

# ENTERPRISE CONNECT 2016

## **UCaaS/Hybrid RFP & Review IP TELEPHONY AND UNIFIED COMMUNICATIONS SYSTEM**

(CLOUD AND HYBRID SOLUTIONS)



# IP TELEPHONY AND UNIFIED COMMUNICATIONS SYSTEM (CLOUD AND HYBRID SOLUTIONS)

## EXECUTIVE SUMMARY

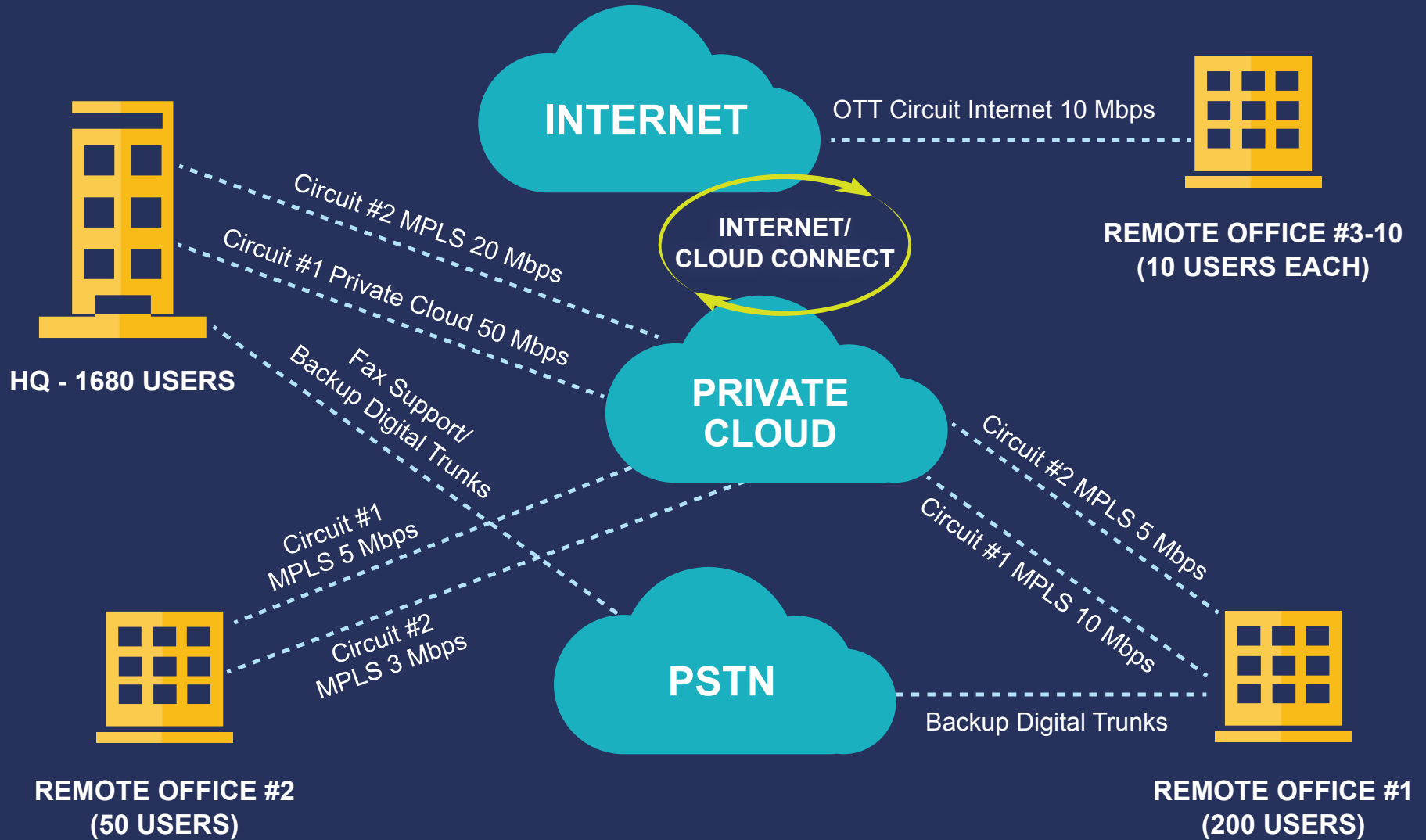
David Stein of the independent consulting firm Stein Technology Consulting Group (STCG) delivered the 2016 Enterprise Connect session entitled “IP Telephony and Unified Communications System (Cloud and Hybrid Solutions)” at the recent 26th edition of the conference. The objectives of the session were to enhance understanding of leading Cloud and Hybrid IP Telephony System /UC offerings through a review and analysis of RFP responses, discuss highlights and differentiators of vendor offerings including core IP Telephony systems, Unified Communications, Fixed Mobile Convergence and Systems Management, provide guidance for Total Cost of Ownership (TCO) as well as recurring costs for voice/UC services, trunking, and maintenance.

Five vendors proposed seven solutions focused on cloud-based/hybrid offerings. The proposing vendors come from a variety of backgrounds ranging from over 100 years of telephony experience to very recent entrants into the enterprise cloud IP Telephony market. Integrators in addition to manufacturers were allowed to propose solutions they thought best met the requirements stated in a 60 page “mock” RFP. This allowed a diverse set of responses, encompassing the leading manufacturers’ solutions.

The vendors that responded to the RFP included NEC, Sprint (Microsoft Skype for Business, Cisco HCS and Dialpad), Masergy (Broadsoft), Vonage (Broadsoft) and 8x8. The RFP was modeled on a fictional “Enterprise Connect” organization that included a main headquarters operation, two large remote offices of different sizes as well as several small offices. The small offices were included to solicit proposals for OTT service delivery. Much of the RFP content was derived from real customer RFP procurement documents utilized previously by STCG.



The “Enterprise Connect” 2000 user organization is distributed according to the diagram below:



Each of the vendors' responses was reviewed for compliance to the RFP evaluation criteria and was scored in a similar fashion to my actual client procurements. The main categories of evaluation criteria were weighted in importance and included elements of technical architecture, user and system functionality and Total Cost of Ownership. These categories included the following elements:

CATEGORY	WEIGHT (%)	ELEMENTS
ARCHITECTURE	25	Reliability, Business Continuity, Capacity and Growth, , Security and E911
FUNCTIONAL/ TECHNICAL	50	Phones, Call Flows, Unified Messaging/Voicemail, Unified Communications (IM, Presence, Conferencing, Mobility, Meeting Rooms) Systems Management/Provisioning/Analytics and System Features
TCO	25	TCO based on proposed discounted prices: Turnkey costs consisting of Initial costs for hardware and professional services + Recurring Costs for maintenance, software licensing and trunks



Each vendor was provided an overall score based on the criteria articulated above.

The evaluation provided a score of **96.9 out of 100 for the NEC Cloud-based response**. Other cloud-based solution scores ranged from 75.9 to 94.4. Based on these results, the NEC cloud-based solution was ranked the highest of all responses to this year's RFP. As stated during the Enterprise Connect session, the RFP requirements and evaluation criteria/weighting used may differ from those of your particular organization.

Specifically, the NEC response received the highest ranking for TCO, Architecture and Functionality.

Based on the RFP results, the Cloud-based NEC UNIVERGE Blue system provides an excellent value for Communications Technology Infrastructure. NEC should be considered a candidate when looking for potential strategic partners in this space.



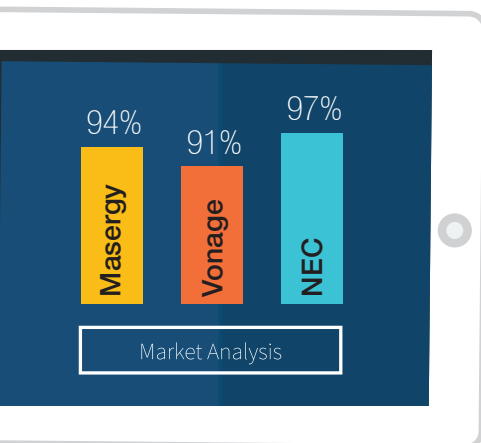
## DETAILED RFP REQUIREMENTS

The RFP for the 2016 Enterprise Connect Conference was based on a 'real-world' RFP modeled to represent the requirements of a 'typical' 2000 user organization. Details for the 2016 session:

- Vendors could propose Cloud and/or hybrid solutions. No premises- based solutions were allowed.
- The site configurations were specified to emphasize Business Continuity and Remote workers. New this year was the inclusion of small offices where OTT delivery was expected.
- Key elements of UC (e.g. Presence, IM, Conferencing, Meeting rooms), Unified Messaging and Mobility were important elements that were required.
- Trunking was provided by the Cloud vendors to EC sites to their POPs
- Service requirements for turn-key installation and training were identified in the RFP and were a key element in calculating the Total Cost of Ownership (TCO).
- Pricing comparisons were based on 5-year TCO including initial one-time costs as well as recurring annual costs for cloud-based services. Vendor "scores" were calculated based on a weighted average of functionality, architecture, price and compliance to the RFP terms and conditions.

In addition to these elements, other key factors for the 2016 RFP included:

- Emphasis on redundant/resilient architecture for proposals
  - Multiple cloud data centers
  - Active/Active, load sharing or N+1 design elements
  - Business Continuity
- Security
- Local survivability at large remote locations if centralized call control access not available
- Support of E911
- Telephone models: Basic (Public); Standard, Advanced, Soft phone, conference and Operator Console
- Unified Messaging (Exchange 2010 Integration)
- Systems Management: full function, including VoIP/UC monitoring, provisioning, and analytics
- Functional Call Flow Scenarios
- Turnkey Installation



## OBSERVATIONS

The 2016 RFP responses confirmed many opinions that I held previous to the review as well as some surprises in unexpected areas.

First and foremost, differences still exist in the proposed vendor solutions in terms of Security, E911 support, Mobility solutions and other UC elements, Call Flow handling and feature support, Systems Management (including provisioning and analytics), costs and endpoints. So for those who believe that voice/UC is a commodity, I suggest that this is only true for the simplest of user configurations and applications. The NEC proposed solution differentiated itself from the competing proposals in many of these areas by exceeding the requirements at an attractive price point.

Specific to the NEC solution, the RFP requirements were exceeded in these areas:

- Security
- Unified Messaging
- High end Phones

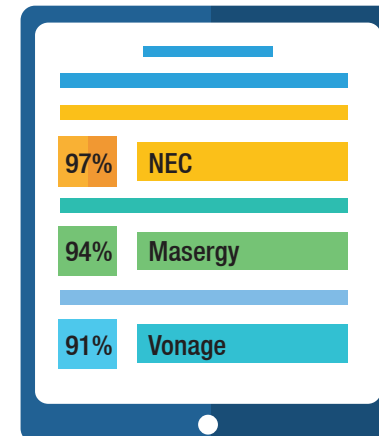
Although the RFP was specific on Professional Services requirements, there was significant variance in the proposed pricing that had to be normalized. Whether the services are being offered directly from a manufacturer or through a partner/integrator organization, it is important to make sure that the requirements of your organization as well as the roles and responsibilities are well understood by all parties. This is a key differentiator in RFP proposals that I evaluate in my consulting practice.

## OVERALL RANKINGS AND PRICING COMPARISONS

As stated in the Executive Summary, the RFP evaluation resulted in the NEC solution receiving the highest score.

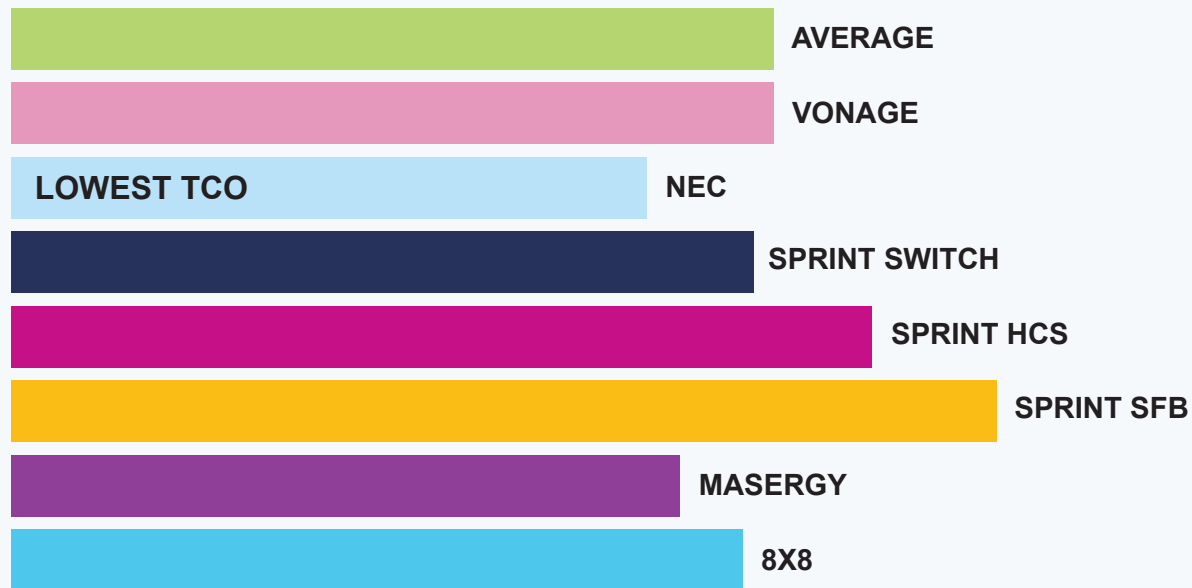
The NEC ranking by category was:

CATEGORY	WEIGHT (%)	NEC RFP SCORE
ARCHITECTURE	25%	24.9
FUNCTIONAL/ TECHNICAL	50%	47.0
PRICE (TCO)	25%	25.0
TOTAL	100%	<b>96.9</b>



The NEC proposed solution was awarded the highest score in the TCO category. The following bar graph illustrates the overall scoring for the proposed solutions:

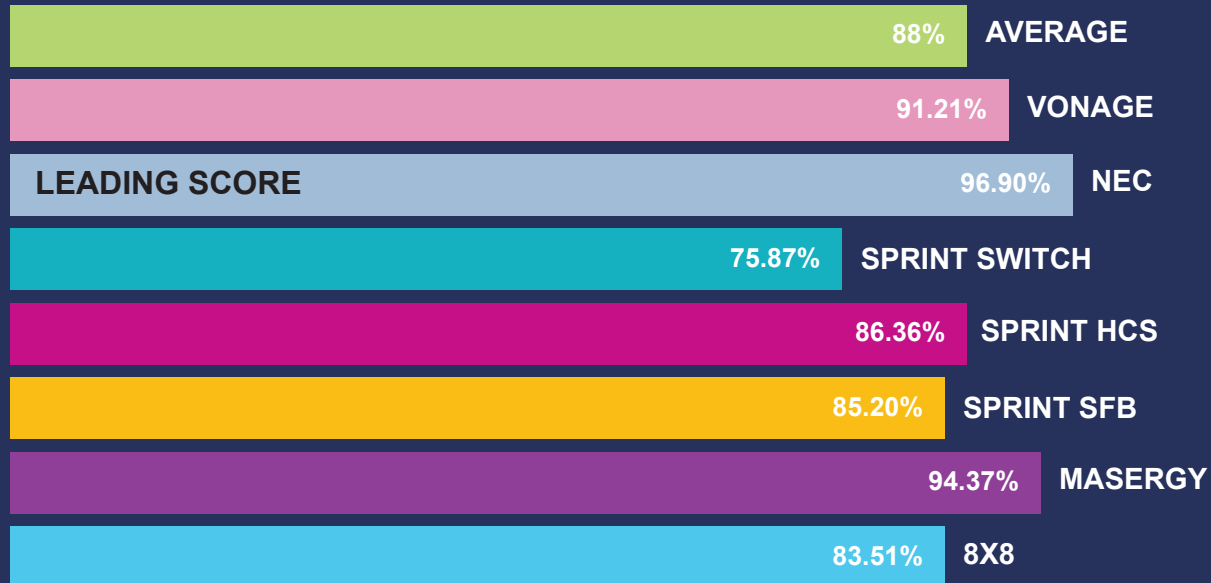
## 2016 TCO COMPARISONS



It should be noted that actual discounts for any specific project will vary based on a number of factors including incumbency, size of the opportunity, geography, system integration partner, etc. We found the discount offered for the RFP session to be within the range of actual discounts for projects that we've participated in.

## OVERALL SCORING

The overall comparisons were based on the 25% weighting for architecture, 25% weighting for price and 50% weighting for functionality.





## SUMMARY

There are significant differences in offerings from the major vendors in terms of architecture, functionality and total cost of ownership. IT organizations are encouraged to work with their business units to understand their unique requirements and to articulate these in an RFP or other formal procurement vehicle.

Based on the RFP results, NEC provides an excellent value for Communications Technology Infrastructure. NEC should be considered a candidate when looking for potential strategic partners in this space.

## ABOUT THE AUTHOR

Mr. Stein, a principal with Stein Consulting Group, has more than 30 years of consulting, information systems and telecommunications experience, with a primary emphasis on IP communications and technology infrastructure projects. His expertise includes the entire technology lifecycle including needs assessment, process evaluation, operations impact, systems design, procurement and implementation project management for cabling, facilities, LAN, WAN, IP Telephony/Unified Communications, network management, data security systems, data center, telecommunications and construction projects.

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