Service Provider Strategies to Maximize Cloud Collaboration Market Share and Revenue Growth

An Update on the Cisco UCaaS Portfolio

CLOUD COMMUNICATIONS:
AN ESSENTIAL PART OF DIGITAL TRANSFORMATION

Unified Communications as a Service (UCaaS) Can Boost Digital Transformation Outcomes

Advanced digital technologies deliver operational efficiencies, reduce costs and enhance productivity. Digital transformation is critical for growth in a dynamic marketplace.
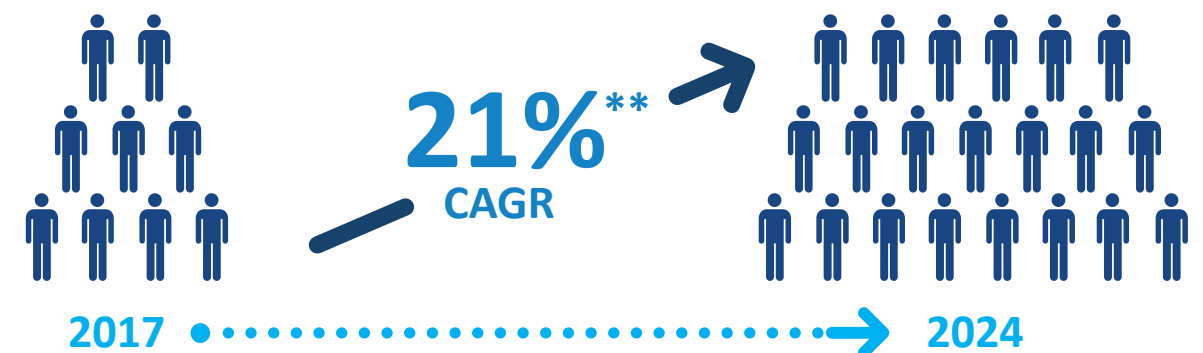
Cutting-edge cloud communications and collaboration tools enable business agility and greater responsiveness to evolving market needs. Forward-thinking organizations are adopting UCaaS to gain superior benefits from digital transformation projects.

The global hosted IP telephony and UCaaS market is growing rapidly. The global installed user base will expand at a CAGR of 21% from 2017 to 2024.

Cloud communications adoption is exploding.

85%* have moved part or all of their **communications** solutions to the cloud

51%* have moved part or all of their **telephony** solutions to the cloud

Providers must capitalize on the momentous growth opportunity.

21%* CAGR

2017 2024

* 2017 global Frost & Sullivan survey of 1,934 IT investment decision makers
** Global hosted IP telephony and UCaaS user base

Source: Frost & Sullivan

SELECTING THE RIGHT UCAAS PROVIDER IS MISSION-CRITICAL

Successful Cloud Migration and Digital Transformation Require Careful Provider and Solution Selection.

UCaaS Provider Selection Factors Early in the Process, U.S., 2018 *

Factor	Value
Vendor reputation in the industry	35%
Customer testimonials	26%
Initial sales pitch	20%
Channel recommendation	13%
End-user preferences	6%

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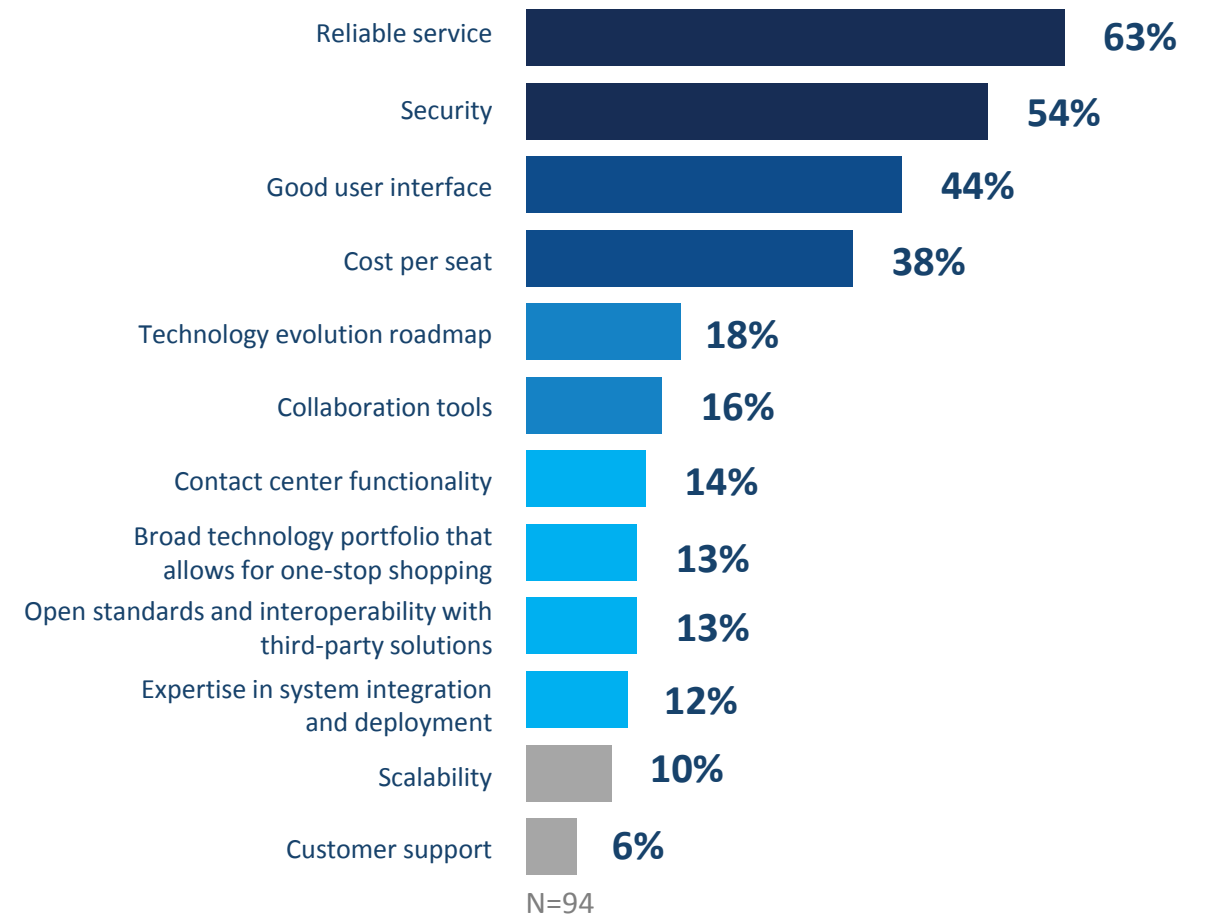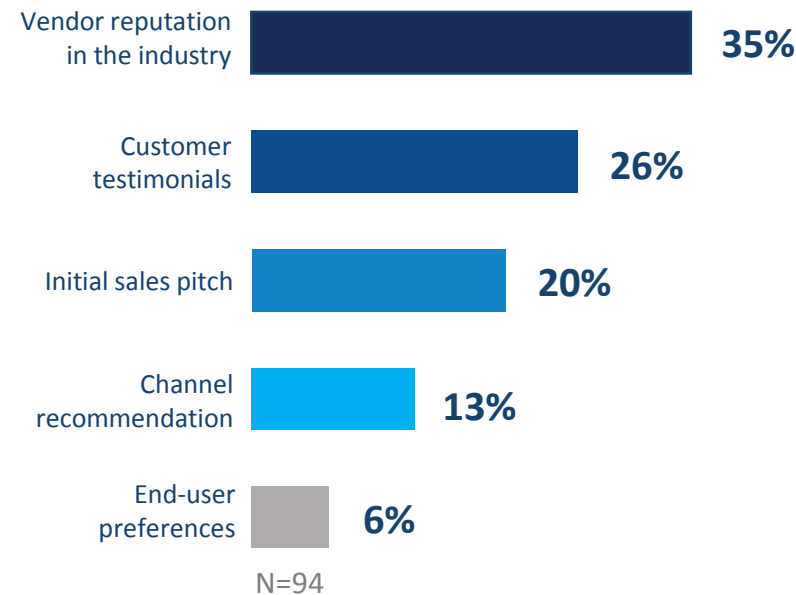
*2018 U.S. Frost & Sullivan survey of 184 U.S. UCaaS investment decision makers

Customers key-in on vendor reputation early in the UCaaS provider selection process.

Decision-making Factors in Final UCaaS Provider Selection, U.S., 2018*

Factor	Value
Reliable service	63%
Security	54%
Good user interface	44%
Cost per seat	38%
Technology evolution roadmap	18%
Collaboration tools	16%
Contact center functionality	14%
Broad technology portfolio that allows for one-stop shopping	13%
Open standards and interoperability with third-party solutions	13%
Expertise in system integration and deployment	12%
Scalability	10%
Customer support	6%

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Service reliability and security determine the final decision.

Source: Frost & Sullivan

TELECOM CARRIERS POSSESS STRONG COMPETITIVE ADVANTAGES

Robust Technology Assets, Industry Expertise and Market Power Address Key Customer Requirements

Key Customer Requirements

Voice Services Expertise
- Compelling SLAs for mission-critical voice and video services

Network Ownership
- High QoS and uptime
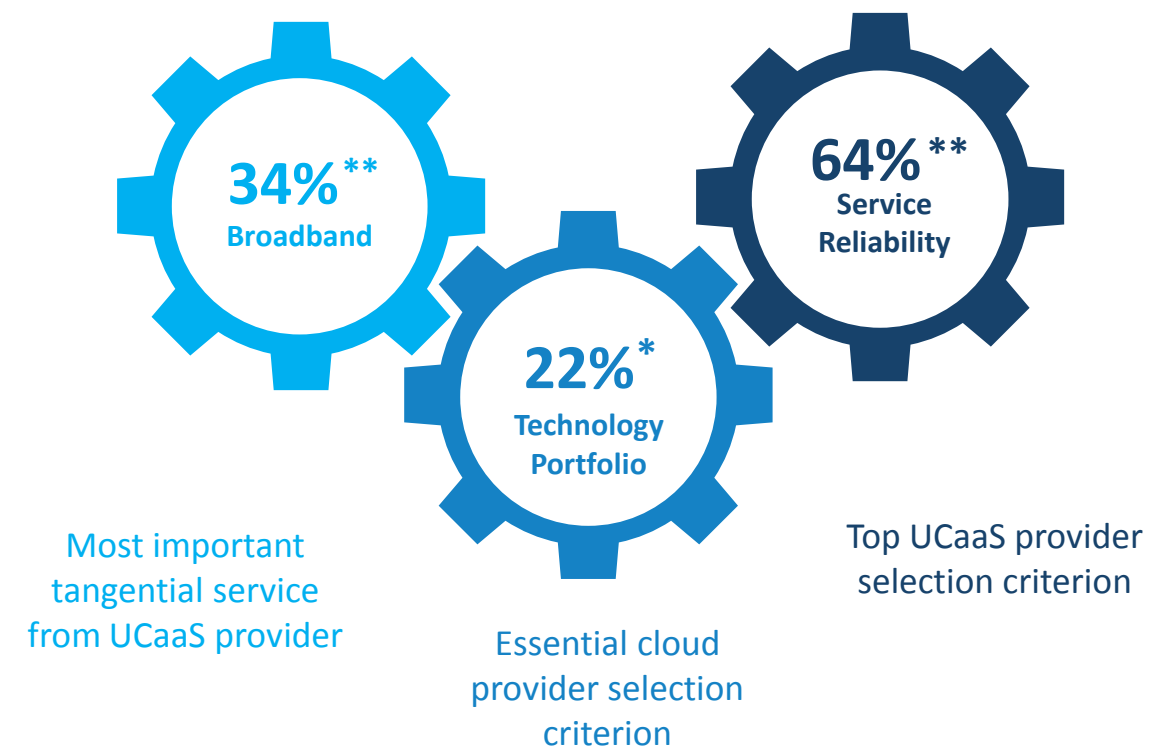
Geographic footprint
- National and international reach

Broader services portfolio
- One-stop shopping

Brand power
- Familiarity, proven track record and overall market power

34%** Broadband

22%* Technology Portfolio

64%** Service Reliability

Most important tangential service from UCaaS provider

Essential cloud provider selection criterion

Top UCaaS provider selection criterion

* 2017 global Frost & Sullivan survey of 1,934 IT investment decision makers

* * 2018 U.S. Frost & Sullivan survey of 184 UCaaS investment decision makers

Source: Frost & Sullivan

SIX TELECOM SERVICE PROVIDER STRATEGIES FOR SUCCESS

Resourceful Providers are Well Positioned to Win

1. Complete collaboration solutions
- Calling, messaging, meetings, teams, endpoints
- Tight integration across applications and devices

2. Comprehensive services and equipment portfolio
- Broadband, SIP trunking, Wi-Fi, SD-WAN, MPLS, mobility, security
- Endpoints, switches, routers, gateways, SBCs

3. Best-in-class mobility
- Native mobile UCaaS, voice/video over LTE

4. Flexible cloud migration options
- Unified OPEX billing for CPE and cloud
- License transfers
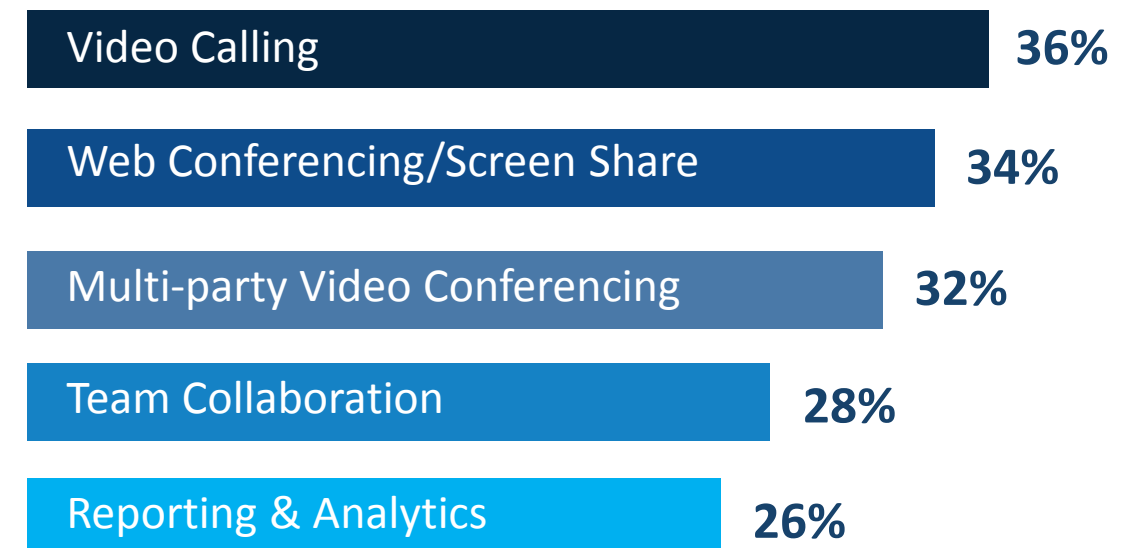- Hybrid cloud/on-premises architectures

5. Service deployment agility
- Rapid feature and upgrade roll-out

6. Greater digital sales and marketing presence
- Digital channels, online portals

Most Important UCaaS Features*

Feature	%
Video Calling	36%
Web Conferencing/Screen Share	34%
Multi-party Video Conferencing	32%
Team Collaboration	28%
Reporting & Analytics	26%

Telecom service providers must broaden their cloud collaboration offerings and improve delivery agility.

* 2018 U.S. Frost & Sullivan survey of 184 UCaaS investment decision makers

Source: Frost & Sullivan

CISCO'S COMPREHENSIVE PORTFOLIO HELPS DELIVER GREATER CUSTOMER VALUE

A Strong Fit for Service Provider Growth Strategies

Cloud Calling
- Industry-leading call control via Broadworks and HCS
- Solutions for cost-conscious SMBs, as well as mid-market and large enterprises seeking greater customization
- Native mobility via IMS architecture

Advanced Collaboration
- Cisco Webex Meetings, Calling and Teams

Cloud Contact Center
- Cisco Contact Center for HCS
- Cisco Customer Journey Platform

On-premises—Cloud Hybrid Architectures and Migration Flexibility
- Cisco Collaboration Flex Plan

Telecom Service Provider Deployment Models
- Complete UCaaS solutions deployed on partner networks
- Call control on partner networks with advanced collaboration as a SaaS overlay
- Call control and the full UC&C stack outsourced as BroadCloud services

Communications Endpoints and Infrastructure
- Complementary routers, switches, media gateways, and SBCs
- Desktop phones, conferencing endpoints, soft clients and headsets

Channel Support Services
- Channel Support System
- Channel Services Program

CISCO AND TELECOM CARRIERS—BETTER TOGETHER

Provider Focus Must be on Comprehensive Solutions that Deliver Enhanced Customer Value

Cisco is uniquely placed to boost service providers' cloud communications strategies through:

1. Comprehensive and integrated collaboration solutions portfolio, including advanced mobility

2. Accelerated product delivery with super-slim agile hybrid core

3. Compelling technology licensing models

4. Enhanced hybrid cloud/premises-based solution support

5. Flexible enterprise cloud migration options

6. Tailored channel support services

7. Excellent brand recognition

Best-in-Call Mobility

Bundled Services & Equipment

Comprehensive Collaboration Portfolio

Flexible Cloud Migration Options

Sales & Marketing Agility

Services Deployment Agility

Cisco and its Telecom Carrier partners must leverage their complimentary assets to further strengthen their market positions together.

Source: Frost & Sullivan

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