Unified Communications Application: Uses and Benefits

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1.0 Executive Summary

Many benefits of deploying an IP Communications (IPC) system are, by now, well-known and well-documented. However, once the basic IPC foundation is set, there are several additional applications that can leverage this converged IP network even more fully. Quantifying the real productivity gains and out-of-pocket cost savings of these relatively new value-added Unified Communications applications can be challenging for those organizations considering an investment in IPC. Yet if armed with such information, potential adopters could make a far more comprehensive ROI justification for their planned deployments. One source of such information are benchmarks from current users—data which until now has been in short supply.

Based on a survey of over 200 small, medium, and large organizations presently using or planning Unified Communications applications, this paper outlines both the challenges that those applications address and the actual benefits that current adopters experience. This paper presents very specific results that quantify both staff-time and out-of-pocket cost savings that users have experienced by implementing Unified Communications applications, thus giving decision-makers a real-world reference for evaluating the technology.

Throughout the findings presented in this white paper, three general themes that characterize the results are highlighted:

- **Unified Communications applications lead to more effective communication.** Beyond replacing a traditional channel for contacting employees, Unified Communications applications also enable smarter communication. Employees can consult the best method for reaching coworkers before even initiating contact, thereby improving the efficiency in their interactions with others.

- **Unified Communications application benefits include both time savings and cost savings.** Real-world users’ experiences clearly indicate that these applications provide both employee productivity benefits and direct monetary savings. As a result, the ROI case for Unified Communications applications is fairly comprehensive.

- **The level of Unified Communication application benefits increases with deployment scope.** Simply put, the more employees an organization equips with a Unified Communication application, the greater the overall return. While this is an intuitive finding, the size of this effect is dramatic.

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1 Unified Communications applications are defined as applications built on an IP Communications system. These include Unified Messaging, Conferencing and Collaboration (such as voice and video conferencing), Enterprise IM integrated with IPC and SoftPhones, among others.
1.1 The Adoption Context

A typical communications challenge facing many organizations today is an inability to reach coworkers reliably on the first try (see Exhibit 1). Even though communication tools have proliferated, the fact that employees are become increasingly mobile makes collaborating with coworkers more difficult by the day. Workers today have no shortage of means for staying in touch. In fact, the average organization with IPC reports using over six different types of communication devices (e.g., desktop phones, mobile phones, etc.) and five communication applications (e.g., instant messaging, conferencing applications, etc.). However, employee mobility is an ever-present fact of life: on average, current IPC adopters report that 27% of their workforce travels at least once a month.

Working together, these two factors have led to a real communications bottleneck. Even though more tools should lead to easier coworker access, if the devices are not properly integrated the net effect can be counterproductive. In practice, employees must often guess which method (e.g., desk phone, cell phone, email, etc.) is best for reaching their colleagues at any given time. Their first attempts often fail: in fact, 56% of organizations report that employees are unable to contact coworkers on the first try at least on a weekly basis.

Although this scenario might only seem a modest annoyance, it has real economic impact. These internal communication obstacles lead to critical delays over time. In fact, nearly all organizations (93%) at one point have experienced a missed deadline or project delay as a result of impeded access to key decision-makers. Although the questionnaire did not quantify these setbacks in dollar terms, it is clear that being cut off from key team members will jeopardize core business operations in the long run.

\footnote{Note: this average is based on IPC users only; averages for non-IPC users (not recorded in this study) may vary.}
1.2 The Benefits Outlook

How do Unified Communications applications alleviate this communication challenge? While there is no one cure-all solution, Unified Communications applications have proven effective in addressing the employee access issue. Several of the savings reported by the average Unified Communications application user directly relate to improved employee access. For example, employees at organizations using unified communication clients with their IPC save a full 32 minutes a day on average by being able to reach other coworkers on the first attempt. In addition, the average employee using unified messaging saves 43 minutes per day from being able to manage all emails, voicemails and faxes from a single inbox. As these results illustrate, Unified Communications applications are enabling smarter communication practices, by giving workers intelligence that improves how they keep in touch.

Furthermore, as illustrated by the graphic in Exhibit 2, the benefits of Unified Communications applications are cumulative—that is, these applications are unlocking productivity in a wide array of operational areas and the resulting gains generally do not overlap. For example, organizations that use SoftPhones and IPC conferencing experience improvements in mobile employee productivity (time saved from the convenience of SoftPhones) and time savings from easier-to-use in-house voice conferencing.

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3 “Unified Communications client” is a software-based client for desktops, laptops, or other mobile devices that integrates communications applications into a single interface for presence, device awareness, collaboration, video, telephony, IM, etc.
Exhibit 2: Unified Communications Benefits: Beyond Basic IPC Deployment

In addition, Unified Communications application benefits grow significantly with deployment penetration. That is, those with extensive deployments report higher benefits than those with limited roll outs (see Exhibit 2a). In reality, this result makes sense: the more fully accessible employees there are in an organization, the greater the productivity benefit should be for all.

Exhibit 2a: Correlation between IPC application use and level of benefits (time or cost savings)
2.0 Scope & Methodology

With the goal of helping decision-makers to assess the true impact of Unified Communications applications, this white paper quantifies the specific benefits application users report today, including both employee time savings and direct, out-of-pocket cost savings. The questionnaire results from 203 small, medium and large organizations (20 to over 100,000 employees) in this white paper can help decision-makers considering IPC adoption to build the business case at their own organizations.

All participants responding to the questionnaire met the following criteria:

- Responsibility for influencing, evaluating, planning or managing their organization’s IP PBX (pure or hybrid)
- Already deployed, currently testing or planning an IP PBX (pure or hybrid)\(^4\)
- Currently use at least one unified communications application (including instant messaging, voice mail, unified messaging, voice, video or web conferencing, PC-based SoftPhone, Unified Communication client or speech-based access to application)

Respondents represent a wide range of industries, including education, financial services, government, healthcare/pharmaceuticals, manufacturing, professional services and retail/wholesale among others.

\(^4\) “Planning” is defined in the questionnaire as “have already budgeted for (IP PBX) and selected a vendor”
3.0 Unified Communications Applications

While many first implement IPC as a simple traditional PBX replacement, current users have now begun to integrate additional applications to take greater advantage of IPC’s productivity benefits. These Unified Communications applications are being implemented in more and more areas throughout the workplace, as organizations deploy them for an expanding segment of their workforce.

3.1 Application Usage

Adoption of these value-added Unified Communications applications has moved beyond minority status and is entering the mainstream of the IPC user base (see Exhibit 3). Even though this type of progression is expected over time, these data suggest that adoption of these applications is really picking up momentum. For example, 34% of these organizations using IPC have deployed unified messaging and a remarkable 56% use video conferencing (although not necessarily integrated with IPC). Not surprisingly, adoption for newer applications like unified communications clients (19%) is still modest at this time. It is important to note that these statistics only represent organizations that currently use, trial or plan IPC today. Nevertheless, it is clear that IPC is being used for much more than a basic “dial tone” replacement. More and more organizations are exploiting its productivity benefits with increasingly sophisticated applications.

Exhibit 3: Current use of UC applications

Q: Which of the following unified communications (UC) applications does your organization currently use?

<table>
<thead>
<tr>
<th>Application</th>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice Conferencing</td>
<td>83%</td>
</tr>
<tr>
<td>Video Conferencing</td>
<td>56%</td>
</tr>
<tr>
<td>Web Conferencing/Collaboration</td>
<td>50%</td>
</tr>
<tr>
<td>Instant Messaging - Enterprise IM</td>
<td>36%</td>
</tr>
<tr>
<td>Unified Messaging</td>
<td>34%</td>
</tr>
<tr>
<td>PC Based SoftPhone</td>
<td>31%</td>
</tr>
<tr>
<td>Unified Communications clients</td>
<td>19%</td>
</tr>
</tbody>
</table>

N=203

Note: This is not a random sample. Respondents were screened into this survey based both on current use or trialing of IPC as well as currently using at least one of the applications listed in this chart.
Likewise, the size of these application deployments within the organization is not insignificant (see Exhibit 4). Most notably, the average unified messaging deployment reaches a full 52% of employees. Also, those organizations with Enterprise IM report that roughly half (46%) of their workforce is using the technology today. And even a relatively new application like PC-based SoftPhones has already been implemented for 27% of employees. It is apparent that as organizations begin to experience the productivity impact of Unified Communications applications, they are expanding its use in the organization to maximize those benefits.

Exhibit 4: Use of UC applications within organizations

Q: Approximately what percent of your employees are currently using the following unified communications (UC) application(s)?

3.2 Real-World Unified Communications Application Deployments

This expansion of Unified Communications applications in the workplace not only involves provisioning the same technology to more employees but also seeking new uses for each application. In fact, conversations with current IPC users illustrate the range of possibilities for their Unified Communications applications.

For example, Compass Health, a medium-sized healthcare services provider, explains that Unified Messaging has addressed multiple problem areas in their organization. Aside from providing end-users a more efficient means for managing their voice-mail communications, their Unified Messaging system also allows them to broadcast messages to the entire workforce. Their CIO explains, “There are more than 100 employees who
don’t have computers, but each employee has a phone and a voice-mail box. If we need to reach the entire staff, we can (now) do a voice-mail broadcast.”5

Similarly, Mansfield Independent School District, a large K-12 school system, reports that videoconferencing with IPC has enabled several completely new educational capabilities. Not only has videoconferencing allowed for distance learning facilities that can be instantly set up in any classroom, they also enable “Vertical teaming for teachers, where they can collaborate and share information with each other. We even had student club meetings where, for example, several clubs from different schools held one meeting at one time from different campuses,” the district CIO explains. 6

5 A full case study detailing ACHs IPC application experiences can be found at http://www.cisco.com/en/US/products/sw/voicesw/products_category_customer_case_studies.html
4.0 Unified Communications Application Benefits

Just as Unified Communication applications are gaining increased presence in the workplace, so too are the benefits surfacing in more areas throughout the organization. The results from this primary research plainly demonstrate that Unified Communications application users experience a multitude of benefits – both in terms of employee time savings as well as financial savings. Not only do Unified Communications applications bring productivity improvements for mobile employees, they can also favorably change ways in which all employees communicate (see Exhibit 5).

Exhibit 5: Summary of Unified Communications Application Benefits

<table>
<thead>
<tr>
<th>Time Savings from Unified Communications Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unified Communication Clients</strong></td>
</tr>
<tr>
<td><strong>SoftPhones</strong></td>
</tr>
<tr>
<td><strong>Enterprise IM</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Unified Messaging</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Conferencing &amp; collaboration</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Direct Cost Savings from Unified Communications Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SoftPhone</strong></td>
</tr>
<tr>
<td><strong>Conferencing &amp; collaboration</strong></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

4.1 Employee Mobility

Employee mobility is an ever-increasing fact of life these days and IPC can be a primary tool for those who need to travel or simply work off-premises. With the help of Unified Communications applications, mobile employees are becoming more accessible to customers, management and their own coworkers. In fact, the average employee at
organizations using unified communications clients saves a surprising 32 minutes a day by being able to consult the best method for reaching a coworker before attempting to contact him/her (see Exhibit 6). Also, while such applications help users throughout the organization, they benefit mobile employees even more. As illustrated in Exhibit 7, while the average employee saves 43 minutes per day by being able manage their voicemail, email and faxes from one inbox, traveling employees save a full 55 minutes.

**Exhibit 6: Time savings by knowing the best way to reach coworkers**

*Q: On average, how much time do you and other employees at your organization save during a typical day as a result of automatically *knowing the best way to reach your coworkers* (desk phone, IM, cell phone, etc.) before trying to make contact?*

![Bar chart showing time savings](chart.png)

- No time saved per employee per day: 3%
- 15 minutes or less: 25%
- 16-30 minutes: 25%
- 31-60 minutes: 25%
- More than 1 hour per employee per day: 22%

Average time savings: **32 min/day**

N=36
Exhibit 7: Time Savings from using Unified Messaging

Q: How much time does the typical employee save at your organization by being able to check, manage, and respond to all voicemails, e-mails, and faxes from a single inbox?

Q: How much time does the typical traveling employee save at your organization by being able to check, manage, and respond to all voicemails, e-mails, and faxes from a single inbox?

N=66 (Typical employee), N=63 (Traveling employees)

Average time savings
Typical employee: 43 min/day
Traveling employee: 55 min/day

4.2 Employee Collaboration

The growing use of instant messaging (IM) in the workplace has given employees a new and more immediate channel of communication. On average, employees using IM save 31 minutes per day by having this additional means of access to colleagues (Exhibit 8). However, organizations that have also integrated their enterprise IM platforms with IPC often see sizeable added savings with this increased functionality. For example, some integrated IM users can seamlessly transfer an IM chat into a live telephone conversation with a single click. This translates into an average time savings of 53 minutes per day per user (see Exhibit 9)–an impressive result compared to other savings levels reported in the survey.
Exhibit 8: Time Savings by using Instant Messaging (IM)

Q: How much time does the typical employee save per day at your organization by being able to reach any coworker, client, or partner via instant messaging?

Exhibit 9: Time savings from escalating IM session to live phone conversation

Q: How much time has the typical employee saved per day at your organization by being able to escalate an instant messaging session into a live phone conversation with a single click?

Furthermore, this research also demonstrates that the impact of a Unified Communications application is directly tied to the size of its deployment (as a percentage of the total workforce) (Exhibit 9a.). For example, organizations deploying unified messaging for up to 50% of their workforce experience 29 minutes of time saved per...
employee per day (from simplified voice and email communication management). That benefit increases to a significantly higher 56 minutes at organizations with deployments reaching over 50% of their employees. This implies a type of “collaboration” effect – that is, the more employees an organization has who are fully accessible to their colleagues, the greater the overall productivity benefit (since all employees gain from a more responsive workforce).

Exhibit 9a: Benefits by Size of Deployment in the Workplace

<table>
<thead>
<tr>
<th>Question</th>
<th>Benefit Description</th>
<th>Up to 50% of employees using UM</th>
<th>Over 50% of employees using UM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q22</td>
<td>Time saved by checking/managing/responding to voice mails/emails/faxes from single inbox (min/employee/day)</td>
<td>29</td>
<td>56</td>
</tr>
<tr>
<td>Q23</td>
<td>Time saved by checking/managing/responding to voice mails/emails/faxes from single inbox (min/traveling employee/day)</td>
<td>42</td>
<td>67</td>
</tr>
<tr>
<td>Q30</td>
<td>Time saved by being able to reach coworker/client/partner via IM</td>
<td>18</td>
<td>43</td>
</tr>
<tr>
<td>Q30</td>
<td>Time saved by being able to reach coworker/client/partner via IM</td>
<td>23</td>
<td>44</td>
</tr>
<tr>
<td>Q38</td>
<td>Amount in out-of-pocket expenses saved from reduced need to travel due to conferencing capabilities</td>
<td>$1,259</td>
<td>$2,200</td>
</tr>
</tbody>
</table>

4.3 Cost Savings

Beyond the employee productivity benefits, these value-added Unified Communications applications also yield direct cost savings. Two areas where these are readily reported are in voice and web conferencing and SoftPhone use.

Note: all differences displayed this table are statistically significant.
• **Voice and web conferencing savings** – Organizations that have transferred their conferencing service in-house (using their own IPC system) after using a third-party hosted service report a sizeable average savings of nearly 30% for both voice conferencing and web conferencing (see Exhibit 10).

• **SoftPhone savings** – By being able to use SoftPhone applications on their laptops or handhelds, employees no longer depend on cell phone, hotel phone or other landline long distance voice services. The net effect from this phenomenon is very real. In eliminating these per-minute service fees, organizations are saving a total of $1,727 on average per month per traveling employee (Exhibit 11). Note that this total varies considerably, with some reporting over $5,000 per month in savings.

**Exhibit 10: Cost savings from on-premise conferencing**

*Q: Has your organization been able to reduce its expenditures on conferencing as a result of bringing this in-house and running conferencing traffic over your private network (as opposed to using a hosted solution)? If so, approximately how much has your organization reduced its monthly conferencing expenses by doing this?*

<table>
<thead>
<tr>
<th>Percentage of Reduction</th>
<th>Voice Conferencing</th>
<th>Web Conferencing</th>
</tr>
</thead>
<tbody>
<tr>
<td>No money saved per month</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>1 - 10% reduction</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>11 - 25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26 - 50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>51 - 75%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>76%+ reduction per month</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Average expense reduction*

- **Voice Conf.: 29% expense reduction**
- **Web Conf.: 28% expense reduction**

N=102 Voice conferencing users, N=48 Web conferencing users
Exhibit 11: Savings per month due to SoftPhone usage

Q: For employees that are traveling outside of the office, how much is your organization saving in long distance charges, hotel phone charges, and cell phone bills as a result of these employees having SoftPhone capabilities on their laptops or handhelds?

Average savings $1,727 per month

N=55
5.0 Conclusion

While the use of Unified Communications applications is clearly on the rise, this technology is still in its infancy stage. However, by deploying an IPC system today, an organization is laying the groundwork for a new world of potential value-added applications. The projected future uses of IPC in the workplace are varied and far-reaching. For example, retail employees could use Unified Communications applications to track and manage product inventory in real time using voice commands over an IP phone. Doctors and nurses in a hospital could someday gain remote access to patient test results over an IPC system or even discuss via a conference bridge a critical case that has just been admitted as they all rush to surgery. Teachers could take student attendance and even locate their students anywhere in the building all from an IP phone. While most of these ideas are still more concept than reality today, the bottom line is that once an IPC system is in place, the possibilities for new applications are really wide open.

Until now, many organizations have adopted IPC primarily in the name of cost savings. However, as demonstrated in this research, the more organizations exploit IPC as a platform for higher-end Unified Communications applications today the more benefits they experience—both on the employee productivity side as well as in direct cost savings. In addition, future plans for Unified Communications applications strongly suggest that this technology will not only bring operational efficiencies but also provide a real source of competitive advantage in the long run.