

Magic Quadrant for Unified Communications

Gartner RAS Core Research Note G00169996, Bern Elliot, Steve Blood, 1 September 2009

Unified communications offers the ability to improve how individuals, groups and companies interact and perform tasks. Enterprise planners and managers should review how this emerging generation of communication software and systems can improve their business operations and processes.

WHAT YOU NEED TO KNOW

Unified communications (UC) offers the ability to significantly improve how individuals, groups and companies interact and perform. UC also enables multiple communication channels to be coordinated. In some cases, separate servers may be consolidated, but, more frequently, UC adds functionality to existing communication applications. Key technologies include Internet Protocol (IP)-PBX, voice over IP (VoIP), presence, e-mail, audioconferencing and Web conferencing, videoconferencing, voice mail, unified messaging (UM), instant messaging (IM), and various forms of mobility. 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 process” (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 research 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 plan 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 vendor product adequately addresses all of 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. This evaluation focuses on enterprise premises solutions, and considers how well vendors can work with other vendors and with hosted solutions. Enterprises should consider interoperability as an important criterion. Gartner publishes separate research that reviews UC-as-a-service (UCaaS) solutions.

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 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

In 2009, UC products continued to mature, and the market continued to consolidate. This, coupled with enterprise budgets for UC products being delayed, led to intensified competition among vendors in this market. Additionally, many enterprises have existing strategic partnerships and investments with two or even three different UC vendors. Each vendor has at least one strength, for instance, in e-mail, telephony or networking, and each vendor seeks to expand its footprint within the enterprise. One vendor strategy is the extensive use of bundling to advance the portfolio footprint. Another strategy is increased use of discounting and other incentives in order to allow new products into accounts.

Meanwhile, enterprises struggle to define road maps and strategies for advancing functionality, controlling costs, and retaining control over their accounts. While leading vendors advance a “one vendor for everything” view, enterprises often prefer to retain valuable existing investments and to maintain control by having a balance of partners. A strategy for accomplishing this is described in “Developing an Enterprise Unified Communications Road Map” and “Applying the Vendor Influence Curve to Unified Communications.” “Market Share: Enterprise Unified Communications Infrastructure, Worldwide, 2008” describes current vendor market shares.

While most solutions today support key standards such as Session Initiation Protocol (SIP), an important distinction is the extent to which they federate and integrate with third-party products. Some

solutions are intended primarily to enhance and operate within their own specific environments, and while these solutions do work with third parties, their interoperability is often limited. Other products are clearly designed to interoperate in multiple environments, thus are more flexible. Currently, there is no one best approach, and no vendor offers everything an enterprise needs for communication. Companies must make decisions by evaluating the emerging options based on their own objectives and on how the options fit with the business’s longer-term strategies.

Enterprise adoption of UC continues to increase; however, adoption rates remain low. This slow adoption is the result of multiple technical and organizational issues, including:

Figure 1. Magic Quadrant for Unified Communications



The Magic Quadrant is copyrighted September 2009 by Gartner, Inc. and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner’s analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the “Leaders” quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

© 2009 Gartner, Inc. and/or its Affiliates. All Rights Reserved. Reproduction and distribution of this publication in any form without prior written permission is forbidden. The information contained herein has been obtained from sources believed to be reliable. Gartner disclaims all warranties as to the accuracy, completeness or adequacy of such information. Although Gartner’s research may discuss legal issues related to the information technology business, Gartner does not provide legal advice or services and its research should not be construed or used as such. Gartner shall have no liability for errors, omissions or inadequacies in the information contained herein or for interpretations thereof. The opinions expressed herein are subject to change without notice.

- 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 ROI, 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 during the next several years UC will become an accepted part of enterprise communication road maps and investments. As UC technologies and products are deployed, the challenge will shift from technology issues to organizational and change management.

Several vendors offer strong 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 and Tandberg offer strong solutions in conferencing, 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. Finally, some vendors, such as AT&T, were not included because to be included in this report the UC solutions must be available for deployment on the enterprise’s premises, rather than offered solely as a service. Gartner is preparing separate research on UCaaS that will be published later in the year.

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 existing 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. Additionally, UC is increasingly being integrated or offered with collaboration applications to form UC and collaboration (UCC).

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, videoconferencing 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 will 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:

- On-premises 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

SAP, ShoreTel and Toshiba were added to this year's report because their communication portfolios have been expanded, and they now meet the inclusion criteria.

Dropped

Oracle was not included in this year's report because its products did not meet the inclusion criteria. The Oracle Service Delivery Platform (SDP), which contains the telephony functionality, is geared toward service providers and not toward enterprises. Oracle Beehive does have some enterprise collaboration functions, including Web-conferencing and IM, but this is not offered as part of a comprehensive UC solution.

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).

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 (September 2009)	

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).

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 (September 2009)	

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.

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

Aastra, a global company with headquarters in Canada, continues to expand its UC portfolio, which extends the products of companies acquired over the last several years. Aastra is continuing three telephony product lines: Aastra 5000, Clearspan, and MX-ONE (acquired from Aastra's latest acquisition of Ericsson). While Aastra plans to continue these product lines, it is extending them with common UC software and common internal components. Aastra plans to support its HP ProCurve partnership across all platforms, supporting VMware virtualization. Aastra also has two messaging platforms and ViPr, a videoconferencing solution.

Strengths

- Aastra Technologies has acquired the PBX business of multiple companies. Over the last several years, Aastra has achieved growth in revenue and has used acquisitions to establish a competitive position in the telephony market.
- The Aastra UC strategy has two parts. One part is to continue to add and expand the company's native UC products, often via common UC solutions shared across telephony platforms. The second part is to expand integrations with industry-leading collaboration partners, like Microsoft and IBM.
- Aastra offers cost-effective products targeted at specific niches and regional markets. Additionally, Aastra offers MX-ONE and several other products globally for major enterprises.

Cautions

- Aastra is not a well-known company or an established brand in some major global markets. This reduces its ability to penetrate and compete in adjacent product areas related to UC.
- Aastra's multiple product lines require significant R&D investments. While the company does a good job containing costs and leveraging common development, this duplication represents added expense. While using open standards, including SIP, is clearly a good direction, this doesn't ensure that all products and users will have a good migration path or eventual convergence in a common code base. Some products, such as those for conferencing, will eventually need to be rationalized.
- Aastra must improve its integration with leading collaboration vendors in order to increase its credibility in the UC market.
- The portfolio is oriented toward telephony, and lacks UC functionality and integration in some areas. Enterprises should review their requirements to determine which Aastra products can address their needs.

Alcatel-Lucent

The Alcatel-Lucent OmniTouch Instant Communications Suite (ICS) provides a complete UC solution. It is often combined with the OmniPCX for advanced telephony functions and with the Alcatel-Lucent Genesys Enterprise Telephony Software (GETS) solution, which provides integration middleware for interoperability with third-party PBXs and UC solutions.

Strengths

- Alcatel-Lucent has a comprehensive UC solution portfolio, offering its own native functions in all areas, combined with integration options for a wide range of partners, for instance, for video or collaboration.
- The OmniTouch ICS has strengthened its core capabilities in key areas, including conferencing, messaging, and interoperability standards. It has clear product enhancements planned for R10 scheduled for 2010.
- 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, combined with the Genesys software experience, 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 GETS product.

Cautions

- Alcatel-Lucent needs to execute a plan for expanding its presence in the critical North American market.
- The company must continue to advance and deepen its partnerships and integration agreements with leading collaboration vendors, such as IBM and Microsoft.
- Alcatel-Lucent's investment for growth in the enterprise division's UC solutions may be hampered by its recent poor financial performance, because the enterprise sector is such a small part (less than 10%) of the company's business, and because UC-specific revenue is a small part of the enterprise group's revenue.

Avaya

The Avaya UC solution set is made up of Avaya Aura, along with the separate Modular Messaging, Meeting Exchange, and the contact center portfolio. The Avaya Aura elements include the recently released Session Manager and Presence Services, as well as the established Communication Manager, Application Enablement Services, and System Manager components. Avaya also offers a range of Avaya One-X (R) client options.

Strengths

- The Avaya UC solution set includes several market-leading components, including the Avaya Aura Communication Manager telephony server, the Modular Messaging UM product, and strong contact center capabilities built around the Interaction Center.
- The Session Manager component provides a migration path from a heterogeneous network of separate IP-PBXs to an integrated, SIP-based application network.
- Avaya's reorganization under private ownership has resulted in a more focused and streamlined organization. It has also restructured and simplified its marketing, channel and distribution models. Avaya continues expanding its partner ecosystem, including its well-established DevConnect developer partner program. These changes, when combined with Avaya's well-established reputation and large installed base, have better positioned the company to succeed in the current economic and competitive climate.
- Consider Avaya's solutions when your UC plans include telephony, messaging, or conferencing requirements; however, ensure that recently introduced functionality meets objectives.

Cautions

- Although Avaya is well-established as a leader in the telephony segment, it has been slow to expand other areas of its UC portfolio. The result is reduced availability of some UC functionality, as well as a lack of broad market awareness and UC mind share.
- The Avaya UC portfolio has weaknesses. Conferencing capabilities are uneven; while strong in audioconferencing and acceptable in videoconferencing, the portfolio is weak in Web conferencing. The Session Manager product, while a promising and important part of a next generation of UC architecture, is still new to the market. Presence Services is new and has seen limited deployment.
- While Avaya has expanded its partner ecosystem, some channels and partnerships must be deepened, including stronger voice integration with Microsoft Office Communications Server (OCS) and stronger partnerships with system integrators (SIs) and carrier partners, especially partners capable of global delivery. Avaya has only one active global partner (Orange Business Services) for service delivery.
- Since the acquisition of Avaya by Silver Lake (see Note 1) and TPG Capital in October 2007, Avaya has changed most of its senior management, has made significant personnel reductions, and has undertaken significant operational and sales changes. While these changes were needed and are promising, they have also been disruptive, and the new company must continue to stabilize operations and direction, and prove effectiveness.

Note 1 Disclaimer: Silver Lake Partners Disclaimer

Silver Lake Partners is a private investment firm that also owns a substantial, publicly disclosed interest in Gartner, Inc., and has two seats on Gartner's 11-member Board of Directors. Gartner research is produced independently by the Company's analysts, without the influence, review, or approval of our investors, shareholders or directors. For further information on the independence and integrity of Gartner research, see "Guiding Principles on Independence and Objectivity" on our website, Gartner.com.

Cisco

Cisco offers a strong overall UC 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. Similarly, Unified MeetingPlace conferencing solutions, combined with the WebEx and TelePresence products, provide strong, though separate, conferencing solutions.

Strengths

- Cisco offers a comprehensive portfolio and is expanding integration across its components, offering access to key products via public standards such as SIP. Cisco also continues to expand its business application integration interface options and tools.
- Cisco's telephony and network infrastructure client base position it well with enterprise UC buying and decision-making groups, including IT and operations departments.
- Cisco has advanced its vision for integrating the WebEx service and Enterprise premise architectures.
- Cisco has a strong and global channel program, with highly effective service operations. This allows presales and postsales support, as well as 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. Also ensure that your SI has experience with similar UC deployments.

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 is initiating a blended on-premises service offering across its UC portfolio, starting with conferencing. This new architecture will leverage WebEx for the service portion, expand existing on-premises solutions, and embed some functionality in gateways, routers, and clients. While promising, the success of this hybrid approach is not assured, details are lacking, and initial impressions are that it will be complex.
- Cisco must continue to expand its business application partnerships to meet the demand for vertical UC solutions and for CEBP applications.
- The complexity of Cisco's architecture requires certified support personnel for ongoing maintenance. Enterprises hoping to integrate Cisco's solutions with third-party products, such as Microsoft OCS, should consider using external SIs experienced in complex integrations, rather than using in-house personnel for first-time integrations.
- Many organizations will find that Cisco Unified Workspace Licensing (CUWL) increases the cost of ownership, especially for firms that have yet to define a road map for UC and a partner strategy, and that have developed user profiles to identify the value of each package. The addition of Entry Edition extends the choice for CUWL, but organizations should insist that channel partners provide proposals for "a-la-carte" licensing to make a direct comparison of cost of ownership.
- IBM's extensive experience in delivering and enhancing business applications will assist the company in delivering communication as part of a business or collaboration application, rather than as a stand-alone solution.
- With the release of Sametime Unified Telephony, IBM has advanced its ability to integrate a range of telephony partner products. The solution is particularly suited to enterprises with several different types of PBXs that they wish to integrate.
- IBM continues to strengthen its capabilities in the small or midsize business (SMB) market through partners for Lotus Foundation Reach solutions.
- Enterprises should consider UC2 if they have investments in IBM UC functions, or if they wish to operate multivendor client and server application environments.

Cautions

- The Sametime Unified Telephony product is new. It must now establish Sametime's telephony value in the market, and demonstrate that it can meet enterprise requirements, including integration with enterprise IP-PBXs.
- As IBM more fully develops its own UC portfolio, it must successfully offer its own solution set, while maintaining partnerships with leading communication vendors that are potential competitors.
- There is a perception that the IBM Sametime product is intertwined with the Lotus Notes product. As a result, this sometimes limits who considers the product. IBM must change this perception in order to increase its market opportunities.
- 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.

IBM

IBM's Unified Communications and Collaboration (UC2) portfolio is based on Lotus Notes messaging, Sametime collaboration products and the Eclipse client framework. Together, these now offer a comprehensive UC portfolio.

Strengths

- IBM has a clear partner strategy that is based on coexistence on the back end and consolidation on the front end. On the back end, IBM offers its own key server functions, but also supports coexistence by supporting multiple partner communication servers and business applications. On the front end, IBM encourages consolidation through the use of the Sametime client, or, alternatively, it enables services to be integrated via middleware and a common Eclipse client framework. The company has an extensive network of independent software vendors, SIs and professional service partners, including IBM Global Technology Services and IBM Global Business Services.

Interactive Intelligence

The Interactive Intelligence Customer Interaction Center (CIC) is an all-in-one software solution. It includes telephony, audioconferencing, UM, rich presence with IM, business process automation, a range of client and device options, and the ability to integrate with contact center and other applications. The solution also integrates with leading third-party UC and video solutions.

Strengths

- Interactive Intelligence has an established record for delivering successful products in this market. Its standards-based product integrates with market-leading UC products, including Microsoft's. It can function as a stand-alone, an all-in-one solution, or part of a broader enterprise UC portfolio.
- The flexible application program interface and architecture enable customization for vertical applications, while the all-in-one approach enables simpler administration and operation.
- The product is well-suited to integrating contact center functionality with enterprise UC functionality. It offers a new model for business process integration with contact center flows and for integrating employees into the flow.
- 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

Microsoft's UC solution is based on Exchange Server, OCS, and Active Directory. Microsoft also has strategic partnerships in specific areas, such as live voice/IP-PBX and conference bridges, and a growing set of major system integration and channel partners.

Strengths

- The OCS Pilot and Lighthouse programs have allowed Microsoft to increase OCS voice and audioconferencing deployments, despite the slow economy. Through these programs Microsoft, its partners, and its channels have gained experience with the OCS solution. As a result, while the UC solution remains in the early stage in key areas, it is making progress and is being deployed to more sites and to larger numbers of users.
- Exchange UM continues to gain acceptance and maturity in the market. Deployments have expanded beyond smaller (fewer than 2,000 subscribers), into the midsize (2,000 to 5,000 subscribers), with a few deployments in the very large (10,000 plus subscribers) market.
- Microsoft's historic strength in several UC areas, combined with promising emerging initiatives, results in significant potential. Historically strong areas include clients (desktop,

Web and mobile clients), e-mail, collaboration (IM, presence, Web-conferencing, and SharePoint). Emerging areas include increased visibility of SIP trunks from carriers and from IP-PBX providers, significant new end-to-end UC solution providers, such as HP, and increased presence in contact centers.

- 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 also the basis for a range of partner offerings.

Cautions

- The telephony functionality in OCS remains in the early stage. Although these have made progress in the last year, they are not yet competitive with best-of-breed products. Enterprise planners should understand their limitations before committing to expanded deployments. Planners should anticipate that clear, accurate material explaining the products and how to support them is sometimes lacking.
- While the UM component of Exchange has gained acceptance, it has limitations, including requiring an Exchange 2007 upgrade, third-party PBX integrations for trunks and alerts like message waiting notification (MWI), it requires an e-mail license for all users, even those who only want voice mail, and only one form of telephone user interface (TUI).
- Microsoft's OCS audioconferencing and videoconferencing product set has expanded its interoperability and endpoint support abilities this year, but these functions remain new and have not yet been proved in the market.
- Many of the OCS communication functions, such as telephony, video and public switched telephone network (PSTN) integration, require solution integrators and employees with different skills than many firms presently have. Planners should ensure that their providers and internal staff have relevant experience in key areas.

Mitel

The Mitel UC solution is based on the Mitel Applications Suite, Mitel Unified Communicator clients and the Mitel Communications Director. Communications Director provides telephony call control on the 3300 switch, or on industry standard servers. The Applications Suite/Unified Communicator client includes support for audioconferencing and Web conferencing, desktop access, presence, IM, UM and collaboration.

Strengths

- The Mitel UC solution offers a comprehensive software suite. The telephony function can be offered with the Mitel 3300 switch, or on a number of industry standard servers. The entire suite can be operated as a Sun Ray, and shortly a VMware, virtual solution. This may be useful for midsize and large enterprises.

- The suite can be integrated with Microsoft OCS and IBM Sametime environments. It also offers several strong options for messaging. In addition to interoperating with third-party conferencing, Mitel has released its own video/telepresence option in addition to its audioconferencing and Web conferencing suite.
- The Mitel UC solution's integrated design, administration and mobility functions provide a coherent single-point solution.
- Enterprises looking for an integrated UC approach or that are evaluating telephony communication functionality to go with Microsoft or IBM deployments should evaluate the Mitel UC solution.

Cautions

- Mitel is better-known for midsize solutions, and lacks visibility overall in many markets and segments. This hampers its marketing and sales efforts.
- Mitel is a private company and does not regularly make its financial status public. While it indicates that it is operating profitably, enterprises should conduct their own evaluation of viability before making long-term commitments.
- Mitel currently lacks the UC partner ecosystem of many of its larger competitors, including those with UC application development skills.

NEC

NEC offers two areas of UC solutions. Both are part of NEC's Univerge family of products, and one of these extends NEC communication servers with UC functionality via OW5000 middleware; this is offered in one form for large enterprises and as a more tightly integrated solution for SMBs. The second UC option is based on the newer, scalable Univerge Spherical all-software UC solution. All these solutions offer voice, conferencing, messaging, IM, presence, a range of clients, and support for business process integration.

Strengths

- NEC is a financially strong, global firm with an established presence in all regions.
- NEC continues to clarify its approach and services for delivering comprehensive UC solutions. As part of this effort, NEC has developed an approach to defining solutions for customers under its Univerge360 architectural definition, enabling solutions to be defined based on the role the individual plays within an organization.
- Enterprises with NEC switches that want to expand their communication functionality should consider migration using the Univerge SV8000 series of products. Companies that are moving toward a software-centric approach or are considering installing new UC solutions should consider the all-software Univerge Spherical solution.

Cautions

- NEC utilizes a combination of a direct and an indirect sales and support channel, which includes a wide range of resellers. Buyers should be aware of both approaches, and should ensure that the appropriate experience is available to service their needs.
- The Univerge Spherical is mature and proven software technology, but it appears to compete within the NEC Univerge portfolio and channel with the SV8000 series of IP-PBXs. NEC must clarify how and where to use its products, and must develop a market approach that establishes it as a software-based provider of UC technology. This may require developing new software-centric selling channels.
- NEC's UC solutions are not well-known in key markets, and the recognition challenge is compounded by the independent approaches taken by the different divisions of NEC globally, including NEC Unified (North America), NEC Philips Unified (Europe, the Middle East and Africa [EMEA]) and NEC Corporation (Asia/Pacific).

Nortel

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, Software Communication System (SCS), the Multimedia Communication Server (MCS) 5100 and the Agile Communication Environment (ACE). However, the company offers a large range of additional telephony, conferencing, messaging, mobile, and client capabilities. Partner solutions are built through strong integrations with Microsoft's OCS and IBM's Sametime.

Nortel, after filing for Chapter 11 protection in January 2009, is now being publicly auctioned. There are several potential buyers for Nortel's Enterprise Solutions business. The final decision of which bidder will be selected is likely to occur on 15 September 2009. The effects of this change on products and current clients will not be clear until after the sale is finalized. Gartner recommendations to clients is in "Create a Backup Plan for Continued Support of Nortel Environments." We will provide additional recommendations as the bidding for Nortel assets proceeds.

Gartner plans to issue an update to this Magic Quadrant when the results of the Nortel Enterprise Solutions auction is announced and the acquisition is completed and approved.

Strengths

- Nortel has developed a comprehensive UC product suite and a clear vision of how UC markets are evolving.
- 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.

Cautions

- Enterprises with Nortel investments should include Nortel in the bidding process for new-equipment purchases and upgrades, but should factor in an additional risk criterion – using a shorter depreciation cycle for Nortel solutions than for other vendors under evaluation. Enterprises without Nortel investments should delay any Nortel purchases until after the auction has closed.

SAP

The SAP Business Communications Management (BCM) product offers UC functions and interfaces that are natively integrated with SAP applications such as SAP CRM, SAP ERP, and SAP Business Intelligence (BI). The same application programming interfaces (APIs) are available for third-party applications and interfaces with NetWeaver. The SAP BCM product includes native telephony functions, several forms of voice and UM, its own IM and presence solution, and a range of clients.

Strengths

- The SAP BCM UC functions are natively integrated into the SAP product line, and SAP BCM is generally better-known for its contact center capabilities, which can be leveraged seamlessly together with its UC functions. These are delivered through SAP's strong global sales, support and partner network.
- SAP BCM offers out-of-the-box integration with Microsoft Office Outlook and OCS presence, SAP CRM (sales, marketing, service and interaction center business roles), SAP ERP and SAP Business ByDesign. This means that users with different roles across the organization can cost-effectively use SAP BCM telephony functionality through and with their most-used business applications.
- Enterprises should consider the BCM solution if they are SAP users and have individuals who would benefit from having communication functions directly integrated with their SAP applications.

Cautions

- Overall, the UC capabilities are limited, with particular limitations in specific areas, for instance, conferencing. As a result, enterprises should verify whether the level of functionality meets their requirements.
- SAP is a large-business application vendor, but has not yet established its credibility as a large-scale enterprise communication vendor.

ShoreTel

The ShoreTel 9 UC platform offers an appliance approach particularly suited to distributed organizations. The appliance at each site has no hard drives, but uses flash memory, which lowers failure rates. Survivability is ensured with ShoreTel's N+1 failover capability, for which an appliance can fail over to another appliance

located anywhere in the network. These remote appliances operate independently, and are configured from a single ShoreTel Director Web application. ShoreTel supports its own phones, as well as SIP phones and SIP trunking.

Strengths

- ShoreTel offers a bundled UC solution with limited installation and configuration requirements. The bundle includes IM, audioconferencing and Web conferencing, voice messaging that can integrate with third-party e-mails, and its own telephony presence service and client.
- The solution can integrate with Microsoft OCS and IBM Sametime for IM and voice with presence.
- Enterprises with distributed operations should consider ShoreTel for a cost-effective, telephony-focused, UC solution.

Cautions

- The appliance architecture is less desirable for larger centralized environments.
- ShoreTel is a relatively small, emerging vendor focused on North America that is trying to increase its market and mind share in a market dominated by large competitors.

Siemens Enterprise Communications

The Siemens OpenScape suite provides a full UC portfolio and comprises a set of software modules that can be combined according to an enterprise's needs. The solution also offers consolidated administration and session control for the full suite. The product is fully standards-based, all-software, highly scalable and available as a single server. The key OpenScape modules are: the UC OpenScape Application module, which offers presence, IM, conferencing and customization tools; the Xpressions messaging module, which offers various forms of UM and now offers an upgrade to packaged UC capabilities; the OpenScape Voice module, which offers IP-PBX functionality; the Mobile UC module, which offers a range of fixed-mobile convergence functions; and Video, which includes desktop and conference room high-definition multiparty conferencing.

Strengths

- Over the past year, Siemens Enterprise Communications (SEC) has established its corporate status as a joint venture of the Siemens parent company and The Gores Group, emerging as a significant competitor in the enterprise UC market. SEC has expanded and improved its marketing and service operations, and has continued to advance its market and technology partnerships.
- OpenScape is a mature, fully functional, all-software, all-SIP UC solution. It can operate as a virtual VMware, and offers its own components, including telephony. However, it can also be integrated with leading collaboration applications and with third-party SIP products, including IBM and Microsoft UC products.

- SEC now offers modular presence, IM, audioconferencing and Web conferencing within its established Xpressions messaging product. This will be in addition to the current offering as part of the OpenScape product suite, and will initially be targeted at the Xpressions installed base. This will allow SEC to increase market penetration and awareness.
- Enterprises should evaluate the Siemens UC solution if they are looking for a full-featured, software-based UC solution, if they intend to integrate UC with business applications, or if they are an existing Siemens customer.

Cautions

- The SEC solution lacks market awareness in North America, which continues to slow adoption and acceptance.
- In a consolidating enterprise communication market, SEC may struggle for visibility because the market is increasingly dominated by larger competitors.

TeleWare

The TeleWare solution is based on the Intelligent Office suite, which includes functions for soft-switch-based telephony, conferencing, messaging and presence, as well as other UC functions. Additionally, the Private Mobile eXchange product provides a range of mobility capabilities.

Strengths

- The TeleWare Intelligent Office suite provides an integrated set of UC functions. These are integrated with Private Mobile eXchange, which provides enterprises with seamless roaming in and out of buildings, while retaining enterprise control and a low-cost structure.
- The platform is capable of being customized to meet specific enterprise requirements.
- 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.
- The videoconferencing and Web conferencing portions of the UC portfolio offer limited functionality.

- TeleWare has some key global accounts and is developing a presence in the Middle East, 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.

Toshiba

The Toshiba UC solution is based on the Strata CIX family of IP business telephone systems. In addition to telephony, bundled UC functionality includes several variations of UM; audioconferencing, Web conferencing and videoconferencing (up to eight parties); telephony-focused presence; a range of client options, including Web and SIP; and the ability to launch a softphone-enhanced telephony presence and remote call control from Microsoft OCS.

Strengths

- Toshiba has an established reputation for cost-effective IP telephony solutions, and is primarily designed for enterprises with fewer than 1,000 users.
- Consider the Toshiba UC solution if you are a SMB looking for a cost-effective, telephony-centric solution. However, ensure that you have support for all your locations.

Cautions

- All the UC functionality requires the Strata CIX telephony environment, and this provides less UC functionality than many competitors. For instance, conferencing functions and presence do not integrate with third-party solutions, so separate investments are needed if larger or more-extensive capabilities are required.
- The company has U.S. headquarters in Irvine, California, with the parent company based in Japan. It sells directly and through channels in North America, Asia/Pacific and the U.K. Toshiba is less visible in other regions, including the rest of Europe.

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.

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 that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales 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 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 initiatives, 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, service-level agreements and so on.

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 to 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 products 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 sets 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 vertical markets.

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.