



Understanding the Future of Enterprise Collaboration

How to Optimize Workplace Communication
in the Transition to Microsoft Teams

Commissioned by Polycom

A Frost & Sullivan White Paper



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Microsoft's Journey with Enterprise Collaboration

Enterprise collaboration is becoming a key enabling technology for accelerating the digital transformation across different regions and industries.

Comprehensive and tightly integrated unified communications as a service (UCaaS) solutions enable enterprises to address concerns such as managing multi-vendor environments and skills shortages.

For over a decade, Microsoft has worked hard to establish themselves as a key provider of enterprise collaboration solutions, including voice and unified communications (UC) services. In March 2017, Microsoft launched Teams, a full commercial offering that is automatically provisioned within Office 365. The switch to Microsoft Teams as the main Microsoft cloud communications client interface is expected to have a strong and varying impact on customers' decisions to migrate their enterprise collaboration solutions to the cloud.

Over time, Microsoft has evolved the UC platform to support real-time communications and collaboration, email integration, content management, search, analytics, and other capabilities. Their new focus on intelligent communications is expected to build a framework for the future of efficient enterprise collaboration.

Recently, Frost & Sullivan conducted an online survey of 300 information technology (IT) decision makers across the United States (US), United Kingdom (UK), and Australia, to better understand their thoughts on Microsoft Teams and reasons for choosing Microsoft Office 365 as their collaboration platform. Additionally, it identified their selection criteria, users' current experiences and pain points, and expectations of the enterprise collaboration solutions that will be deployed in organizations.

EXHIBIT 1: INDUSTRY BREAKDOWN

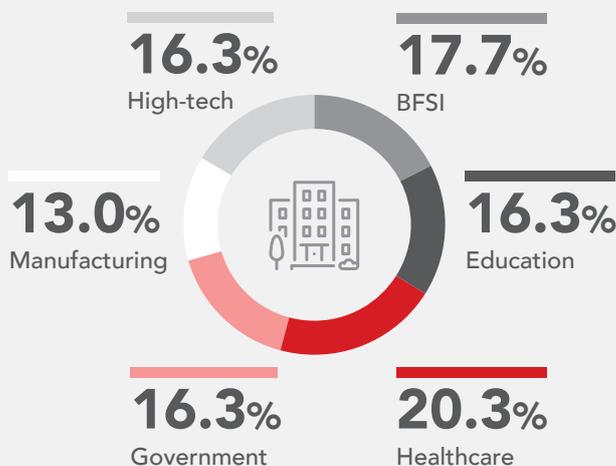
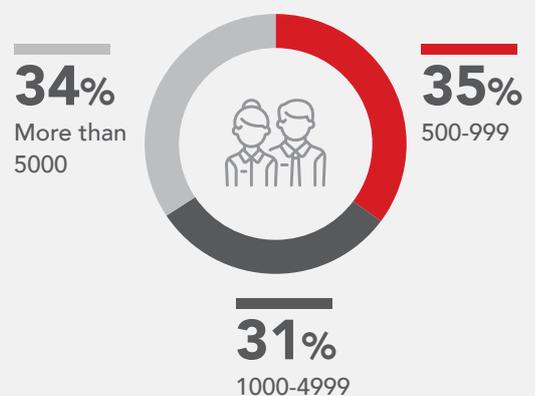


EXHIBIT 2: NUMBER OF KNOWLEDGE WORKER



Source: Frost & Sullivan

New Challenges with a Rise of New Generation of Remote Workers

EXHIBIT 3: NEWLY-GENERATED IT DEMANDS

Source: Frost & Sullivan



By 2025, roughly 75% of the global workforce will be millennials. The workforce of the future is more concerned with flexibility in work style in contrast to previous generations. About 56.7% of the survey respondents indicated that they have noticed the rise of remote employees in their organizations' workforce composition in the past two years. This has led to 'newly generated IT demands' as articulated by the respondents, as communication is a key to keep remote employees connected and engaged as a cohesive team.

Overall user demand for enterprise collaboration has been accelerating due to the proliferation of mobile devices combined with an unending appetite to consume content in all forms. With the onset of Bring-Your-Own (BYO), growing user mobility, and influx of remote employees, Frost & Sullivan believes that advanced and high-quality mobility features can enable UCaaS platforms to differentiate, and appeal to a broader customer audience by offering scalable and customized services to the evolving workforce.

Microsoft's vision is well aligned with the evolving demands by providing a single unified experience with a broad and tightly integrated cloud communications portfolio (Skype for Business or Teams). With the above in mind, Microsoft's position is augmented, as their strengths dovetail with the demands of the remote workforce.

By providing a platform with the highest level of security that is reliable, and easy to deploy and manage globally, Microsoft is laying the necessary foundation for organizations to meet the increasing mobility or accessibility requirements of scalable, on-demand resources. Additionally, ease of use for end-users and IT are not only key reasons for choosing Microsoft as their collaboration platform, but are advantages that better facilitate flexible working.

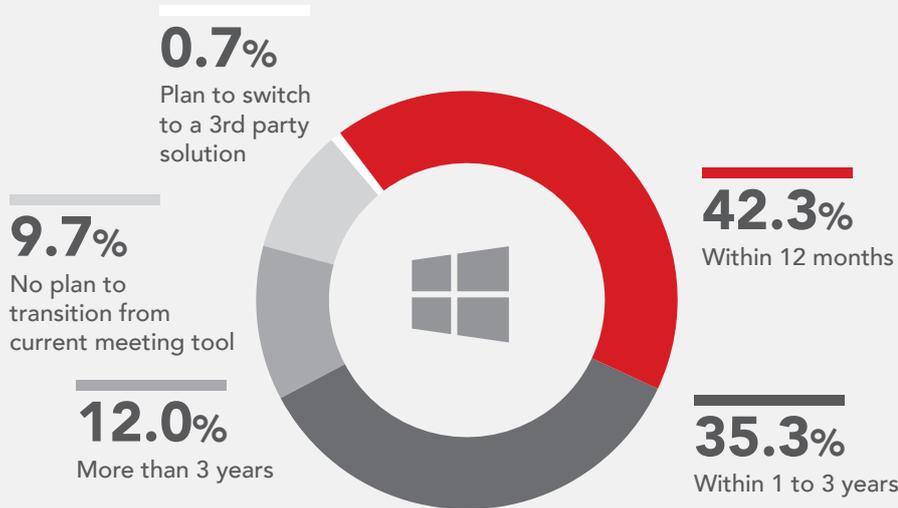
EXHIBIT 4: REASON OF CHOOSING MICROSOFT AS COLLABORATION PLATFORM

Source: Frost & Sullivan



Transition to Microsoft Teams

EXHIBIT 5: PLAN AND TIMELINE TO MAKE MICROSOFT TEAMS AS DEFAULT ENTERPRISE COLLABORATION PLATFORM



Source: Frost & Sullivan

Despite the initial concerns about the shift in technology strategy, customers have been pleased with the rapid solution enhancement that Microsoft has delivered over the past couple of quarters. According to the recent survey, most of the respondents indicated their willingness to stay with Microsoft, with more than 40% of them planning to make Microsoft Teams their primary collaboration platform by 2019.

Email (90%), instant messaging (55%), room-based meeting (52.7%), and voice call (49.7%) are the most adopted functionalities among Microsoft Office 365 users. To deliver smarter calling and meeting experiences with an intelligent communication focus, Microsoft has published a roadmap for rolling out Skype for Business capabilities on to the Microsoft Teams platform.

Based on the survey results, more than 85% of the respondents have migrated at least one of the features on Microsoft Teams in their respective organizations. Messaging (59.7%) is the first wave of migration, followed by video meetings (48.0%) and voice callings (47.7%).

Interestingly, a large number (86.7%) of respondents indicated that their organizations are planning to use Microsoft Phone System as a primary enterprise voice solution or use it as an adjunct to existing phone systems.

Frost & Sullivan expects the installed Microsoft Phone System user base to grow at 10% to 15% in 2018 due to the transition to Teams, and to experience accelerated growth in the three to four subsequent years, at or above projected industry average growth rates (25% to 30%).

The Gaps in Video Conferencing Solutions

According to the survey results, Frost & Sullivan observed gaps between respondents' selection criteria and their experience of video conferencing solutions. The below exhibit shows an impressive number of survey respondents expressing their disappointment with video and audio quality,

despite call reliability being a key criterion for selecting the collaboration solution in their organizations. More than half of the respondents expressed their concern about the choppy video and distorted speech during their video conferencing.

EXHIBIT 6: DECISION-MAKING FACTORS WHEN SELECTING A VIDEO CONFERENCING SOLUTION

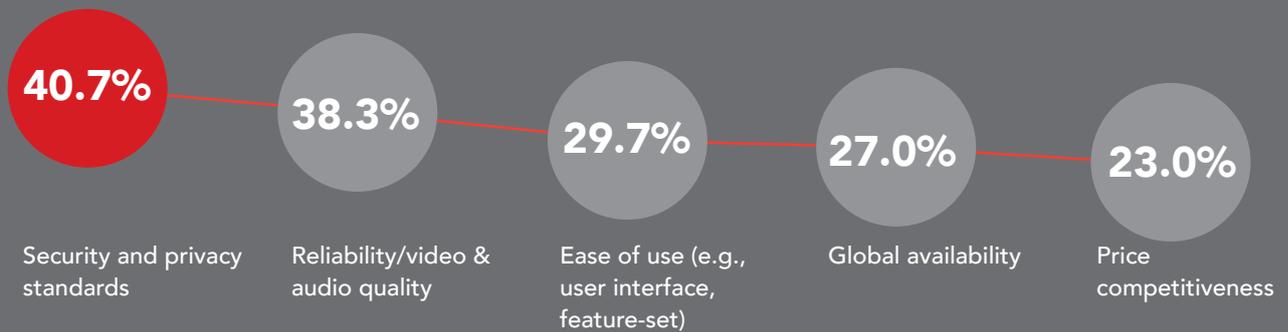


EXHIBIT 7: PAIN POINTS OF THE VIDEO CONFERENCING SOLUTION(S) THAT YOUR ORGANIZATION IS CURRENTLY EXPERIENCING



Ensure Network is Up to the Task

The truth is video conferencing is highly dependent on the underlying networks to deliver real-time audio and video, but network issues can be problematic. For instance, network issue is a key factor in video or audio quality, rather than device or service issues. However, they are difficult to identify and locate.

To bridge the gap between selection criteria and user experience, vendors such as Polycom offer Network Readiness Services as part of the solution design process.

The services are applied by understanding the steps required to ensure the network is ready to handle heavy real-time traffic, where the firewall is configured to allow outbound calls, and also to uncover problems such as network jitters and latencies within their network. As some company networks were not built with real-time traffic in mind, the network assessment provides clear pointers to customers about what needs to be changed and prepared for real-time video conferencing.

Reduce the Complexity and Keep it Simple



One of the most critical considerations for IT deployment is how easy the technology is to use, particularly for video conferencing. With a strong emergence of simpler and cheaper devices, including conference cameras, interactive whiteboards, and other peripherals, more and more meeting spaces are being outfitted with different devices. As a result, video conferencing user experience is riddled with complexities, with 45.7% of respondents expressing their dissatisfaction towards the complex user interfaces of the video conferencing solutions they have deployed, while the interoperability across multiple communication applications and devices remains complex.

Microsoft Teams departed from previous Microsoft UC platforms such as Lync and Skype for Business, which were based on Session Initiation Protocol (SIP). Rather, Teams' protocol is based on Representational State Transfer (ReST), and is a managed architecture where native clients are required on devices, or otherwise connect from cloud video interoperability (CVI) services provided by CVI partners.

To get the most value from Microsoft Teams, companies are encouraged to either choose a native Microsoft video device (Skype Room System), or if they have pre-existing standards-based video endpoints, using a certified CVI service, such as Polycom's RealConnect Service.

RealConnect Service is a cloud-based video interoperability service allowing Microsoft Teams users or Skype for Business users and standards-based video endpoints to connect in Microsoft Teams or Skype for Business meetings.

RealConnect Service leverages Outlook calendaring through the integration with Microsoft services on the backend, which adds a dial-in instruction for traditional video systems automatically. It also includes a calendaring service called Polycom One Touch Dial, which simplifies dialing experiences of Polycom and Cisco video conferencing systems with just one button push. Users can connect to any Microsoft Teams or Skype for Business meeting from a traditional video system without the need to remember any numbers or dial any auto-attendants.

Polycom also added the support for Skype for Business on-premises meetings, which allows organizations currently on Skype for Business on-premises deployment to enable video interoperability through the RealConnect cloud service, with full license portability across Skype for Business on-premises, online, and Teams-based meetings. When the organizations are ready to migrate to Microsoft Teams or Skype for Business online, they can repurpose the same concurrent subscription license for the cloud application, keeping the video interoperability available without any disruption.

Conclusion

Forward-thinking businesses increasingly evaluate advanced communications and collaborations as part of their digital transformation initiatives. As a well-known UCaaS provider, Microsoft disrupted the market with the shift from Skype for Business to Teams, and indicated its intention to leverage contextual information, artificial intelligence (AI) and other technologies to optimize intelligent communications experiences.

Microsoft is dependent on various technology partners, including gateway vendors, endpoints vendors, contact center solution providers, analytics and performance monitoring and management tools vendors. Companies are encouraged to deploy the correct enterprise collaboration solutions to support the effort spent and ensure a unified collaboration.

As Teams is accelerating the adoption of video conferencing in the cloud, the need for an interoperability service that delivers secure and reliable communications solutions will continue to grow. As certain vendors, such as Polycom and Plantronics, have developed entire product lines and end-to-end solutions that cater to these growing needs, Frost & Sullivan believe that these vendors have the opportunity to play an essential role in helping enterprises on their journey to Teams.



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