or IBM, in order to provide a full UC solution. As we've talked about, UC encompasses several components, and no single vendor provides a total UC solution. Partnerships are going to be crucial for UC vendors, and selecting the right partners will make the difference between an adequate solution and a great solution. Integrating the various components and products together will be challenging, and a main area where SIs will have a key role.

Jim: Agreed. There are clearly vendors who have the best of class products in a single category, and in some cases more than one category, but it's unrealistic to think that one vendor can provide the best in class in all categories. The challenge for

No vendor has a complete, end-to-end UC solution

Since the endpoint is key to the user experience, the interface is critical

vendors will be to focus on their strengths and acknowledge that they can't do it all. The challenge for customers will be in selecting vendors that have the ability to deliver on a vision that promises best-in-class UC components and can be seamlessly integrated with other UC components.

Don: I think you're right, Jim. But there is another factor, too. Based on business requirements and vendor partnerships, enterprise customers will approach UC from different directions. Is this an extension of telephony? Or is it baked into the business applications? Or is it building on top of the desktop environment? Different vendor solutions will emphasize different aspects because of many reasons—heritage and channel strengths, for starters. No one will be best at all of them.

Further, there is a difference between best-in-class and "good enough." In the future, we will likely see a number of vendors whose solutions are adequate across all capabilities that are important to the particular enterprise. Then, the benefit of working with a single provider who will take responsibility for integrated performance will outweigh the (perhaps temporary) deficiency in best-in-class capabilities.

Eric: *Since no single vendor can provide a complete solution, this will take a great deal of integration work. Who can customers turn to for integration of their business processes with their communication systems*?

Marty: System integration (SI) companies are in the forefront for successful UC integrations. In some cases, such as mobility or collaboration solutions, this can be a communications SI; in other cases, such as integrating communications into the sales force portal, you'll likely need an applications software SI. In the process, be sure to transfer the knowledge to your in-house staff.

This is very similar to what has already happened in most companies' contact centers, so you can use the same skills in defining the projects, then carefully interview the top SI candidates. Look for companies that understand the solutions and have successful references, not just those that understand the technology; you're looking for results, not just installation and maintenance.

Blair: Again, I agree with Marty, that the most likely initial candidates are the system integrators that have expertise in not only communication solutions, but in business processes and applications. These include Accenture and similar multi-faceted SIs, as well as other more specialized SIs. Spanlink is doing a good job in this area, particularly in the contact center.

System integrators obviously will be taking a leading role in this, as well as some resellers. But it's important to note that we're also seeing some of the UC vendors getting involved as well. For example, Cisco now has a business unit dedicated to business transformation, while Avaya has a group focused on Communications-Enabled Business Processes (CEBP).

Eric: *It's clear that UC is going to change the way we look at the PBX. Do you believe the 437 features available on today's PBXs will be important in a UC world*?

Jim: The market will dictate what features are required in the UC world. It's likely that the 400-plus features typically associated with the telephone system will become less important. While the ease and efficiency of connecting and communicating will become more important, cell phones have proven that users are willing to sacrifice in one area to receive benefit in another. I'm not suggesting enterprise customers will accept lesser voice quality, but they are likely to accept fewer traditional telephone features in favor of many of the benefits UC has to offer, such as presence and collaboration.

Blair: As we move to a UC world where PBXs are feature servers, and the endpoint devices have evolved dramatically, many of the traditional PBX features will be obsolete. As Microsoft likes to point out, the ubiquitous message waiting light in voice mail systems will no longer be needed, as users will simply get message notification via their PCs, BlackBerries or other device.

While I disagree that all workers will work the way Microsoft expects them to, and I firmly believe that the message waiting indicator will be important to a segment of users for the foreseeable future, Microsoft makes a good point that the way we work and the phone system and devices we use will be so radically different that we will have to change our mindset, and the features we think we need today really may not be necessary in new UC solutions. Things like conferencing will be done via point-and-click or drag-and-drop via the graphical user interface (on the PC or endpoint device), so a button on the phone for conferencing in parties will no longer be needed.

Eric: *The other thing that's changing is the UC endpoints, which may not even be called phones. What do you see as the evolution of UC endpoints, whether wireless, USB, softphone or something else? And will we have multiple communication endpoints to suit the user's different purposes*?

Blair: I think the "telephone" will take on many of the features of our cell phones—the ability to view a missed call and simply click on that name and number to return the call, for example. In some cases there'll be more intelligence in the endpoints, and in some cases the endpoints will be "gateways" to the intelligence that lies in the UC server or network.

The UC endpoint will in many cases be the key to the user experience, so whether the device is a hard phone, softphone or wireless device, it will have to have a clean, efficient interface to enable users to communicate and interact quickly, and in the medium that is most effective at the time. Speech technologies have greatly improved over the past few years, and UC endpoints, especially mobile devices, will continue to add voice

command and control capabilities, which also helps to improve and simplify the user experience. There's still the need for multiple devices—I don't want to use my cell phone for all of my communications, but a softphone and good headset may suffice for my office communications, rather than a physical device.

Jim: We're at the beginning of a series of enterprise endpoint product evolutions that will dramatically change the way users communicate. Most vendors offer (or will soon offer), a UC soft client that can be used in conjunction with a number of UC components. This will allow users to shift as much functionality from a feature-rich, large display desktop Ethernet phone to the PC as they desire. In this process, expensive Ethernet phones can be replaced with more cost-effective USB phones.

Over time, the majority of wired desktop phones will be replaced by a family of wireless devices, each appropriate for a specific end user application requirement. For example, a road warrior may have a dual-mode phone that uses cellular service (or WiMAX) outside the building or campus and WiFi or WiMAX while in the office. Other less-traveled users will have a wireless communications device with the wireless technology adopted by the company.

Marty: Watch the mobile devices. The users will prefer those, because it is so personal and always available. Of course, they will want the right accessories, such as Bluetooth headsets, and they will want rapid, easy synchronization with their PC, directories and desktops.

Eric: *Now that most vendors have announced their UC plans and products, what do you think will be the biggest gating factor holding up the market*?

Marty: Transforming the delivery channels is the biggest gate to UC adoption. There's plenty of technology and the customers are willing to buy high-return solutions. But it takes time to train sales and services personnel on the new methods and new solutions. And it is always easier to sell just one more PBX or email system than to take on a new and more complex challenge like identifying applications or integrating communications into a business process. Some UC solution producers are doing more about this than others, and those who invest now will be long-term winners.

Jim: In addition to what Marty said, the other challenge is getting enterprises to make plans to acquire UC solutions, and getting vendors to provide believable roadmaps to migrate their products to be components in a UC solution. Another problem is general market confusion, mostly contributed by vendors trying to bring fear, uncertainty and doubt (FUD) to the market.

Blair: Proving the business case for UC is still difficult, as most enterprises still aren't seeing the big picture as far as how UC will impact the way in which they do business. It's hard to get a company to really evaluate their current business processes in order to determine how to UC-enable those processes so as to improve productivity, reduce costs, etc. And of course I have to concur with Jim that confusion and FUD is a huge problem.

I think it's also still early in the evolution of this market, so many companies are taking a wait-and-see attitude—they want to see what Microsoft and IBM will be providing, and how well these offerings will work. Companies are generally reluctant to implement the first release or generation of a product, and that's pretty much where we are today.

Don: I agree with Jim and Blair that over the near term, market confusion and uncertainty will cause enterprise customers to delay purchases. After all, UC comes roaring in on top of a market still sorting out what to do about IP-telephony. Vendors will have to have clear messages, understandable applications, and clear benefits statements to cut through the clutter. Equally important, as Marty said, the vendors have to get their channels to understand the underlying concepts of UC, and learn how best to sell them.

Over the longer term, I think a big impediment to achieving UC's potential will be ineffectual presence capabilities. Easy, accurate, automatic and sophisticated presence information is key to much of UC's promise. It's a daunting challenge, and requires effectively harnessing information from many sources to know my status (am I available?), how to reach me (which access devices are best?), and correctly set priorities (who can contact me in what situations?).

Moreover, as we start to incorporate communications capabilities into business applications and processes, the real opportunities will be to establish more rapid communications along supply chains and among business partners—that is, across company boundaries. Then we will increasingly add other hurdles such as privacy and security concerns. I don't believe the range of "federation" capabilities currently being discussed can address many of these issues on either an intra-company or inter-company basis.

Eric: *What is your UC forecast for the next year, the next three years*?

Marty: On the surface, 2007 will be a year of continued marketing campaigns associated with new UC-focused product releases. Behind the scenes, in customer operations, 2007 will be a year when almost every enterprise will have some UC initiative (implementing or prototyping, as already mentioned) aimed at solving a major business problem. Then, by 2010, the success of a large portion of those early initiatives will have changed the landscape.

Just as we watched ACDs transform into contact centers during the 1990s, we will see phones, email and IM transform into UC business process applications. With that transformation, in the com-

UC could experience faster growth than IP-telephony

Big bets have been placed on UC

ing decade we will see almost all enterprise communications built on a UC foundation.

Jim: I think UC will have a similar but slightly more aggressive growth rate compared to the early adoption of VOIP. In general, I think the industry should be slowing down, while end users plan. But vendors have shareholders to satisfy, and they will push for decisions on products. Even if those products are dead-end solutions in a UC world.

I believe the industry will have hockey-stick growth in three years. This is due to several factors. The first is market education and the second is vendors proving their products will tightly integrate with various UC components in an open UC environment. Microsoft will be challenged to prove they have enterprise-class call control in their UC offering, but over the next 3 years, Microsoft will meet market pressure to deliver what the market demands. Vendors like Avaya and Cisco will be working to tightly integrate their components and the management of those components into their UC offerings.

Blair: As far as a quantitative forecast, it's still pretty early and hard to determine what the uptake of UC technologies will be. Certainly a subset of features will be used initially, most notably click-to-call, IM, collaboration and unified messaging, but they'll be implemented in a standalone or silo fashion for segments or groups of users within an enterprise, such as mobile users, sales, marketing and work groups.

We also haven't seen much in terms of integration with business processes. I see the adoption and implementation of presence servers or services, and of unified clients, as being pretty low right now, and most companies that have implemented them are in the trial phase and experimenting with these capabilities. But I think 2007 will be the year that a lot of companies get serious about doing UC trials and trying to determine how UC can fit into their environments. I agree with Jim that we won't see the hockey stick until three years from now, but I do believe that once we get past the first stage of evaluation and trials, we'll see significant adoption. What remains to be seen is how companies will implement UC as part of their business processes, rather than as standalone silos.

Don: Big bets have been placed on UC—Cisco's re-branding, Microsoft's market entry, major shifts by legacy telephony suppliers, to name just a few. The vendors need to gain sales traction quickly. The easiest UC concept to understand and sell is personal productivity improvement—the idea of making it easy to reach someone. But if that is all that's being sold, I'm concerned that UC will fail, much as unified messaging (with which UC is already confused) failed a decade ago.

Positioning of UC capabilities in the marketplace is critical. As Blair mentioned, if the industry can figure out how to incorporate individuals' productivity improvements into something that changes business processes, then we can build ROI cases based on transforming how business gets done, and measurably affecting the enterprise's bottom line. That's a crucial, and challenging, step that's needed to achieve the forecasts that my colleagues predict. It's doable. But there is work to be done□

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Companies Mentioned In This Article

Accenture (www.accenture.com)
Advocate Health Care (www.advocatehealth.com)
Avaya (www.avaya.com)
BEA (www.bea.com)
BroadSoft (www.broadsoft.com)
Cisco (www.cisco.com)
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