

Enterprises must solve for employee communication and customer engagement needs, and they are finding that cloud-based UC&C solutions deliver meaningful benefits. The operational agility gained has brought about a 23–25% improvement in running the business and mitigating risks.

Cloud-Based UC&C Migration Helps Solve the Hybrid Work Dilemma

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Questions posed by: Lumen

Answers by: Denise Lund, Research Vice President

Q. It appears hybrid work is here to stay. How are enterprises adapting to and addressing challenges?

A. No business has escaped the changing nature of work arrangements. The past couple of years brought organizations to a point where they simply had to embrace hybrid work or work-from-anywhere arrangements for employees. Recent IDC research shows that at least two-thirds of employees expected to work outside of the office some or all of the time by the end of this year and that businesses are investing in technologies that enable easier, reliable, and more rich communications. Employees needed to efficiently reach each other and customers without having to launch multiple communications apps and pick and choose the right one for their goal, whether messaging or voice call. Employees were suddenly outside of the corporate office and stalled without easy access to the same communications tools they had in the office.

As a result, the timeline for transitioning to cost-effective, scalable, cloud-based solutions shifted for many businesses. According to IDC's March 2022 *Future Enterprise Resiliency and Spending Survey, Wave 2*, roughly one-third (34%) of enterprises made a quick shift to a digital-first strategy after just a year and a half of dealing with the new work arrangements. Approximately one-quarter (27%) said they had already begun their digital transformation path at that point, and 23% said they were just beginning to move in the direction of digitizing their work environment. Taking this a step further, organizations are increasingly looking to cloud-based unified communications and collaboration (UC&C) solutions to deliver parity experiences for employees in and out of the office. This means giving employees access to a cloud-based, integrated set of communications solutions such as advanced voice/telephony, messaging (email, voice, and fax), instant messaging (IM), and presence integrated with collaboration apps such as team collaboration and web conferencing, as well as with contact center software and services if desired. Employees can't afford unreliable communication with their colleagues, and customers expect quality interactions; cloud-based UC&C delivers on both.

Q. What are enterprises looking for now when it comes to communications and collaboration solutions?

A. Enterprises must solve for employee communication and customer engagement needs, ideally using one provider and a scalable, cloud-based solution. Buyers prioritize security, quality, and reliability of communications features and functionality, such as integrated chat, call management, and integration with other UC collaboration apps. Businesses have numerous communications and collaboration challenges to be solved. For example, IDC's 2022 survey of IT buyers found that 28% see security threats as a problem to be solved. Equally high on the list — for 26% of enterprise buyers — is the challenge that IT resource constraints bring to bear on implementing and supporting communications and collaboration tools around the organization. When buyers layer on the need to demonstrate that their technology investment improves the customer experience, the solution feature set and integrations to customer relationship management (CRM) become incredibly relevant to the purchase decision.

For some UC&C buyers in highly data sensitive industries, maintaining security and control of data in-house quickly becomes a priority. Dedicated, hosted UC&C solution options are critical in these cases. Further, enterprises often have to choose to leverage their on-premises, hardware-based unified communications solution at the same time as they begin to transition parts of their employee base to cloud-based UC&C, elevating hybrid UC&C deployment capabilities on their UC&C priority list. IT buyers that find a provider that can meet them at any part of this journey and help create that road map for implementation at their preferred pace often can achieve notable benefits along the way.

Q. As enterprises worked through the transition during the pandemic, what were the results of their digital transformation investments?

A. Investments in digital transformation drove tangible improvements in employee productivity and customer satisfaction, according to IDC's 2022 survey of IT buyers. As a result of digital transformation investments, enterprises realized a 25% improvement in employee productivity and customer satisfaction. They also experienced other tangible cost savings as well as improvements in operational efficiencies and innovation efforts. Even for enterprises that see themselves as only minimally connected as a business so far, digital transformation investments have improved operational efficiencies and helped reduce their business risk. Said another way, the operational agility that enterprises gain from implementing cloud-based connectivity solutions has brought about a 23–25% improvement in terms of how they run their business and mitigate risks.

When we dug deeper into outcomes of enterprise cloud-based UC&C investments discussed in the 2022 research, we discovered noteworthy impacts. For example, 75% of enterprises said their ability to cost effectively support new IT/business initiatives was significant and 50–60% agreed that capex and opex savings were as well. In terms of how cloud-based UC&C investments impacted IT, enterprises pointed to the ability to respond more quickly and efficiently to the changing business demands and the ability to meet regulatory compliance efficiently and support employees from a help desk perspective. These are just a few of the many benefits that enterprises cited. Equally notable were the enterprises' characterizations of the impact of UC&C on employee and customer experience, namely employee morale, productivity, and customer engagement. The quality and reliability of the voice communications are key drivers of success.

Q. For 2022 and beyond, what will define UC&C success in the enterprise's mind?

A. For enterprises, the success of UC&C will ultimately be defined by how successful their transition to cloud-based UC&C is. The successful selection of a partner and the implementation are as important as the day-to-day use of the UC&C solutions. IDC's 2022 research on IT decision makers shows that there is no single metric that defines UC&C solution success. Instead, a number of criteria matter to businesses as they migrate to cloud-based UC&C solutions. To call the cloud-based UC&C solution a success, nearly one half (46%) of enterprise buyers want to see tangible increases in employee productivity, 33% are looking for revenue growth, and 29% are looking for improved customer experiences. Further, IT leadership defines the success of a UC&C deployment in terms of IT cost savings.

Q. What are companies that plan to use contact center software in the next two years looking for?

A. IT and line-of-business leaders find themselves working together to improve the customer experience and can agree on one thing: Successful customer support is paramount to the bottom line. According to IDC research across IT buyers, 20% have an in-house contact center and an additional 20% have an informal contact center. IT buyers want to improve customer satisfaction and give employees the tools to engage with the client via voice, chat, web conferencing, or any preferred mode of communications.

Survey data reveals that 75% of enterprises are using a version of contact center software. This will rise to nearly 90% in two years. Additionally, a different IDC survey of enterprise IT buyers revealed that informal contact center features available as part of a cloud-based UC&C solution will meet the need. One in five organizations either is using or plans to use informal contact center features currently available in its UC&C solution. The takeaway here for IT buyers is twofold: They need to work with the lines of business to understand their needs for customer engagement and management solutions, and they need to select a UC&C solution provider that can solve for the different levels of customer experience management that an organization may want, namely tools that provide informal and formal customer call management and engagement software.

About the Analyst



Denise Lund, Research Vice President

Denise Lund is a Research Vice President on IDC's worldwide telecom team. Her research focuses on advanced communications services including VoIP and unified communications as a service (UCaaS). In this position, she provides coverage of voice communications including fixed and legacy voice (local, long distance, and PRI ISDN) and IP voice (hosted VoIP with/without UC, SIP trunking, IP phone) as well as emerging migration and usage trends occurring in the voice market. In addition to fixed telecom research, Denise's research has a strong emphasis on the UCaaS market, particularly from the perspective of telecom and cable providers and OTT vendors.

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