

Magic Quadrant for Unified Communications

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Unified communications offer the ability to improve how individuals, groups and companies interact and perform tasks. Companies should review how the new generation of communication systems can improve their business operations and processes.

WHAT YOU NEED TO KNOW

Unified communications (UC) offer the ability to significantly improve how individuals, groups and companies interact and perform. UC also enable multiple communication channels to be coordinated. In some cases, separate servers may be consolidated, but more frequently, UC adds functionality to existing communication investments and servers. Key technologies include Internet Protocol-PBX, voice over IP (VoIP), presence, e-mail, audioconferencing and Web conferencing, videoconferencing, voice mail, unified messaging (UM) and instant messaging (IM). Another key capability of UC is that it offers a method to integrate communication functions directly with business applications; Gartner calls this capability “communication-enabled business processes” (CEBP).

Although there is significant interest in UC from many enterprises, it remains a daunting and confusing topic. As a result, many enterprises find it difficult knowing where and how to start. One approach is outlined in “Developing an Enterprise Unified Communications Road Map.” This advises enterprises to review their inventories of communication equipment and business partners, then develop a vision for where their communication could be in five years. This can be accompanied by developing a UC center of excellence; this group brings individuals together from multiple areas, including IT operations, business applications and the line of business. This group then provides broad guidance and direction for the plans.

No single vendor product addresses all an enterprise’s UC needs. As a result, planners should not expect their UC requirements to be met by one vendor’s products: UC solutions require vendors’ products to be interoperable. As a result, this evaluation considers how well vendors can work with other vendors, and enterprises should consider this an important criterion.

The term “unified communications” sometimes is misused. This results in confusion. Users should be aware that some products that are labeled as “unified” cannot be integrated with other vendor products into a full portfolio. These mislabeled products are capable of being used only in a stand-alone and nonintegrated manner.

Many leading enterprises are developing UC road maps and plans, and some have trial or phased deployments under way, but only a few enterprises have a fully integrated communication environment. Adoption should continue to increase through the next several years as UC technology solutions mature and enterprises update their installed bases of communication infrastructures.

This research reviews relevant technologies and vendor offerings that can assist in these goals (see Figure 1).

MAGIC QUADRANT Market Overview

The UC market and its technologies continue to mature, and end-user companies have reported successful deployments. However, the market and products remain at early stages of maturity, and adoption of well-integrated solutions remains slow. This slow adoption is the result of multiple technical and organizational issues, including:

- Enterprises have large investments in communication infrastructures that must be preserved; this leads to a slower evolutionary approach, rather than to the faster revolutionary “rip and replace” approach.
- Many applications and products are complex to deploy and may require organizational changes.
- The business case frequently is based on a soft return on investment (ROI) or a strategic investment, such as productivity improvements, rather than on hard ROIs, such as cost savings. As a result, in a conservative economy, deployments occur more slowly, perhaps as part of a broader technology update.

Gartner expects these barriers to be resolved slowly and that, by 2010, UC will become an accepted part of enterprise communication road maps and investments. As UC technologies and products are deployed, challenging organizational issues will surface and impede deployments. Some ways of addressing these organizational issues are described in “Organizing for Unified Communications.”

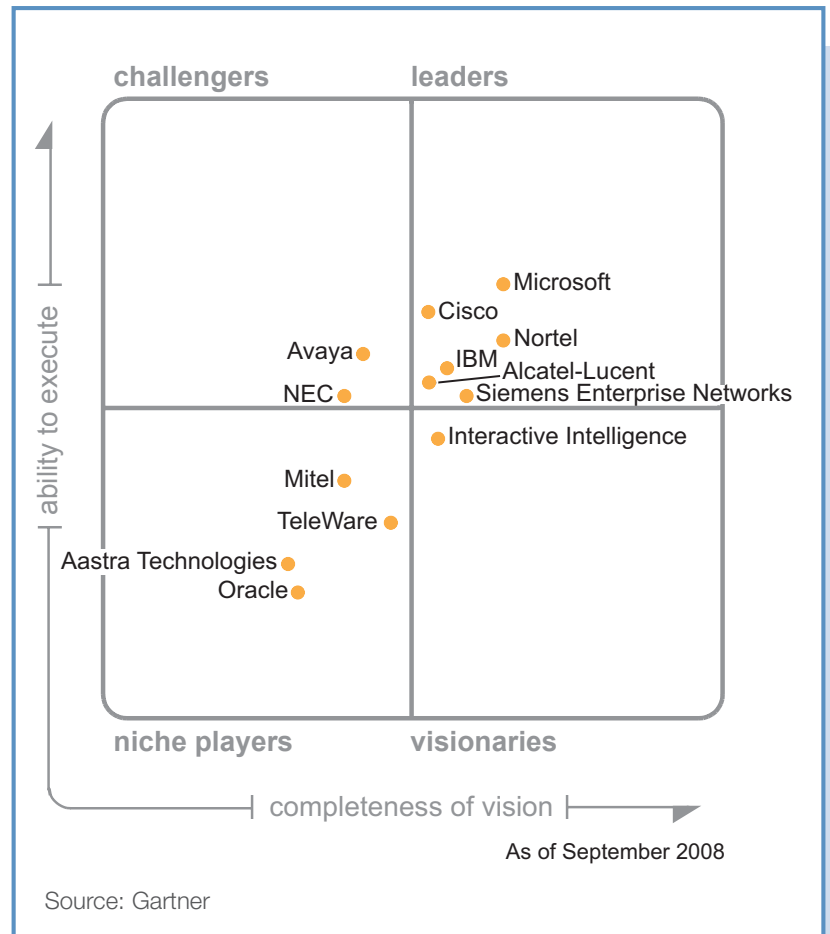
Enterprise UC solutions from vendors often reflect the vendors’ specific strengths and backgrounds. Gartner has identified five approaches to UC; each is optimal in addressing different requirements and originates from a different technology base. The five approaches to UC are:

- Telephony-centric approach, which is rooted in IP-PBX and UM technologies
- Tightly bundled UC and collaboration approach, which focuses on a preintegrated set of functions
- E-mail and collaboration-centric approach
- Best-of-breed portfolio approach
- Integrated on-premises-service approach

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Figure 1.
Magic Quadrant for Unified Communications



These approaches are described more fully in “Determining Which UCC Approach Best Fits Your Planning Cycle.” Each approach has its strengths and weaknesses. Many enterprises will find that they must use a combination to develop a complete road map.

Another important distinction among vendor solutions is the extent to which they are open to standards and to integration with third-party communication products. Some solutions are intended primarily to enhance and operate on their own IP-PBX or presence environments. Others clearly are intended to interoperate in multiple environments.

However, there is no one best approach, and no one vendor offers everything an enterprise needs for communication. Companies must make decisions by evaluating the emerging options based on

needs and how the options fit with the business's longer-term strategies. Because most enterprises will end up with communication solutions from multiple vendors, enterprises should ensure that the different products can interoperate and should consider the depth and quality of integration among the products.

Many vendors offer strong, partial UC solutions but were not included in this Magic Quadrant, because the inclusion criteria require that vendors have strong on-premises solutions in at least three of the six key technology areas. In the area of conferencing, Polycom, Tandberg and Avistar offer strong solutions in their specific areas but do not offer solutions in other technology areas. In the area of UM, Applied Voice & Speech Technologies (AVST) offers a best-of-breed UM solution. Several vendors that offer strong telephony solutions were not included, because they focus primarily on telephony, rather than on a broader UC portfolio; these telephony vendors include ShoreTel and Toshiba. Finally, some service vendors, such as AT&T, were not included because their UC solutions must be available for deployment on the enterprise's premises, rather than offered solely as a service.

Market Definition/Description

UC is a direct result of the convergence of communications and applications. Differing forms of communication have been developed, marketed and sold as separate individual applications. In some cases, they even had separate networks and devices. The convergence of all communications on IP networks and open-software platforms is enabling a new paradigm for UC and is changing how individuals, groups and organizations communicate.

Gartner defines UC products (equipment, software and services) as those that facilitate the use of multiple enterprise communication methods. This can include control, management and integration of these methods. UC products integrate communication channels (media), networks and systems, as well as IT business applications and, in some cases, consumer applications and devices.

UC offers the ability to significantly improve how individuals, groups and companies interact and perform. These products may be made up of a stand-alone suite or may be a portfolio of integrated applications and platforms spanning multiple vendors. In many cases, UC is deployed to extend and add functionality to communication investments.

UC products are used by people to facilitate personal communications and by enterprises to support workgroup and collaborative communications. Some UC products may extend UC outside company boundaries to enhance communications among organizations, to support interactions among large public communities or for personal communication.

It's useful to divide UC into six broad communication product areas:

- **Voice and telephony:** This area includes fixed, mobile and soft telephony, as well as the evolution of PBXs and IP-PBXs. This also includes live communications, such as video telephony.
- **Conferencing:** This area includes separate voice, video and Web conferencing capabilities, as well as converged unified conferencing capabilities.
- **Messaging:** This area includes e-mail, which has become an indispensable business tool, voice mail and UM in various forms.
- **Presence and IM:** These play an increasingly central role in the next generation of communications. Presence services, in particular, are expanding to enable aggregation and publication of presence and location information from and to multiple sources. This enhanced functionality sometimes is called "rich presence."
- **Clients:** Unified clients enable access to multiple communication functions from a consistent interface. These may have different forms, including thick desktop clients, thin browser clients and mobile PDA clients, as well as specialized clients embedded within business applications.
- **Communication applications:** This broad group of applications has directly integrated communication functions. Key application areas include consolidated administration tools, collaboration applications, contact center applications and notification applications. Eventually, other applications will be communication-enabled. When business applications are integrated with communication applications, Gartner calls these CEBP.

Inclusion and Exclusion Criteria

To be included in this Magic Quadrant, solution providers must have:

- Premise products with significant market presence in three or more of the six core communication areas defined in Gartner's UC model
- Market presence that can be demonstrated in one of two ways: as significant market share or by differentiating innovation or "mind share"
- Sufficient sales, revenue and operational presence to support market objectives
- Demonstrable enterprise premises UC portfolios/products with references
- The ability to enable a complete portfolio, even if the parts are offered via partnerships
- The ability to generate significant interest by leading client market segments

Added

Aastra Technologies was added as a vendor. Aastra acquired Ericsson's Enterprise Communications Business division on 30 April 2008.

Dropped

Interwise was dropped as a vendor in the 2008 Magic Quadrant. AT&T acquired Interwise in November 2007, and although AT&T has product plans in the area of enterprise premises UC, these plans are not yet public, and the products are not available. AVST was not included because it did not meet the broader criteria used in this Magic Quadrant. Adomo was dropped because it no longer focuses on the enterprise market.

Evaluation Criteria

Ability to Execute

Gartner analysts evaluate UC product providers based on the quality, efficacy and overall maturity of the products, systems, tools and procedures that enhance individual, group and enterprise communications. Ultimately, UC providers are judged on their ability and success in capitalizing on their vision (see Table 1).

Completeness of Vision

Gartner analysts evaluate UC product providers on their ability to convincingly articulate logical statements about current and future market directions, innovations, customer needs and competitive forces, and how well these map to Gartner's overall understanding of the marketplace. Ultimately, UC product providers are rated on their understanding of how market forces can be exploited to create opportunities for providers and their clients (see Table 2).

Leaders

The Leaders quadrant contains vendors selling comprehensive and integrated UC solutions that directly or, with well-defined partnerships, address the full range of market needs. These vendors have defined migration and evolution plans for their products in core UC areas and are using their solution sets to enter new clients into their client rosters and to expand their footprints in their client bases in new function areas.

Challengers

Vendors in the Challengers quadrant offer solutions that are poised to move into leadership but have not yet done so. The reasons for this can include a solution set that covers most but not all UC functions, is full but not yet mature, is not yet being delivered to a new client base or is being adopted by new clients and is sold almost uniquely as an add-on to the installed client base.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	high
Sales Execution/Pricing	standard
Market Responsiveness and Track Record	standard
Marketing Execution	standard
Customer Experience	standard
Operations	standard
Source: Gartner	

Visionaries

Vendors in the Visionaries quadrant demonstrate a clear understanding of the UC market and offer a strong and differentiating approach to one or more core areas. However, these vendors have limited ability to execute across the entire set of requirements or have marketing and distribution limits to their ability to challenge established leaders.

Niche Players

Vendors in the Niche Players quadrant offer stand-alone components in several UC areas but do not have a comprehensive product; or they have a solution that has limited market reach. Although these solutions often perform specific functions well, they do not represent a complete solution for the broader UC market.

Vendor Strengths and Cautions

Aastra Technologies Strengths

- Aastra Technologies has acquired the PBX business of the following companies: Ascom Group, EADS and Ericsson. This has enabled significant growth in revenue and has enabled Aastra to establish a leading position in the telephony market, for instance, No. 1 ranked in the small or midsize business (SMB) market in Europe, the Middle East and Africa (EMEA).
- Aastra is in the process of clarifying the product road map for its multiple product lines and has a good appreciation of the differing needs of global markets.
- The company offers cost-effective products targeted at specific niches and regional markets. Consider the Aastra product when you are looking for a cost-effective product and have needs that fit the niche or regional profile of the products. However, ensure that the longer-term road map for the product is clear.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	high
Marketing Strategy	standard
Sales Strategy	standard
Offering (Product) Strategy	high
Business Model	standard
Vertical/Industry Strategy	standard
Innovation	standard
Geographic Strategy	standard
Source: Gartner	

Cautions

- Aastra is not a well-known company or an established brand. This will reduce its marketing ability.
- The company has undergone rapid growth through acquisition, which may cause disruptions for customers and for the company's management.
- Multiple products in some areas must be converged and, in some cases, discontinued. Although open standards and Session Initiation Protocol (SIP) are clearly a good direction, this doesn't ensure that all product users will have a good migration path.
- The products have limited integrations with leading collaboration vendors, such as Microsoft and IBM.
- The portfolio is oriented strongly toward telephony and does not yet solve the broader set of enterprise UC needs.

Alcatel-Lucent Strengths

- Alcatel-Lucent has a broad communications portfolio, including OmniTouch Unified Communications (OTUC), OmniPCX and service provider products, as well as strong products for SMBs and for contact centers.
- The company has a pragmatic strategy to leverage the strengths of Alcatel's enterprise products, particularly OmniPCX and OTUC, with solutions that integrate with Lucent's and Alcatel's carrier communications products and installed bases.
- Alcatel-Lucent is well-represented in most regions of the globe and has the ability to offer integrated solutions that span carrier and enterprise environments. This facilitates key capabilities, such as the seamless hand-over of fixed calls to mobile carriers, as well as monitoring routing preferences across carrier and private networks.
- Enterprises should evaluate the Omni family of UC solutions if they already have a commitment to Alcatel, wish to leverage the technical abilities of the combined Alcatel-Lucent company or believe that they could benefit from the multi-PBX integration capability offered by the Genesys Enterprise Telephony Software product.

Cautions

- Alcatel-Lucent has not yet proved that its strategy for entering the critical North American market by leveraging Lucent's base and brand will succeed.
- The company must continue to advance and deepen its partnerships and integration agreements with leading collaboration vendors, such as IBM and Microsoft.
- Despite the Enterprise division's strong financial position, investment for growth is hampered by the unprofitability of Alcatel-Lucent's parent company and the challenges it has in other divisions.

Avaya Strengths

- Avaya has industry-leading telecommunication products, including Avaya Communication Manager, Meeting Exchange and Modular Messaging, combined with a well-established reputation and large installed base in enterprise telephony.

- Avaya's telephony-focused UC solution bundles are configured to readily match enterprise user profiles, including home workers, teleworkers, agents and small businesses.
- Some Avaya solutions, such as Event Processor, offer interesting and forward-looking approaches to CEBP.
- Consider Avaya when you need to upgrade your telephony infrastructure toward a UC solution with proven telephony features and services.

Cautions

- Avaya has not been a leader in all emerging areas of UC. Although telephony is a strength, Avaya has been slow to expand other areas of the portfolio and agreements with partners in other areas. The result is slower availability of some UC functionality, as well as a lack of market awareness and mind share.
- Since the acquisition of Avaya by Silver Lake (see Note 1) and TPB Capital in October 2007, the company has changed much of its senior management and has made significant personnel reductions. Although Avaya indicates that there will be no significant change in direction, enterprises should continue to exercise caution while plans are being clarified.
- Avaya has made promising acquisitions during the past three years – iSpheres (now called Avaya Event Processor), Traverse Networks (provides mobile access) and Ubiquity Software (provides SIP solutions). Avaya must translate these into a strong and clear next-generation UC product. Enterprises should expect Avaya to clarify the nontelephony direction of its broader communications portfolio when making long-term commitments.

Cisco Strengths

- Cisco has a strong overall product portfolio, with particular strengths in two critical UC areas: live voice and conferencing. Its VoIP-related products, built around Unified Communications Manager, remain a particular strength for Cisco. Similarly, Unified MeetingPlace conferencing solutions, combined with the WebEx and Telepresence products, provide strong, though often separate, conferencing solutions.
- Cisco is expanding integration across its products, offering access to key products via public standards, and is expanding its business application integration options.
- Cisco continues its strong influence within the network groups in the IT and operations departments.
- The company's vision for integrating the WebEx service and Enterprise premise architectures provides a promising long-term direction.
- Cisco has a strong channel program and global reach for data and voice communications, coupled with good positioning with enterprise chief technology officers and IT personnel.
- Evaluate Cisco UC solutions when you have or plan to have Cisco for key voice and conferencing functions. However, ensure that any expected interoperability with other vendor products, as well as among your planned Cisco products, is available.

Cautions

- Cisco's network-centric approach can create interdependencies among the network infrastructure components and communication applications that are operating on the network. Although there are benefits to embedding communication application layer functions in the network layer, a possible negative effect of this is increased difficulty in supporting third-party components and applications.
- Cisco must continue to expand its business application partnerships to meet the demand for vertical UC solutions and for CEBP applications.
- Although Cisco products often interoperate with those of leading collaboration application and conferencing vendors, Cisco must accelerate and increase its integration initiatives. Enterprises should be aware that, in some cases, Cisco conferencing does not interoperate with non-Cisco conferencing investments.
- The UC solutions in the areas of clients and presence are not yet mature.
- Cisco's business model relies heavily on the sale of network infrastructure. This makes it difficult for Cisco to move to the software revenue model that UC requires. Cisco is expanding its portfolio beyond networks, but it has not yet proved itself capable of addressing the needs of these broader, non-network-centric markets.
- Gartner has received some negative feedback on Cisco Unified Workspace Licensing (CUWL) from clients because of premium pricing (over standard IP telephony pricing), all-inclusive cluster licensing and sales pressure to adopt now. Companies should ensure that they understand the full cost of ownership of CUWL and should select it only after a road map is in place.

IBM

Strengths

- IBM's Unified Communications and Collaboration (UC2) portfolio is based on strong Lotus Notes messaging, Sametime collaboration products and the Eclipse client framework.
- IBM has a clear partner strategy based on coexistence on the back end, with multiple communication servers and business applications and consolidation on the front end with a consistent user interface. This enables different partner clients to be consolidated with the Sametime client on the front end or, alternatively, enables server-based services to be integrated via middleware and a common Eclipse client framework.
- IBM has improved its ability to integrate a wide range of telephony partner products via Sametime Unified Telephony middleware. This solution is suited particularly to enterprises with several different types of PBXs to integrate.
- IBM's extensive experience in delivering and enhancing business applications will assist the company in delivering communication as part of an application, rather than as a stand-alone solution.
- The company has an extensive network of independent software vendors, integrators and professional service partners, including IBM Global Technological Services and IBM Global Business Services.

- Enterprises should evaluate the UC2 solution if IBM is a key business application partner and if there are plans to advance with a WebSphere-based communication architecture. The IBM solution can be attractive for enterprises where operating in heterogeneous client, mobile and server environments is a requirement.

Cautions

- The Sametime Unified Telephony product is new and has not yet been deployed extensively.
- Gartner estimates that Notes is not growing seat share rapidly. This may slow the adoption of IBM's UC portfolio. However, Sametime continues to attract clients that are new to IBM, and Notes has a strong installed base.
- Customers should review IBM's two approaches to telephony integration and how these fit their objectives. One approach focuses on a multivendor IBM telephony middleware (Sametime Unified Telephony), which enables multiple PBXs to be supported with an identical Sametime client. The other approach enables telephony vendors to extend the Sametime client, which may be useful for enterprises with one PBX environment.

Interactive Intelligence

Strengths

- The Interactive Intelligence Customer Interaction Center (CIC) all-in-one product is an integrated solution from a company that now has an established record for delivering successful products in this market.
- The standards-based product integrates with market-leading UC products and can function as a stand-alone, all-in-one solution or as part of a broader enterprise UC portfolio.
- The flexible application program interface and architecture enable customization for vertical applications, while the all-in-one, comprehensive solution enables simpler deployment and a single interface for administration and operation.
- The product is well-suited to integrating contact center functionality with enterprise UC functionality.
- Enterprises should evaluate the CIC solution when seeking a tightly coupled, all-in-one solution.

Cautions

- Although the company is profitable and financially secure, it has limited market reach and visibility, especially outside North America, and continues to have trouble establishing itself in a market dominated by larger vendors.
- The company lacks visibility in IT departments, which reduces its effectiveness in delivering its broader UC product into enterprises.

Microsoft

Strengths

- Microsoft's Office Communications Server (OCS), Exchange and Active Directory provide a strong basis for the company's UC portfolio. Microsoft has strategic partnerships in specific areas, such as live voice/PBX and conference bridges, which

add credibility in these technology and service areas. Microsoft also has a growing set of major system integration partners that is strengthening the company's channel options.

- Deployments of OCS, some including voice, continue to expand. This provides useful early deployment experience in newer technology areas, such as live voice, video, Exchange UM and voice/videoconferencing.
- Microsoft's base and experience in desktop, Web and mobile clients assist in making complex communication applications easier to use and in providing a consistent interface.
- Enterprises looking into UC, particularly those with Microsoft applications already in place, should understand the Microsoft portfolio, because it represents a new paradigm for communication by a market leader. Microsoft's solution, while comprehensive, is the basis for a range of partner offerings.

Cautions

- The telephony, video and related conferencing functionality in OCS are new to the market. Although these are promising products, the technologies frequently take several years to mature to acceptable levels of reliability, quality of voice service and scalability.
- The Exchange Unified Messaging product has not yet proved its scalability beyond midsize enterprises.
- Microsoft's audioconferencing and videoconferencing product set does not currently support all endpoints, for example, public switched telephone network dial-in conferencing and videoconferencing interoperability with third-party multipoint control units. Microsoft has stated publicly its intention to expand into these areas; however, enterprises should ensure that their conferencing requirements can be met before committing.
- Live communications, such as telephony and video, require solution integrators with different skills than are available from some current Microsoft channel partners. Users should ensure that their providers have demonstrated relevant experience in these areas, such as voice.
- Microsoft has massive market clout and is leveraging this effectively. One result is significant media coverage. However, in some cases, overly optimistic reviews underestimate the challenges and difficulties that are involved in making live communication functions, such as video and VoIP, reliable, scalable, interoperable and of high quality.

Mitel

Strengths

- The Mitel UC solution is based on the Mitel Applications Suite, which integrates with the Mitel 3300 switch. Mitel's Your Assistant provides UC client functions in a modular fashion, enabling clients to fit functionality to specific user needs. The Mitel Live Business Gateway product, which is available as a stand alone or built into the Mitel 3300 switch, offers tight integration with Microsoft OCS.
- The Mitel UC solution's integrated design, administration and mobility functions provide a coherent single-point solution that includes softphone, telephony presence, mobility and conferencing.

- Enterprises that have a 3300 Mitel switch, are looking for an integrated UC approach or are evaluating communication functionality to go with an OCS deployment should evaluate the Mitel UC solution.

Cautions

- Mitel's solution set focuses on enhancing the functionality of the 3300, so enterprises should expect this to be part of the Mitel solution, although the 3300 can be used as a gateway to enable migration to UC from any vendor's PBX environment.
- Mitel must increase its awareness in the enterprise market through increased sales and marketing to take advantage of its enhanced product and business scale.

NEC

Strengths

- NEC's Univerge360 UC solutions are offered in two sets, one for larger enterprises and another more tightly integrated solution for SMBs. NEC's Univerge UC for Enterprise includes advanced integration capabilities for CEBP, OCS and Sametime. The UC for Business/Business ConneCT solution offers a more tightly bundled UC server and client function.
- NEC has improved its definition of and clarified its approach to delivering complex UC solutions. As part of this effort, NEC has developed a role-based process to assist in defining user requirements.
- Enterprises that already have an NEC switch and want to expand communication to the desktop should consider this product.

Cautions

- NEC's dependence on an indirect sales and support channel, which includes many smaller distributors, results in a fragmented approach to the market. This makes it harder for NEC to communicate and sell effectively into larger accounts, and makes it more difficult to work with the increasingly complex UC product portfolio.
- NEC's UC solutions are not well-known in key markets. The difficulty is compounded by the different divisions of NEC globally, including NEC Unified (North America), NEC Philips (EMEA) and NEC Corporation (Asia/Pacific).

Nortel

Strengths

- Nortel has developed a comprehensive UC approach built around its own products and around strong partner relations. Nortel-specific solutions are built around Communication Server 1000, the company's messaging products, the MCS 5100 and the Agile Communication Environment (ACE) initiative. Partner solutions are built through strong integrations with Microsoft's OCS, IBM's Sametime and open-source solutions (including via the Pingtel SIPfoundry product), as well as Software Communication System 500, a solution for integrating branch offices and for SMB.

- Nortel has multiple initiatives to provide integration with third-party solutions: the Innovative Communications Alliance (ICA) with Microsoft, the service-oriented architecture (SOA)-based ACE initiative, which supports multivendor UC interoperability, and a strategic partnership with IBM. These are coupled with a UC sales and training program.
- Nortel clients should include Nortel in their UC evaluations. However, Nortel's solutions also fit into broader UC environments, and companies needing telephony or conferencing that integrates with Microsoft OCS or IBM Sametime should evaluate how Nortel fits into their plans. Companies interested in open source should consider some recent Nortel releases.

Cautions

- The competitive advantage Nortel has with the Microsoft ICA agreement will diminish. One challenge is that the differentiation it offers will decrease as other vendors advance their OCS integrations. A second challenge is that there can be confusion about the responsibility split between the two companies. Furthermore, the combined solution may be difficult to separate at a later point, should this become necessary. A final challenge is that the ICA approach may be perceived as threatening to some channels.
- Nortel is shifting its communication business model to include partnerships that are based on a software-pricing approach rather than on a hardware-pricing approach and to some open-source software and services. Although these are good and necessary changes to deal with the new communication environment, the challenge for clients and channels is to manage the potential disruptions that could result from these changes.

Oracle

Strengths

- Oracle's solution is built from and leverages its established, widely deployed products: Oracle Service Delivery Platform (SDP), Oracle WebCenter and Oracle Collaboration Suite, which has been upgraded to a next-generation offering called Oracle Beehive.
- Oracle has significant market presence, is financially very secure, has a good vision in its Fusion Middleware and has a solid understanding of UC.
- Enterprises with a significant commitment to Oracle applications and that can accept the early stages of some functions and SDP-based telephony should evaluate the Oracle solution.

Cautions

- Although some individual components are mature, the overall solution is in an early stage, is fragmented and has not yet matured as a consolidated UC solution.
- Enterprise telephony and IM (SDP) are primarily hosted; however, premise solutions are available, although they are deployed less.
- Oracle's somewhat-disconnected approach and market messaging around its communication products could result in confusion for enterprises evaluating Oracle solutions.

Siemens Enterprise Networks

Strengths

- During the past four years, Siemens Enterprise Networks (SEN) has evolved the OpenScape suite into a full UC portfolio offering strong core products and strong partnerships. The UC server offers voice, presence, consolidated administration and session control for the full suite in a single server. The product is fully standards-based, open and highly scalable.
- Significant investment was made during the past year in re-engineering SEN to be a more financially viable player in enterprise communications. The joint venture with The Gores Group enabled a fresh start, with a clear balance sheet and a cash injection of €350 million. The addition of the Enterasys and SER Solutions product portfolios gives the joint venture a larger base of customers to cultivate.
- Tools and an open-SOA interface are available and enable integration with business applications. This has been leveraged by vertical and horizontal partners. The solution also integrates with Microsoft OCS and IBM Sametime, offering these users a tight integration.
- Evaluate the Siemens UC solution if you are looking for a full-featured and mature product in OpenScape, or if you intend to integrate UC with business applications. However, look for assurances that the pending acquisition by The Gores Group will not disrupt product directions.

Cautions

- The pending acquisition of a 51% stake in the SEN division by The Gores Group (a U.S. investor) may create disruption in the division, channels and products.
- Lack of market awareness of the product in North America, a limited marketing and sales program, and difficulty in developing a channel capable of handling this business-application-oriented product will continue to slow adoption and acceptance.

TeleWare

Strengths

- The TeleWare intelligent Office suite is integrated with the original and useful concept of a Private Mobile eXchange. This approach eliminates the boundaries among mobile, carrier-based and enterprise-based communication infrastructures, resulting in seamless roaming in and out of buildings, while retaining enterprise control and a low-cost structure.
- Large enterprises that are interested in understanding emerging communication paradigms and that have a focus on Microsoft OCS can include TeleWare in their reviews.

Cautions

- The Private Mobile Networks/TeleWare solution requires the right to use a specific wireless spectrum. In the U.K., this can be provided by TeleWare; however, in other countries, the specific options must be investigated.
- TeleWare has some key global accounts, but it has a limited market and technical presence outside the U.K.
- TeleWare has a limited ability to market and support broad UC solutions in enterprise environments.

Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

Note 1

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Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets and skills, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups and service-level agreements.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the Web site, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling product that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including verticals.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.