Enterprise Communications Market Shifting to Software-Based Value Model

04-26-06 10:00 AM EST UNION, NJ -- According to new research from industry analyst firm *IntelliCom Analytics*, the enterprise communications market has begun a major technology and business model transition.

Enterprise communication system architectures are shifting from traditional PBX and 1st generation IP-PBX "closed box" solutions to 2nd generation Business Communication Software (BCS) platforms based on open standards. *"The stand-alone PBX that we've known for decades is rapidly evolving into a set of software-based applications deployed on industry standard hardware and devices,"* explains Frank Stinson, director of IntelliCom's Market Dashboard research program.

To date, enterprise investments in convergence have been largely driven by expectations of cost savings and technological future-proofing. The shift to 2nd generation BCS platform solutions recasts communication investments as strategic business assets. *"Most of today's market leaders are talking about business process integration on some level. Business Communication Software will foster the tight linkage between communication and business applications necessary to truly deliver seamless solutions,"* remarks Stinson. The recent market focus on interoperability with Unified Communication platforms is just the first step in this evolution. *"Over time the feature set that we now associate with the PBX will become increasingly difficult to recognize as a discrete offering and instead will become embedded in a broader set of higher-value, business-impacting applications,"* adds Stinson.

On the supply side, BCS represents a disrupting force in the industry that will drive profound changes between providers, channels and users. *"This shift impacts a provider's entire go-to-market strategy -- from solution development and partnerships, to market messaging and channel readiness. You can already see that some suppliers and channels are gearing up to exploit this shift, while others are seemingly stuck in neutral, leaving the door wide open for non-traditional competitors to step in. We are going to see some significant market share change hands."*

The IntelliCom Market Dashboard is a strategic analysis program that tracks and evaluates the progress of major suppliers in building sustainable business models in the context of market transformation and emerging disruptive threats. Key areas of focus include vendor technology direction, solution positioning, go-to-market approach, applications strategy and market performance. For more information, contact Frank Stinson at 908-686-4066.

About IntelliCom Analytics

IntelliCom Analytics is a professional services and business research provider focused on the rapidly-evolving intelligent communications market. Key areas of specialty include the measurement, analysis and assessment of all major dynamics that influence enterprise technology purchase decisions, provider competitiveness and evolving industry business models. With well over a century of collective business and leadership experience in the telecom and data industries, IntelliCom Analytics brings a wealth of finely-honed skills, expertise and market opportunity insights to client engagements.