



30 SEPT - 1 OCT 2020
ExCeL LONDON

MARKET INSIGHTS REPORT



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UC EXPO: Market Insights Report

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Unified Communications and Collaboration (UC&C) is more important now than it has ever been before. Following the outbreak of COVID-19 and the mass disruption caused by the global pandemic, businesses all over the planet have become reliant on UC&C as they battle to keep operations ongoing throughout strict lockdown procedures.

There has been a huge surge in the number of people now working from home, and throughout this transition period, businesses have been forced to drastically restructure their operations to adapt to remote working.

In February 2020, UC EXPO completed a market insight survey looking into how the UC&C environment is developing and changing, and has since replicated the survey, allowing a clear and precise first glimpse at the initial impacts that the coronavirus outbreak has had on the industry.

The following insights report reviews all of the data supplied from the initial survey conducted in February, the replicated survey conducted in April, and further data acquired from separate research undertaken ahead of Digital Transformation Europe. A total of 550 respondents were surveyed across all pieces of research. The report considers the changing impact that coronavirus has had on UC&C, and helps us to gain an understanding of what areas businesses are placing a keen focus on, what specific technologies are being invested in, and what users consider to be the biggest challenges they are facing with UC&C.

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Collaboration

When lockdown measures were introduced to the UK in March, many businesses were forced to rapidly transition into a remote working setup. This was a first for many, and left a number of businesses needing to adapt and invest in collaboration tools which would allow them to continue to operate. This transition has resulted in a number of changing viewpoints around collaboration.

While the spike in remote working seems to have accelerated the importance of UC&C across business, a steady increase in its use could be seen for some time before the Coronavirus pandemic. According to our 2019 Digital Transformation report, UC&C was middle ranking in the technology mix, and with 29% of teams investing in it. Now, 41% are and 48% of respondents consider UC to be part of complete digital transformation.

In a similar vein, in February, our UC&C report found that zero respondents viewed UC&C as 'business critical'. However, over the last couple of months, this number has risen from 0% up to 7%. Considering the short period of time between responses, it's clear that more organisations are quickly beginning to view UC&C as an important part of their operations, with coronavirus emphasising the need for flexible working.

 In February, only 1% of respondents expected to see large future investment in hardware that facilitates home working. That number has now risen to 14%. 

Businesses have had to adapt, and have gone about it in different ways. With many struggling with operational efficiency in this transition period, 9% of respondents have claimed to be utilising virtual assistants more effectively when contact centres have become overwhelmed - a 5% increase from February. With that said, a significant amount of companies (53%) are still yet to decide on which UC&C system to use - a decline of only 7% since February. While businesses may still be trialling various systems, may not require UC&C or view it as an unnecessary expense, remote working is expected to become part of the 'new normal' once lockdown restrictions are loosened.

Those yet to decide on their UC&C tools might well find themselves falling behind competition, with high investment expected post-coronavirus.

In February, only 1% of respondents expected to see large future investment in hardware that facilitates home working. That number has now risen to 14%. The same can be said for investment in collaboration software, which has seen a 15% increase over the same period of time to 71%. Interestingly, significantly more respondents expect to see investments in software rather than hardware. However, this shouldn't come as a surprise. Most devices today are already capable of seamlessly integrating with collaboration software, and the demand for specific home working equipment will be much lower as a result.

This growth in anticipated investment aligns with the view that businesses now see the need to future proof their organisations through UC&C networks.

Between February and April, our research has found a 9% increase in respondents who are now turning to UC&C to ensure that they are prepared for long term success. Coronavirus has shown companies that employees can work from home effectively, and UC&C is predicted to become an expectation, not a nice-to-have. As a result, collaboration can play a major role in not only lowering costs, but in attracting and retaining happy employees.

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People and Culture

Of course, the success of UC&C technology falls heavily on the people who are using them. Adapting culture quickly to new ways of working is a proven challenge for many businesses, with 80% citing it as their biggest digital transformation challenge. Before the Coronavirus outbreak, UC&C adoption patterns were extremely diverse; major global businesses were paving the way, whilst many smaller organisations grappled with encouraging user adoption and a shift in culture amongst their teams. Just a few weeks later and this has been turned on its head.

Our data shows that user adoption, which was top priority for respondents in February, is now significantly less of a concern - dropping from 65% to 52% in April. This comes as no surprise, as workforces are forced to embed themselves into UC&C in order to stay connected and working remotely during isolation.

In just a few months, it has become much less about encouraging UC&C adoption through ongoing cultural and organisational shifts. In fact, this period has almost certainly accelerated these efforts and relieved some of the barriers previously faced by leaders - overcoming employee hesitation and rolling out UC&C tools across an entire workforce. Today, we're seeing a focus on deploying simple and accessible solutions that can effectively bridge the gaps where physical interaction is not possible to foster a positive working culture.

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For example, user adoption has been rapidly overtaken by collaboration software (messaging, team tools, etc.) as the main UC&C priority for businesses in April (64%), with security remaining in place from February. Meanwhile, getting culture right when adopting software as part of remote working practices is by far the most important consideration where collaboration software is concerned. In April, 81% of those surveyed identified culture as the biggest collaboration software concern - up 50% when compared to the same question in February (31%). This also holds true for the wider digital transformation story, with 72% citing a

transition in culture and people as the biggest part of their efforts.

But what does this data tell us? The decline in user adoption reflects the rapid deployment of UC&C in companies of all sizes, as many were forced to adjust to remote working overnight. Yet, with people now settled into a remote working setup, the new challenge is to find ways to make this technology work best for everyone and designing effective remote working strategies that ensure employees feel included. What's more, the risks to health and wellbeing of employees under prolonged remote working conditions are top of the agenda. In April, 26% of respondents highlighted the effects on staff health and wellbeing as a key area of consideration during COVID-19 and beyond.

We've seen countless efforts from companies all over the world to ease use of UC&C for employees - not just for working, but to help them stay connected, engaged and motivated whilst working in isolation. Looking ahead to a very new set of social norms, it will be interesting to track the move companies take to build an effective UC&C culture that enables people and teams to thrive, as we navigate the new era of digital communication.

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Security

In an age where technological advances are coming on in leaps and bounds, the threat of cyber attacks will always follow suit. When asked about digital transformation behaviours, 56% claimed that they consider cyber security as a part of Digital Transformation itself. As technology develops, the need for security only increases. Developing suitable security measures is vital to combat the ever present and ever changing threat landscape, but as the global workforce has settled in to working from home, remote security is posing challenges that many businesses have never had to face until now.

Going back to our UC&C findings, in February, 51% of respondents believed that managing security with a remote workforce was one of the three biggest technological challenges they were facing. However, over the last couple of months, coronavirus has only highlighted this challenge even more so, with 65% of respondents feeling the same way in April.

This perceived challenge would have likely arrived because businesses will not have been correctly prepared to securely move to remote working overnight, and this stark reality would have come to light quickly. In this case, would ensuring that you have a secure workforce in place be a top priority in the move to remote working? Apparently not.

Despite 65% admitting that security was a top challenge, only 45% of respondents highlighted security as a priority following the shift to remote working in April.

So why is this the case? Two months might not seem a long time, but when it comes to securing an organisation, businesses can move fast. Yes, security might be a challenge for the majority, but it may well be the case that this challenge was quickly addressed (and continues to be addressed consistently), so despite its clear importance, it may no longer be deemed a top priority at present.

We have seen already that the shift to remote working has highlighted a number of areas that need attention across the board in UC&C. Ensuring that UC&C systems don't become another attack vector is another example of this. In February, it was highlighted by 25% of respondents as the top priority within communications security. Since then, its importance has only risen, and in April 32% of respondents claimed that ensuring UC&C systems don't become another attack vector was their biggest priority within communications security.

Cyber attackers pay close attention to trends, and we have already seen a number of reported security problems with communication tools since we have entered lockdown. However, it's clear that users are keen to feel safe in everything they are using, and the industry needs to find a way to stop UC&C from becoming a hotbed for cyber crime moving forwards.

The shown importance and prioritisation of remaining safe and secure while working remotely aligns directly with responses received for UC&C investment.

In February, investing in security ranked fifth across the UC&C board. However, over the last few months, as security concerns have risen, so have respondents' views on how we should be investing in it. In April, security ranked second (35% - a 10% increase) in people's investment priorities, falling only behind investment in collaboration software itself.

While security has always been, and should continue to be, a top priority for any business anywhere in the world, it's clear that the coronavirus pandemic and the shift towards remote working has only highlighted security weaknesses for organisations, and they should now be more aware than ever of the threat that remote working can bring.

Security has always been a priority.

Over half (53%) of those surveyed found that as businesses change quickly, cyber security is one of their biggest challenges. More specifically, our report found that 'planning a new cyber security strategy for changed business' and 'threat detection in the new remote environment' made up 77% of these challenges.



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Technology Demand

We've discussed the changing UC&C priorities amongst businesses in the last few months. Now, let's turn our attention to the inevitable technology demand created by desires for quick deployment and continuity.

When asked to disclose the three UC&C technologies that they are investing in today, collaboration software unsurprisingly came out on top, taking 25% of the overall vote. Its vast availability, speed of supply and remote upgrade capabilities are more important than ever in April, having scored zero in February prior to the surge in remote working.

Cloud communications tools were also high on the agenda for businesses during the remote working period, with 15% of total responses. Once again, we can assume that the investment in cloud-based technology mirrors its ability to deliver effective communication through remote deployment and accessibility on almost any standard of device currently in use - whether it be work-provided laptops or personal devices as part of a favourable Bring-Your-Own-Device (BYOD) strategy.

Moving beyond cloud and collaboration software, collaboration hardware (phones, headsets, etc.) powering many UC&C systems is a concern across the board. We've seen many companies rush to invest in available hardware and equipment to keep their staff connected whilst working from home. So much so that 13% of respondents highlighted it as a core investment area in April. In line with our findings on top priorities, communications security is quite rightly receiving the equal amount of investment (13%) as leaders work to keep the employees and business secure when UC&C solutions are at high risk of compromise.

The availability of kit, speed of supply and upgrading existing hardware are now all major concerns - an attitude which has quite literally transformed in the last few months. In February, these considerations scored zero amongst respondents. However by April, this figure rose to 17% of the total response - demonstrating the clear shift in priorities during the remote working period.

Contrastingly, the results also identified some areas of technology that are witnessing an expected decline in investment as a result of global events. The area lacking most investment amongst organisations is Artificial Intelligence and Analytics, with just 35 (6%) of respondents highlighting it as a current area of UC&C spend. Attention on UC&C Networks was also much

lower than the other priority areas, receiving just 7% of investment from all respondents.

To establish why this is the case, it is important to remind ourselves that in the race for survival, businesses do not want to overhaul complete systems, or invest heavily in performance-enhancing technologies that for the meantime are not deemed essential. Instead, the focus amongst the masses is to deliver quick and effective solutions to their staff, whilst ensuring they have the right hardware in place to keep them operational from remote locations, easing pressure in challenging times.

As we emerge from the lockdown period, we can expect the technology demand shift once more.

According to our data, we can anticipate significant investments in home office equipment to increase by as much as 13%. Simultaneously, current trends will continue to prevail, with almost three quarters of respondents expecting large investments in collaboration software as we reach the recovery phase of the COVID-19 crisis.

THE TOP 5 TECHNOLOGIES RECEIVING THE MOST INVESTMENT ARE:

1. Collaboration software
2. Cloud communications
3. Collaboration hardware
4. Communications security
5. AV systems

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COLLABORATION
SOFTWARE

25%

OVERALL VOTE





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Over the last few years, UC&C has been steadily growing, both in popularity and in the development of the technologies around it. However, the coronavirus pandemic has proven the importance of UC&C in allowing businesses to operate much more flexibly than possible before, and there has been a significant increase in demand and user adoption over the short space of two months, as well as a heightened awareness and need for collaboration and security within UC&C.

The dust seems to have settled on the rapid transition period between working from the office to now working from home. While businesses have started to acclimatise to this new way of operating, they are highly aware that there are many improvements needed across their business with regard to UC&C - from ensuring complete security and keeping up with the latest technologies and trends, to future proofing their business and remaining sustainable. UC&C has already played a major role in maintaining business continuity over the last few months, and its importance is expected to only grow as we prepare for the 'new normal' in the future.

A decorative graphic in the bottom left corner consisting of several white lines of varying lengths and thicknesses, each ending in a white circle. The lines and circles are arranged in a way that suggests upward movement or growth.

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