

WHITE PAPER

HOW UNIFIED COMMUNICATIONS PAYS FOR ITSELF

Best Practice Tips on Building a Comprehensive Business
Case for Unified Communications

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Table of Contents

1. Introduction	3
2. Communications industry transformation	3
3. Use cases for transformative communications	5
4. Building the business case	6
5. Reducing out-of-pocket expenses	6
6. Improve staff productivity	7
7. Improve communications to optimize processes.	8
8. UC success stories.	9
9. Implementation planning.	10
10. Conclusion	11
11. About the author	12



1. Introduction

Over the past decade, unified communications (UC) capabilities have been developed to enable people to access other people, or to access information much more effectively. This paper describes the foundations of these capabilities, the use cases for innovative UC, the benefits available, and alternative approaches to implementation.

2. Communications industry transformation

There are many factors that drive UC's innovative product developments. One component is the underlying merging of voice, data, and video communications into consolidated architectures. Another is the emphasis by suppliers to bring new solutions to customers. But the critical, long-term driver spurring UC growth is the transformation of the communications industry.

The innovations that are emerging stem from the cascading effects of the communications industry as it changes from being largely vertically integrated within one supplier's products a decade ago, into a horizontally layered, standards-based, increasingly-open environment. In this environment, system components, operating systems, and applications programs may all come from different specialized suppliers. Most of the communications suppliers now focus on software running on standard hardware platforms. Emerging UC concepts and capabilities continue to extend the importance of software to provide value to purchasers and differentiation among suppliers as these trends extend into the future.

The data processing industry went through a similar transformation three to four decades ago. The resulting explosion of creativity in applications programming fundamentally altered business activities for virtually every enterprise on the planet. The communications industry is currently undergoing the same sort of seismic shift.

We see clearly that this new era in communications is characterized by an emerging ecosystem of application developers, partners, and systems integrators. Access to SDKs, APIs, GUIs, and toolkits, all linked to evolving capabilities within suppliers' solutions, increasingly enable third-party developers, in-house experts, and the solutions providers themselves to create applications programs with embedded communications functionality. Thousands of specialized communications-enabled programs are being designed for specific industries' needs, to address generic applications across industries, or created to solve particular business challenges. Some of these are specifically communications-focused. Others are simply better ways to address everyday business issues by incorporating communications functionality within other applications.

How Unified Communications Pays For Itself

The ability to embed communications software into business processes, applications, and workflow programs will transform how an enterprise's work gets done. The result is to eliminate communications bottlenecks, speed business activities, and improve productivity. In many cases, there also are good opportunities to reduce capital expenditures and operating costs.

One of the results of the growth of UC has been the widespread adoption of these capabilities by many vendors. Different suppliers have approached this market with different capabilities, often concentrating their offerings, not surprisingly, on the features and functions that extend core functionality in their existing product lines. UC has therefore spawned the creation of a large number of tools that support these new capabilities and functionalities. These include presence and federation, buddy lists, instant messaging, chat, new conferencing capabilities, collaborative workspaces, mobility capabilities, communication-enabled portals, dashboards for displaying metrics, and other similar tools.

To achieve breakthrough results, it's important to think about communications in a new way. The tools are important, but the tools themselves are not "unified communications." The key is to organize these tools to support communications requirements within a business enterprise's operations – the workflows and processes that create revenues and profits or otherwise help accomplish an organization's goals. UC is "communications integrated to optimize business processes." This definition captures the essence of the way UC can help businesses meet their goals. It's not so much a system as it is a way of thinking about the impact of the next generation of communications capabilities on businesses large and small.

3. Use cases for transformative communications

An important step for discovering ways that UC can impact business is to identify “use cases” – how do people, in the ordinary course of their activities, use communications? And what are the opportunities UC offers? In reviewing many different implementations of UC, most fall into one of two distinct use cases.

■ **UC for user productivity (UC-U)** concentrates on helping individual users better manage their communications. Frequently this includes the use of instant messaging, click-to-communicate, hovering over a name in a document to determine presence status, and rapid set up of audio, video, or Web conferences.

■ **UC for business processes (UC-B)** is focused on enhancing business activities by integrating communications capabilities within workflows and processes.

The use cases for UC-B focus on identifying specific places in workflows or business processes where communications bottlenecks and breakdowns impede meeting goals. My business partner, Marty Parker, first identified these five application areas in a 2007 BCR article. They still describe many of the opportunities available:

- i. **Contact management.** Helping callers reach the intended party, or providing alternatives (“Your party is not available. Would you like to speak to someone on his team?”). The opportunity is to dramatically increase access in order to provide immediate services, answer questions, or provide information.
- ii. **Resource identification for issue resolution.** Resource identification for issue resolution. Finding an appropriately skilled and available individual to timely solve a problem or provide answers. The opportunity is to speed transactions, solve problems more rapidly, and get to the right “skill” as quickly as possible.
- iii. **Collaboration acceleration.** Creating workspaces and providing tools to enable ad hoc or ongoing teams to work together effectively often on a project basis. The impact is to speed project completion, better disseminate information to team members, and make better decisions.
- iv. **Seamless information to mobile personnel.** Facilitating access to people and information sources for personnel working outside of an office environment. This overcomes limitations often imposed on staffers working remotely or relying on mobile devices.
- v. **Communications-enabled portals.** Providing secure access to people and information through the use of browsers and other portal technologies. This can provide access to enterprise personnel from outside the corporate network, or methods to enable secure access for customers, suppliers, and business partners.

Many enterprises tend to begin deployment by focusing on the UC-U opportunities. These are easy to understand, quick to implement, and generally require little training or changes in activity. It's really just about using new tools to do current activities in a new way. UC-B starts by identifying business processes that can be improved by taking advantage of UC's capabilities to streamline workflows and reduce errors, rework, and delays. Many enterprises find that the benefits of UC-B implementations are dramatically greater than UC-U alone.

4. Building the business case

The business case for UC deployment involves considering both cost-saving and revenue-enhancement opportunities. Here are three areas and opportunities for cost savings:

- reducing out-of-pocket expenses
- helping individual staff members be more productive
- improving communications to optimize processes

5. Reducing out-of-pocket expenses

This is an important goal, especially in today's economic climate. And there are a number of opportunities to do this effectively. One of the most visible it is to cut travel expenses. Its benefit is that cost reductions can drop immediately to the bottom line. The challenge, however, is that work still has to be accomplished and travel was frequently necessary to allow people to work together effectively. This is where the collaboration enhancements that UC offers can be so helpful. Collaboration means both connecting people to each other, and sharing documents and other information.

More effective conferencing and access to shared workspace environments can make a real difference. Setting up conferences and even adding additional users is much simpler with internal UC-based solutions than with externally provided services. There are significant cost savings available by reducing the use of external conferencing services. Many companies have paid for their entire UC solution just through these services reductions. The payback from shifting to an internally supported solution is very rapid and the transition for the users is simple. In many cases the current challenges of setting up a conference call in advance can be totally eliminated. Simply glance at your presence-enabled contact list, select whoever is available and needs to be in a conference, and begin!

Another area for out-of-pocket reductions is telephone long distance toll costs and cellular bills. When changing over to an IP-based solution, many companies have seen important cost reductions. Equally important, the use of UC enables users to eliminate calls by using instant messaging to ask a quick question rather than making a phone call. In other cases, checking presence allows users to see that the person is available before launching a call. This approach eliminates making a phone call only to end up in someone's voicemail box. The savings available can be important for mobile calls and especially for international calling.

Finally, some companies have been able to reduce facilities costs by allowing staff to have effective communications tools that allow them to work remotely—from home or when on the road. Over time, moving to a more flexible workforce and allowing remote workers can trim requirements for office space, equipment, HVAC, electricity, and lighting. All of these opportunities can have a real impact.

6. Improve staff productivity

Beyond these examples of out-of-pocket savings, there are significant opportunities to improve individual staff productivity. Some of the benefits are ease-of-use. It's easy to begin an interaction with someone on IM, then escalate that to a phone call, then shift to a conference and bring in a third person, and finally share a document for editing.

Moreover, productivity improvements can improve business processes. Look at how things get done in your enterprise. Frequently, individuals experience significant delays trying to find the right person or the right information to take the next step on a project, or to get approval to move to the next task. Presence-enabled solutions help people to find the resources they need, access managers or experts who can help, or get data communicated to the place it needs to go next.

Simplifying common communications tasks improves productivity. Of course, the challenge is to convert this sort of productivity improvement into a measurable, bottom-line impact. But in today's environment, where headcount pressures are intense, having these productivity enhancements can enable a slimmer workforce to still get needed tasks done.

The ability to click-to-communicate from within a document or email not only speeds access as described above, but because it's easy, people will actually take the brief time to clarify an instruction or comment on an issue. Traditional communications methods impose barriers—telephone tag and email chains, and their challenges actually cause people to decide not to bother trying. The impact is to reduce errors and rework.

7. Improve communications to optimize processes

The previous examples focus on improved efficiencies. There are also demonstrable revenue opportunities when UC tools are incorporated into business processes and workflows. Many of these are based on improved collaboration among a workgroup, department, or project team. The use of UC tools to speed collaboration or find resources among these groups can have dramatic impacts on how work gets done. Shorter sales cycles both speed revenues and improve sales closure rates. New products can be brought to market in less time and with lower development costs. Faster decision-making and rapid problem resolution remove delays from normal business operations. All of these accelerate business processes, which can frequently mean greater and faster revenue recognition.

UC capabilities, properly deployed, can bring improvements outside the company walls as well. One of the biggest opportunities is to build better communication links between a company and its partners, suppliers, and customers. Through federation of presence information and links to other IM engines, staffers can interact more effectively with those outside the enterprise. In other cases, communications-enabled portals can allow people outside the company who have close business relationships with those inside to establish secure communication links. This allows more rapid communications of delivery status, orders, technical information, as well as direct communications between the parties. Enabling these sorts of capabilities simply means that it's easier to do business with the company.

For customers, of course, this turns into greater satisfaction, greater loyalty, and increased business opportunities. For suppliers it means more efficient operations and faster ways to resolve any issues that arise. For partners, communications-enabled solutions make the company "easier to do business with." In today's economy, these sorts of benefits are compelling.

8. UC success stories

Many suppliers have reported dramatic examples and case studies of how unified communications capabilities have made dramatic improvements in their customers' operations. Here is a specific example:

TopLine Federal Credit Union has been serving the Minneapolis/St. Paul, Minnesota metropolitan area for decades. Today it has more than 30,000 members and provides premium personal service "that people can bank on." With numerous full-service branch locations throughout the Twin Cities, TopLine offers quality financial products, competitive rates, low fees, online banking and shared branching services.

By leveraging ShoreTel's integrated unified communications capabilities, TopLine has been able to reduce the amount of time for addressing customer issues. For example, instant messaging is used across multiple sites. By knowing the presence status of subject matter experts in any location at any time, service representatives are able to get the latest information in less time and with less effort. For more complex issues, they are able to escalate an instant message into a phone call with the touch of a button, resulting in rapid resolution of customer issues and enabling superior customer satisfaction.

These innovations have allowed the credit union employees to focus on retaining customers, spending more time with their valued clients, improving service, and creating the most positive experience possible for all of their customers. TopLine management reports savings of support and maintenance costs of over 40 percent, a significant decrease in call wait times, an increase in call completions, as well as out-of-pocket savings by eliminating POTS lines.

9. Implementation planning

UC supports different types of use cases, and a variety of different avenues to cost justification. Similarly, there are also a variety of ways that UC solutions can be deployed.

- In some cases, companies purchase UC functionality and roll it out broadly to all staff. Typically this approach focuses on UC-U opportunities.
- In others, the company will look for specific opportunities for UC functionality to improve selected business processes or workflows (UC-B). This method can require additional upfront planning but typically provides substantially greater benefits.
- Finally, there are techniques to deploy UC-U first and then incorporate UC-B opportunities in the future.

The goal of a UC-U deployment is to enable all staff to gain personal productivity benefits. Quite frequently we find that this approach accompanies the replacement of a legacy PBX environment with a new IP PBX solution. In many cases, the fundamental driver was to replace the PBX, and UC enhancements are viewed as an added benefit. UC-U deployments are often led by the IT or telecom departments with relatively little involvement from business managers.

In a UC-B deployment, the approach is different. Here, the goal is to identify specific business processes in which communications bottlenecks or barriers exist. This means that the IT staff often have to work with someone from business management or operations who can help identify appropriate opportunities. IT understands the system capabilities; the business manager understands where the best opportunities exist.

One effective technique is to review company workflows and processes and look for areas where inadequate communications cause errors, delays, or rework. This is, of course, similar to the use of lean six sigma techniques:

- Start with an overview of the company's processes
- Zero in on those that have high value or high volume and where communication challenges impede the process
- Determine which of these "hot spots" can be mitigated by applying UC capabilities
- Translate these opportunities into use cases for how processes will work and the benefits available
- Organize and prioritize opportunities to create a roadmap of UC projects
- Design an action plan for implementation

In one example, an insurance company claims department identified 63 places where communications bottlenecks slowed the processing and payment of claims. Simple implementation of three UC capabilities helped solve two-thirds of those bottlenecks.

10. Conclusion

If a company has deployed UC-U capabilities, there certainly is an opportunity to go back and gain additional benefits from UC-B. Start by considering the UC-U deployment as “familiarization.” Giving employees time to become accustomed to these new communications functions can help in identifying ways to embed new functionality within the workflows. What’s important is to not stop at the individual productivity benefits of UC-U. Rather, take the time to scan the overall business processes and talk to key line of business managers about areas where communications barriers might exist. It’s quite likely that a senior manager will identify substantial opportunities within a particular department and become the champion for a more targeted UC-B implementation.

Once some particular opportunities are identified, dive more deeply into the specific business processes and workflows. Look for areas where communications challenges impede these processes. Typically, there will be many such opportunities identified. Prioritize the opportunities based on the impact that correcting the problem will have and on the ease of deploying the capabilities needed to improve the situation. Pick a few, high visibility opportunities and work on deploying them effectively. Measure the results in the improvements and use this success to find and encourage other business transformations.

The process can be assisted by creating teams including or led by line of business representatives to go into their own areas and look for additional opportunities. In addition, find ways to capture innovative ideas and publicize them throughout the organization.

These techniques have produced compelling business improvements through the effective use of unified communications. There are hundreds of examples of excellent implementations. As this revolution in communications capabilities becomes ever more widespread, we will see that unified communications will permeate virtually all areas of business, just as data processing and computer technologies did three decades ago.

Why wait? Let’s get started!

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11. About the Author:

Don Van Doren is principal and co-founder of UniComm Consulting, an independent consulting firm that focuses exclusively on unified communications. The firm helps enterprise clients understand the potential for UC in their business, develop strategies appropriate to their goals and opportunities, find specific applications and associated ROI, identify supplier partners, and assist with implementation including project management, change leadership, and metrics. Don is also a co-founder of UCStrategies.com, a portal website which provides information about the UC industry.
