



UC RFP & REVIEW

ENTERPRISE COMMUNICATIONS PLATFORM

PREMISES VS.

CLOUD-BASED TELEPHONY

ENTERPRISE CONNECT

2015



SESSION OBJECTIVES

1

To enhance understanding of leading Premises and Cloud IP Telephony System /UC offerings through a review and analysis of RFP responses

David Stein of the independent consulting firm Stein Technology Consulting Group (STCG) delivered the 2015 Enterprise Connect session entitled “*UC RFP and Review: Enterprise Communications Platform--Premises vs. Cloud-Based*” at the recent 25th anniversary Orlando conference.

Eight vendors proposed eleven complete solutions (as well as one partial solution) consisting of premises-based solutions (that

could also be deployed as private cloud implementations) as well as vendor provided cloud-based offerings. The proposing vendors come from a variety of backgrounds ranging from over 100 years of telephony experience to very recent entrants into the market. For the first time this year, integrators in addition to manufacturers were allowed to propose solutions they thought best met the requirements stated in a “mock” RFP. This allowed a more diverse set of responses, especially for the cloud based solutions.

2

To discuss highlights and differentiators of vendor offerings including core IP Telephony systems, Unified Communications, Fixed Mobile Convergence and SIP

3

To provide guidance for Total Cost of Ownership (TCO) as well as recurring costs for maintenance, software support and release upgrades

VENDORS IN RFP RESPONSE

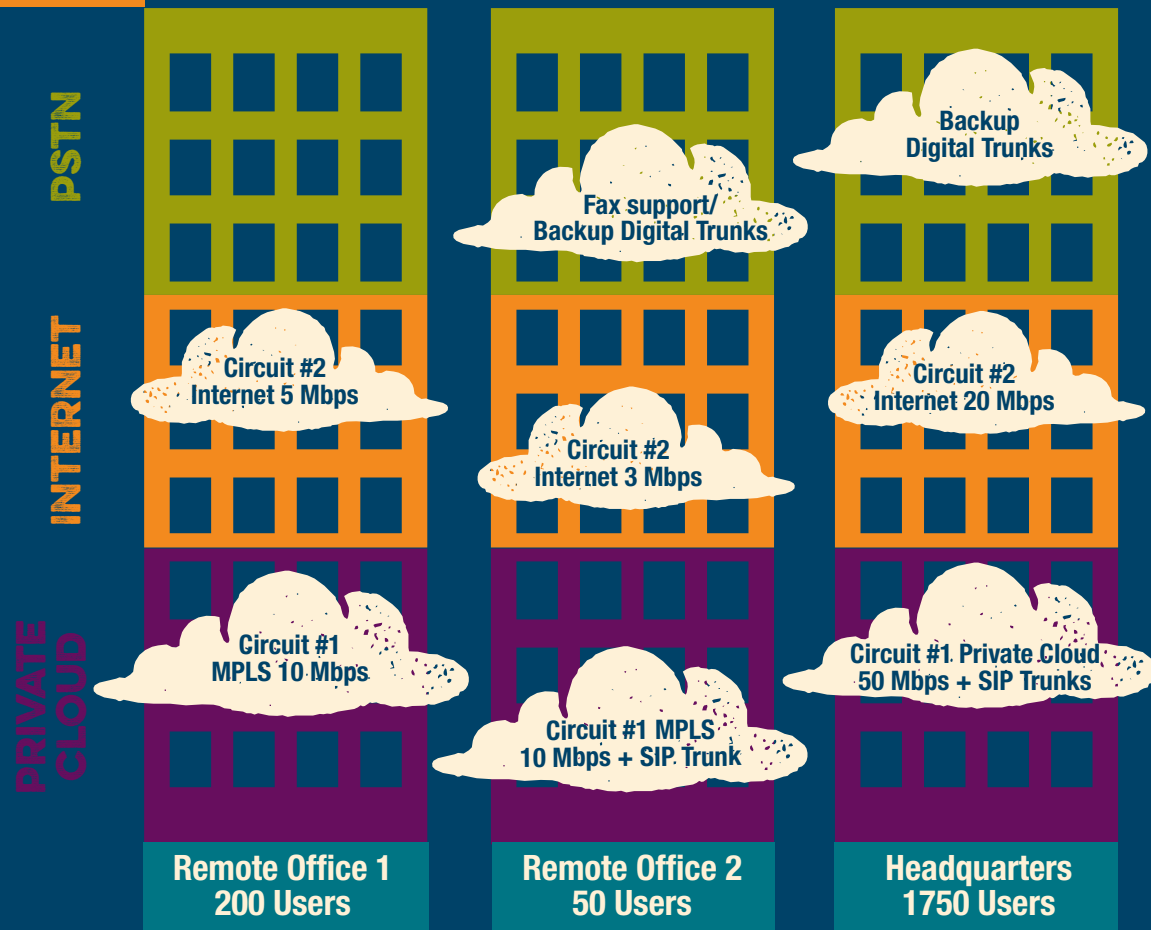
NEC,
UNIFY,
AVAYA,
ALCATEL-LUCENT ENTERPRISE,
THINKING PHONES,
SPS (HOSTED LYNC),
SPRINT (HOSTED LYNC, HOSTED CISCO),
& MASSERGY (BROADSOFT).

Although the RFP was modeled on a fictional “Enterprise Connect” organization that included a main headquarters operation as well as two remote offices of different sizes; much of the content was derived from real customer RFP procurement documents utilized previously by STCG. The “Enterprise Connect” 2000 user organization distributed according to the diagram shown here.



ENTERPRISE CONNECT

2000 USER ORGANIZATION





MAIN CATEGORIES

OF EVALUATION CRITERIA

25%

ARCHITECTURE

Reliability, Business Continuity, Capacity and Growth, Virtualization Capability, Security and E911

50%

FUNCTIONAL/TECHNICAL

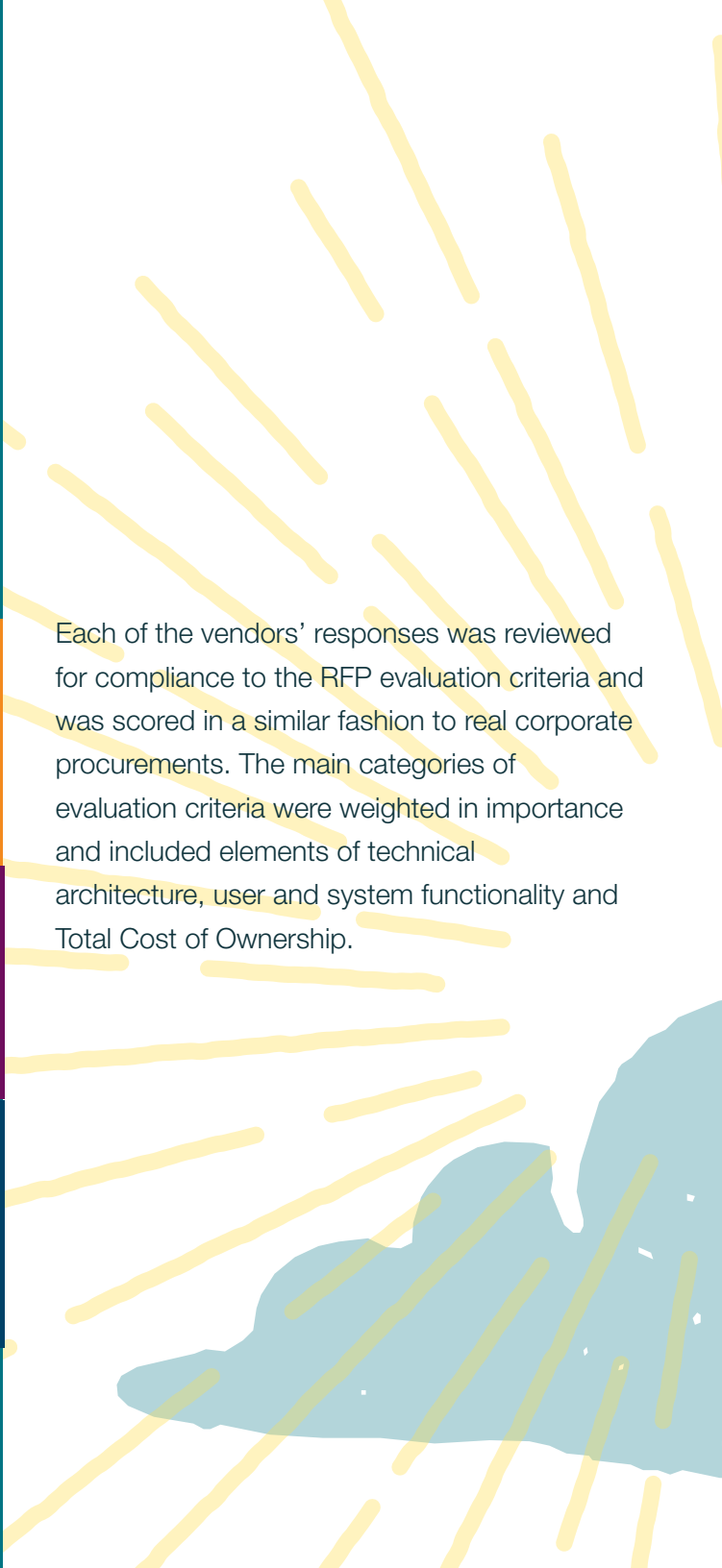
Phones, Call Flows, Unified Messaging/Voicemail, Unified Communications (IM, Presence, Conferencing, Mobility), Systems Management, System Features

25%

TCO

TCO based on proposed discounted prices: Turnkey costs consisting of Initial costs for systems, licensing and professional services + Recurring Costs for maintenance, software support and software release upgrades

EACH VENDOR WAS PROVIDED AN OVERALL SCORE BASED ON THE CRITERIA ARTICULATED ABOVE.



Each of the vendors' responses was reviewed for compliance to the RFP evaluation criteria and was scored in a similar fashion to real corporate 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.

The evaluation provided a score of 79 out of 100 for the NEC Cloud-based response. Other cloud-based solution scores ranged from 73.2 to 78.4. Based on these results, the NEC Cloud-based solution was ranked the highest of all cloud-based 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 premises-based response received the highest ranking for TCO and also received very strong marks for Architecture and Functionality.

Based on the RFP results, the Cloud-based NEC UNIVERGE 3C 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 2015 Enterprise Connect Conference was based on a 'real-world' RFP modeled to represent the requirements of a 'typical' 2000 user organization. Details for the 2015 session:

- Vendors could propose Premises and/or Cloud solutions.
- The site configurations were specified to emphasize Business Continuity and Remote workers.
- Key elements of UC (e.g. Presence, IM, Conferencing), Unified Messaging and Mobility were important elements that were required.
- SIP was specified as the predominate trunking technology, with vendors including SBC functionality in their proposal.
- 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 or in the case of premises-based systems: core hardware maintenance, software support and software upgrades (license protection).
- Vendor "scores" were calculated based on a weighted average of functionality, architecture, price and compliance to the RFP terms and condition.



OTHER KEY FACTORS

FOR THE 2015 RFP

- Single system image for software feature operations, systems management admin
- Emphasis on redundant/resilient architecture for both premises and cloud proposals
 - + Geo-redundant call control at headquarters and RO#1 (or multiple cloud data centers)
 - + Duplicated, load sharing or N+1 design elements
 - + Business Continuity
- Local survivability at remote location 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 2007/2010 Integration)
- Systems Management: full function, including VoIP/UC monitoring, provisioning, and analytics
- SIP trunks
- Functional Call Flow Scenarios
- Turnkey Installation
- Software Subscription (premises)
- Maintenance on core equipment (premises)

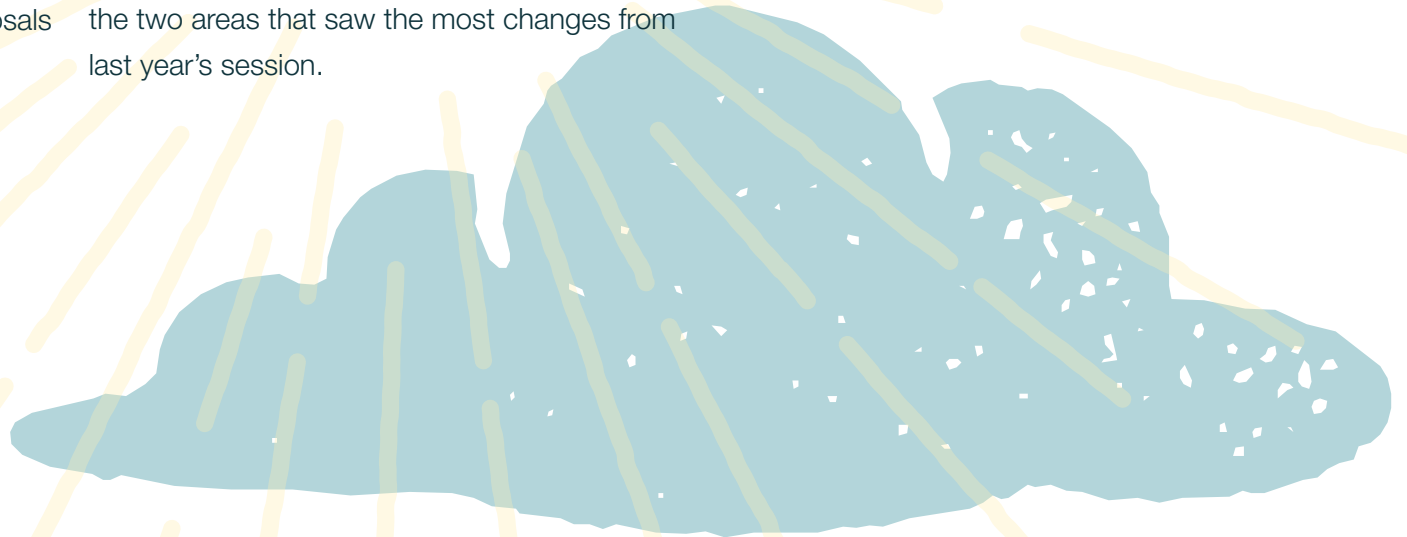
OBSERVATIONS

The 2015 RFP responses confirmed many opinions that I held previous to the review as well as some surprises in unexpected areas.

First and foremost, significant differences still exist in the proposed vendor solutions in terms of Architecture, Security, E911 support, Mobility solutions, 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 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.

Although the RFP was specific on Professional Services requirements, there was a wide variance in the proposed pricing that I had to normalize for the conference presentation. 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.

Improvements in Mobility and Management are the two areas that saw the most changes from last year's session.





OVERALL RANKINGS

& 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:

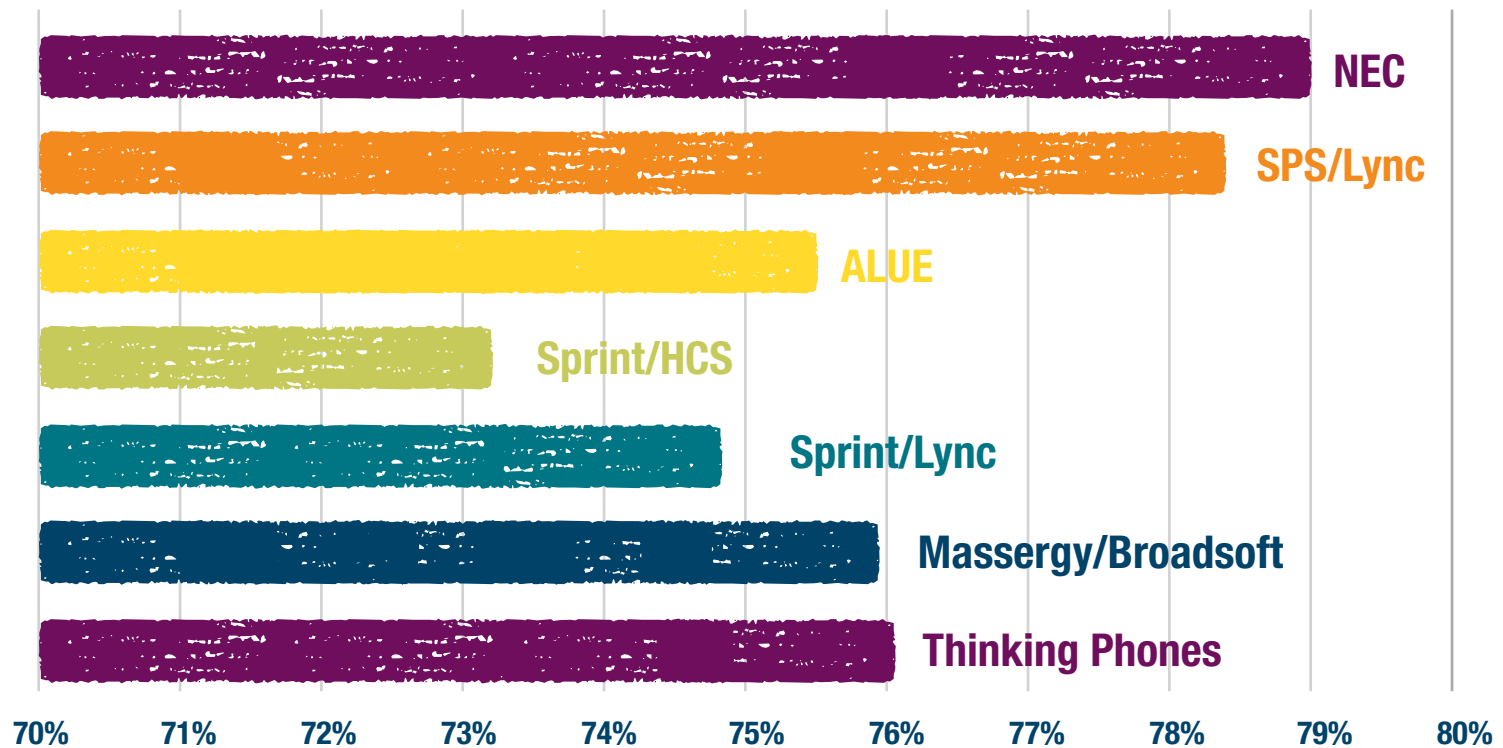
CATEGORY	WEIGHT	NEC RFP SCORE
ARCHITECTURE	25%	24.6%
FUNCTIONAL/ TECHNICAL	50%	46.7%
TCO	25%	7.6%
TOTAL	100%	79.0%

NOTE THAT THE 7.6 SCORE WAS THE HIGHEST (LOWEST OVERALL COST AS DETERMINED BY FIVE YEAR TCO) OF THE SEVEN CLOUD-BASED SOLUTIONS THAT WERE EVALUATED.

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:

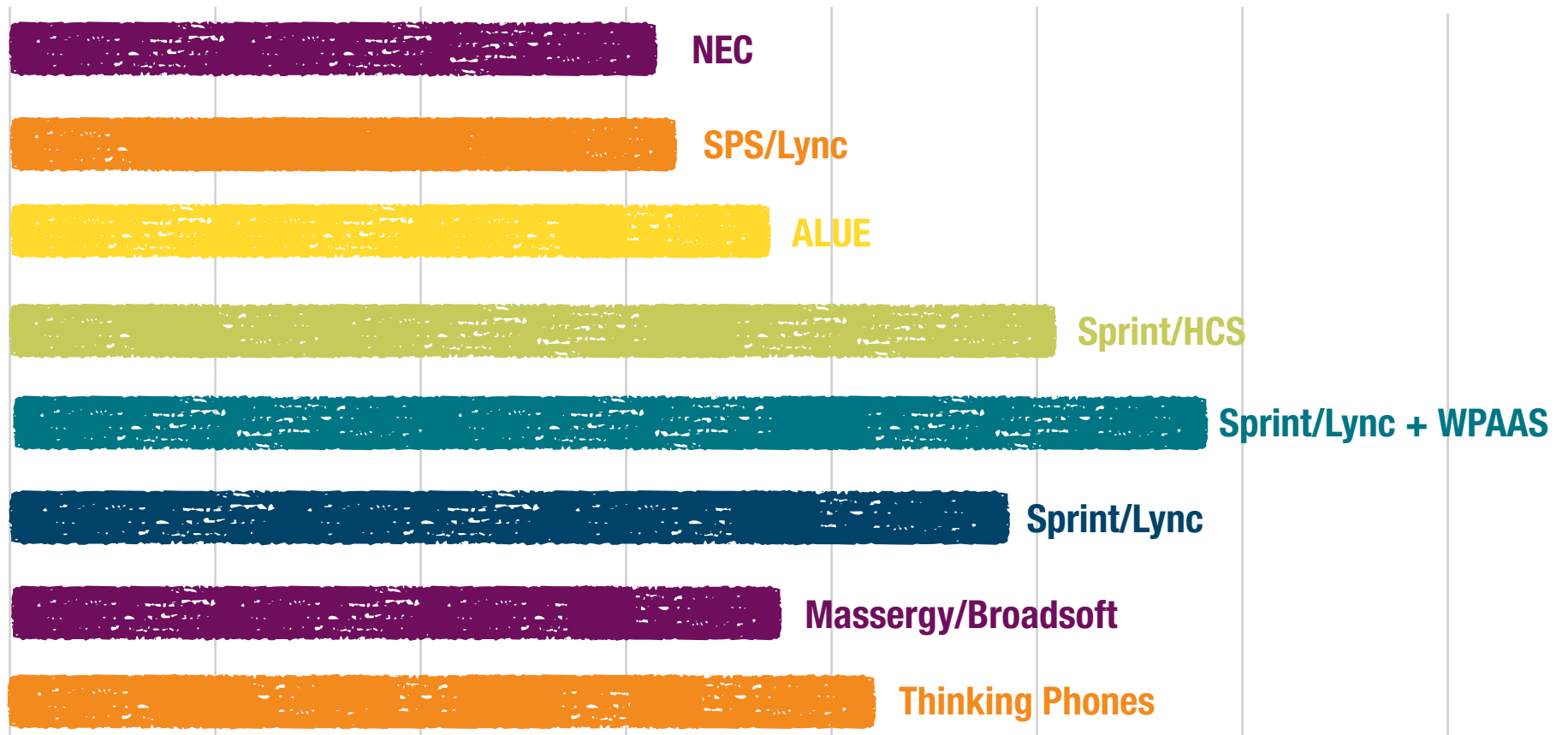
2015 ENTERPRISE CONNECT UC RFP CLOUD RESULTS



The overall pricing comparisons were based on a simple five-year Total Cost of Ownership model.

The following bar graph illustrates the proposed pricing for the Cloud-based solutions. These are based on the proposed discounted price for initial and recurring costs:

2015 ENTERPRISE CONNECT UC RFP TCO - CLOUD RESULTS



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.

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 the 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.

He can be reached at dave@steintechconsult.com.

