

Unified Communications: Relevant for growing business?

Speakers: **Michael Rousseaux, Senior Offering Manager, IBM Systems & Technology Group, Business Systems Division, IBM**
 Alan Honor, Unified Communications Business Development Executive, IBM Systems & Technology Group

Michael:

Welcome to today's podcast entitled Unified Communications Relevant to Growing Businesses. My name is Michael Rousseaux. I am the Strategist and Marketing Segment Manager for Unified Communications from IBM's Systems & Technology Group. I also have with me Alan Honor who is our Business Development Executive for Unified Communications.

What I would like to do today is just give you a quick introduction around what this thing called, "Unified Communications". Alan will clearly help us understand some of the business value behind this very large term or umbrella offerings around the Unified Communications market place.

Just quickly the IBM UC² vision is to foster innovation and business agility by making it easier for people to connect with, reach out to, and collaborate with one another through unified experience. What does that really mean and how do you apply that set of capabilities to your business in order to get true value and payback on your investments? Really, Unified Communications is like I said - a set of technologies. It's not one product, its many products that when applied to business processes - to business goals and objectives, you can realize some tangible benefits from a business perspective. By that I mean you can increase your sales by a certain percentage. You can reduce your long-distance charges. Things of that nature that you can really put your hand on and understand the return on investments are areas that we can help you with.

What we will do today is Alan will share a couple of real life experiences that our customers who have embarked on the journey of integrating Unified Communications capabilities into their businesses have received a return on investment that significantly justifies the cost behind some of these technologies.

So Alan, welcome. How can Unified Communications help our listeners businesses?

Alan:

Well there are several manifestations. Namely broadening the reach and creating a more seamless and easier collaboration environment is really what we are after. Today's mobile workers and stationary workers usually have multiple mailboxes, they have multiple telephone numbers, they usually have multiple voicemail boxes and between employee to employee or employees to client or business partner type communications, there is a general hit and miss type

of nature to that beast. All of us have experienced leaving a message and not getting a response only to discover that the particular mailbox was overlooked that particular evening by the respondent.

Unified Communications helps business, any business - collaborate more seamlessly and more reliably. It allows collaborative and seamless transfer of voice messages, e-mail, charts, files, video stream, as well. It eliminates distance and increases mobility capability via conferencing. A lot of conferencing is at a tremendous monthly charge to a 3rd party. Those charges can be eliminated in the return on investment examination for unified communications for any business if there's conferencing being used today. In fact, even a client I saw today had multiple voicemail systems in multiple locations, each with its own maintenance contract all of which can be eliminated. Reduction of wasted time, improvements in efficiency and that sort of thing.

Michael:

That's tremendous Alan. So there are many different areas of technologies that you mentioned that can be applied to businesses. Can you tell us how some of our other customers who have embarked on this journey have utilized the technology to receive some of their return on investment?

Alan:

Yes, I certainly can. One of our favorite references is the Fashion Institute for Design and manufacturing. Roxanne Reynolds Laird is the Chief Information Officer there and she said that since its implementation, the Fashion Institute has saved over 50% of its monthly cost. Several thousand dollars a month of savings. Those costs by the way our circuit costs, staff costs, and all sorts of things that have been made a little more seamless. It is also saving 70% local trunking costs to the telco carrier for the wide area. These are primary rate circuits that are very expensive and depending on how many locations there are, they are accumulative and there are multiple costs around this and they can be eliminated.

Further, it has a foundation. The Fashion Institute for Design has a foundation for growth over the next decade with an expected return on initial investment in less than two years. For them in from a traditional phone and voicemail environment into an integrated VoIP and unified communications environment meant replacing costly asynchronous transfer mode lines, ATM lines with cost effective multiprotocol label switching ones, those MPLS circuits are the classic vehicle through which the savings are appreciated when dealing with multiple locations through the wide area.

That is some of how they've done it. In fact, one last thing is I believe they've eliminated six separate very heat creating, very footprints occupying PBXs. From a green perspective, six less PBXs, a lot of BTUs per PBX were replaced with one piece of software running on an existing System i frame.

Michael:

Thank you Alan. It sounds like there are many areas of the business that customers can start with in terms of adopting or starting down the road of the Unified Communications solution; one area being the replacement of existing PBX or multiple PBX systems and moving to a software-based VoIP. Other areas that I just want to call out are if customers have ever-increasing conferencing charges for external conferencing servers, if they have business applications that they feel are taking too long to process certain transactions that are costing them business on a daily basis, the ability to have one number to reach any of your employees so that rather than playing the phone tag, e-mail tag, fax tag, but you mentioned earlier Alan, being able to reach out to employees through one interface and locate all of their voice messages, faxes and e-mails, really can make a difference in how businesses approach their customers and affect the profitability. Of course the thought around reducing server footprints and really saving on power and air conditioning costs.

Alan, in terms of IBM and our unique value proposition, everybody and all the vendors are talking about Unified Communications and how their product can help organizations. How is IBM's approach different?

Alan:

It's quite different. There are some great point solutions out there. Classic competitors including, Cisco, AVAYA, and others are quite a number and they all have good systems that work quite well. None of those systems are software-based intrinsically and built on standards.

Our solutions are combination of best-of-breed, subject matter sources. For example, IBM with its portfolio of Power Systems platforms, the systems i, p, Blade Center, S, and so on, are already very well infiltrated into the market. There is a lot of faith and a lot of business running on those machines today in the small, medium, and midmarket space. The solutions that we are supporting for these clients are best-of-breed solutions from two of our business partners, Nortel Networks and 3Com Corporation. These two companies both have standards-based implementations on a software platform that runs on the Linux partition on our platforms which provides a very unique financial benefit to our clients.

The functionality is based on standards. That means that the devices in the network, whether they be telephones, whether they be routers and gateways in intra-node trunking are all based on SIP. Because of this advantages will be taken in the future as these networks grow and devices for these networks become commoditized. The cost of these devices today from the point competitors who we have, whose names I've mentioned earlier, sometimes cost say a telephone \$350. We are looking at hundred dollar telephones based on SIP and frankly the way the market is going, we should see sub hundred dollar telephones and devices in these networks in the next year or two that will be available on retail basis. So you're not locking in.

Of particular interest, those investments other than through IBM with our best-of-breed partners are based on a series of features and benefits and a cost to put yet another system, another heat sync and another footprint into the data center. In some cases and in fact most cases many, many servers are involved. Here – on one or two servers we are talking about leveraging an investment that's been made in IBM's platforms that are running either CRM or financial or of ERP systems of any kind for our clients today to be further exploited for greater value.

If you're talking to the chief financial officer, or you happen to be one, it is very, very popular to be able to get more value out of existing investments. Because of that we have pricing advantages in deploying these turnkey type solutions into our client networks. Having to duplicate some of the hardware and increase the cost versus exploiting existing investments, getting the same functionality and greater value is really the balancing act. If those things are of interest to you or your clients, and we can certainly afford the solutions in that capacity.

Michael:

Great, thank you Alan. As you can see and hear, IBM has a lot of value that can be added to organizations to help improve their business processes from hardware technologies to software technologies, for collaborative applications to services that can help organizations evaluate where they can start on this journey down the path to a full Unified Communication's adoption. If you are interested in additional information please contact your IBM sales representatives and you can also get additional information on our website [@IBM.com/lotus/uc2](http://IBM.com/lotus/uc2).

Thank you for listening today.