

Integrated Cloud Applications Have The Potential To Boost Employee Collaboration And Business Agility

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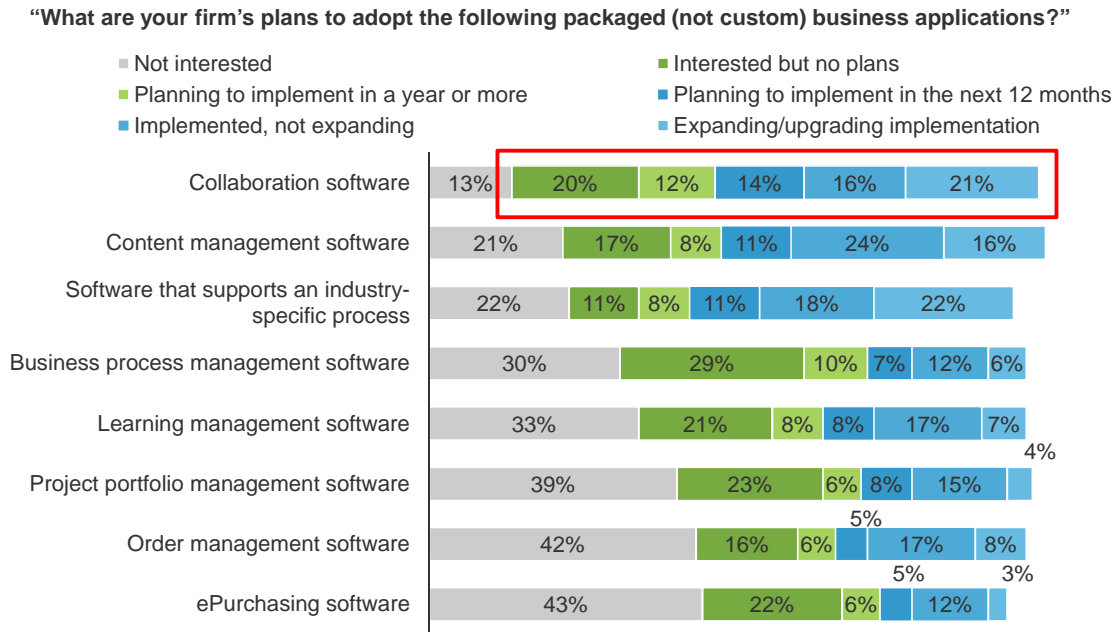
Post-Recession, Business Leaders Focus On Making Their Workforces Collaborative

The tumult of economic downturns has historically provided business leaders opportunities to rethink how they build their organizations to better compete when the market rebounds. For example, following the 1990-1991 recession, businesses invested in back-office automation, such as customer relationship management and enterprise resource management software, to increase efficiency. Today, we face a similar situation: The global economy is slowly recovering from a deep recession and business leaders are looking for ways to better prepare their organizations for the reshaped business landscape. Instead of focusing on automating business processes, this time around businesses are trying to improve the interactions between their employees and the wider marketplace.

This imperative is universal, as we see both enterprise and midmarket firms implementing collaboration technology. 83% of the midmarket software decision-makers we surveyed indicated that their organizations interested in deploying collaboration software or have actually deployed it (see Figure 1). Why? The evolving business landscape consists of highly mobile workers, international supply chains, multinational partnerships, and global innovation networks. Businesses of all sizes must be able to communicate and share information with both employees and their partners in these global business ecosystems in order to compete.

Figure 1

Business Leaders Invest In Collaboration Software As We Emerge From The Recession



Base: 298 North American midmarket software decision-makers

("Don't know" responses have been omitted)

Source: Forrester Software Survey, Q4 2011, Forrester Research, Inc.

Businesses Embrace The Cloud For Portions Of Their Collaboration Portfolio

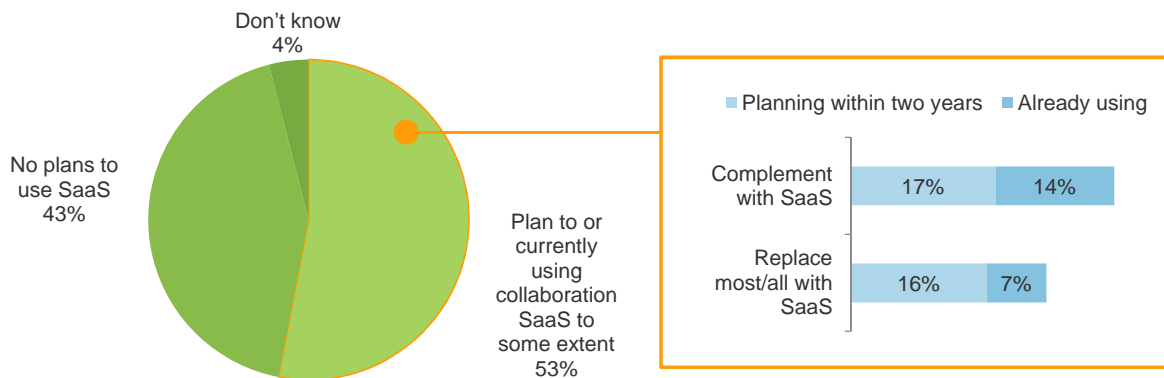
Today's global and mobile business environment requires information workers to communicate and collaborate with people both behind and outside of the corporate firewall. These employees need tools that are easily accessible to those inside and outside of the company — something that is not easily accomplished with on-premises software, which requires tunneling through the firewall to facilitate external access. Over the past five years, the relatively inexpensive computing power available in the cloud has unleashed a myriad of small vendors that provide collaboration solutions — such as file sharing and social software — that naturally sit between companies, providing a DMZ where multiple parties can interact.

Employees initially brought many of these tools into businesses on their own, as many of these vendors target individuals or teams with low-priced or free offerings. However, as technology decision-makers implement and expand their collaboration technology portfolios, they now also embrace the cloud — more than half of the application decision-makers we surveyed indicated that they currently use or plan to use collaboration software-as-a-service (SaaS) (see Figure 2). This doesn't mean that these leaders want to move *all* collaboration technology into the cloud; like their employees, the bulk of these leaders using or considering collaboration SaaS want to use it in specific ways to fill gaps in their collaboration capabilities.

Figure 2

Decision-Makers View SaaS As A Way To Fill Gaps In Their Collaboration Portfolio

“What are your firm’s plans to use SaaS to complement or replace your collaboration software?”



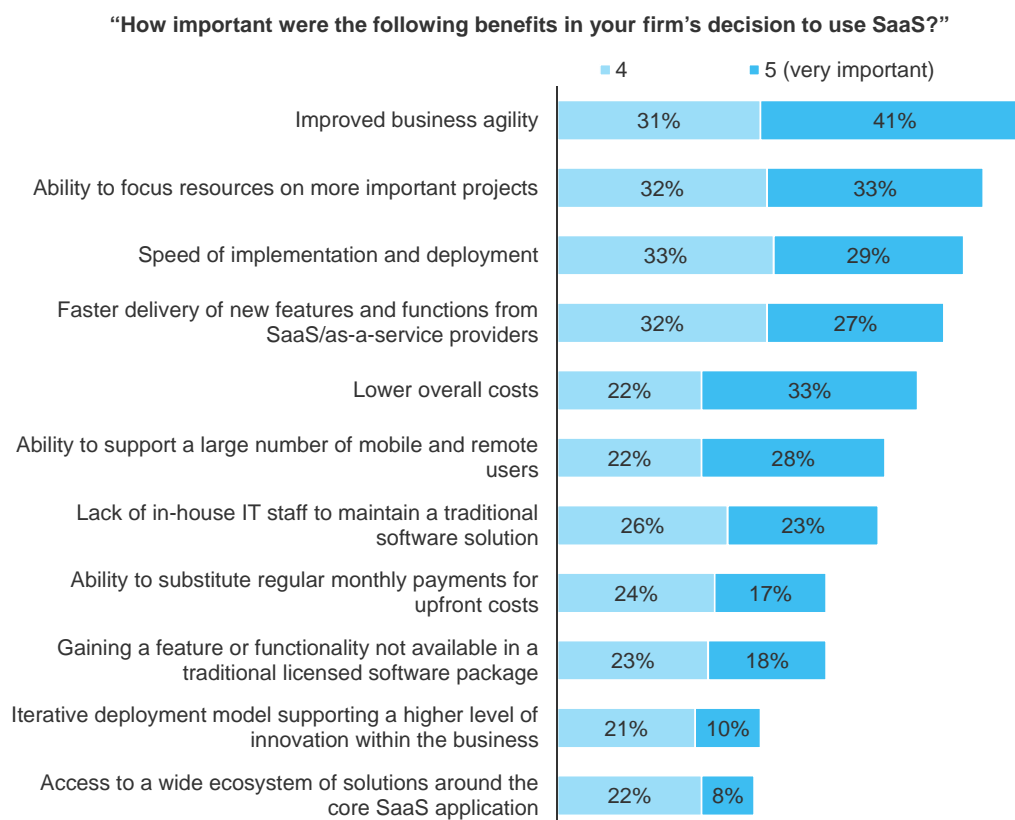
Base: 298 North American midmarket packaged application decision-makers who plan to implement collaboration software at their organizations or have already done so

Source: Forrsights Software Survey, Q4 2011, Forrester Research, Inc.

The prospect of surrendering the management of any business applications by moving them into a multitenant environment was unthinkable for many organizations just a few short years ago. So what has changed? Business leaders’ thinking about the cloud has matured, particularly in the midmarket. Small and medium-size business packaged application decision-makers have moved beyond mere cost savings. They tell Forrester that SaaS, in general, improves business agility (72%), allows them to focus resources on more important projects (65%), delivers new features more rapidly (59%), and enables them to support a large number of mobile and remote workers (50%) (see Figure 3). This indicates that these decision-makers view the cloud as a way to make their businesses more nimble and responsive to changes in market dynamics, the workforce, and employee needs. For example, an online team workspace could allow a company’s mobile sales force to access new collateral that the marketing team creates in response to customer feedback to the original pitch.

Figure 3

Business Leaders See SaaS As A Business Enabler, Not Just A Cost Saver



Base: 230 North American midmarket software decision-makers who are already implementing or plan to implement SaaS at their organizations (some responses have been omitted)

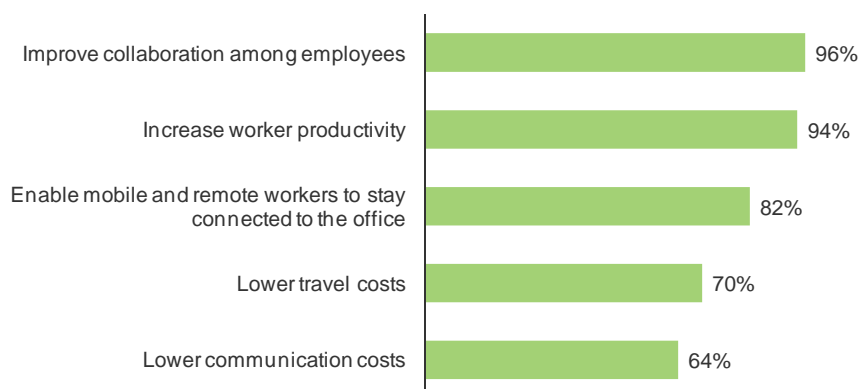
Source: Forrsights Software Survey, Q4 2011, Forrester Research, Inc.

Collaboration SaaS Makes Tools More Accessible And Usable For Employees

When midmarket software decision-makers invest in collaboration SaaS, they tell Forrester that they’re looking for material improvements in the way their employees do business. At the top of the list, they indicate that internal collaboration and employee productivity are the overarching benefits that they want to realize (see Figure 4). They also point out that connecting their mobile and remote workforce with the office is important, supporting the idea that these technologies support a more agile and nimble business.

Figure 4**Drivers For Investment In Collaboration Technologies**

“What are the reasons you have invested or will invest in collaboration technologies?”



Base: 50 North American midmarket software decision-makers involved in collaboration software purchases

Source: a commissioned study conducted by Forrester Consulting on behalf of Cisco, October 2012

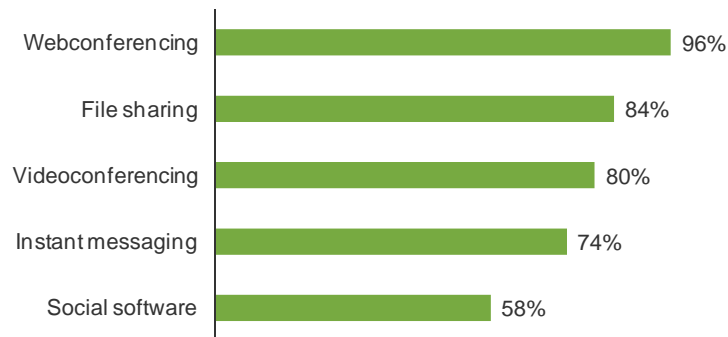
Realizing these benefits, though, means that business leaders need collaboration tools that streamline access and simplify usage for end users. In turning to the cloud, these midmarket leaders are addressing the access issue with tools that are reachable from pervasive computing technologies such as PCs, smartphones, and tablets. And many online collaboration tools are constructed with a simplified user experience across a range of devices, meaning that ease of use is covered. But do these attributes alone ensure that midmarket firms are employing collaboration technology that allows their organizations to compete in today's business environment?

For midmarket organizations, the cloud opens the door to provide a range of collaboration experiences — e.g., file sharing, webconferencing, social software — in an integrated fashion that does not require the business to expend IT resources to create and maintain the user experience (see Figure 5). When Forrester tested this idea with midmarket software decision-makers who are or will be deploying collaboration SaaS, 90% agreed that this type of integrated solution would benefit their organizations (see Figure 6).

Figure 5

Preferred Collaboration Services

“Which of the following collaboration workloads are or will be delivered to your employees as a service from online service providers?”



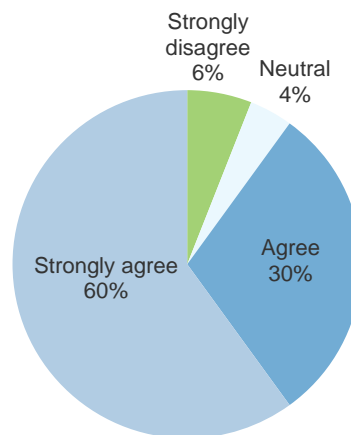
Base: 50 North American midmarket software decision-makers involved in collaboration software purchases

Source: a commissioned study conducted by Forrester Consulting on behalf of Cisco, October 2012

Figure 6

Respondents See Benefits To An Integrated Collaboration Solution

“Do you believe that there are benefits to providing employees with an integrated collaboration solution that combines different collaboration capabilities in a single application to allow them to seamlessly switch between collaboration modes?”



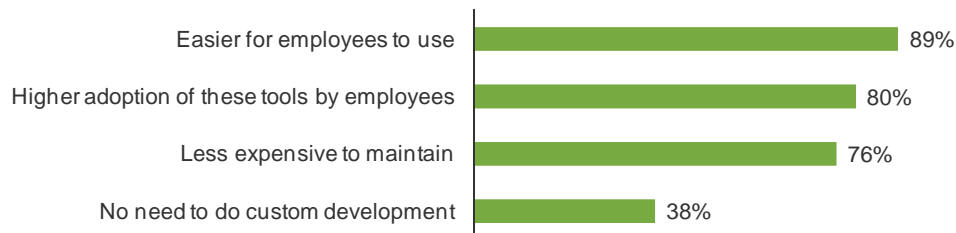
Base: 50 North American midmarket software decision-makers involved in collaboration software purchases

Source: a commissioned study conducted by Forrester Consulting on behalf of Cisco, October 2012

The benefits these business leaders see in having an integrated online solution are related to making it easier for employees to use, thereby encouraging adoption (see Figure 7). For example, an employee could easily link a shared document in a file-sharing tool to a user profile in a social networking tool. Connecting these systems encourages employees to use a broader range of collaboration technologies — which ostensibly helps them be more productive, efficient, and agile in a global business environment.

Figure 7**Respondents Expect Ease Of Use And Higher Adoption With Integrated Solutions**

“In your opinion, what are the benefits of deploying an integrated collaboration solution?”



Base: 45 North American midmarket software decision-makers involved in collaboration software purchases and agree there are benefits to an integrated collaboration solution

Source: a commissioned study conducted by Forrester Consulting on behalf of Cisco, October 2012

Conclusion

Collaboration technology is important to midmarket organizations competing in today's global business environment. These tools help disseminate the information necessary for a business to respond to rapidly shifting markets. The cloud, as a natural DMZ between an organization and all of its constituents, provides an effective way to facilitate communication and collaboration. However, employees must be willing to adopt these tools. Therefore, midmarket business leaders need collaboration technologies that are easy to use, easy to access, and fit into the flow of an employee's work. To that end, business leaders believe technologies that tie together multiple collaboration capabilities into a single application will ensure that their employees can work efficiently and productively.

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