

Magic Quadrant for Unified Communications, 2006

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Unified communications offers the ability to improve how individuals, groups and companies interact and perform tasks. Companies should review their current communication systems and processes, then undertake pilots or trials that could lead to improved processes.

WHAT YOU NEED TO KNOW

Unified communications (UC) offers the ability to significantly improve the ways that individuals, groups and companies interact and perform. UC allows multiple communication channels to be coordinated. In some cases, separate servers may be consolidated, but more frequently, UC adds value to existing communications servers. Key technologies include Internet Protocol (IP)-PBX, voice over Internet Protocol (VoIP), presence, e-mail, audio and Web conferencing, voice mail, unified messaging and instant messaging (IM).

The largest single value of UC lies in its ability to reduce “human latency” in business processes. While communication methods (such as voice or IM) can be used individually and separately, organizations should examine how bringing them together offers additional synergies and efficiencies. To accomplish this, companies should review how they use communications internally in workgroups, and then undertake pilots and trials that can lead to improved processes. This report reviews the relevant technologies and vendor offerings that can assist.

MAGIC QUADRANT

Market Overview

The UC market and its technology are maturing rapidly, but overall remain at an early stage, and the adoption of converged solutions remains slow. The slow adoption is the result of several issues: a) Some new technologies, such as presence, are not fully understood; b) best practices around use are

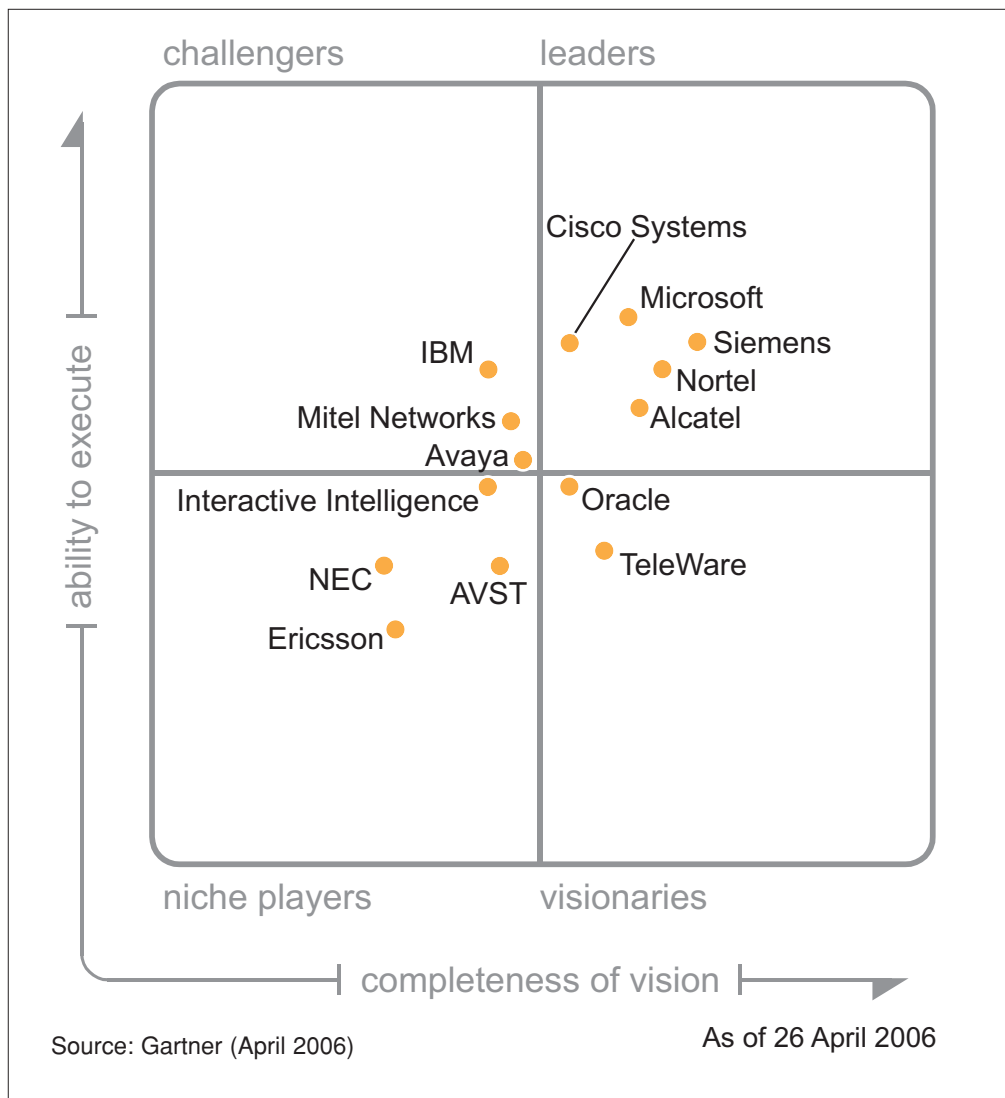
not defined; c) the products are still at an early stage and lack functionality; d) product integration is complex; and e) the business case can be difficult to communicate and is usually based on a soft return on investment (ROI), such as productivity improvements, rather than hard ones, such as cost savings.

Gartner expects these issues to be addressed by 2008 and that UC will be ready for mainstream adoption at that point. As this occurs, companies should evaluate their needs and conduct pilots to better understand the most-effective ways of using UC and which individuals and groups benefit most from them. These trials will also provide feedback regarding which features are lacking, which are most useful, and it will allow the business value of unified solutions to be better understood.

Gartner research suggests that the largest single value in UC lies in its ability to reduce human latency in business processes. This is described in detail in previous research. Briefly stated, the pressure on companies to improve the speed and efficiency of their business processes is enormous. And although a great deal of IT investment has been targeted at making individual worker activity more productive and at making system-to-system communications efficient, generally very little has been offered to improve those processes that are human-communications-intensive. Properly applied, UC can greatly assist in achieving workflow improvements.

UC solutions offered appear to be taking one of three general approaches. One is to bundle much of the functionality tightly together in a single solution; examples of this include the Nortel MCS5100 and the Siemens OpenScope. A second approach is to take a broad existing portfolio of separate communication functions and tie them together through some shared services, such as presence, administration and directories; examples of this include the Cisco and the Microsoft solutions. A third approach is to offer

Figure 1. Magic Quadrant for Unified Communications, 2006



common communications framework or middleware that can then be used by a different unrelated communication applications; IBM and Oracle are taking this approach. Each approach has strengths and weaknesses. The bundled approach makes it easier to offer a solution at a departmental or workgroup level and is useful for pilots or trials,

because the overall expense and commitment is low. The broad established portfolio approach is useful to companies that already have a strong commitment to that vendor, so the approach allows an existing significant investment to be used. Finally, the framework approach is particularly effective when building a communications solution that fits into a

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broader Web services or business application environment.

Another important distinction between vendor solutions is the extent to which they are open to standards and to integration with third-party communication products. Some solutions are primarily intended to enhance and operate on their own IP-PBX or presence environments, while others are clearly intended to interoperate in multiple environments. Some solutions, such as AVST, and conferencing products from Polycom or Interwise, are specifically designed as part of a broader portfolio. Other solutions work primarily on their own equipment. There is no one best approach, so companies must make their decisions by evaluating options in terms of current needs and how they fit with the longer-term strategy.

Market Definition/Description

I. Market Definition

UC is the direct result of convergence in communication networks and applications. Differing forms of communication have historically been developed, marketed and sold as individual applications. The convergence of all communications on IP networks and on open software platforms is allowing a new paradigm for UC and its impact on how individuals, groups and organizations communicate.

Gartner defines UC products (equipment, software and services) as those that enhance individual, workgroup, and organizational productivity by enabling and facilitating the control, management, integration and use of multiple enterprise communication methods. UC products achieve this through convergence and integration of the communication channels (that is, media), networks, systems, and business applications, as well as through consolidation of controls over them. UC products may be made up of a stand-alone product suite or from a portfolio of integrated applications and platforms.

UC products are used by employees for their own communications as well by organizations to support workgroup and collaborative communications. These products also extend UC outside the boundaries of a company to enhance communications between organizations, as well as to support interaction among both very large public audiences and specific individuals.

Five core communication product areas are converging in the current generation of products. As these areas converge, each is also evolving individually: 1) IP telephony and softphones are replacing the PBX; 2) unified messaging is integrating voice mail with e-mail; 3) e-mail itself is evolving toward a more-powerful desktop knowledge and contact management tool; 4) separate voice, video and Web-conferencing capabilities will converge; and 5) IM is expanding its capabilities to incorporate presence for multiple communication methods (sometimes called rich presence) and has become an effective way from which to initiate differing forms of live conversation.

In addition to these five product areas, at least four broader technology and market areas are critically related to UC contact centers, business process integration, collaboration and mobility. All of these broader areas are related to each of the five product areas defined above and to UC products.

Inclusion and Exclusion Criteria

To be included in this Magic Quadrant report, solution providers must show all the following capabilities:

- Significant market presence, which can be demonstrated in two ways — a provider may have significant share in two or more of the five core communication product areas defined above, or a provider may offer significant differentiation or innovation in two or more of the product areas.
- Sufficient sales and operational presence to support market objectives
- Demonstrable UC products
- Ability to generate significant interest by leading client market segments.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	high
Sales Execution/Pricing	standard
Market Responsiveness and Track Record	standard
Marketing Execution	standard
Customer Experience	standard
Operations	standard

Source: Gartner

Added

TeleWare, Ericsson

Dropped

Interwise, Polycom. These vendors were dropped because their solution focuses on only one specific part of UC, and they act as partners to many of the established vendors.

Evaluation Criteria

Ability to Execute

Gartner analysts evaluate UC product providers on the quality and efficacy of the products, systems, tools and procedures that enhance individual, group and enterprise communications. Ultimately, UC providers are judged on their ability and success in capitalizing on their vision.

Completeness of Vision

Gartner analysts evaluate UC product providers on their ability to convincingly articulate logical statements about current and future market direction, innovation, customer needs, and competitive forces and how well they map to Gartner’s overall understanding of the marketplace. Ultimately, UC product providers are rated on their understanding of how market forces can be exploited to create opportunity for the provider and for its clients.

Leaders

The Leaders quadrant contains vendors that are selling comprehensive and integrated UC products that address a range of market needs. These vendors have defined migration and evolution plans for their products in all the core UC markets. The product planners looking at these products and vendors should understand the significant technical and strategic differences among them.

Challengers

Vendors in the Challengers quadrant offer products that are not fully mature or that remain narrowly focused on an installed base but that have the potential to improve.

Visionaries

Vendors in the Visionaries quadrant demonstrate a clear understanding of the UC market and offer a strong technical approach to one or two core areas. However, these vendors have limited ability to execute across the entire set of communication requirements.

Niche Players

Vendors in the Niche Players quadrant offer individual, stand-alone components in many areas but have not yet defined a consolidated product.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	high
Marketing Strategy	standard
Sales Strategy	standard
Offering (Product) Strategy	high
Business Model	standard
Vertical/Industry Strategy	standard
Innovation	standard
Geographic Strategy	standard

Source: Gartner

Vendor Comments

Alcatel

Alcatel's OmniTouch Unified Communication (OTUC) suite is based on a Java framework that provides common directory, Web Services and presence information. This is used by four applications: MyPhone provides softphone capabilities for any device. MyMessaging provides unified messaging integration with leading e-mail systems, including speech access. It also integrates with Alcatel voice mail products. MyAssistant provides flexible personal call routing. MyTeamwork provides triple-play conferencing, IM and presence capabilities. OTUC also offers Web services for business process integration. The four services are tightly bundled with the Alcatel OmniPCX. Alcatel also offers the Genesys Enterprise Telephony Software (GETS) product, which leverages the Genesys CTI as middleware between Microsoft's LCS and MyTeamwork triple-play conferencing. The strength of the Alcatel suite lies in its maturity, Alcatel's use of user profiles to assist in determining needs, Alcatel's mobility solutions and its good understanding of UC. Companies opting for Alcatel OmniPCX should consider deploying the OmniTouch UC Suite, while companies with heterogeneous infrastructure can consider GETS and Alcatel MyTeamwork.

Avaya

The **Avaya** solution comprises many individual parts, some of which are excellent. However, Avaya's approach to UC remains fragmented and needs further integration. Mobility is offered through the One-X family, while individual Multi-vantage applications offer other functions. These include Avaya Modular Messaging, Avaya Meeting Exchange, Avaya Softphone, and Avaya Video Telephony. A promising part of the solution set is the Converged Communications Server, which will offer Session Initiation Protocol (SIP) and Application Enablement Services; however, these are in an early stage and have seen very limited deployment. Other key components, such as rich presence and consolidated reporting, are not yet defined. Avaya has strong individual communication capabilities, a broad set of partnerships and a large client base. However, it must increase the level of integration across its products and define a specific architecture before it can be considered to offer a UC solution.

AVST

AVST's AVST's CallXpress product offers vendor-independent voice mail and unified messaging. The speech assistant product provides real-time voice control and access to live calls, as well as access to calendaring, directory and notification. CallXpress

supports Exchange, Notes and other IMAP-based e-mail environments. Consider this product if you are looking for a platform-independent migration path for voice mail to unified messaging and third-party UC solutions in time division multiplexing (TDM) and Internet Protocol telephony (IPT) environments that scale to 20,000 subscribers per server. Multisite environments are also supported.

Cisco Systems

Cisco Systems significantly advanced its UC portfolio in the past year. It re-branded many of its products with the Cisco Unified (CU) prefix, at the same time it rolled out what promises to be comprehensive SIP support across its product line. Established products include CU CallManager for call-processing functionality, Cisco Unity for unified messaging, and CU MeetingPlace for voice, Web and videoconferencing. It also offers a full set of contact center and mobility products. Currently in the testing phase are CU Presence Server, which will provide aggregated presence and contact preference information, and the CU Personal Communicator, which will provide a desktop user interface to communication functions. Cisco has advanced its strong established product base by developing a next-generation communications road map based on open standards and convergence. Companies that have Cisco communication products should include Cisco in their evaluations of UC solutions and should consider pilot programs. In those portions of the portfolio that are still at an early stage or that involve significant integration, organizations should anticipate possible scalability and reliability challenges.

Ericsson

Ericsson's approach is to provide UC applications by reusing knowledge, technology and architecture from its IP Multimedia Subsystem (IMS) solution. The portfolio is evolved from its One Phone enterprise communications solution, which can be combined with its MX-ONE server based IP-PBX solutions, including a personal assistant, a range of Communications Organizer clients, unified messaging (via an AVST partnership) and the MX-

ONE Solidus eCare contact center solution. The strength of this solution lies in its ability to integrate enterprise communications with mobility options. Its weakness is that it is not well-known or marketed in much of the world. IMS technology, in general, is still at an early stage, so the potential for integration with carrier solutions is limited in the near term. Enterprises with mobility needs could consider this solution.

IBM

IBM's primary UC solution is based on capabilities delivered via Lotus Notes/Domino and Lotus Sametime. However IBM also has communication services planned as part of WebSphere Application Server 6.1 (WAS). Lotus Notes/Domino is offering messaging and unified messaging (in conjunction with partners such as Cisco and Avaya). Lotus Sametime offers IM, presence awareness, location presence, as well as click-to-call, click-to-talk, click-to-conference and Web conferencing with integrated audioconferencing. IBM is also releasing a real-time collaboration gateway to allow interoperation with Public IM networks, including Google Talk and other protocols, including SIP. WAS will support SIP services, including proxy and registrar, providing a platform for third-party communication applications. It will also offer a rich presence server later in the year. Although IBM's UC offerings are still emerging on a convergence path, its communication solutions, when combined with its broad service-oriented architecture and services capabilities, may be effective for enabling partners and clients to create powerful communication applications. Companies with WAS, Sametime, or Notes deployments should review IBM's emerging communication architecture.

Interactive Intelligence

Interactive Intelligence's UC solution, *Communité*, offers voice mail, unified messaging and real-time communications applications in a flexible, configurable solution. *Communité* makes use of Exchange or Notes, offers presence management and real-time call routing controls, such as "find-me/follow-me," and works with a broad range of e-mail and PBX environments. Three-party

conferencing and basic collaboration features are included. As a single-platform bundled suite vendor, Interactive Intelligence also offers UC functionality as part of its contact center automation software, and its Vonexus IP-PBX product. Consider Communité if you are looking for unified messaging functionality that can be extended.

Microsoft

Microsoft's UC solution is based on Live Communication Server (LCS) and its client Office Communicator (OC). Together, these offer presence, IM functionality, call control, a general-purpose client interface and integrations to other live communications. Unified messaging will be offered through their Exchange Server 2007 product, as well as through partnerships. Live Meeting offers conferencing and collaboration but, unfortunately, is currently offered only as a service, not a premises solution. (We expect Microsoft to offer a premises solution in the next version.) Microsoft has partnerships to enable live voice integration, including PBXs and IP-PBXs, and also has native SIP-based voice solutions. Although many of the functions are not yet in general release, or are at an early-stage, together, this represents a strong emerging UC portfolio. These functions can also be integrated with Microsoft Speech Server, Active Directory, Microsoft's various mobility solutions and will be offered as a premises solution through channels or as a service through partners. Organizations interested in UC should understand Microsoft's vision for how communications will evolve and should consider pilots and trials. However, enterprises should understand that this is still an early stage solution. As such, it is likely to undergo significant and rapid evolution and to lack integration and administration across components.

Mitel Networks

Mitel Networks' solution is based on the Your Assistant softphone and collaboration application, which delivers IM, user and device presence, softphone and conferencing. This solution works with Mitel's 3300 IP-PBX and can integrate with Microsoft LCS as a media server. The solution provides call

history, intelligent call-based routing and knowledge management file features, as well. This solution integrates into Outlook, Act, Goldmine and Lotus Notes. Consider the Mitel solution if your company is small or midsize.

NEC

NEC's OpenWorX Communications Portal provides Web access to NEC PBXs and IP-PBXs, allowing individuals to manage their communications from a single interface. The Personal Call Assistant allows individuals the ability to manage the flow of their calls. NEC offers several unified messaging solutions, some through partnerships. It also offers limited conferencing functions. Enhanced functionality and Microsoft LCS integrations are planned. Consider this product if you have a NEC switch and want to expand communications to the desktop.

Nortel

Nortel's UC solution is based on the MCS 5100. It provides a complete platform and solution for conferencing, collaboration, presence, call control and IM services. It can be coupled with CallPilot for unified messaging, and is designed to work with the Communication Server 1000 (CS 1000) to provide a comprehensive scalable voice solution. The SIP-oriented architecture makes it possible to use partner products for many functions and to integrate in SIP-compliant environments. A set of application programming interfaces is offered to support application integration, and Nortel offers a range of mobility options. This product has been in use for several years (introduced in May 2002) and is now mature, stable, full-featured, and scalable. Companies looking for a complete UC platform should consider the Nortel application, especially if they are existing Nortel customers.

Oracle

Oracle's Collaboration Suite provides a set of UC functions. Real Time Collaboration provides Web conferencing, presence and IM. Oracle UM provides e-mail, voice mail and threaded discussions, and Oracle Workspaces provides shared teamwork

environment. Voice communications is offered as a point-to-point solution with Real Time Collaboration, which can also be integrated with third-party conferencing bridges. Additional voice functionality, such as SIP proxy and registrar, is planned as part of future releases of Oracle's Fusion Middleware, which is also the method of application integration. Organizations with existing Oracle deployments should review these solutions.

Siemens

Siemens' HiPath OpenScape product is the most mature and open UC product in the market today. HiPath OpenScape offers desktop and speech communications interfaces with presence and conferencing and works in multiple PBX environments. Related modules are HiPath Xpressions for unified messaging; HiPath ComAssistant for computer-telephony integration (CTI), routing and application integration; and HiPath CorporateConnect to support mobile and remote users. Their solution integrates with Microsoft's Live Communication Server (LCS) and with IBM SameTime. Of particular interest is the approach that Siemens is taking toward offering complete integrations with vertical industry applications. This gives organizations the ability to communication-enable key business processes without having to

make intrusive across-the-board infrastructure changes. Companies reviewing how UC solutions can enable business processes, or that are interested in departmental-level pilots of UC solutions, should consider the Siemens option; it provides a good example of how presence and applications can be integrated into a comprehensive communications solution.

TeleWare

Teleware's UC solution is built around its Intelligent Office suite. It includes presence, routing, intelligent assistance, messaging, voice conferencing, and an SDK for application integration options. It includes the TeleWare SIP-based softswitch, as well as PC- and PDA-based softphones for a flexible set of mobile options. It also supports third-party PBXs and tight integrations with Cisco and Siemens PBXs. Unified messaging is supported through integrations with Notes or Exchange. Web collaboration and fuller support for rich presence is planned for a subsequent release. The company is based in the U.K. and sells directly and through channels in Europe. It has more-limited distribution partnerships in North America and Asia/Pacific. Consider this solution if you are interested in a cost-effective and comprehensive solution. However ensure that you have support in your region.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets, skills, and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements, and so on

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the Web site, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling product that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including verticals.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.