

ISSUE PAPER

3 HOT BUTTONS FOR HOSTED UC

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Introduction

Cloud technology is evolving rapidly and offering compelling opportunities for businesses to move their processes into a cloud-based deployment model. This is especially true for cloud communications.

When deciding what communication technology is right for your needs, it's important to know VoIP and UC trends and how these trends impact the cloud as the right deployment model.

J Arnold & Associates monitors the communications technology landscape extensively, and has identified three “hot button” trends organizations need to know when selecting the right communications technology:

1. Scalability

- How to use the cloud to scale the deployment of VoIP and UC across an entire business, especially while growing

2. Integration

- Understand the ability to integrate telephony with other applications, and how hosted solutions support this across all end user scenarios – by device, network type or operating system

3. Security

- Data security risks associated with cloud-based services – especially VoIP – and how businesses should be thinking about mitigating the associated threats

This e-guide has been prepared to further explain these trends to support decisions around hosted VoIP and UC solutions. Additionally, this e-guide will help businesses better understand how to select the right partner in terms of their ability to address these trends.

First and foremost, cloud-based telephony is borderless, allowing growing businesses to scale along any vector – by number of locations, by geography, or by type of office setting – physical or virtual.

Hot Button #1 - Scalability

5 Requirements for Scaling with Hosted VoIP/UC

1. Supporting the business when in growth mode. When a business is growing, it often has to contend with a number of challenges such as moving to a larger location, adding branch offices, expanding into new markets and growing via acquisition or merger.
2. As a business grows there is a core need for IT to continue managing the phone system, often with mixed network environments and endpoints. This is where a single, integrated interface is valuable, ensuring that IT can deliver a consistent experience as the network expands to support all end users.
3. Cloud communications address the need to support remote offices cost-effectively. But as a business grows and becomes more distributed, there often is a need to keep the core phone system at the head office premise-based. This contrasting set of needs is best managed with a hybrid model, which can support both models and scale as needed.
4. Markets never stand still, and for growing businesses to remain competitive, they must be agile. Since larger businesses often cannot move as quickly, growing businesses can adapt and adjust quicker, which provides a business advantage. This is a key area where the cloud adds capabilities that premise-based systems simply cannot provide, especially when there is a need to scale quickly.
5. Contact centers are like the front door of many businesses, and growing businesses in particular can leverage the cloud to gain this capability where previously no practical options existed. Beyond that, however, the cloud provides specific value by easily scaling up or down to optimize resource allocation for customer support. This need is most acute in seasonal businesses such as retail, or specific situations such as public safety, income tax filing, school registrations, etc.

5 Benefits for Your Business

1. First and foremost, cloud-based telephony is borderless, allowing growing businesses to scale along any vector – by number of locations, by geography, or by type of office setting – physical or virtual. This type of scale provides more and better options for growth than premise-based models, either with legacy telephony or VoIP.
2. Flexibility is another hallmark of the cloud, and is a key driver of agility. With the cloud, growing businesses can migrate to VoIP at their own pace regardless of how fast the business is growing. Plus, growing businesses can scale quickly, either up or down, so communications costs are always relative to need. Whether migrating to the cloud in full or in stages, the timing is based on business need rather than the expiration date of a carrier contract.
3. As businesses scale, so do the costs, and this is where the cloud adds distinct value. By moving away from premise-based infrastructure, the cloud makes VoIP and UC an operating expense (OPEX). Aside from being less capital-intensive than capital expenditures (CAPEX) for the initial deployment, the monthly cost is cash flow-friendly, making it easier to support as the business grows or as the VoIP deployment rolls out across the organization.

4. IT support requirements are reduced with hosted VoIP, which is a major benefit for growing businesses that have limited IT resources. While adopting new technology often presents challenges, they are minimized with the cloud, allowing a business to focus instead on growth and innovation.
5. Mergers and acquisitions are a distinct growth scenario, but one that is well served by the cloud. IT implications are usually an afterthought in these situations, but often become problematic, especially when integrating technology across different geographies, network environments and vendor deployments. These can create a new layer of hidden costs and delays that can alter the viability of the deal, especially when time is limited. Cloud-based telephony removes this factor from the equation, as the existing myriad of systems can be quickly replaced with a singular solution that scales seamlessly across all forms of the new entity.

What You Can Do Now

When considering business communications, it's important to assess business growth priorities and identify the implications for IT overall. In legacy times, these two needs were not jointly considered, but with the possibilities offered by the cloud, this is a new opportunity to create business value.

Consider the various ways your business can scale with hosted communications, since a business no longer needs to be constrained by limitations of premise-based solutions. Not only does the cloud allow a business to scale easily and at less cost, but also faster, and that's key for gaining a competitive advantage.

Conduct a realistic evaluation of your network's ability to support growth, not just for telephony, but all forms of data that enable the full range of communications applications. As these modes become more integrated under the banner of Unified Communications, you don't want the associated complexities to hinder growth due to shortcomings from your network and/or IT capabilities. This is a key driver for the cloud, especially among IT-challenged SMBs.

What to Look for in a Hosted Solution Partner

When considering a cloud communications provider, a primary factor is the ability to support your current size of operations along with the ability to scale to future needs. Growing businesses vary greatly by size, and some partners only cater to the lower end of the market. Not all VoIP and UC platforms are created equally, so it's important to see if a vendor has a proven track record for the scale you need.

In terms of assessing the viability of your network to support growth, you should look to hosted partners to share best practices for what other businesses in comparable situations have done. Every business will have a unique environment in terms of network and telephony infrastructure, but this is an area where hosted partners can earn your business by providing the best path possible to support growth.

Another key capability to consider is the ability to support hybrid deployments. Some businesses will want to scale solely in the cloud, while others will prefer a blend where some elements scale in the cloud and others remain premise-based. In the latter scenario, it's important to find a distributed architecture where both models can be seamlessly supported and managed by IT via a single, integrated interface.

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Hot Button #2 – Application Integration

5 Application Integration Needs with Hosted VoIP/UC

1. Application integration involves integrating telephony with complementary communications modes such as conferencing, IM, messaging, video and fax.
2. On an operational level, there are two distinct sets of needs – horizontal and vertical. Horizontal applications are used across the business, with prime examples being Office 365, Google Apps, Salesforce.com, NetSuite, etc. Vertical applications address needs specific to your business, a department or even a business process.
3. Integrating across fixed and wireless environments is becoming essential as the workforce becomes younger and more mobile-centric. The key challenge is for end users to have a consistent VoIP or UC experience either way, as there will be an expectation to go back and forth as real-time conditions dictate.
4. Big Data looms everywhere, and when telephony is integrated with other applications, new forms of insights are created. This is an emerging area, but one that will provide new metrics to gauge employee performance, the effectiveness of business processes, and even customer satisfaction. None of this is possible when telephony remains isolated from other channels, and the cloud makes these analytics accessible to businesses of all sizes.
5. Single sign-on is a key enabler, especially when considering the full range of Unified Communications. When communications applications are used in a standalone manner, end users need separate passwords, IDs and log-in procedures for each one. While this makes workflows more secure, it also slows down the process and requires each employee to somehow master a unique set of access codes. This a key attribute of UC, and with single sign-on, employees can easily adopt new applications into their workflows.

5 Benefits for Your Business

1. With UC, employees have a rich palette of applications, making them more productive and adaptive to varying situations. Not only can they seamlessly go from one mode to another in real time, but they can also work in a multichannel mode if needed. A key benefit of hosted is that communications applications will reside in the same cloud environment as operations-based applications such as CRM or ERP. From there, UC can be integrated with business processes, providing a new layer of value for the business.
2. With hosted UC, employees get enterprise-grade applications – this is a distinct difference from consumer-grade applications like Skype, Google Talk or Yahoo! Messaging, which comes when used in a standalone manner. When integrating telephony with other applications, you don't want to compromise voice quality, especially for customer-facing communications.

3. When telephony is integrated with other applications, employees will be more productive, especially in the contact center. Applications like click-to-call streamline workflows or customer interactions, as screen pops allow employees to switch to voice mode on the fly without opening a new screen or application. When UC is tied to business applications like CRM, agents have full access to customer histories, allowing them to shave precious seconds off every call, and handle more inquiries.
4. Extending collaboration capabilities from the desktop to any other workspace environment. Hosted UC is ideal for supporting all scenarios – remote sites, mobile modes and teleworking. The key trend here is the disparate workforce, especially for global business. The more atomized, the more important real time communications becomes, and that's where integrating voice with other modes really adds value.
5. BYOD adds another layer to this, where the focus shifts entirely to mobile devices. This is becoming the mode of choice for getting work done, and to support that, application integration has new challenges. Not only must voice be supported across all types of endpoints and operating systems, but it must seamlessly connect to other applications like conferencing. When employees can work equally well this way as they can at their desks, BYOD will become a great driver for improving productivity.

What You Can Do Now

Canvass the organization to take an inventory of communications applications – which ones used, how often, which endpoints/devices, etc. Objective is to understand what's being used and how they are applied to everyday workflows.

Where possible, identify workflows/processes where integrating voice will add new value. Then assess how effectively that can be done in a premise-based environment, and after that, compare this against what a hosted VoIP/UC solution can provide.

Understand how workstyles are changing in your organization, and focus efforts on the right mix of applications and operating environments to support that.

What to Look for in a Hosted Solution Partner

Identify the key business applications you need UC to integrate with – both horizontal and vertical. Then determine the extent to which hosted partners are certified to support them. Given that cloud-based applications are based on open standards, a good indication is how well they support open APIs.

The ability to support hybrid environments is important. Depending on the applications, some will only work in the cloud, while others will integrate with premise-based systems, such as an IP PBX. For the widest possible range and flexibility, you should partner with a vendor that supports both equally well.

Ease of use is a critical driver for UC adoption, especially among SMBs. For cloud-based VoIP and UC, a leading indicator will be WebRTC support. As communications shifts from being telephony-centric

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to being Web-centric, applications are becoming more browser-based. However, this mode will only gain traction when the applications are plug-and-play, without requiring a plug-in or opening up a new screen.

With cloud-based VoIP or UC, the business does not own or manage the system or platform. As such, they have limited ability to integrate these communications applications with business applications such as Office 365 or Salesforce.com. This requires specific expertise, and your choice of partner should depend largely on how well they can integrate with your mix of business applications.

Another virtue of hosted UC is allowing SMBs of any size to have a contact center. The cloud provides the common platform, but what matters most is how well the partner's UC applications integrate with your contact center solution. Most contact center solutions have a mix of applications on-premise and in the cloud, and the ability to support that mix with UC should be another key consideration in choosing a hosted partner.

Hot Button #3 - Security

5 Security Issues with Hosted VoIP/UC

1. Company data – this may be your most valuable asset to hackers, especially if backed by competitors determined to derail your success. Prime examples include customer records, pricing schemes, strategic plans and trade secrets.
2. Employee data – the target could be specific employees or your entire organization. Depending on what's accessible, key forms would be employment history, compensation records, personal information, and even tax records.
3. Financial data – potentially the most costly issue, both in terms of monetary losses and possible litigation from compromised parties. Typical targets would be credit card data from customers, company banking records and accounts, and even redirecting the flow of funds for business transactions or customer invoices.
4. Operations – this is all about disrupting the business instead of theft. Common tactics include DDoS attacks, eavesdropping on calls, redirecting messages, malware, viruses, changing configuration of phone systems, and sending bogus messages to customers to drive them away.
5. Toll fraud – a distinct attack on phone systems that is not widely reported. This is a form of service theft where hackers create bogus extensions on your system to make costly overseas calls. Your business ends up footing the bill, and they pocket a share of the revenues along with the carriers that willingly go along with this scheme.

5 Security Risks for Your Business

1. Financial losses – this will be foremost for management, but not the only risk factor. Losses can take many forms, including direct theft from the business, customer credit cards, toll fraud, and ransomware.

2. Privacy breaches – potentially the most damaging form of risk to protect against. The outcomes are difficult to undo and stay with people a long time; think about ID theft among employees, loss of customer trust, and suppliers becoming more stringent.
3. Operations – all types of businesses are at risk here. Breaches can lead to a disruption of business processes, being less responsive to customers, employees being less productive, etc.
4. Business losses – beyond the financial impact there is major risk to your brand. Security failures will hurt your reputation, causing customers to leave, buy less or less often, share negative experiences with others, etc.
5. Question the cloud – a valid concern when the risks outweigh the benefits. If the breaches are serious enough and/or ongoing, you may need to re-think your overall cloud plans beyond VoIP or UC.

What You Can Do Now

As a decision-maker, recognize the nature of these security threats and ensure they become properly prioritized in your overall business plans. Just because your business hasn't been impacted this way doesn't mean it can't happen today or tomorrow.

Engage with employees to explain how they are part of both the problem and the solution regarding VoIP/UC security. They need to understand how the cloud exposes them to more risks and why precautions must be taken.

Take a holistic view of security that spans the entire organization, not just IT. VoIP is often the entry point for security breaches, mainly due to lax prevention measures, but the target will more likely be the business itself rather than your phone system.

Develop a set of best practices that all employees can adopt to mitigate the risks. This will involve a mix of both better technologies and security-conscious behaviors such as using strong pass codes for the phones, changing them regularly, avoiding the use of public WiFi for business, etc.

What to Look For in a Hosted Solution Partner

Find out the provider's customer churn rate. Hosted services do not lock customers in to long term contracts like legacy providers do, so switching costs are low. More specifically, if possible, try to determine how much of that turnover is due to security breaches.

Get an overview of their data center environment. Data centers are capital-intensive operations, and not all providers have their own facilities. At minimum, you need to learn how much of this is under their direct control, where the data centers are located geographically, how easily they can implement security patches/fixes to their customers, and the financial stability of their cloud partners.

Specific to VoIP, determine whether their voice traffic is encrypted. This capability may add cost, but provides a higher degree of security. If it is encrypted, you should also find out how this will protect your business as you scale with higher volumes of VoIP traffic.

Develop a set of best practices that all employees can adopt to mitigate the risks.

What options they can support beyond using the public Internet for carrying voice traffic. This may provide the lowest cost service, but is also the least secure. Furthermore, you need to know the range of cloud models they can support – public, private, or hybrid.

For certain vertical markets, you need to determine extent to which they meet compliance requirements for data security audits. Prime examples would be financial services, healthcare and retail.

Extent to which they can help you develop best practices to proactively address security threats from within. Data security is complex, and no business can be 100% protected. Leading hosted providers will have expertise here, and their ability to support this effort should be a key criterion in your decision-making.

Conclusion

These are not the only trends in the hosted space, but each is timely today and will have an impact on your decisions for VoIP or UC. The cloud is attractive for many reasons, but only if you understand the drivers of success. That has been the focus of this e-guide, and for each hot button, we have presented the impact of the cloud on your business along with what you can do to get the most from hosted VoIP or UC. The next step is determining what to look for in a hosted partner, and with the guidance provided herein, we believe you will be well-prepared to make the right decisions for moving forward with hosted VoIP or UC.

J Arnold & Associates, an independent telecom analyst practice, produced this e-guide, which was sponsored by ShoreTel. The contents herein reflect our conclusions drawn from ongoing research about Unified Communications, along with specific research with ShoreTel's customers and channel partners. For more information, please contact us by email: jon@jarnoldassociates.com.

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