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IntelliCom Market Dashboard Spotlight:
Can Siemens Bridge the UC Adoption Gap Between IT and the Business User?

IntelliCom has long regarded Siemens Enterprise Communications to be one of the leading proponents and innovators in the Unified Communications (UC) space. So when Chief Commercial Officer Chris Hummel offered an unusually candid assessment of the current state of the UC market at their analyst summit last week, it was both refreshing and noteworthy. To paraphrase: while UC has always held great potential value to business users and the organizations that they comprise, it has largely failed to live up to that promise to date. As someone who closely tracks vendor market results that reflect these adoption patterns, I could not agree more. In my view, UC has been, and continues to be, hampered by a disconnect between those who traditionally make purchase decisions for IT infrastructure investments, and the individual users that would actually realize the productivity and business process benefits of UC.

Mr. Hummel lamented that current offerings are fragmented and incomplete and, as a result, cannot deliver the truly integrated user productivity experience that would lead to widespread, or even viral, adoption within organizations. Given that true UC implementations must integrate communication architectures, networking infrastructure, and a variety of business applications, enterprise deployments are almost universally multi-vendor on some level. Some vendors broadly support industry standards easing this integration, and some do not. Some channel partners have strong integration services to address these technical hurdles, and some do not. It often becomes too complex an equation for IT to move forward broadly, let alone the business user that stands to benefit the most from UC – and too often have no representation at the table when enterprise implementation decisions are made.

Unable to gain expected levels of traction for new UC applications sold as discrete offerings, vendors have resorted in recent years to software licensing strategies that bundle these capabilities to existing voice or business applications that they know customers plan to or will eventually need to upgrade. Virtually everyone now plays this game. But that is more driven by value derived from the software transformation of existing technology and business models rather than the business and user productivity benefits of UC. As a result, there are a plenty of new UC-capable architectures being deployed today, but most link to broader IT initiatives that take advantage of their increasingly software-centric deployment options whether that be virtualization capabilities supporting data center consolidation and private cloud initiatives, or simply, software assurance customers on an entitled upgrade cycle. User licenses for UC applications included in these packages are all too often not activated. And it is quite common for businesses to own licenses from multiple competing UC providers based on existing investments in other IT technologies. Because incremental UC capabilities often do not drive the purchase decisions for these broader packages, business users are not engaged in a sales process that caters to traditional IT technology concerns. The net result is a widening of the disconnect between those making the implementation decisions and those that will derive the most potential value from UC, and large numbers of unused licenses that businesses have technically paid for.

But, at the same time, innovation in the consumer space has put more power directly in the user's hands in the form of smart devices and the growing range of business and cloud applications that users access through them in both their work and personal lives. Some IT organizations have embraced this consumerization, while others have resisted or attempted to stifle its use in their environments. Even where sanctioned by IT, the user must typically toggle between a variety of different communication and business application clients to solve any particular task or interaction. In Siemens' view, the time being wasted in coordinating work is taking too much time away from the work itself, and undermining the value provided by UC and other business productivity applications.

So at the analyst event last week, Siemens previewed the results of its Project Ansible, an initiative launched nearly 2 years ago to develop a next-generation collaboration solution to address this fundamental problem. While the details that can be publicly shared at this stage are limited, Ansible can be thought of as a business productivity and collaboration portal of sorts that provides the end user with a "single pane of glass" aggregating content from all of the internal and external applications that might be needed in a specific collaboration session. It includes all of the voice, video, and UC capabilities of the current OpenScape portfolio, but in a user interface that also seamlessly pulls in relevant content from internal business applications and external cloud services. It looks impressive.

While Ansible is likely to address many of the lingering implementation and functionality deficits that continue to slow UC adoption, it also raises the challenge – and opportunity – for Siemens to more deeply engage the business user in its market positioning and the sales process. This is something, frankly, that no one in the industry does well today. And it is a big part of the reason why so many entitled UC application licenses go unused. As Siemens has experienced with its current OpenScape UC portfolio, mainstream competitors eventually erode some of the differentiation of the market innovators. They may not produce as feature-rich or elegant of a solution, but they are often “good enough” in an environment where sales channels struggle to sell based on business value and play to traditional IT technology and cost considerations instead. If Siemens is ultimately able to demonstrate the same level of innovation on the go-to-market side as it has in developing the Ansible technology itself, it could be a game-changer in the market.

Frank Stinson is a Partner and Senior Analyst with IntelliCom Analytics and leads the firm's *IntelliCom Market Dashboard (IMD)* and *IntelliCom Market Performance Dashboard (IMPD)* research programs. In this role, Stinson provides clients with ongoing strategic assessments of the positioning, direction, and market performance of leading Business Communications providers in the context of key trends transforming the industry. The rapidly unfolding shift to software-centric communication architectures now underway is central to this analysis, along with the UC and business application integration initiatives that leverage them.

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CONTACT
Frank Stinson
fstinson@intellicom-analytics.com