

AVAYA

**2011 Frost & Sullivan Europe
European Enterprise
Communications Product
of the Year**

FROST & SULLIVAN

2011 BEST PRACTICES
AWARD

EUROPEAN
ENTERPRISE COMMUNICATIONS
PRODUCT OF THE YEAR AWARD

Best Practices in the European ICT Industry

FROST & SULLIVAN EUROPEAN ENTERPRISE COMMUNICATIONS PRODUCT OF THE YEAR AWARD, 2011

OVERVIEW OF THE EUROPEAN ENTERPRISE COMMUNICATIONS MARKET

There are a number of trends and challenges that are constantly shaping the enterprise communications market.

One recent issue come from the consumerisation of the enterprise communications space where employees are beginning to utilize familiar consumer tools for completing work at the office. For example, Frost & Sullivan has observed mounting popularity in terms of smart phones and tablets that crossover freely between personal and professional workplace settings.

A second key trend uncovered by Frost & Sullivan's research is the growing demand for OPEX-based solutions. The vast array of challenges created by the global economic downturn has generated increasing interest in alternative delivery methods for enterprise communications, and in particular, the switch from capital asset ownership to asset usage paid from operating expenses. In part, this shift is helping to drive demand for cloud-based communications offerings.

In addition to the above, other trends have been uncovered related to communications-enabled business processes (CEBP) that help connect people, processes, and information. These are designed to reduce inefficiencies within business processes while optimizing them by bridging the silos that exist between business applications, communications, and business software. Moreover, embedded communications functionality is helping to empower users to take action and make decisions based on information provided directly within the context of their business processes.

Additionally, social media and visual components for communications are now playing augmented roles in business, with general customer awareness of videoconferencing growing rapidly, and web 2.0 tools employed for internal productivity improvement, as well as for customer service.

Today, business end-users demand a seamless interworking between different communications technologies and solutions. The overall trend is towards integrating various communication and business process applications to create open and interoperable solutions that offer customers enhanced vendor choices.

In recent years, the small and medium business segment has grown in importance, becoming the target for a wave of products catering to their specific needs. As a result, communications capabilities that were once reserved for large enterprises have now made their way into the small business segment.

AWARD DESCRIPTION

The European Enterprise Communication Product of the Year Award, 2011 is conferred on the enterprise communications software or hardware product that has proved most valuable to the clients across Europe in 2010/2011.

The contenders for this Award were evaluated on the following key criteria:

- Product Features and Benefits
- Go-to-Market Strategy
- Value for Money
- Market Potential and Customer Adoption

METHODOLOGY

Creating a Shortlist of Nominees

The companies short-listed for each of the Frost & Sullivan Europe ICT Awards were selected by our analysts, based on their expert knowledge and analysis of the market.

The companies were typically studied on their revenues, market share, capabilities, and overall contribution to the industry. The short listed companies were interviewed, and the analysts compared the data collected with proprietary Frost & Sullivan resources, as well as secondary research available from public sources.

Included in the short-list of products from world-class vendors were products designed for to meet the communications needs of a broad range of enterprise types, from small and medium sized companies, to the very largest global corporations.

Selecting the Award Recipient

The companies' profiles were presented to an independent panel of judges to determine the most deserving recipient for each Frost & Sullivan ICT European Award. The panel consisted of distinguished industry executives representing various ICT industry communities including leading IT and communications service providers, telecom vendors and CTOs/CIOs of large corporations.



FROST & SULLIVAN EUROPEAN ENTERPRISE COMMUNICATIONS PRODUCT OF THE YEAR, 2011

Product Features and Benefits

IP Office is an enterprise communications solution designed and targeted towards small and medium businesses.

Avaya's IP Office Advanced Edition, which includes communications tools in addition to the standard telephony functionality, typically serves 5 to 250 users, with a maximum of 384 users. The average size of systems sold so far is around 40 users, making it a true a small business solution. This is a single-server, hybrid system,

which supports IP and traditional telephony, connecting up to 32 sites and scaling to 1,000 users across the network. In addition to basic call handling capabilities and voicemail, the product supports 'built-in' conferencing, as well as call routing; it also includes automated 24/7 self-service, real-time customer service management, and archiving and management of recorded calls. Avaya offers IP Office solutions for power users, mobile workers, office workers, teleworkers, receptionists, customer service agents, and supervisors.

In terms of functionality, each version introduces a richer set of applications and features. Version 6.0 enhanced one-X Portal for IP Office, is a desktop communications tool accessible through the Web with fully integrated instant messaging, in addition to embedded voice calling and presence, advanced audio conferencing features, and point-to-point video communications. IP Office 6.1 is very channel friendly and includes 1 DVD install, as well as interoperability with Nortel IP phones.

The newest version of IP Office (7.0) is also now interoperable with digital, wireless and conferencing phones from Nortel. Following the acquisition of Nortel by Avaya in 2009, Nortel channels and customers are transitioning to Avaya. Avaya also introduced a special migration tool to ensure accuracy of the data and make it easy for partners to install. Currently, all service providers who sell BCM (Nortel's SMB product) globally are moving to carry IP Office as well.

Go-to-Market Strategy

The company has simplified its enterprise communications offering around role-based productivity. For example, IP Office can custom-fit today's 'teleworker', 'mobile worker', or 'customer service agent', eruditely tailored to meet those specific workers' needs. Small businesses no longer need to select from various application options, thereby removing the complexity of choosing the right communications solution for their particular needs.

Designed for working on the road, 'mobile worker' and 'power user' (targeted at executives) are the top best-selling solutions. It is worth noting that in Europe in particular, mobility is a strong driver, with European users purchasing twice as many fixed-mobile convergence (FMC) licenses when compared to their North American SMB counterparts.

IP Office is now available from Avaya's channel partners worldwide, with 88 distributors and 6,300 SMB-focused business partners carrying the product.

Value for Money

Avaya has recognized the abundant demand for OPEX-based solutions, and it is meeting this demand through its partners while offering zero-percent financing to help meet this market need. About a quarter of Avaya's SMB sales are now using the 'monthly payment' financing option. Part of the reason for the success of this solution is that the SMB segment is very price and cash flow sensitive. Additionally, due to current economic conditions, SMBs have limited access to financing. As a result, the OPEX model is especially attractive for them.

Market Potential and Customer Adoption

IP Office is available in all the European markets. Throughout Europe the healthcare, financial and professional services, retail, and education segments are main verticals to have shown interest in this offering to date; it has been particularly successful in Germany.

With over 200,000 systems installed and over 7.5 million users worldwide (with approximately a quarter of them in Europe) IP Office successfully presents SMBs with an easy IP and UC migration path.

ABOUT BEST PRACTICES

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry. awards.frost.com