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MarketScope for Unified Communications for the SMB Market, Western Europe

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In 2011, providers of unified communications to small and midsize businesses have been extremely active enhancing UC applications and working with channel partners to improve the positioning and delivery of their UC portfolios.

What You Need to Know

Unified communications (UC) is emerging from the convergence of many previously distinct technologies and is gaining some traction among small and midsize businesses (SMBs). Many SMBs in the past concluded that UC wasn't for them, because they lack the IT resources (both financial and personnel) to invest in UC. However, adoption has been gradually increasing as providers introduce more-affordable and more simplistically packaged UC offerings aimed at this market segment.

While SMBs have many of the same business needs as their larger-enterprise counterparts, they require IT solutions that are designed to be managed in an IT environment that is resource-constrained. Small businesses (organizations with between 20 and 250 employees for the purposes of this research) prefer IT solutions that are easy to purchase, implement, use and maintain. They are interested in solutions that are modular and can deliver the core capabilities they need today, with the ability to scale to what they might need in the future when they need it or can afford it. Organizations with between 250 and 499 employees tend to have more internal IT resources in-house but are still more constrained than their large-enterprise counterparts. Western European SMBs particularly seek those technology vendors that offer UC solutions with multilanguage support and have solid experience in key countries before they will consider them.

In 2011, most providers serving the Western European market made enhancements to their SMB UC portfolios and shifts in their sales and marketing strategies in an attempt to improve their positioning and UC offers. Most providers experienced shifts relative to Gartner's evaluation criteria ratings; some of the lower-level criteria ratings shifted providers' top-level ratings compared against the previous year. The following provides a summary of notable overall vendor rating changes:

- Alcatel-Lucent — Rating increased from Promising to Positive, in part because of UC solution improvements. Opentouch, Alcatel-Lucent's midsize-enterprise UC solution, provides full-featured, integrated UC functionality.

- Avaya — Rating declined from Positive to Promising as a result of a drop in sales strategy ratings (resulting from sometimes-challenging partner support and sometimes-expensive training and certifications).
- Cisco — Rating increased from Promising to Positive, partly as a result of effective marketing and increasing rates of SMB UC consideration (as evidenced by the number of European channel partners that have added Cisco certifications to work with customers that are increasingly demanding Cisco).
- Digium — Added to the Western Europe SMB UC MarketScope evaluation due to a maturing UC solution offer.
- IBM — Dropped from the Western Europe SMB UC MarketScope evaluation due to limited market positioning and traction of flagship SMB UC offer, Foundations.
- Critical Links — Dropped from the Western Europe SMB UC MarketScope evaluation because of limited size of Critical Links and the niche market focus of the EdgeBOX SMB solution. While Critical Links has a unique offer that we wanted to highlight in 2010, it is not large enough to warrant continued coverage in the MarketScope on an ongoing basis.

MarketScope

This MarketScope focuses on the premises-based (or infrastructure-based) UC market for SMBs. For the purposes of this MarketScope, an SMB is defined as having between 20 and 499 employees, which falls within — but doesn't align exactly to — Gartner's broader global definition of up to 1,000 employees (see "Dataquest Guide: Gartner's New SMB Segmentation and Methodology"). We chose to limit the scope of this report to the 20 to 499 because of the wide range of SMB offers within this segment.

To support this MarketScope evaluation work, Gartner spoke with multiple customer and channel partner references, requested and analyzed UC RFPs (one for a 50-user implementation and one for a 250-user implementation) from each provider, and conducted vendor interviews.

This MarketScope is different from the existing Gartner UC Magic Quadrant because it focuses strictly on those offerings aimed at the needs and requirements of SMBs. The UC Magic Quadrant focuses on solutions for upper-midsize businesses, large businesses, very large businesses and multinationals. However, there is some overlap in vendors and offerings between the two reports. In addition, this MarketScope is focused on premises-based UC offerings, as opposed to the service-based offerings covered in the UC as a service (UCaaS) Magic Quadrant.

SMBs prefer solutions that:

- Are easy to install, configure and manage
- Are simple to use and require minimal customization
- Don't increase demand on already limited IT resources
- Are easy to integrate with existing systems
- Have straightforward and simple pricing

- Come with superior customer service and support

These SMB characteristics formed the basis of this MarketScope's evaluation criteria and provider ratings.

Market/Market Segment Description

UC is a direct result of the convergence of communications and applications. Differing forms of communications 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 Internet Protocol (IP) networks and open-software platforms is enabling a new paradigm for UC, and IT 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 communications methods. This can include control, management and integration of these methods. UC products integrate communications channels (that is, 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 they may be a portfolio of integrated applications and platforms spanning multiple vendors. For the SMB market, offerings are typically made up of single-server stand-alone suites meant to be plug-and-play. This eliminates the need for additional integration costs and complexity, and it typically simplifies the IT maintenance and management requirements, which are important selection criteria for resource-constrained companies.

UC products are used to facilitate personal communications and 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.

Gartner evaluates UC using a framework of six broad communications functions:

- 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 email (which has become an indispensable business tool), voice mail and unified messaging (UM) in various forms.
- Presence and instant messaging (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 is sometimes called "rich presence."

- Clients — Unified clients enable access to multiple communications 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.
- Communications applications — This broad group of applications has directly integrated communications functions. Key application areas include consolidated administration tools, collaboration applications, contact center applications and notification applications. Eventually, other applications will be communications-enabled. When business applications are integrated with communications applications, Gartner calls them "communications-enabled business processes."

Inclusion and Exclusion Criteria

To be included in this MarketScope, solution providers must have:

- On-premises products that include three out of the following four UC areas: (1) voice capability; (2) conferencing; (3) messaging; and (4) presence and IM
- The UC product design and attributes to generate significant interest (demonstrated by Western European "mind share" and inquiry) in the 20- to 499-employee segment
- An offering with significant market presence (defined as market share, differentiating innovation and/or mind share)
- Demonstrable UC for SMB portfolios/products, with references
- Specific offerings and support capabilities for a Western Europe-based customer

Rating for Overall Market/Market Segment

Overall Market Rating: Promising

Our outlook for this market is promising because this market is still emerging, solutions are still maturing and SMBs are in the early stages of adoption. During the past 12 months, SMB UC providers have been extremely active honing application development, expanding support for mobile applications, training channel partners and working with them on positioning their UC solutions. Vendors differ in their ability to deliver and support focused UC solutions for the SMB market, and providers are still refining SMB UC offerings and strategies. While providers have made strides in their UC suite offers, many providers do not yet have fully integrated UC suites with single administration and management capabilities and common user interfaces. Within the small-business segment (20 to 99 employees), all-in-one, easy-to-implement, ready-to-go solutions characterized by integrated and simple management and user interfaces remain a key to market acceptance. The low-end midsize-business segment displays more openness to working with nonintegrated offerings, partly because of greater customization requirements and more-capable IT staff. However, the overall buying experience (from the initial consideration process through postsales service and support) for both the small- and midsize-business markets has proven to be best served by solutions that are affordable, do not require excessive customization, have intuitive and consistent user and management interfaces, and are easy to support after the sale.

While SMB adoption and interest in UC continue to increase, adoption rates remain low. Low adoption is a result of four primary factors:

1. Limited maturity of vendor solutions: Most providers are still enhancing and integrating their UC components, but many UC elements are still offered in separate servers, which increases the complexity of the communications decision and implementation and increases the overall solution cost.
2. Difficulty in business case justification: The business case frequently is based on a soft ROI or a strategic investment, such as productivity improvements, rather than on hard ROI, such as cost savings. A lingering focus on cost containment, conflicting and time-sensitive requirements for hardware and software upgrades, and overall flat IT budgets are preventing organizations from moving ahead with UC implementations.
3. Some SMBs opt for basic communications functionality (basic telephony and voice messaging functionality) instead of advanced UC capabilities.
4. Existing investments in point solutions: Most SMBs have portions of UC in place (telephony, voice messaging and email) and some fail to find the cost or business justification of "unifying" these components — especially when the existing equipment hasn't reached the end of its useful life cycle.

Several vendors offer UC solutions but were not included in this MarketScope because the inclusion criteria require that vendors must have on-premises offerings. For example, BT's SMB offers were not included because its UC solutions are not available for deployment on the enterprise's premises. There were also several SMB IP telephony providers that were not included because, from a market share and/or mind share perspective, they are not considered as strong a UC player as they are an IP telephony player.

Evaluation Criteria

Table 1 outlines evaluation criteria, comments and weighting, while Table 2 outlines key criteria questions. Table 3 maps SMB offerings by size segment. Figure 1 is Gartner's MarketScope for UC for the SMB market in Western Europe.

Table 1. Evaluation Criteria

Evaluation Criteria	Comment	Weighting
Market Understanding	Ability of the technology provider to understand buyers' needs and translate these needs into a UC solution. Vendors that show the highest degree of vision are those that listen and understand buyers' wants and needs and that can shape or enhance those wants with their added vision.	Low
Marketing Strategy	A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and marketing position statements.	Standard
Sales Strategy	The strategy for selling SMB UC solutions that uses the appropriate networks of direct and indirect sales, marketing, service and communications affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.	Standard
Product/Service	Core goods and services offered by the technology provider that compete in/serve the SMB market. This includes current product capabilities, quality, feature sets, skills and so forth, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.	High
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 SMB UC product portfolio, will continue offering SMB UC solutions and will advance the innovation within the organization's SMB UC portfolio.	Low
Customer Experience	Relationships, products and services/programs that enable clients to be successful with SMB UC offers. 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, etc.	High

Source: Gartner (June 2011)

Table 2. Evaluation Criteria Key Questions

Evaluation Criteria	Comment	Weighting
Market Understanding	How targeted to the SMB market is the provider overall? How well does the provider understand SMBs' needs, such as ease of use, pricing and simple messaging? How well does the provider understand UC requirements? Where on the simplicity-versus-flexibility scale does the provider fit?	Low
Marketing Strategy	How often is the provider considered by SMBs? What is the marketing reach? Does the provider do any segmentation, such as role-based or vertical segmentation? Are messages easy to understand? Are the organization and channel aligned in marketing and sales strategy? Is the message consistent globally? How appropriate and innovative are the marketing programs?	Standard
Sales Strategy	How does the provider segment its channel partners? How appropriate are channel partners' skill sets? How complete are channel partners' support and training? How comprehensive is the channel coverage model? Is there an appropriate mix of direct versus indirect channels? How loyal and engaged are channel partners? How appropriate and innovative are technology partnerships?	Standard
Product/Service	Are the products built specifically for the SMB market? How complete and innovative is the product offering? Does it enable an appropriate amount of choice? How easy is it to use and maintain? What is the pricing? Is it transparent, easy to understand and affordable? How is the reliability? How much legacy equipment can be maintained when an SMB initially buys and when it gets larger? What level of expertise is required to run and support the offering?	High
Overall Viability (Business Unit, Financial, Strategy, Organization)	What is the financial health and success of the overall organization and business unit? How likely is the individual business unit to continue to invest in the product, to continue offering the product and to advance its capabilities?	Low
Customer Experience	How easy is the offering to implement, use and maintain? How easy is it to find information or answers to questions? How easy is it to find the appropriate person to respond to issues and questions? How much emphasis is given by the provider on enhancing the overall customer experience? What is the level and feeling of support that the customer experiences?	High

Source: Gartner (June 2011)

Table 3. UC for SMB Offerings Size Segment Map

	20 to 49 Users	50 to 99 Users	100 to 250 Users	250 to 500 Users
Aastra Technologies	Aastra 400	Aastra 400 Aastra 700	Aastra 400 Aastra 700	Aastra 400 Aastra 700
Alcatel-Lucent	OmniPCX Office Rich Communication Edition (RCE) plus Extended Communication Server	OmniPCX Office Rich Communication Edition (RCE) plus Extended Communication Server	Omni PCX Enterprise + Instant Communications Suite, Business Integrated Communication Solution, OpenTouch Business Edition	Omni PCX Enterprise + Instant Communications Suite, Business Integrated Communication Solution, OpenTouch Business Edition
Avaya	Avaya IP Office 500	Avaya IP Office 500	Avaya IP Office 500	Avaya Aura
Cisco	Smart Business Communications System (SBCS)	Smart Business Communications System (SBCS), Cisco Unified Communications Manager Express	Cisco Unified Communications Manager Express, Cisco Unified Communications Manager Business Edition (CMBE) 3000 and CMBE 5000	Cisco Unified Communications Manager Business Edition (CMBE) 5000 and CMBE 6000
Digium	Switchvox 65 Switchvox 305, Asterisk	Switchvox 305, Asterisk	Switchvox 305, Switchvox 355, Asterisk	Switchvox 355, Asterisk
Microsoft				Lync 2010 plus Exchange 2010 SP1
Mitel	Mitel Communications Director, Mitel Applications Suite, Mitel Unified Communicator Advanced, Mitel 5000 Communications Platform	Mitel Communications Director, Mitel Applications Suite, Mitel Unified Communicator Advanced, Mitel 5000 Communications Platform	Mitel Communications Director, Mitel Applications Suite, Mitel Unified Communicator Advanced, Mitel 5000 Communications Platform	Mitel Communications Director, Mitel Applications Suite, Mitel Unified Communicator Advanced

	20 to 49 Users	50 to 99 Users	100 to 250 Users	250 to 500 Users
NEC	Business ConneCT (BCT) with UNIVERGE SV8000 or Sphericall	Business ConneCT (BCT) with UNIVERGE SV8000 or Sphericall	Business ConneCT (BCT) with UNIVERGE SV8000 or Sphericall	Business ConneCT (BCT) with UNIVERGE SV8000 or Sphericall
ShoreTel	ShoreTel 12 (Small Business Edition), ShoreTel Communicator, ShoreTel Conference and Collaboration	ShoreTel 12, ShoreTel Communicator, ShoreTel Conference and Collaboration	ShoreTel 12, ShoreTel Communicator, ShoreTel Conference and Collaboration	ShoreTel 12, ShoreTel Communicator, ShoreTel Conference and Collaboration
Siemens Enterprise Communications	OpenScape Office MX	OpenScape Office MX, OpensScape Office LX, HiPath 3000 with OpenScape Office HX	OpenScape Office LX, HiPath 3000 with OpenScape Office HX	OpenScape Office LX, HiPath 3000 with OpenScape Office HX

Source: Gartner (June 2011)

Figure 1. MarketScope for Unified Communications for the SMB Market, Western Europe

	RATING				
	Strong Negative	Caution	Promising	Positive	Strong Positive
Aastra			x		
Alcatel-Lucent				x	
Avaya			x		
Cisco				x	
Digium			x		
Microsoft			x		
Mitel			x		
NEC			x		
ShoreTel			x		
Siemens Enterprise Communications				x	

As of 20 July 2011

Source: Gartner (July 2011)

Vendor Product/Service Analysis

Aastra Technologies

A high proportion of Aastra's revenue is generated from the European telephony and UC markets, although the company's reach and presence extend globally. Since 2003, Aastra has expanded its customer base through acquiring the following companies or divisions: Switzerland-based Ascom's PBX division, France-based EADS Telecom, Germany-based DeTeWe and Sweden-based Ericsson's Enterprise Communications Business.

During 2011, Aastra has undertaken significant product shifts to consolidate its SMB telephony and UC portfolio. The company is standardizing on the Aastra 400 (migration path for channel partners selling IntelliGate, MD Evolution and BusinessPhone) and the Aastra 700 (migration path for channel partners formerly positioning MX-ONE Compact). The Aastra 400 supports up to 600 users, and the Aastra 700 solution supports up to 1,000 users. Both solutions can provide telephony, IM/presence, notification, UM, audio- and videoconferencing capabilities. Neither solution provides Web conferencing functionality.

SMBs should consider Aastra offerings if they are looking for mobility-focused European-centric UC offerings with channel partners possessing strong local knowledge and support.

Strengths

- Recent product consolidation and enhancements improve Aastra's ability to provide customers with easier-to-use and more innovative UC solutions. The decision to direct UC-related research and development (R&D) funds toward the Aastra 400 and 700 is expected to increase the speed of enhancements and improve the capabilities for Aastra's all-in-one UC offerings.

- Aastra offers channel partners an overall positive experience. The company has a history of engaging directly with channel partners and generally retaining key local sales and channel partners as well as customer support personnel throughout its historical acquisitions. This retention provides Aastra with unique insight into local dynamics and end-user issues that go hand-in-hand with having a long-standing presence in a particular locale. Furthermore, Aastra has made enhancements to improve the partner and customer experience during the sales cycle. The company is in the process of rolling out a Web-based tool to assist partners with the ordering and planning elements during the UC sales cycle.
- Aastra has a range of solutions addressing mobility and open-standards requirements. In part leveraging Ericsson's mobility expertise, Aastra offers an array of mobile solutions, including IP Digital Enhanced Cordless Telecommunications (DECT), SIP DECT, Wi-Fi and fixed-mobile convergence, to meet various customers' mobility requirements. Across its solutions, Aastra has leveraged open standards to support application integration with other vendors' UC applications and solutions.
- Aastra has a strong presence in the European SMB market and a broad network of channel partners across the region with experience serving SMB end users.

Cautions

- Aastra is still executing on its product consolidation strategy. The company is rolling out the Aastra 400 and 700 offerings to existing and new channel partners in a phased country-level approach. While it is Gartner's view that the consolidation strategy is a positive move, the rollout is not yet complete, and therefore some UC components/solutions are not yet mature and not generally available in specific country markets. Additionally, some of Aastra's partners have limited experience positioning and supporting the newer offerings.
- Aastra has made positive feature enhancements during the year, including enhancements to its telephony Web portal and IM, conferencing and UM enhancements and increased capacity. However, some UC components are not as robust as some competitors' offerings. Additionally, Aastra does not offer Web conferencing functionality.
- While Aastra has a solid installed base of SMB customers across Europe, the company is known primarily for telephony instead of advanced UC functionality. The company currently has greater leverage with organizations interested in taking a slower phased approach to UC versus IT department-led decision makers in pursuit of robust UC functionality. Aastra will need to continue to align marketing efforts toward positioning UC messages to end users and channel partners across Europe.

Rating: Promising

Alcatel-Lucent

Alcatel-Lucent offers two main product offerings for the SMB market. For the small-business market, Alcatel-Lucent has the Office Communication Solution, which includes the OmniPCX Office (OXO) Rich Communication Edition (RCE), the Extended Communication Server (ECS) and My Teamwork Office. The Rich Communication Edition Release 8 (released in December 2010) offers new Session Initiation Protocol (SIP) and wireless local-area network (WLAN) capabilities. It is primarily marketed to companies with 10 to 100 users, although the solution scales to up to 200 users. The solution is appliance-based and provides the following functionality: voice, network connection, IP phones, UM, rich presence and mobile UC. Fax server and push-mobile services, as well as Web conferencing, are available as stand-alone or bundled offerings. Alcatel-Lucent will position the ECS as an add-on platform for OXO installed base customers and will position the RCE solution for new SMB customers.

For midsize businesses, Alcatel-Lucent offers the OpenTouch Business Edition — the evolution of Business integrated Communication Solution (BiCS). OpenTouch Business Edition is a multimedia switch that provides full-featured, integrated UC functionality and includes the OmniPCX Enterprise. The solution is targeted to companies with 100 to 1,500 employees. OpenTouch leverages a SIP architecture and provides telephony, conferencing (audio, video and Web) as well as messaging, mobility, presence/IM functionality.

Alcatel-Lucent positions solutions for a broad range of vertical industries but offers customized applications for healthcare, education, hotels (its target is small, private hotels) and local government. The company has also garnered strong recognition in the retail industry segment.

SMBs should consider Alcatel-Lucent if they are seeking a UC offering that is simple, reliable and easy to use or looking for a provider with a broad base of partners across Europe.

Strengths

- Alcatel-Lucent understands SMBs' needs for ease of use and intuitive communications solutions, as well as simplified solution bundling. Alcatel-Lucent makes it easy for its channel partners to position solutions and offers an intuitive user pricing through its On Demand user Communications (ODC) licensing model.
- Alcatel-Lucent provides a single unified management for all the of the telephony and UC applications within the OpenTouch platform.
- Alcatel-Lucent has a reputation for producing reliable and well-engineered telephony products and UC applications. In June 2011, Alcatel rolled out embedded video switching, as well as embedded audioconferencing and Web conferencing, to round out its UC portfolio. Alcatel-Lucent also offers a wide range of handsets and a large portfolio of communications infrastructure and reliable contact center solutions (Genesys).
- Alcatel-Lucent is a well-known and respected company in Western Europe, and it has a large installed base and a large partner network in place throughout EMEA.

Cautions

- Although Alcatel-Lucent's UC offerings are quite reliable, when issues do occur, some partners have experienced problems with timely and effective next-level support, which can negatively impact the overall customer experience.
- Alcatel-Lucent Enterprise is transitioning to a UC- and software-focused business but is not yet there to date. While the company has been positioning UC applications for some time the organization is still transitioning its marketing messages as well as its sales and support channels to develop UC expertise. To assist its channel partners through the transition, Alcatel-Lucent is providing UC-related education and training and offering postsales professional services resources to assist with postimplementation issues. The company is also adding some HP channels to its partner mix to expand its market reach and delivery breadth.

Rating: Positive

Avaya

Avaya made significant product and channel changes during the year as the company continued the integration and development of its combined Avaya/Nortel Enterprise Solutions (NES) assets following Avaya's December 2009 acquisition of Nortel's enterprise business. While Avaya was taken private by private equity firms Silver Lake and TPG Capital in 2007, in June of 2011, Avaya announced plans to file for an initial public offering (IPO).

Within the small- and low-end midsize-market segment, Avaya positions IP Office as follows:

- IP Office is targeted at companies with five to 250 users, although it can scale to 384 users in a single site and 1,000 users in a multisite network. IP Office is sold in role-based packaging (UC functionality is offered for different worker types) and can support voice, UM, audio- and videoconferencing, presence/IM, and notification. IP Office does not natively support Web conferencing; instead, Web conferencing functionality can be obtained through a certified DevConnect partner. IP Office is sold in editions: Essential for fewer than 25 users; Preferred for more-advanced UC functionality; and Advanced for SMBs with customer service departments requiring contact center applications. All three versions support time division multiplexing (TDM) and IP on the same platform. General availability of IP Office 7.0 was announced in March 2011. IP Office 7.0 offers support for most heritage BCM and Norstar phones (both are end of sale) as well as support for a broader range of Avaya devices (note Avaya Desktop Video Device (ADVD) is not currently supported on IP Office), expanded SIP support, and customized applications for the healthcare vertical.

For midsize businesses, Avaya positions Avaya Aura and the Avaya Aura Solution for Midsized Enterprise. Nortel's heritage Software Communication System (SCS) (which was included in Gartner's previous MarketScope evaluation) is no longer positioned in North America but is now being sold in specific country markets including Brazil, Malaysia and Japan. The software solution is emphasized in markets with high import tariffs on equipment hardware. Avaya is in the process of porting the SCS UC features into a new version of IP Office. Given the shift in SCS positioning over the past 12 months, we are no longer including SCS in our evaluation.

- For midsize businesses to large enterprises, Avaya positions the virtualized Avaya Aura platform, an integrated UC and collaboration suite. The Avaya Aura Solution for Midsized Enterprise packages the core elements of the full suite onto a single virtualized server and has a sweet spot of 250 to 1,000 users. Avaya Aura features more-robust native UC functionality than IP Office. Functionality includes: voice, IM/presence, audio, video, Web conferencing, UM, notification and multivendor integration. Customers can migrate from IP Office to Avaya Aura while maintaining their endpoints, or integrate IP Office into Avaya Aura as a hybrid solution. Within the past 12 months, Avaya has added full integration of Avaya Aura Session Manager, Presence Services, Session Border Controller and System Manager into the midsize solution. Additionally, Avaya Aura supports desktop video and videoconferencing with the Avaya Desktop Video Device with the Avaya Flare Experience and Avaya 1000 series of video endpoints, as well as audioconferencing devices in the Avaya B100 series stemming from Avaya's acquisition of Konftel in early 2011.

SMBs should consider Avaya offerings if their UC plans include telephony, messaging or contact center requirements, and they are looking for a solid telephony brand with an ample selection of channel partners.

Strengths

- Avaya has strong brand recognition and reputation in telephony markets across Western Europe. Before the Nortel acquisition, Avaya had an especially strong presence in the U.K., Germany and the Netherlands. With the Nortel acquisition, Avaya has expanded its presence and channel partners across Europe. Avaya, along with acquired vendor, Nortel, have a strong history of selling portions of UC (most notably telephony, messaging and contact center functionality) and being recognized as reliable providers of these solutions. As a result, Avaya is frequently included in the Western European SMB UC consideration set.

- Partly as a result of the Nortel acquisition, Avaya has a very large installed base of telephony and contact center customers across the globe. Avaya has the opportunity to leverage these existing and acquired customers and migrate them to Avaya's next generation SMB UC solutions.

- IP Office's 7.0 release support for most heritage Nortel IP and digital phones will improve the company's ability to migrate the Nortel installed base customers to IP Office. Additionally, the new data migration tool should improve the overall ease of the migration process.

- Avaya is investing in marketing campaigns within the SMB segment, which could strengthen brand awareness. The company has engaged in SMB-focused events, social media and general advertising campaigns, as well as initiated promotional programs to help increase SMB consideration as the company continues its transition efforts.

- Avaya has a broad base of SMB certified channel partners throughout North America which means Avaya has a more extensive reach to SMB end users compared with most competitors.

Cautions

- Following Release 5 of Avaya IP Office, Avaya implemented licensing changes that may discourage some users from implementing UC functionality. Avaya implemented licensing charges for endpoints (previously didn't charge for endpoint licenses) as well as bundles for certain elements, which were previously available for purchase through a la carte pricing. Shifts in solution pricing has created the perception among some SMBs that basic telephony functionality through IP Office is price-competitive but advanced UC functionality is price-prohibitive. Avaya is taking steps to correct this perception.

- While integrating the Nortel and Avaya channels, Avaya's channel training curriculum didn't always encourage partners to achieve new certifications. As Avaya began to streamline its training curriculum, channel partners reported the content and curriculum for specific UC-related certifications changed frequently and the price per technician to train could run high. The challenges managing the training courses might have discouraged some partners from having Avaya-certified UC technicians, which could impact the success and ease of some Avaya SMB UC implementations.

- Support to Avaya's SMB channel partners has been reported by some partners to be slow, which impacts partners' abilities to respond to implementation or support issues and can negatively impact the overall customer experience. While Avaya effectively supports some of its channel partners, some partners report delays in response times and requirements for submitting lengthy descriptions and traces reports as well as delays in reaching the appropriate support personnel. A new partner help desk, new ticketing system and investments in system engineers to support SME partners have been introduced to address these concerns.

- While Avaya's SMB UC business has achieved significant milestones integrating two large telephony and communications application organizations, the company is still working on product transitions, training channel partners and ultimately migrating Nortel heritage customers to next generation Avaya SMB UC solutions.
- There is some consolidation occurring across Avaya's base of channel partners. SMBs should consider the financial strength and overall stability of the Avaya partner as part of the UC evaluation process.

Rating: Promising

Cisco

For the SMB market, Cisco offers a range of unified communications solutions. For its overall SMB strategy, Cisco segments its SMB customers on the basis of business maturity and business requirements, and this segmentation extends into its go-to-market approach for each segment. Each of these platforms has a different range of capabilities, so the target market segments may overlap between platforms. However, the offering choice for any given customer is based on the customer's specific business requirements for features, functionality and usability. In 2011, Cisco added a new platform, the UC 300 Series solution, geared for the very small business market; the UC 300 comes standard with 24 user licenses.

The solutions typically targeted to the 20- to 500-user segment include the following:

- For small businesses, Cisco has the Smart Business Communication Solution (SBCS). It is meant for the 20- to 100-user segment and is scalable to 138 users. SBCS includes the UC 500 series platform and UC 500 Call Control. SBCS is an all-in-one offering that includes: voice, data, integrated messaging, auto attendant, video, virtual private network (VPN) and WLAN access.
- Cisco Unified CM Express (Unified CME) is for 50 to 250 users and features the Integrated Services Router platform and the Unified CME Call Control. Functionality includes: voice, messaging, video, data, public switched telephone network (PSTN), FXS, VPN and firewall. The solution is ideally suited for small branch office environments.
- The Cisco Unified CM Business Edition (Unified CMBE) is offered in three versions: Business Edition 3000, Business Edition 5000 and Business Edition 6000 — all are positioned in the 100 to 500 user range. The CMBE 3000 offers very basic and limited UC functionality like basic voice messaging, audioconferencing and notification. The solution does not offer IM/presence capabilities or offer support for mobile clients. The Business Edition 5000 offers more advanced capabilities like telepresence and UM, and provides mobile support for Android, BlackBerry and iPhone. Presence/IM support is offered through an adjunct server, or through the Webex cloud. The Business Edition 6000 provides the same features offered through the Business Edition 5000 but adds integrated IM/presence, contact center, and features redundant call processing or redundancy for up to all four co-resident applications.

Small businesses should consider SBCS if they are an organization with up to 100 employees looking for an all-in-one-type UC, VPN, Security, WLAN bundle. Midsize businesses should consider Unified CME or Business Edition 6000 if they have a robust network and adequate IT resources, and are looking for more-advanced UC features and functionality.

Strengths

- Cisco has a well-aligned, consistent global marketing message and is able to get its UC messages out to SMBs and channel partners on a global level. This marketing strength has allowed Cisco to obtain strong mind share among SMBs and SMB partners, and allows Cisco to be frequently considered in the SMB UC vendor consideration set. Gartner has noted an in increase in partners deciding to resell Cisco SMB UC solutions in addition to their existing portfolio because of the increase in customers demanding Cisco UC.

- Cisco has expanded the breadth of its phone portfolio offering a wider range of low-price IP phones. The low-priced phones improve the company's ability to compete in the price-sensitive SMB market.

- Cisco offers a robust and complete portfolio of UC functionality from conferencing to presence and video capabilities. Because of its strengths in solution development, Cisco can typically offer advanced UC functionality, if the SMB desires customized functionality and/or specific applications. Cisco's partners now have the ability to resell Webex, so SMBs desiring Web/videoconferencing and collaboration capabilities can obtain this functionality through their Cisco channel partner.

- Cisco's channel partner program is strong, and Cisco partners are typically seen as competent and technically capable. Cisco partners can typically provide the network infrastructure, as well as the UC functionality, which can be especially appealing for SMBs as it gives them "one throat to choke" if there are performance issues. Overall, Cisco has increased its support and training programs geared for the SMB market. Within Europe, Cisco has implemented an onboarding program that takes partners through a three-month education and training program. Cisco also introduced Partner Advisor — a program featuring live agents who take calls from partners to talk about promotions, help work through financing and pricing options.

Cautions

- Depending on the platform and level of functionality implemented, the Cisco architecture could require a Cisco Certified Internetwork Expert (CCIE) to implement it, which is an advanced IT specialization that not many SMBs will regularly have in-house. After installation, it typically requires a Cisco Certified Network Associate (CCNA), backed by the local reseller, for ongoing maintenance. As a result, Cisco installations depend more heavily on channel partner service and support (which can increase the overall cost), with the partner having the certified network engineers on staff rather than the SMB attempting to maintain this expertise in-house.

- Cisco's three SMB UC solutions feature different management consoles and platforms, based on the choice of underlying operating system, which can make migration between solutions more time-consuming and expensive. If a small business outgrows SBCS, it must swap out the main platform to migrate up to Unified CME and again for Business Edition. However, most IP phones and their user licenses — the primary expense component of a solution — can be reused across most platforms, as well as across most switches and routers

- Pricing and licensing can be complex on some of the solutions. While Cisco is making improvements in terms of offering SMB solutions at lower price points, overall solution costs for advanced UC functionality can be expensive and in some cases, the solution is designed with multiple boxes, which can be more time-consuming to implement and more difficult to manage.

- While Cisco has been able to attract and certify new channel partners throughout Europe and improve the sales and support resources to its partner base, some of Cisco's partners might not have the capabilities to easily support their customers through the UC implementation. Small channel partners frequently report difficulty with determining appropriate solution configurations and difficulty determining appropriate UC part numbers to order. Additionally, now that Cisco has recruited a vast number of channel partners around the globe, there is a high level of competition between channel partners as well as eroding margins for UC solution sales. Challenges on the partner front could negatively impact the overall customer implementation experience.

Rating: Positive

Digium

Open-source provider Digium competes in the SMB unified communications market with Switchvox, an all-in-one, open-source-based platform that Digium has packaged for the SMB market as well as through Asterisk, the toolset that can be customized to create a UC solution. As Asterisk is a customizable platform instead of an off-the-shelf UC solution, Asterisk will not be included as part of this MarketScope evaluation. Digium was founded in 1999 as the innovator of open-source software Asterisk. Since the company's founding, Asterisk has been deployed around the world by developers. Additionally, other veteran telephony providers have leveraged the Asterisk platform to build their own open-source communications offerings.

Digium's Switchvox features telephony, audioconferencing, UM, IM/presence, notification, contact center and collaboration functionality. The solution comes in three variations: The Switchvox 65 (supports up to 30 users/12 concurrent calls), Switchvox 305 (supporting up to 150 users/45 concurrent calls) and the Switchvox 355 (supporting up to 400 users/75 concurrent calls). The solution boasts low price points and is easy to implement.

SMBs with operations limited to the U.K., Italy and parts of Spain should consider Digium if they are looking for a price-competitive, intuitive solution with an easy user/management interface and have minimal conferencing requirements.

Strengths

- Switchvox can be implemented out of the box with minimal configuration requirements and with minimal time.
- Digium has leveraged the industry momentum generated by Asterisk and has increasingly drawn users toward Switchvox. Digium offers a free trial for Switchvox on the Asterisk website, which is resulting in an increase in Switchvox business. Digium has the opportunity to continue to leverage this brand recognition for its Switchvox solution on a global level.
- The fact that Digium has a large base of developers writing to the Asterisk open-source code provides Digium with opportunities to leverage innovation and ingenuity that can be directed to the Switchvox solution.

Cautions

- While Switchvox features GUI translations for British English, Castilian Spanish and Italian and offers sound packs to allow the phone experience to be localized to a specific country, Switchvox does not yet have language support capabilities across all European countries. Additionally, Digium is still expanding its European channel network and its current base of partners is not as extensive as some larger UC competitors.
- Digium does not offer a total communications solution with phones/endpoints, or networking equipment (switches and routers). In most cases Digium's resellers and channel partners will position specific phones (typically Snom or Polycom) as part of the offer. The lack of other complementary in-house equipment means some customers will look to multiple providers (which can increase the complexity) for their communications solution.
- Switchvox does not offer Web conferencing or videoconferencing functionality. End users desiring these capabilities will have to integrate third-party solutions.

Rating: Promising

Microsoft

Microsoft's premises-based UC offering for the SMB market is based on Lync 2010 plus Exchange 2010 SP1, which Microsoft positions for the above-250-employee segment. For the under-250-employee market, Microsoft primarily positions cloud-based services approaches with Office 365 (which includes Lync Online and Exchange Online). In this MarketScope, we are focusing on the premises-based Lync and Exchange solutions.

Microsoft also leverages 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. Although Microsoft touts the ability of Lync 2010 plus Exchange 2010 SP1 as a stand-alone premises-based UC offering, it is still often implemented as a hybrid solution on top of an existing PBX.

Lync plus Exchange provides conferencing (audio, Web and video), IM/presence, notification, collaboration and messaging and telephony functionality (Lync supports E911 and PSTN calling).

Midsize businesses should consider Microsoft's Lync plus Exchange 2010 SP1 if they have significant investments in Microsoft solutions, are looking to leverage existing PBX investments, and have the required IT resources to integrate and manage the offering.

Strengths

- Microsoft has strong brand name recognition and market reach. Because the SMB market tends to be highly Microsoft-centric in many areas, Lync plus Exchange 2010 SP1 tends to land in the UC consideration set for many midsize businesses.
- Microsoft has added support for a range of phones (Polycom, SNOM and Aastra), which broadens the appeal of the solution. Many users have specific phone preferences relating to type and price; the increased range will help Lync eventually serve as a PBX replacement.

- 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), email, 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.
- Interoperability with most of the telephony PBX providers means that SMBs can incrementally acquire Microsoft UC functionality while still leveraging existing PBX investments. Microsoft's Lync plus Exchange 2010 SP1 can sit behind an existing PBX offering in a hybrid environment, which would limit costs for existing Microsoft shops that want to add on specific UC functionality and reduces the risk associated with moving off of their PBX for voice. This flexibility also extends to applications, allowing SMBs the opportunity to customize the offering for specific verticals or applications.

Cautions

- While the telephony functionality in Lync has improved since our last iteration, it still remains in a relatively early stage of market adoption. Although Microsoft now has customer references using Lync as a PBX replacement, the solution is not yet competitive with best-of-breed telephony products.
- Lync 2010 plus the Exchange offering requires more IT skill and resources to manage than many competitors' offerings. The high level of flexibility of the system can translate to a more complex integration (and typically a hybrid environment), which requires a greater budget for integration and dedicated IT resources.
- Microsoft SMB channel partners often lack experience in UC in general and more specifically in the voice component of UC, although MSFT is launching training programs to bring partners (new and existing) on board with Lync certifications, positioning and implementation strategies.
- Although the "as-a-service" market is showing growing interest from SMBs, many SMBs prefer to acquire UC in a premises-based/owned model. The price as well as integration complexities associated with Lync plus Exchange does not make Lync an optimal solution for the below 250 market segment.

Rating: Promising

Mitel

The Mitel UC solution is based on the Mitel Applications Suite (MAS), Mitel Unified Communicator Advanced (UCA) and the Mitel Communications Director (MCD). Mitel specializes in the under-500-user segment, although the offering can expand to thousands of users, as needed. Communications Director provides telephony call control on the 3300 switch or on industry standard servers. The Applications Suite includes support for audioconferencing and Web conferencing, desktop access, UM and collaboration functionality. UCA provides video capabilities, presence/IM, notification and client support. Currently the different solutions (MCD, MAS and UCA) have separate software streams, but plans are under way to merge MAS and UCA into a single stream in 2011.

Mitel is undergoing internal restructuring in an attempt to improve profitability and the company's overall financial situation. In January, Mitel named a new CEO, Rich McBee, to lead Mitel. McBee is realigning sales channels and implementing strategic directional shifts. Going forward Mitel will focus R&D efforts on the 100- to 2,500-employee segments and reduce its R&D focus on the above-2,500 segment. Along with these shifts, Mitel will realign its sales channels from a multiregional focus to a simplified structure consisting of Americas and International sales divisions.

SMBs should evaluate Mitel offers if they are looking for a provider with the ability to run UC in a virtualized or managed services environment or evaluating telephony communications functionality to go with Microsoft UC deployments.

Strengths

- As part of Mitel's leadership transition and subsequent restructuring initiatives, McBee indicated an increased focus on the 100- to 2,500-employee segments. Honing the company's efforts more narrowly on this market segment could improve Mitel's ability to deliver innovative solutions and applications to the SMB market.
- Mitel offers its UC applications, including VMware certified Mitel Communications Director, to run in a virtualized environment. The offering can streamline communications infrastructure costs, simplify the implementation and reduce the ongoing operating costs. While most customers don't run their UC solutions in a virtualized environment, SMB interest in virtualization is growing. Mitel has the opportunity to leverage its leadership in virtualization to draw new customers.
- Mitel has had success with its managed services offering in Western Europe, which is offered through indirect channels.

Cautions

- The separate software streams for the MAS, MCD and UCA solutions can make running patches and pushing software upgrades a time-consuming and potentially expensive task for channel partners. This means partners profits can erode while supporting Mitel UC solutions. Mitel has plans in the works to consolidate MAS and UCA software into a single stream in 2011, which should help address this issue.
- Mitel is not currently viewed as a leading UC software provider but instead as a telephony provider. Furthermore, Mitel lacks some of the brand recognition and consideration that some of its large counterparts possess across Western Europe. Mitel will need to continue marketing efforts to grow its perception as a UC provider and increase its consideration in the SMB UC market.
- McBee's transition plans associated with the sales channel structure will consolidate the Western Europe business into the "International" business classification. This move could potentially undermine the autonomy and strength of the operations within the region.

Rating: Promising

NEC

NEC has two main types of UC offerings for the SMB market. The first set of offerings are UC for Business (UCB), the main telephony-based UC offering available globally (except for EMEA) and Business ConneCT (BCT) the UC offering available only in EMEA. Within the past 12 months, NEC rolled out InUCB or UCB running on the SV8100 or 8300 blade. BCT enables Digital Enhanced Cordless Telecommunications (DECT) integration and multilingual capabilities. NEC recently rolled out BCT support for virtualization. Both of these applications (BCT and UCB) are now preloaded and preconfigured to operate on NEC's Univerge SV8000 Series Communication Servers to offer an all-in-one single-server environment. The sweet spot for UCB and BCT are small businesses with between 20 and 100 users.

The second UC option is based on the newer, scalable Univerge Sphericall all-software UC solution. The sweet spot for Sphericall is between 100 and 250 users. The solution offers voice, audioconferencing, messaging, IM, presence, a range of clients, and support for business process integration. Within the past year, NEC has expanded the availability of Spherical; it is now offered in most regions.

SMBs should consider NEC if they are looking for affordably priced, solid UC functionality or if they are a part of one of the key vertical markets NEC addresses.

Strengths

- NEC is a large, diversified, global firm with extensive financial resources to leverage for product and channel development purposes.
- NEC offers reliable UC solutions with a range of applications. The recent in the skins/embedded integration of UCB and BCT on the SV8100 and SV8300 platforms offers a simpler installation and UC migration path for SMB end users and means a greater number of users will have access to UC applications. The product shift also means partners and end users have fewer servers to configure and administer.
- NEC has a strong vertical market focus; its solutions within the healthcare, education and hospitality segments offer specific UC applications tailored for these specific industries. NEC also has internal vertical leads focused on positioning and implementation of these solutions within industry segments.
- The company's focus on channel expansion efforts means NEC has exhibited channel partner growth in Europe as well as solid telephony installed base growth across Europe. NEC's recent uptick in telephony traction across Western Europe can be leveraged for its UC sales initiatives.

Cautions

- NEC's UC solutions do not have as much brand recognition as many of its European competitors, and NEC isn't frequently in the UC consideration set.
- While NEC has made efforts to consolidate its regional operations and standardize naming conventions and business processes, NEC is not as globally cohesive as some of its competitors. NEC offerings can be best for single-region SMBs as opposed to multinational SMBs because the products offered, the customer experience and channel support will be different by region.
- NEC's support capabilities in Western Europe should be examined by prospective SMB customers. For NEC heritage solutions, customers and channel partners on some occasions have to go through Japan for advanced implementation or support issues, which can be inconvenient and more time-intensive for Europe-based customers.

- NEC can be slow to market with new technologies, although when the offerings come to market, they typically work well. The management interface could be more intuitive for users.

Rating: Promising

ShoreTel

In May, 2011 ShoreTel released the ShoreTel 12, an update to its ShoreTel 11 UC platform. Like ShoreTel 11, the solution 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 enabled 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 all appliances are configured collectively from a single ShoreTel Director Web application. ShoreTel 12 expands scalability from 10,000 users up to 20,000 users on a single system image. Furthermore, ShoreTel 12 consolidates previously required servers for conferencing (audio and Web) as well as IM/presence with a single ShoreTel Linux-based Service Appliance. User functions are integrated within ShoreTel Communicator. ShoreTel 12 extends support for VMware along with additional support and interoperability with Microsoft Outlook and Exchange UM. ShoreTel 12 offers point to point video but does not yet offer multipoint video functionality.

ShoreTel has had some success expanding its business across Western Europe (telephony shipments grew an estimated 65% in 2010) although the company still has a very small presence in the region overall (ShoreTel has less than 1% telephony market share in WEU). While the majority of ShoreTel's business is in the SMB segment, the company is focusing growth efforts on the large-enterprise market segment.

U.K. SMBs should consider ShoreTel if they are looking for a reliable, cost-competitive UC solution, have a distributed office setting or if ease of implementation, ease of use, and ease of management is more important than breadth and depth of features.

Strengths

- ShoreTel effectively addresses IT-constrained organizations' needs for easy-to-use and easy-to-manage communications solutions. The user, administration and implementation simplicity of ShoreTel 12 is well-positioned for most SMBs' unified communications needs.
- While the company has limited market share across Europe, ShoreTel is making positive strides expanding its presence and resources across the region beyond what has primarily been for servicing North America-based businesses requiring support in international markets. In the past 12 months, ShoreTel added 120 value-added resellers (VARs) in Western Europe, which gives the company a total of 252 VARs (largely U.K.) across EMEA. Additionally in early 2011, ShoreTel became U.K.-based Vodafone's main telephony partner in the 100- to 500-line size segment and became a partner of Telecom Italia (ShoreTel is featured in its product catalog).
- The offering is easy to use, administer and maintain, so SMBs do not have to hire a highly skilled and expensive person to manage the solution, or even rely as much on their channel partners. Pricing and licensing are also simple and transparent, and typically include support and maintenance.

Cautions

- ShoreTel is increasingly focusing product, marketing and sales efforts on the above-500-user market segment. While the shift offers an expanded addressable market and overall positive opportunities for the company, the move could potentially shift resources away from the company's SMB sweet spot.
- Despite consistent revenue growth across Europe, ShoreTel's European business remains small (ShoreTel has less than 1% telephony market share) compared with many of its competitors. Because of ShoreTel's more limited presence across Europe, the company has somewhat limited sales and support coverage. As such, local support capabilities should be accessed early in the sales cycle.
- While ShoreTel includes most features that SMBs desire in an all-in-one package, some capabilities are not as advanced as other competitor offerings. For example, ShoreTel's video and contact center capabilities are not as robust as some competitive offerings. Additionally, the appliance architecture can be less desirable for SMBs with larger, centralized environments.

Rating: Promising

Siemens Enterprise Communications

Siemens Enterprise Communications positions its flagship OpenScape Office portfolio in the SMB UC market. OpenScape Office is available in three versions: MX (all-in-one solution targeted to organizations with up to 150 employees); OpenScape Office LX (the software-based Large Edition supports up to 500 users and can scale up to 1,000 users in multisite networks); and OpenScape Office HX (the UC application for HiPath 3000, which is positioned from 50 to 500 users). The LX offer can run in a virtualized environment and is capable of networking multiple sites; the HX solution will be developed to feature multisite networking.

During December of 2010 and into early 2011, Siemens released several new enhancements to its UC portfolio. Siemens released OpenScape Web collaboration, which provides multiparty Web and video collaboration functionality. Siemens also rolled out a suite of collaboration applications for its OpenStage phones. The company expects to release native Web and videoconferencing across the three solutions in the fourth quarter of 2011.

Siemens Enterprise is owned by private equity firm, the Gores Group (51% ownership) and Siemens AG (49% ownership) after a 2008 joint venture. The company sells and markets the LAN switching and networking business of Enterasys and the contact center software business of SER, owned by Gores. In 2010, Siemens incorporated the Enterasys portfolio into the Go Forward! Partner Program, which could improve the range of networking solutions sold as part of the UC portfolio.

SMBs across Western Europe should consider Siemens if they are looking for an established provider with a solid all-in-one communications offer with virtualization capabilities.

Strengths

- Siemens has a long history of selling voice and advanced communications applications, has brand recognition, and has an impressive installed base of SMB customers across Europe.

- Siemens has the financial backing of private equity firm Gores, which shields the company from making short-term business decisions aimed at meeting quarterly financial benchmarks.
- The OpenScape Office MX and the LX are built as a complete all-in-one UC platform with broad UC capabilities. The newer software-based LX solution provides Siemens with opportunities to grow relationships with software integration companies and new IT partners.
- Siemens has a large SMB channel partner base and delivery capabilities across Western Europe as well as in other geographies.

Cautions

- Siemens has a large installed base of telephony customers across Europe. The company needs to further invest in marketing and UC brand awareness campaigns to position the company as a UC and software provider and migrate its installed base customers toward UC.
- In the past, Siemens hasn't been strong at networking multiple sites together due to product limitations. This has been improved by introducing OpenScape Office version 3, which supports networking (both OpenScape Office MX and LX). As of publication, OpenScape Office HX, however, does not yet feature multisite networking capabilities.

Rating: Positive

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.

Vendors Added

Digium was added to the 2011 SMB UC MarketScope evaluation. Digium, the creator of the open-source Asterisk telephony platform, has experienced increased market interest and uptake of its Switchvox UC solution.

Vendors Dropped

IBM and Critical Links were dropped from the 2011 SMB UC MarketScope evaluation. IBM Foundations is an emerging offering and because of limited market traction and positioning of the platform we have decided to remove this from the evaluation. Critical Links is a niche provider with limited market share in Western Europe. While Critical Links has a unique offer that we wanted to highlight in 2010, it is not large enough to warrant continued coverage in the MarketScope on an ongoing basis.

Gartner MarketScope Defined

Gartner's MarketScope provides specific guidance for users who are deploying, or have deployed, products or services. A Gartner MarketScope rating does not imply that the vendor meets all, few or none of the evaluation criteria. The Gartner MarketScope evaluation is based on a weighted evaluation of a vendor's products in comparison with the evaluation criteria. Consider Gartner's criteria as they apply to your specific requirements. Contact Gartner to discuss how this evaluation may affect your specific needs.

MarketScope Rating Framework

Strong Positive

Is viewed as a provider of strategic products, services or solutions.

- Customers: Continue with planned investments.
- Potential customers: Consider this vendor a strong choice for strategic investments.

Positive

Demonstrates strength in specific areas, but execution in one or more areas may still be developing or inconsistent with other areas of performance.

- Customers: Continue planned investments.
- Potential customers: Consider this vendor a viable choice for strategic or tactical investments, while planning for known limitations.

Promising

Shows potential in specific areas; however, execution is inconsistent.

- Customers: Consider the short- and long-term impact of possible changes in status.
- Potential customers: Plan for and be aware of issues and opportunities related to the evolution and maturity of this vendor.

Caution

Faces challenges in one or more areas.

- Customers: Understand challenges in relevant areas, and develop contingency plans based on risk tolerance and possible business impact.

- Potential customers: Account for the vendor's challenges as part of due diligence.

Strong Negative

Has difficulty responding to problems in multiple areas.

- Customers: Execute risk mitigation plans and contingency options.
- Potential customers: Consider this vendor only for tactical investment with short-term, rapid payback.