


# ARE YOU READY for UC change?

STRATEGIC PATH INTERVIEW WITH CHRIS LUXFORD, CEO OF 3D NETWORKS (AUSTRALIA)

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- State of the market
  - Making the right vendor choices
  - Measuring the 'soft' benefits

**SP: How do Australian businesses compare with the rest of the world in terms of deploying convergence and UC? How is the UC market in Australia for 2008?**

**CL:** Unified communications fundamentally changes the way people communicate. Most people are yet to fully understand the true power, productivity and benefits UC provides. And while there are numerous examples of leading-edge deployments, customers in the Australian market are still working through the business case (tangible and intangible) to determine how UC can best meet their business objectives. The Australian market is adopting far

more rapidly than the majority of the remainder of Asia – probably on par with the US and Western Europe.

2008 will be an interesting year for UC. Like IP telephony, which went through a four-year 'testing' period before becoming fully mainstream, my estimation is that the UC testing period will be two years before becoming mainstream in 2009. By mainstream I mean a fully converged desktop, mobile, rich media multi-mode communications platform available to the majority of employees within a given organisation. Not IP telephony with some video conferencing and IM.



**SP: Customers are faced with conflicting choices in UC solutions, such as whether to use presence and IM from the networks or desktop software supplier, or both. How does your company deal with this issue?**

**CL:** This is where unified communications is so powerful... choices! The process 3D follows is a 17-question evaluation that explores the organisation's size, employee, supplier and customer collaboration, the desire for business process change and their IT&T strategy. By exploring these 17 areas we can easily determine the most appropriate path forward.

UC should always be approached with a view to eventually enabling all aspects of the solution, because just approaching it as a presence, IM, or even video conferencing solution will cost more in the long run. We encourage customers to explore mobility, customer interaction, telepresence, application sharing and smart video collaboration as well as the more traditional elements.

**SP: Of the major forces competing in the UC space – IP PBX, desktop software, enterprise application producers, and mobility solution providers – which do you think has the broadest application?**

**CL:** Today no single vendor provides the end-to-end solution. UC today is still confined to users 'inside' an organisation. That is, only users within an organisation get the fullest UC experience and benefit. In simple terms we define a UC solution as one capable of providing (as a minimum):

- Presence.
- IP telephony (including soft and hard phones fully linked).
- Mobility clients (multi-mode).
- Web, audio and video conferencing.
- Application sharing.
- Email and other desktop application integration (especially presence).
- Instant messaging – ability to switch between conversational technologies seamlessly.
- Directory.
- Federation capability for all the above features externally.

While there are many additional features and functions from a variety of UC vendors, these are the core ones.

To deliver the above end-to-end solution from every vendor in the market today you need to piece together a number of products. However it is 3D's view that the market leaders are Microsoft (with Nortel for the telephony component) and Cisco. The dark horses who we believe will bring interesting solutions to the market in the coming years are Google and IBM, but also watch Oracle and SAP.

**SP: A lot is said about quantifying ROI and new metrics for measuring the value or 'soft benefits' that UC offers. What is 3D Networks' take on this?**

**CL:** Let's not beat around the bush here, every investment an organisation makes needs to serve to deliver on shareholder value, be that growth in market cap, dividends or profits. UC does not escape this, so ROI is very important. However traditional IT ROI calculations are not appropriate. Traditionally IT solutions are looked upon to generally deliver one or all of the following: lower costs; faster information delivery; automation; or new channels to market. All of these are tangible and can be, in the main, quantified with financial or empirical data. However UC, if deployed correctly, introduces a number of performance improvement areas:

- Lower costs – very tangible and measured through ROI.
- Savings from telephony costs, IT systems costs (less duplication of communications methods) and reduced IT overheads via a more integrated solution.
- Process change – measured through change management programmes, delivers greater productivity.
- Improved customer satisfaction – measured through customer satisfaction surveys.
- Productivity improvement – measured through time and activity studies. The most obvious here is fewer 'voicemail tag' or multiple communication attempts to get basic questions answered.

**SP: In your opinion are businesses spending enough time and resources assessing their needs before implementing IP telephony or UC solutions? What advice would you give customers who are impatient to deploy?**

**CL:** No, customers are not. The biggest item overlooked is a comprehensive network, server and application/information usage review. This is seen as a high-cost, unnecessary piece of work. However it is absolutely essential. Customers who try to cut costs by not doing this, almost always end up paying more as it results in poor communications services to their employees and



customers. Our biggest advice to customers is, invest the time to conduct these reviews.

The second major area is to ensure there is a comprehensive, long-term communications technology strategy (at least three years) otherwise lowest cost point products will be selected that will have to be replaced, costing more than double over the longer term.

**SP: 3D provides solutions across many sectors from contact centres to healthcare, hospitality and government. What differences have you seen between these verticals? Which are out in front in terms of deployment and who is trailing behind?**

**CL:** To date, UC solutions have been purchased by a broad spectrum of customers, no one vertical or industry has taken a lead. Even traditional IT technology laggards have lead adopters. We believe the key reason for this is that UC is a very 'generic' business tool. Every business needs to communicate and most use phones, emails, IM, etc. Those who are adopting UC understand that empowering communication between employees, customers and suppliers can drive a great deal of benefit.

One thing in common with all customers who have bought UC so far, is that they are buying to take advantage of 2-3 key functions they have immediate need for, but they understand the UC vision and have a multi-year communications strategy. Those not buying UC do not have a communications strategy, rather they see communications as a necessary overhead.

**SP: Is anyone communication enabling their business processes yet?**

**CL:** Yes, the most successful UC deployments are those who approach it as a business process change programme. We have customers who are using UC to provide extensive data to mobile workforces to ensure teams in remote locations can collaborate and even organisations that are RFID tagging objects and having their presence enabled to facilitate faster delivery of service. The key point here is that if people approach UC as just a bunch of communications technologies 'mashed up' they will miss the key point and that is that UC solutions allow you to do business differently, to make it easier and to enrich the experience.

**SP: How important are user buy-in and updating business processes to ensure UC delivers on its promises? Can you give us some examples where this has been successful as well as failure scenarios?**



**CHRIS LUXFORD,  
CEO 3D Networks Australia**

As the CEO of 3D Networks Chris brings to the market a vision for customers to significantly change the way they do business, driving cost savings, increased revenue and improved employee productivity and satisfaction.

**CL:** People like routines, change makes people nervous, thus it goes without saying success comes from everyone embracing the changes to business process. Successful implementations completed by 3D Networks have two very succinct common elements:

- **Enforce use through policy change.** For example, decline travel requests, with telepresence and web, audio and video conferencing solutions as part of UC, an electronic meeting can be as effective as face-to-face with much lower cost. Policy changes in travel, email, telephone calls and information sharing. These policy changes should ensure employees understand the value of the UC solution and how it can enable them to perform their job more effectively.
- **Go broad on business rollout.** UC by its nature requires many users to be connected. If one user has IM and another doesn't they can't interact. Likewise if one has presence and another doesn't it cannot be used. Successful implementations enable all employees and even some non-employees using web access clients.

The primary implementation failures steam from limited deployment and no change management and/or no process change. That it is deployed to a small group of individuals and it is left up to them to choose to use UC. People don't change unless there is a need to change. Thus change management via process change is essential to major adoption of UC and therefore achievement of the outcomes. This is part of 3D's evaluation process – if change is not on the agenda we will advise against rapid and costly deployment. ●

