

The Business Value of Lumen Cloud-Based UC&C and Voice Solutions



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Executive Summary

As organizations plan for the future of their employees' communication and collaboration solutions, many are thinking critically about the value of transitioning to cloud-based voice communications. IT and business leaders are increasingly faced with making decisions about when to move their voice communications to the cloud, balancing historical investments and future goals to enable employees with easier ways in which to connect, share information, and engage with customers. This leaves many organizations eager to find other organizations that have faced similar transitions to cloud-based communication and collaboration solutions.

IDC conducted in-depth interviews to assess the impact for organizations of using Lumen Digital UC&C and Voice solutions. Interviewed Lumen customers reported benefiting from much-improved collaboration and communications performance, agility, and access while establishing more cost-effective services in support of their business operations.

Based on interviews with current Lumen Digital UC&C and Voice customers, IDC calculates that they will realize average benefits worth \$16.01 million per year per organization (\$649,400 per 1,000 users) by:

- **Providing employees with high-quality, efficient, and cost-effective collaboration services**, enabling businesses to deliver timely and high-quality services and support to customers and prospects
- **Enabling employees to better work without regard to time and location**, which is especially valuable for teams such as contact center and sales and marketing teams, which require both flexibility and high performance
- **Delivering cost savings and operational efficiencies** by using the cloud-based Lumen platform, minimizing the number of solutions used, and leveraging Lumen support, expertise, and stronger performance



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BUSINESS VALUE HIGHLIGHTS

308%
three-year ROI

5 months
to payback

\$56.83 million
higher revenue per year
per organization

47%
faster to add a new
collaboration user

32%
contact center
productivity gains

33%
more remote
workers enabled

31%
lower cost
for equivalent
collaboration and
communication
environments

42%
more efficient
collaboration
management

Situation Overview

All organizations want to reap enriched communication and collaboration activities inside and outside of the business. This comes with significant pressure on IT and business leaders to invest in technologies that will not only meet today's financial and operational needs but also grow to meet their future needs. Companies are tasked with justifying the move from older voice solutions, based on legacy technology, that have been deployed and required to be maintained on premises. Organizations recognize that they need to transition to the cloud for their voice and collaboration communications solutions to be able to scale and adapt as their needs as a business change, while keeping employees productive and customers delighted, but often worry if the transition will be financially or operationally a burden.

Not surprisingly, many large organizations are overwhelmed with the number of different vendors they have for the various aspects of their communication and collaboration solutions. Increasingly these organizations look to work with a single provider that can help them design and manage the variety of communications solutions as part of their journey to cloud-based communications. Organizations look to cloud-based voice solutions that have enterprise-grade security throughout, economics that make for attractive return on the evolution to the cloud, and quality and reliability in voice communications.

Lumen Digital UC&C and Voice Solutions

Lumen is a network services provider that delivers a broad range of connectivity services and digital solutions to businesses. Lumen Digital UC&C and Voice solutions give customers flexibility in terms of how they meet their needs on Lumen's connected global network. Lumen offers integration of voice for Microsoft Teams, Lumen Solutions for Webex, Lumen Solutions for Zoom, and Lumen Enablement Services, which is its adoption and consulting solution to help organizations implement, optimize, and migrate legacy voice services to cloud-based voice and collaboration.

Regardless of where the organization is on the journey to cloud voice communications, Lumen is prepared to help its customers modernize communications systems coupled with legacy phone, help manage the complexities that many organizations might fear in migrating from legacy voice solutions to hosted and cloud services, and, finally, help organizations with the transition of their specialty lines (serving elevators, security systems, etc.) to cloud-based solutions.

The Business Value of Lumen Digital UC&C and Voice Solutions

Study Demographics

IDC interviewed IT managers at both midmarket and enterprise-level organizations about their use of Lumen Digital UC&C and Voice solutions. Interviews were in depth in nature and focused on understanding the impact of using Lumen UC&C and Voice from both quantitative and qualitative perspectives.

Table 1 provides firmographic details about the Lumen customers interviewed for this study. Overall, study participants were enterprise level, with an average employee base of 53,630 and median of 11,000, along with annual revenue of \$15.15 billion on average and a median of \$3.73 billion. As shown, there were significant differences in the size and scale of these organizations when classified as enterprise level (i.e., 5,000+ employees) and midmarket level (i.e., fewer than 5,000 employees). While study participants were all headquartered in the United States, many of them use Lumen UC&C and Voice solutions to support distributed business operations, including across numerous geographic markets. The sample also included a mix of experiences by industry vertical, with representation from the healthcare (2), manufacturing (2), food and beverage, hospitality, natural resources, professional services, retail, and technology sectors.

TABLE 1
Demographics of Interviewed Organizations

	Average	Median	Average Enterprise	Average Midmarket
Number of employees	53,630	11,000	104,400	2,860
Number of IT staff	1,183	475	2,220	147
Number of business applications	221	200	283	143
Annual revenue	\$15.15B	\$3.73B	\$26.02B	\$4.28B
Countries	United States			
Industries	Healthcare (2), manufacturing (2), food and beverage, hospitality, natural resources, professional services, retail, and technology			

n = 5 (enterprise), n = 5 (midmarket); Source: IDC Business Value In-Depth Interviews, January 2024

Choice and Use of Lumen Digital UC&C and Voice Solutions

Study participants cited differing specific drivers of their decision to move to Lumen Digital UC&C and Voice solutions but focused on the quality of the Lumen solutions and the strong support capabilities that Lumen could provide. Interviewed Lumen customers understood the criticality of their UC&C and voice environments to their business success, especially with more hybrid workplace environments, but found it challenging with their legacy UC&C and voice environments to reach the right balance of cost, flexibility, quality, and performance. They concluded that Lumen had the right portfolio of solutions and capabilities for delivering high-quality and efficient UC&C and voice services that would enable them to generate more value from their collaboration platforms and tools.

Interviewed Lumen customers provided detailed explanations of the criteria they considered:

Needed enterprise-level solution and wanted vendor support (midmarket):

“We chose Lumen because we needed a solution that was enterprise grade and capable of supporting a permanent work-from-home environment. We looked at Lumen for two reasons: We have a small team and needed to outsource the day-to-day management of general telephony, and we needed a videoconferencing service.”

Replace end-of-life system; Lumen offered quality/flexibility (midmarket):

“We were challenged with equipment failing due to age in terms of supporting it and trying to upgrade ... We really liked the fact that, as a Lumen customer, there’s 24 x 7 monitoring and management available with the solution ... [and] we can scale in many directions based on need.”

Good pricing and strength of overall UC&C and Voice solution portfolio (enterprise):

“We had an on-premises solution and decided to upgrade, and Lumen’s pricing was competitive. We decided that we’d rather go to cloud, which would mean not having to update software or hardware. Lumen had the ability to do all of that with strong solution calibration.”

Table 2 (next page) provides details about study participants’ use of Lumen Digital UC&C and Voice solutions. As shown, study participants rely on Lumen to provide collaboration and communication services to significant shares of their employee bases, with an average of 24,655 employees using Lumen services across all organizations (46,950 users for enterprise organizations and 2,360 for midmarket organizations). Study participants leverage Lumen Digital UC&C and Voice solutions to support varied types of employees, including remote and hybrid workers (45%), frontline workers (29%), knowledge workers (56%), and customer-facing employees (24%).

In terms of collaboration and voice solutions provided by Lumen, study participants reported significant use of Cisco Webex, Lumen Cloud Communications, Microsoft Teams, and Lumen Voice Complete.

TABLE 2

Use of Lumen Digital UC&C and Voice Solutions by Interviewed Organizations

	Average	Median	Average Enterprise	Average Midmarket
Number of internal users	24,655	5,250	46,950	2,360
Users, remote/hybrid	45%	35%	32%	57%
Users, frontline workers	29%	23%	25%	34%
Users, knowledge workers	56%	60%	57%	56%
Users, customer-facing staff	24%	18%	28%	21%

n = 5 (enterprise), n = 5 (midmarket); Source: IDC Business Value In-Depth Interviews, January 2024

Business Value and Quantified Benefits of Lumen Digital UC&C and Voice Solutions

Study participants attributed benefits to their use of Lumen Digital UC&C and Voice solutions that linked back to their ability to provide more cost-effective, efficient, and high-performing collaboration solutions. They reported achieving important gains in collaboration and communications costs, performance, and capabilities with Lumen Digital UC&C and Voice solutions. With Lumen, they have a collaboration platform to provide the tools employees require to communicate and collaborate with each other and customers to drive business success.

Interviewed Lumen customers provided their perspectives on the most significant areas of impact:

Cost savings and streamlined management and support (midmarket):

“The change for us with Lumen UC&C and Voice solutions has been cost savings and the ability to lessen the load of internal servers and the management of it and being able to quickly apply new technologies that are coming out. Consistency has always been there in our environment.”

Reliability, quality, and scalability (midmarket):

“Lumen provides us with a reliable, stable, and scalable communications platform and the ability to use world-class datacenters in real time, all tied around a subscriber line number.”

Flexibility in providing services to employees (enterprise):

“Because Lumen UC&C and Voice is cloud based, we’re not tied to an on-premises setup. Salespeople in the field don’t need to be onsite to pick up what they need to pick up. We can set it up on the fly. They don’t even need to come to the office — we can set it up remotely, whatever their needs are.”

Value of reliability across distributed business locations and activities (enterprise):

“Lumen UC&C and Voice is more reliable because we have multiple paths for our employees to use to get back to our datacenters and back to the cloud and back to using the services across our locations. It’s more reliable for our business purposes.”

Based on interviews with both midmarket and enterprise customers currently using Lumen UC&C and Voice solutions, IDC calculates that they will realize benefits worth an annual average of \$16.01 million per organization (\$649,400 per 1,000 users) in the following areas:

• **Business productivity benefits:**

Interviewed Lumen customers consistently reported that employees work more effectively from having more robust, flexible, and high-performing collaboration and communication tools. They also have seen significant business gains from better communication and working with business prospects and existing customers, which has led to substantial revenue gains for interviewed Lumen customers. On average, IDC puts the value of higher net productivity and revenue attributable to use of Lumen UC&C and Voice solutions at an annual average of \$13.09 million per organization (\$531,100 per 1,000 users), thereby constituting the bulk of value realized by interviewed organizations.

• **IT cost savings and staff efficiencies:**

Interviewed Lumen customers also cited benefits from collaboration cost savings and staff efficiencies as a compelling component of the overall value proposition. With Lumen, they reduce direct costs by moving to a cloud-based and more unified collaboration platform while their IT teams benefit from Lumen support and managed services as well as improved collaboration platform performance.

IDC estimates that interviewed Lumen customers will capture cost savings and IT team efficiencies worth an average of \$2.92 million per year per organization (\$118,300 per 1,000 users).

Business Benefits of Lumen Digital UC&C and Voice Solutions

Interviewed organizations explained that they increasingly rely on having a robust and highly functional collaboration and communication platform to ensure strong business results. They must provide collaboration capabilities that address several distinct trends, including a more hybrid workforce; the need for robust, real-time communication regardless of location; and increasing customer expectations when it comes to the timeliness and quality of services, products, and support.

Study participants reported that upgrading to Lumen Digital UC&C and Voice solutions has allowed them to keep up with these increased demands placed upon their collaboration platforms.

Study participants cited business benefits of using Lumen Digital UC&C and Voice solutions that included:

- Ensuring a high-quality user experience with managed service and improved visibility
- Providing users with anywhere, anytime collaboration
- Integrating field sales team members in real-time business activities

Interviewed Lumen customers consistently noted the relative ease and speed with which they can provide access to collaboration and communications solutions, thereby reducing friction associated with onboarding new hires or putting together new business teams. As shown in **Figure 1**, interviewed organizations provide access to collaboration tools 47% faster and voice 28% faster with Lumen Digital UC&C and Voice solutions.

FIGURE 1
Impact on Collaboration and Communications Agility
(% efficiency with Lumen UC&C and Voice)



n = 10; Source: IDC Business Value In-Depth Interviews, January 2024

Interviewed Lumen customers also consistently reported that their employees can now work more effectively without regard to time or location. This is especially important for organizations with geographically distributed workforces that depend on the quality, availability, and integration of their collaboration platforms. One interviewed Lumen midmarket customer commented: *“With Lumen UC&C and Voice, we had a dramatic spike in how many remote workers we had, because of COVID-19. It went so well that we’re not asking people to come back to the office. We’ve even allowed our employees to move to other states.”* Another midmarket customer detailed the impact on how its employees communicate and work together on a day-to-day basis: *“The reliability of our team’s tool with Lumen UC&C and Voice has definitely helped us out in a lot of ways because we can communicate with each other quickly even though we are in different cities, different countries ... Getting information to people quickly is definitely helping us to be more productive.”*

Improved accessibility, quality, and reliability of Lumen Digital UC&C and Voice solutions has enabled study participants to support more hybrid and remote workers without having to compromise on quality or performance expectations. On average, interviewed customers reported that they can support 33% more fully remote workers and 23% more hybrid workers with Lumen Digital UC&C and Voice solutions (see **Figure 2**).

FIGURE 2
Impact on Remote and Hybrid Work Enablement
 (% increase with Lumen UC&C and Voice)



n = 10; Source: IDC in-depth interviews, January 2024

The positive impact of improved collaboration and communications availability and functionality is especially evident for teams whose effectiveness is largely based on their ability to communicate with each other and customers. For example, several interviewed Lumen customers have seen sales team performance improvements, with a midmarket customer explaining: *“With Lumen UC&C and Voice, we have a much more reliable and stable communication platform. Where we would have had a salesperson working a specific shift, unable to receive calls on mobile or in a home office, now that employee can process orders wherever they happen to be, driving revenue significantly.”*

Overall, study participants reported that their sales teams and contact center employees work in a measurably more effective way with Lumen Digital UC&C and Voice solutions. They attributed an average productivity gain of 32% for their contact center teams and 13% for their sales and marketing teams from use of Lumen Digital UC&C and Voice solutions (see Table 3).

TABLE 3
Productivity Impact for Contact Center and Sales/Marketing Teams

Average per Organization	Before/Without Lumen Digital UC&C and Voice	With Lumen Digital UC&C and Voice	Difference	Benefit
Impact on Contact Center Teams				
Equivalent productivity of contact center team, FTEs	559	737	178	32%
Equivalent productivity of contact center team, net gain, FTEs	559	586	27	4.8%
Value of net productivity	\$39.13M	\$41.00M	\$1.87M	4.8%
Impact on Sales and Marketing Teams				
Equivalent productivity of sales/marketing teams, FTEs	3,260	3,667	407	13%
Equivalent productivity of sales/marketing teams, net gain, FTEs	3,260	3,321	61	1.9%
Value of net productivity	\$228.17M	\$232.44M	\$4.28M	1.9%

n = 10; Source: IDC Business Value In-Depth Interviews, January 2024

Importantly, numerous study participants connected their use of Lumen Digital UC&C and Voice solutions to tangible business gains measured in terms of revenue. They detailed how they have taken advantage of more robust collaboration and communication capabilities as well as enhanced flexibility and scalability to generate new business opportunities and better serve existing customers.

Interviewed Lumen customers provided examples of the business impact of their use:

Foundation for interacting with patients (enterprise):

“The doctors are using Lumen UC&C and Voice solutions for going over and showing a patient their x-rays. We use it in our ads — we don’t say we have Lumen, but we advertise that we have telehealth, a consultation with a doctor right from your home. Prescription reordering can be done remotely. Our marketing people love this.”

Keep up with growing demand (enterprise):

“Lumen UC&C and Voice solutions have allowed us to keep up with the market demand that happened during the pandemic. We didn’t necessarily gain direct revenue, but it could have affected our growth rate. We were able to keep up with the growth rate because of communication [and] collaboration.”

As shown in **Table 4**, study participants attributed sizable revenue gains to using Lumen Digital UC&C and Voice solutions. On average, they reported increased revenue of \$56.83 million per year per organization (\$2.30 million per 1,000 users). For purposes of assessing the financial returns for study participants of using Lumen Digital UC&C and Voice solutions, IDC only considers 15% of this revenue, but that still yields average net revenue gains of \$8.52 million per year per organization (\$345,700 per 1,000 users).

TABLE 4
Use of Lumen Digital UC&C and Voice Solutions by Interviewed Organizations

	Per Organization	Per 1,000 Users
Higher revenue per year	\$56.83M	\$2.30M
Assumed operating margin	15%	15%
Higher net revenue per year	\$8.52M	\$345,700

n = 10; Source: IDC Business Value In-Depth Interviews, January 2024

Cost and Efficiency Benefits of Lumen Digital UC&C and Voice Solutions

While business-related benefits constitute the majority of value that study participants have achieved with Lumen Digital UC&C and Voice solutions, they also consistently reported a strong value proposition from the perspective of costs and operational efficiencies.

From a cost perspective, study participants have benefited from moving to the cloud-based Lumen platform and consolidating from multiple collaboration and communications solutions. This has allowed them to not only avoid costs associated with building and maintaining an on-premises infrastructure for running collaboration workloads but also optimize their spending on licensing and subscription costs. Although cost savings were not the largest financial benefit for most interviewed Lumen customers, many of them considered cost as a decision criterion first in investing in Lumen and then as an important area of value upon beginning to use Lumen Digital UC&C and Voice solutions.

Interviewed Lumen customers named the following as cost advantages:

- Reducing the use of cost-ineffective communication and collaboration solutions
- Consolidating on a single platform with choice of collaboration and communications solutions that fits their needs
- Reducing spend on third-party support for less functional solutions
- Extending solution useful life spans via support and higher quality

Both midmarket and enterprise Lumen customers spoke to the cost benefits they have realized:

Cost savings drive fast return on investment (midmarket):

“We’ve seen significant cost savings with Lumen UC&C and Voice, as high as 30%, with a significant level of improvement in reliability — we achieved over 100% ROI within six months.”

Infrastructure and equipment cost savings (midmarket):

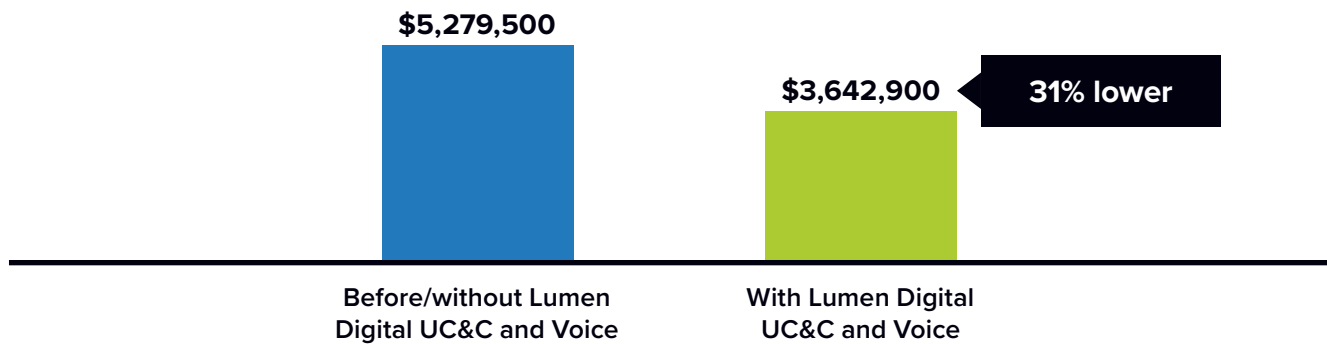
“We’ve reduced costs globally with Lumen UC&C and Voice and removed our footprint for all those services. They were all virtualized, close to 100 servers — those aren’t cheap — that’s where we’ve seen infrastructure costs drop. The other costs that we’ve seen drop are handsets, because we haven’t been deploying new ones — we’ve been making people use soft phones.”

Cost advantages from single platform (enterprise):

“Since we can put the entire organization on one platform with Lumen UC&C and Voice, we have the leverage to communicate with and talk to our salespeople: ‘We aren’t using individual sites, we’re using the entire organization.’”

On average, interviewed Lumen customers reported providing collaboration and communications services to their employees at a 31% lower cost, even as they gain from enhanced manageability, performance, and access. This represents significant average annual cost savings of more than \$1.5 million per year per organization (see **Figure 3**).

FIGURE 3
Annual Cost for Equivalent Collaboration and Communications Environments
(Cost per year per organization)



n = 10; Source: IDC Business Value In-Depth Interviews, January 2024

Study participants also highly value the ease of managing and supporting their Lumen environments compared with their previous collaboration and communications solutions. They understand the challenges of providing robust services across thousands or tens of thousands of employees and consistently cited having Lumen’s support and expertise as valuable in minimizing the operational burden of running and maintaining these environments. Their IT teams no longer have to handle day-to-day responsibilities associated with running an on-premises infrastructure for their collaboration and communication environments, including activities such as patching and updating servers and other hardware.

Interviewed Lumen customers noted the following as driving efficiencies for IT teams:

- Having less need for specialized knowledge because of Lumen-managed support
- Experiencing fewer troubleshooting and service issues
- Avoiding the need to carry out upgrades and updates
- Offering businesses new solutions that reflect the increased value of IT organizations, such as cloud communications

Study participants detailed how moving to Lumen Digital UC&C and Voice solutions has minimized the burden on their IT teams from a day-to-day management perspective:

Minimizing burden on internal staff (midmarket):

“With Lumen UC&C and Voice, we take away the burden of less interesting day-to-day administrative tasks of managing a UC&C environment, which affects the happiness of my staff because they’re doing more interesting work.”

Less time required, more services (midmarket):

“With Lumen UC&C and Voice, IT isn’t spending significant amounts of time supporting legacy hardware or troubleshooting issues related to hardware and software. We can also offer solutions that weren’t previously available, such as cloud communications.”

As shown in **Table 5**, IDC calculates that teams responsible for managing their organizations’ IT environments for their collaboration and communications platforms are 42% more efficient with Lumen Digital UC&C and Voice solutions. These considerable efficiencies mean that interviewed Lumen customers can provide better services to more employees or rededicate valuable staff time to supporting other IT and business initiatives.

TABLE 5
Collaboration Management Team Efficiencies

Average per Organization	Before/ Without Lumen Digital UC&C and Voice	With Lumen Digital UC&C and Voice	Difference	Benefit
FTEs required for equivalent environments	25.7	14.8	10.9	42%
Staff hours per year per 1,000 users	1,959	1,128	831	42%
Annual value of staff time required for equivalent environments	\$2.57M	\$1.48M	\$1.09M	42%

n = 10; Source: IDC Business Value In-Depth Interviews, January 2024

As noted, Lumen Digital UC&C and Voice solutions provide a better and more secure and consistent user experience, which limits the frequency with which users must seek IT support for poor performance or unavailability. An interviewed enterprise customer explained: *“Our ticket volumes are down with Lumen UC&C and Voice. That’s what I can look at for KPIs — ticket volumes, breaches of SLAs, things like that We still get service-level breaches, but the ticket volumes related to the phone system are down.”* Teams responsible for securing their organizations’ collaboration and communication environments benefit from security capabilities inherent to the Lumen platform as well as Lumen’s expertise developed across Lumen’s significant customer base. As a result, study participants reported that their collaboration security teams have seen average efficiencies of 30% with Lumen Digital UC&C and Voice solutions (see **Table 6**).

TABLE 6
Collaboration Security Team Efficiencies

Average per Organization	Before/Without Lumen Digital UC&C and Voice	With Lumen Digital UC&C and Voice	Difference	Benefit
FTEs required for equivalent environments	11.7	8.2	3.5	30%
Staff hours per year per 1,000 users	890	627	263	30%
Annual value of staff time required for equivalent environments	\$1.17M	\$821,800	\$345,300	30%

n = 10; Source: IDC Business Value In-Depth Interviews, January 2024

ROI Summary

Table 7 (next page) provides IDC’s analysis of the benefits and costs for interviewed Lumen Digital UC&C and Voice customers. IDC projects that they will capture discounted three-year benefits worth an average of \$37.98 million per organization (\$1.54 million per 1,000 users) in terms of higher net productivity and revenue, reduced collaboration and communication costs, and efficiencies for IT teams responsible for managing and securing their environments. These benefits compare with average three-year discounted investment costs of \$9.30 million per organization (\$377,400 per 1,000 users).

As a result, IDC calculates that interviewed Lumen customers will achieve an average three-year ROI of 308% and break even on their investment in five months, reflecting the significant value and advantages for them of delivering collaboration and communication services with the Lumen platform.

TABLE 7
ROI Analysis

	Per Organization	Per 1,000 Users
Benefit (discounted)	\$37.98M	\$1.54M
Investment (discounted)	\$9.30M	\$377,400
Net present value (NPV)	\$28.67M	\$1.16M
ROI (NPV/investment)	308%	308%
Payback	5 months	5 months
Discount rate	12%	12%

n = 10; Source: IDC Business Value In-Depth Interviews, January 2024

Challenges/Opportunities

Challenges for enterprises transitioning to cloud-based UC&C and voice solutions often run the gamut, convincing leadership that the shift away from legacy voice solutions will not introduce more security risk, will not yield costs that outweigh the benefits, and will not burden the organization operationally from an IT resource perspective. Embracing the journey with a network service provider that has proven that it understands that the enterprise challenge is full of unique aspects and that minimizing the risk of downtime and system failure needs to be proactively baked into the solution, such as in the case of updated, improved network technologies, and that has already established itself as a single point of contact for the many cloud-based UC&C solutions that an organization may want is valuable. Using a network service provider that has an enablement services continuum of support is even more valuable to help ensure success and efficiency in the transition.

The goal is for cloud-based UC&C and voice solutions to not only improve employees' productivity, relevance, and engagement with other employees and when interacting with customers but also boost IT staff availability to work on other projects rather than spend time and resources maintaining legacy voice solutions.

Conclusion

Organizations are looking to the cloud for voice and collaboration communications solutions that can scale and adapt to meet their employee and customer engagement needs. Of great importance to organizations are identifying and characterizing the financial and operational outcomes of the transition to the cloud. In this study, IDC found that organizations look for cloud-based UC&C voice and collaboration solution providers that can serve as a single provider of enterprise-grade support, with all the advantages such as the quality, flexibility, pricing, and strength of the overall UC&C and voice solution portfolio.

In this study, IDC found that midmarket and enterprise customers currently using Lumen UC&C and Voice solutions realized benefits worth an annual average of \$16.01 million per organization, driven by business productivity benefits and IT cost savings and staff efficiencies. While the benefits and payback periods for investments can vary based on many variables, this study found that the interviewed Lumen Digital UC&C and Voice customers will achieve an average three-year ROI of 308% and break even on their investment in five months, reflecting the significant value and advantages for them of delivering collaboration and communication services with the Lumen platform. Regardless of where an organization is on its transition to cloud-based voice communications, this IDC study reveals benefits when Lumen is the chosen provider to help customers modernize communications systems, help manage the complexities that many organizations might fear in migrating from legacy voice solutions to hosted and cloud services and, finally, help organizations with the transition of their specialty lines (serving elevators, security systems, etc.) to cloud-based solutions.

Appendix 1: Methodology

IDC's standard business value/ROI methodology was utilized for this project. This methodology is based on gathering data from organizations currently using Lumen Digital UC&C and Voice solutions.

Based on interviews with organizations using Lumen UC&C and Voice, IDC performed a three-step process to calculate the ROI and payback period:

1. **Gathered quantitative benefit information during the interviews using a before-and-after assessment of the impact of using Lumen UC&C and Voice:** In this study, the benefits included cost savings, staff efficiencies, higher user productivity, and higher net revenue.
2. **Created a complete investment (three-year total cost analysis) profile based on the interviews:** Investments go beyond the initial and annual costs of using Lumen UC&C and Voice and can include additional costs related to migrations, planning, consulting, and staff or user training.
3. **Calculated the ROI and payback period:** IDC conducted a depreciated cash flow analysis of the benefits and investments for the organizations' use of Lumen UC&C and Voice over a three-year period. ROI is the ratio of the net present value and the discounted investment. The payback period is the point at which cumulative benefits equal the initial investment.

IDC bases the payback period and ROI calculations on a number of assumptions, which are summarized as follows:

- Time values are multiplied by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and manager productivity savings. For purposes of this analysis, based on the geographic locations of the interviewed organizations, IDC has used assumptions of an average fully loaded salary of \$100,000 per year for IT staff members and an average fully loaded salary of \$70,000 per year for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).
- The net present value of the three-year savings is calculated by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for both the assumed cost of money and the assumed rate of return.
- Because IT solutions require a deployment period, the full benefits of the solution are not available during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

Appendix 2: Business Value Calculations

Table 8 provides a detailed view of the quantified benefits that study participants will achieve through their use of Lumen UC&C and Voice, which IDC puts at an annual average of \$16.01 million per organization.

TABLE 8
Average Annual Benefits

Category of Value	Average Quantitative Benefit	Calculated Average Annual Value
Cost savings, UC&C and voice solutions	31% savings, \$1.64M per year in savings	\$1.64M
Collaboration management efficiencies	42% efficiency, 10.9 FTEs, \$100,000 salary assumption	\$972,400
Collaboration security efficiencies	30% efficiency, 3.5 FTEs, \$100,000 salary assumption	\$308,100
Contact center, net productivity gains	32% productivity gain, 178 FTEs, \$70,000 salary assumption, 15% margin assumption	\$1.67M
Sales and marketing teams, net productivity gains	13% productivity gain, 407 FTEs, \$70,000 salary assumption, 15% margin assumption	\$3.82M
Net revenue gains	\$56.83M higher revenue per organization, 15% margin assumption	\$7.61M
Value of net productivity	\$16.01M per organization	

Note: The calculated average annual value includes 3.9 months deployment time in 1 year.

n = 10; Source: IDC Business Value In-Depth Interviews, January 2024

Note: All numbers in this document may not be exact due to rounding.

About the IDC Analysts



Denise Lund

Research VP, Worldwide UC&C and Telecom Services, IDC

Denise Lund is a Research Director 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 that's occurring in the voice market. In addition to fixed telecom research, Denise's research has a strong emphasis on the Unified Communications-as-a-Service (UCaaS) market, particularly from the perspective of telecom and cable providers and OTT vendors. Denise brings numerous years of experience in working with communication service providers in the U.S. and globally, as well as with software vendors in the cloud, app development, and app security markets.

[More about Denise Lund](#)



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Research Vice President, Business Value Strategy Practice, IDC

Matthew is responsible for carrying out custom business value research engagements and consulting projects for clients in a number of technology areas with a focus on determining the return on investment of their use of enterprise technologies. Matthew's research often analyzes how organizations are leveraging investment in digital technology solutions and initiatives to create value through efficiencies and business enablement.

[More about Matthew Marden](#)

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