2017 Trends in Unified Communication & Collaboration

Your guide to 6 top UCC trends

In this e-guide

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Unified communications and collaboration trends saw rapid change in 2016, leaving many IT pros not sure what to expect in 2017.

Well, we asked the experts to weigh in.

In this e-guide, uncover the top 6 UC and collaboration trends for 2017. Then, dive into some of these topics in particular, including:

- **Cloud UC and video conferencing adoption**

- **Considerations for video conferencing products**

- **Team chat app security**

- **Cisco Spark, Slack and the team messaging market**

Track these six UC and collaboration trends in 2017

Irwin Lazar, Vice President and Service Director | Nemertes Research

Unified communications and collaboration trends saw rapid change in 2016.

For instance, team messaging applications, such as Slack, have changed the very definition of a collaboration application. New entrants, such as Facebook's Workplace, are challenging incumbent collaboration providers. Meanwhile, the shift to the cloud is continuing to accelerate.

So, what collaboration trends will we see in 2017? Read on for some predictions.

1. Large enterprises consolidate on one vendor, while the SMB market sees fragmentation.

More than 40% of enterprises are planning to converge their UC applications around a single vendor, with the majority choosing Cisco or Microsoft, according to a recent Nemertes Research study on unified communications and collaboration trends.

Meanwhile, choices in the SMB market continue to grow. Pure cloud services, for instance, are offered by vendors such as Mitel, RingCentral, ShoreTel and 8x8. Other products are available via service providers, such as AT&T, Comcast and Verizon, and they are bundled with WAN and internet

services. SMBs can also choose from hosted, custom-built services from partners of Avaya, Cisco and others.

These UC and collaboration trends should continue in 2017. Large enterprises will increasingly consolidate around a single, primary vendor. SMBs, meanwhile, can move more quickly and take advantage of disruptive service providers.

2. Cloud-first becomes the norm.

Nemertes has found about 40% of organizations are using or planning to use cloud telephony services. Even higher percentages are using cloud web and video conferencing, email and file-storage services.

According to Nemertes, the shift to the cloud will continue to accelerate, as companies look to reduce capital costs, become more agile, take advantage of new capabilities and curb security concerns.

Yes, you read that correctly: Forty-five percent of participants in the Nemertes study said they see cloud services as *more* secure than on-premises platforms, largely because of the difficulty and cost of keeping up with threats against internal systems.

3. The age of the API arrives.

About one-quarter of companies are already using APIs to embed UC features -- such as click to call or click to chat -- into existing business applications. Another 20% of companies are building custom UC

applications via development platforms, such as Avaya Breeze, or through their existing development environments.

Some examples of custom UC apps include customized call reporting and handling, vertical-specific apps for internal communications or communications tied to digital transformation initiatives.

Just 19% of UC teams have dedicated app development staff, but many plan to add developer capabilities in the next year.

4. The walls come alive.

Next-generation whiteboards, which Nemertes calls "immersive group collaboration" systems, will enter meeting spaces rapidly. These systems enable teams to project, manipulate and share content in real time with remote workers.

These platforms will improve distributed meetings, as remote users can see static content, such as PowerPoint decks, and actively participate in ideation and content manipulation on wall-based units.

About 70% of companies are already using or evaluating these platforms, which include DisplayNote, Oblong's Mezzanine, InFocus' Mondopad and the Microsoft Surface Hub.

5. Stream, stream, stream.

Video is moving beyond conferencing and now becoming integral to digital transformation efforts to improve customer engagement and internal

business processes. More than half of companies have deployed or are deploying video content and streaming management platforms.

Use cases have spread beyond executive broadcasts and training videos. Employees can now record and share their own videos. Enterprises can also use video capture via remote monitoring or drone-based video for security purposes and facility management.

Companies are also investing in customer-facing video for kiosks and to enable "see-what-I-see" types of services. Expect more video in more places in 2017.

6. Team chat replaces the UC client.

The UC desktop app for calling, instant messaging and video chat is quickly being replaced by team chat applications, such as Atlassian's HipChat, Cisco Spark and Slack.

With the recent introduction of Microsoft Teams, Facebook Workplace and the extensibility of consumer chat apps -- such as Apple Messages and WhatsApp -- business messaging is poised for even further growth. Many UC vendors have responded by adding messaging applications to their UC offerings, including Avaya, Fuze, RingCentral and 8x8, to name a few.

Expect the UC client to continue to focus on team messaging over the next year, as messaging adoption continues to grow.

And there you have it, a peek into key collaboration trends in 2017 -- and possibly beyond. Thanks for reading, and have a wonderful holiday season.

⚑ # Cloud UC and video conferencing adoption see uptick

Luke O'Neill, Senior Site Editor

Video conferencing adoption has some momentum as organizations look to integrate the technology into their unified communications toolkit, according to a survey from analyst firm IHS Markit.

The survey of 207 medium and large organizations in North America found 86% of businesses will use video conferencing as part of their UC by February 2018. That's a slight increase from last year's report that found 84% of organizations planned to implement video and web conferencing into their UC strategies by February 2017.

In the annual UC survey, video conferencing again stood out as an increasingly important tool that businesses are either using or looking to implement. Increased availability and decreased costs -- thanks to cloud-based technology -- are two key reasons why video conferencing adoption is seeing sustained interest.

Video conferencing adoption through PBX and UC systems is on the uptick since they provide a more cost-effective, high-quality experience compared to dedicated room-based systems, according to the survey. And as video conferencing becomes more readily available, businesses are using it to enhance interactions among employees, partners and customers.

Aside from conferencing, video is also taking on different forms within unified communications. For instance, video communications can be embedded into business applications to improve workflows. Additionally, huddle rooms have offered a new frontier for video deployments.

Cloud-based UC adoption on the rise

As cloud technology has boosted video conferencing adoption, other unified communications tools are also benefiting as more businesses adopt cloud services for various needs.

In the IHS survey, 25% of organizations use UC services within a private cloud, 26% implement UC as a service (UCaaS) and the rest are deployed on premises. In the next year, according to the survey, on-premises services will shrink 8%, private cloud services will jump 3% and UCaaS will rise 5%.

As the survey points out, most companies are not yet going all in with the cloud. For this reason, providers should support hybrid deployments that still offer businesses a seamless UC experience.

Vendors that deliver a broad suite of UC capabilities in a simple and easy-to-use manner should be best positioned for success, the survey said. Vendors that have premises-based and cloud capabilities -- either directly or through partners -- are in a better position to capture and migrate customers as they move to the cloud completely or in a hybrid fashion.

Microsoft, Cisco rated top UC vendors

In the survey, UC customers named Microsoft and Cisco as top UC vendors for eight key buying criteria: financial stability, service and support, installation, product reliability, innovation, price-to-performance ratio, system management and solution breadth.

Microsoft was ranked as the top vendor, followed by Cisco. Microsoft scored the highest across all categories except installation, which went to Cisco. The two vendors have long tangled in a tight battle for enterprise UC deployments.

The survey also found businesses are deploying UC to improve employee productivity and response times, as well as to provide employees with mobility and flexibility. Although mobility has been a key theme in past surveys, it is now deemed a "de-facto element" in any company's communications plan.

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🔖 Top 10 considerations for video conferencing products

Simon Dudley, CEO | Excession Events

Enterprises need to consider several factors when shopping for video conferencing products. Some top considerations include finding the right mix of hardware and software components, interoperability with other video conferencing products, and the financial stability of certain vendors.

Additionally, when assessing video conferencing products, enterprises need to evaluate the technology's scalability, ease of use and, of course, cost. Companies should also determine how some video conferencing products fit into their larger unified communications plans and existing business workflows.

As video conferencing products have seen a recent upswing, with the advent of cloud technologies, improved availability and lower costs, enterprises may be evaluating different services to fit their needs. Here are the top 10 items enterprises need to consider when shopping for video conferencing products:

- **Flexible hardware.** Can meeting room products be used with a different provider? If so, enterprises should investigate how the experience will differ with each service. The cost and loss of momentum in retraining users should be considered.

- **Software as a service (SaaS) workflow.** Does changing SaaS providers change the use case of the service? And will users need to be retrained? Although similar conceptually, the user experience of different SaaS products can be very different. Some enable direct dialing of users, while others work as a virtual meeting room in which two or more users can interact. Each use case has its own merits, but enterprises need to consider which approach works best in their workflow.

- **Financial viability.** What is the financial viability of the manufacturer and reseller? For customers looking for an inexpensive, month-to-month SaaS product, they can take on a higher-risk vendor; however, most customers should consider the supplier's viability.

- **Scaling up and down.** How quickly can a supplier scale up and down? If the technology is installed and grows quickly within the business, can the supplier scale technically and with a financial model that's not prohibitive? Suppliers have a sweet spot at which their technology represents the best value. Some suppliers will start costs low, but as the service grows, the costs escalate dramatically. Other suppliers have a higher starting price, but the cost of additional users remains constant. Customers should ask potential suppliers to detail the cost per user as a range from 50% of expected use to 500%.

- **Unified communications strategy.** If an enterprise is considering a UC product, the video conferencing capabilities of that service should also be considered. Many UC vendors today have early stage visual communication services, and customers might install more powerful

video conferencing in parallel to it. Many services will work together, and users need to consider how well differing products interact.

- **Tool integration.** Products such as Slack, Spark, Salesforce, Office 365 and many others are where users spend most of their time. In these environments, consider how well a visual communications service would fit into users' workflows. Moving between disparate systems might inhibit adoption.

- **No one service.** Because of the fragmented nature of the industry, users might employ various services. An organization might have its own standard service, but it should also plan for employees who need to use a different application when speaking with a supplier or customer. Installing new software is relatively easy for most users in nonlocked-down environments, but the meeting room technology should be flexible enough to cope with such a workflow.

- **Streaming and recording.** Video conferences can be streamed and recorded. Users can record to a PC, in the cloud or on a dedicated server.

- **One to one or one to many?** Some video services are better suited for the dissemination of data, rather than interactive communications. Enterprises need to consider how users will use the technology.

- **Suppliers.** Video conferencing is a specialized product, so customers should evaluate suppliers carefully. Many suppliers sell through resellers, and these resellers should be vetted carefully. Video

conferencing is not UC, IT or AV, but it needs skills from all three disciplines. Lastly, special suppliers should be consulted as part of the buying process.

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We need to talk ... about team chat app security

Sandra Gittlen, Contributor

At charity: water, a nonprofit that provides clean drinking water to developing communities around the world, the team chat app Slack has become instrumental in creating efficient workflows. But Slack's headline-grabbing security incidents prompted charity: water's head of IT, Ian Cook, to deploy extra precautions.

"One of my worries is that people get too comfortable communicating over chat and -- with hacking being a constant battle for these applications -- I needed to know the policies we set could be enforced," Cook said.

Slack, along with Unify Circuit, HipChat and a slew of others, is among a generation of persistent team workspaces -- platforms that preserve ongoing, topic-specific collaboration sessions -- that business units are adopting to boost collaboration. Many are doing so without involvement from IT, opening their organizations up to significant risk. In April 2016, for example, security expert and white hat hacker David Vieira-Kurz discovered a vulnerability in Slack that would allow hackers to hijack user accounts. Slack has since fixed the bug.

To minimize charity: water's risk, Cook decided to participate in Slack's beta of GreatHorn, a web-based security tool that "wraps around" the team chat

app. Using GreatHorn, Cook matches acceptable use policies to filters that alert him when security rules might have been violated. For instance, if a user puts language related to tax forms or wire transfers into Slack, he receives an immediate notification and can contact the user.

"We've been lucky so far. We haven't had any serious threats via Slack," Cook said. "But I am staying vigilant to protect the organization and to make sure we stay in compliance."

Clear benefits

Although many enterprise-level unified communications vendors like Cisco and Microsoft have offerings in this space, stand-alone or freemium persistent workspace applications are still popular among businesses, according to Irwin Lazar, vice president and service director at Nemertes Research. A third of companies he recently surveyed officially allow the use of these kinds of applications.

Business units, which consider these tools a pathway to agility, tend to foot the bill, Lazar said, but IT ends up having to support the applications.

Lazar added that IT should be proactive and understand that people find a lot of value in this form of communication. Nemertes itself uses Slack, after the application won an internal bake-off against HipChat. In fact, the firm just launched a hook between its website and Slack that enables the Nemertes team to respond quickly to broken links and new logins.

Charity: water's Cook said the benefits of team-based messaging make the security and support tasks worthwhile. Usage at the nonprofit started with the engineering team, but today, all 80 staff members, as well as contractors and interns, have Slack access. Cook has vetted the application, making sure messages can be encrypted in transit and at rest and that it supports two-factor authentication. He hopes to soon use Slack's security assertion markup language support to tie the application into the organization's Okta single sign-on tool.

The company currently has more than 108 Slack channels or ongoing collaboration sessions. Users rely on them for everything from discussing potential new hires to recognizing co-workers for excellent work.

Cook aims to whittle the total number of channels down to 50 or 60 for tighter security. He and his team have begun an internal Slack audit, identifying orphaned sessions that they can archive or delete.

Cook said the most important team chat app channel is for the emergency response program. When a massive crane collapsed in February in front of the organization's New York City headquarters, employees knew exactly where to share their status on Slack.

"We heard back from all of our staff within two hours and knew they were safe," Cook said.

Risky business

Despite the benefits that many team chat app users cite, some experts say the rewards aren't necessarily worth the risk. David King, senior manager of the internal audit, risk and compliance practice at professional services firm UHY Advisors, said he probably would not have allowed Slack in his previous position as a CIO at a hedge fund.

"I know people are trying to modernize email and make it more dynamic, but they also are giving up control," King said.

He added that the new, stand-alone team messaging apps don't yet compare to traditional enterprise-level services in terms of maturity and security, and suggested that most organizations can use their existing products to meet internal communication needs.

"You have to know how the messages are being protected and retained," King said. "None of these team-based applications have focused on that as part of their service. It just doesn't feel like we are there yet."

He worries about scenarios like quarterly results being shared over an unsanctioned Slack channel ahead of a data breach, calling the likelihood of such a scenario unfolding "high."

If a CTO does decide to consider a team chat app, King recommended putting the platform through its paces on the risk management side --

building a use case and subjecting it to the regular channels of due diligence.

"Once it is deployed, IT should have a way to turn off access to the application when employees leave and to stop unauthorized use on the network," he said.

Lysa Myers, security researcher at security software company ESET, worries that as these messaging applications get more popular, they'll become a bigger target for hackers. And she added users themselves are the biggest problem.

"Are they talking about things that they shouldn't be talking about on an unencrypted channel? Most people will not go the extra step of turning on encryption," she said.

Myers encouraged IT to get specific about policies and what can and cannot be discussed over team chat app channels. For instance, hospital workers should never share any information protected under Health Insurance Portability and Accountability Act privacy rules, in case the platform is hacked.

"Users have to understand these are not the most secure venues, as well as the consequences if they break the rules," she said.

Like King, Myers urged IT managers to weigh a given messaging platform's approach to security, conducting a thorough risk assessment before adoption.

She hopes that team chat app vendors themselves will start to enact more secure coding practices, but until then, enterprise IT departments must stay attentive.

"You don't want to open the door and let all your company's information flow out," she said.

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🔖 Cisco Spark, Slack ignite fledgling team messaging market

Dave Michels, President | Buffalo Communications

One topic I regularly get asked about is Cisco Spark. Specifically, is anyone using Cisco Spark? In a recent Network World interview, Rowan Trollope, Cisco's head of collaboration, finally provided a clue. He said the messaging application has more than 1 million paid users. That number is more than I expected, but it's still small.

In cloud services, the key measure is monthly or daily *active* users, which is normally less than the number of subscribers. To my knowledge, this is the first time Cisco has shared any adoption numbers publicly regarding Spark. It will raise questions about Spark's likelihood of success.

Cisco launched Spark in March 2015. It was unveiled a few months earlier as Project Squared, a team messaging service created by the Cisco Collaboration unit. Spark is often compared to applications such as Slack, Unify Circuit, Atlassian HipChat, Redbooth and RingCentral Glip in the ever-evolving team messaging market.

Team messaging services, offering a fresh take on enterprise collaboration, create containers for shared conversations and content. It's effectively the next generation of instant messaging. The key differences are persistent group conversations, search and discovery capabilities, content repositories,

enterprise administration tools, and often the ability to integrate with other business applications.

Most providers keep adoption details to themselves. We know the team messaging market is generally growing, but we don't know the conversion rates from free trials, or if adoption rates are similar across regions. These emerging services have quite a few unknowns.

Slack: A happy accident

The poster child for team messaging services is Slack, which gets credit for identifying this unmet market. Last May, Slack reported its user base grew to over 3 million daily active users, with 930,000 paid accounts. Reportedly, Cisco's messaging application has more than 1 million paid users.

Slack was a bit of an accident. The company actually created what became Slack as an internal collaboration tool to overcome distances between its teams while developing a totally separate application. When the other project failed, the company pivoted and relaunched as a cloud-delivered, collaboration service.

Slack became the first enterprise-oriented startup to reach unicorn status, with a billion-dollar valuation -- and did so in less than two years. Slack's revenue and adoption growth are impressive, and it has attracted many others to create similar services.

Could Spark unify the Cisco Collaboration ecosystem?

Cisco appears to be investing heavily in Spark. Certainly, Cisco Collaboration has its share of failed products, including WebEx Social, a similar but unrelated product the company discontinued in 2014.

It seems unlikely Cisco Spark will fail or be discontinued any time soon. Spark is central to a broad vision that intersects with every Cisco Collaboration product. Comparing Cisco Spark to Slack or other team messaging services fails to capture the breadth of the platform.

Here are seven reasons why Cisco Spark is likely to become a force within enterprise communications:

1. **Cloud pivot.** Most unified communications premises-based vendors discovered the hard way that simply moving a product to an Opex model is not a cloud strategy. The issues are broad, but scalability and security are big ones. Modern cloud services need to be designed for millions of users. As a new cloud-native platform, Cisco Spark offers workstream messaging, unified communications as a service (UCaaS) and an aggressive roadmap.
2. **Convergence.** Cisco Spark aims to unite the Cisco Collaboration ecosystem, including WebEx, TelePresence and Unified Computing System. Spark offers simple UCaaS features, and advanced features are available via a hybrid model to its other UC services. Existing

Cisco phones and room systems can be connected to Spark as endpoints. The Cisco Spark user base could conceivably comprise the Collaboration unit's entire installed base with UC, video and conferencing. *Note: In May, Cisco said WebEx had over 15 million users.*

3. **Partnerships.** It's not just Cisco and its channel partners selling Spark, but partners, too. Box, a Cisco Spark partner, cited its partnership with IBM helped it close eight six-figure deals last quarter. IBM and Cisco recently unveiled a partnership, which should help boost Spark's collaboration capabilities and expose IBM customers to WebEx and Spark. Cisco Collaboration also has a partnership with Apple.

4. **Spark development.** Cisco Spark has already expanded from workstream messaging into a platform play with rich APIs for development, stemming from Cisco's acquisition of Tropo. Spark was also bolstered with a cloud-delivered data encryption model, at least partially related to its acquisition of Synata. Cisco also announced a $150 million development fund last spring to stimulate an ecosystem.

5. **Cisco sales machine.** While the viability of Cisco technology is subject to debate, few question Cisco's ability to sell it -- this includes both direct sales and indirect channels. Cisco Spark, although hosted by Cisco, leans on its channel for sales. Paid plans are sold through channel partners, and the UCaaS element requires partner-provided network services.

6. **Viral adoption.** This has more to do with the nature of workstream messaging than Cisco Spark specifically, but these types of applications often experience viral adoption. As with other communications technologies, Spark becomes more powerful as its

user base grows. Team messaging platforms benefit from peer pressure, as teams discover the collaboration benefits that arise from the new tools.

7. **Growth of workstream messaging.** The team messaging market is new and the services are immature. Although some adoption rates are promising, overall, enterprise adoption is still very low. In other words, the team messaging market is set to grow. More competitors are still coming, but Cisco is in a good position with its own platform -- a head start -- and adjacent products.

How the vendor landscape shakes out is anyone's guess. However, Cisco Spark seems likely to be in it. Today, Cisco Spark is immature. Its UCaaS, software developer kits and APIs are very limited. Yet, the service is maturing quickly.

Cisco Spark already does things that other services can't. For example, it can detect a phone call between colleagues and passively set up one-click desktop sharing. Spark can automatically detect a user in a conference room and enable that user's smartphone to become a video-room controller. Spark stores and protects customer data from prying eyes under a more secure model than other cloud services.

These features reflect the product today. Cisco is improving Spark rapidly. Updates are applied frequently -- even daily via its internal DevOps environment. Cisco is also testing a virtual assistant service in Spark. And the UCaaS product, in general, is expected to become more robust with integrated services.

Cisco has been shy about sharing adoption numbers, likely because it doubts the current figures are indicative of the future.

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