

Top Considerations for Collaboration from the Desk

What You Will Learn

The growing importance of mobility and bring-your-own-device (BYOD) initiatives has triggered speculation about the demise of the desk phone. With so many new options for enterprise communications and collaboration, is the desk phone still relevant? Many analysts and industry experts have commented on this topic, providing insightful commentary in five key areas:

1. Are desk phones still a **good** investment?
2. Can a BYOD environment be an **enterprisewide** strategy in the near future?
3. Will mobile devices **take over** the desktop?
4. Will **every** phone ultimately be a **soft** phone?
5. Can desk phones support **new collaboration capabilities** such as personal video?

This paper offers considerations from third-party sources. Use it to encourage discussion as you make decisions about the communications devices you deploy in your organization.

The Mobile Revolution

With the proliferation of mobile devices, cloud computing, and desktop virtualization, there is an evolution (some may say a revolution) in enterprise communications. (Figure 1) Chief information officers (CIOs) now rank mobility as the number 2 technology priority, according to Gartner¹. Four years ago it was number 12. This rapid shift is evidenced by the fact that 78 percent of U.S. white-collar employees now use a mobile device for work purposes and 76 percent of enterprise leaders consider consumerization positive for their companies².

Figure 1. Enterprise Communications Are in the Midst of Great Sweeping Change

2012	2013	2015	2016
			
78%	90%	500M	1.5B
Of U.S. white-collar workers use a mobile communications device ³	Of enterprises will support BYOD ⁴	Tablets will be sold annually ⁵	Mobile video users ⁶

¹ 2012 Gartner Executive Programs (EXP) CIO Agenda survey, <https://www.gartner.com/it/page.jsp?id=2159315>

² Cisco IBSG Horizons Study, May 2012

³ Cisco IBSG Horizons Study, May 2012

⁴ Janco Associates, 2012, Janco Forecasts Over 90% of All Corporations Will Allow BYOD

⁵ Business Insider, Feb. 14, 2012, http://articles.businessinsider.com/2012-02-14/research/31057816_1_tablets-smartphones-pc-sales

⁶ Cisco Visual Networking Index Forecast (2011-2016), May 30, 2012 <http://newsroom.cisco.com/press-release-content?type=webcontent&articleId=888280>

New Options Require New Thinking About Enterprise Endpoints

Anytime new technology enters the market, there is rampant speculation about the potential impact on existing technology, especially when it comes to the introduction of smartphones and tablets. Consumerization of IT has also contributed to bold predictions about the future of communications. Consider the answers to these five questions before you formulate future strategies for communications and collaboration in your organization:

1. Are Desk Phones Still a Good Investment?

Market growth, vendor investment, and continued innovation are all good indicators of future device viability. A recent report from Frost & Sullivan⁷ cited significant investment and innovation in the IP endpoint space. The analyst said that, “Many vendors are launching new models and enhancing their product portfolio; transforming phones into more intelligent devices with touch-based displays, HD voice, video capability, and functionality beyond basic telephony”.

Frost & Sullivan reported that, “IP Desktop Phones continue to show healthy growth rates. Both units shipped and revenue grew at around 15 percent in 2011” (Table 1). Frost & Sullivan’s forecast does reflect continued but slowing growth over the decade, with more than 5 percent growth (1.7 million units) from 2017 to 2018. As a result, Frost & Sullivan believes, “Desktop phones will remain the main enterprise endpoint at least until 2018”.

Table 1. IP Desktop Phones Are Not Going Away Soon, According to Frost & Sullivan

Year	IP Desktop Phone Unit Shipment (Million)	Unit Growth Rate (%)
2009	12.9	
2010	15.9	23.4
2011	18.3	15.1
2012	21.2	15.6
2013	24.0	13.5
2014	26.5	10.4
2015	28.8	8.7
2016	31.0	7.6
2017	33.0	6.5
2018	34.7	5.2
CAGR (2011-2018)		9.6

Note: All figures are rounded. The base year is 2011. Source: Frost & Sullivan analysis.

Frost & Sullivan defines IP desktop phones as physical telephone devices with built-in IP signaling protocols (such as H.323 or Session Initiation Protocol [SIP]) that are used in conjunction with IP platforms either in a hosted or premises-based environment.

In its report, Frost & Sullivan said that some of the most prominent factors that have helped to maintain and even accelerate IP desk phone growth rates include:

- Demand for more advanced endpoints such as media phones
- The increasing popularity of unified communications
- Growing demand for Session Initiation Protocol (SIP) endpoints that provide investment protection

⁷ Frost & Sullivan, Global Enterprise Communications Platforms and Endpoints Market, May 2012

- Making video more practical and affordable
- Lowering power consumption and targeting green initiatives

“IP desk phones will not be leaving the desktop anytime soon.”

— Frost & Sullivan, Global Enterprise Communications Platforms and Endpoints Market, May 2012

2. Can the BYOD Trend Be an Enterprisewide Strategy in the Near Future?

Like any new trend, the BYOD trend brings business benefits as well as unique challenges. In addition to security and mobile device management, you should also consider user habits and reimbursement policies before embarking or expanding a BYOD initiative.

Security is at the top of the list of BYOD challenges. A recent report by the researchers at Decisive Analytics⁸ found that, although decision makers were “open to and positive about BYOD, nearly half that permit BYOD reported experiencing a data or security breach as a result of an employee-owned device accessing the corporate network”. This reality is likely why “86 percent of IT decision makers from the U.S., U.K. and Germany state that smartphone data security is their number one concern when consumer devices are connected to corporate networks⁹”.

The reason, according to InformationWeek.Com, is that “IT policies haven’t kept up with the bring-your-own-device (BYOD) trend. Some IT departments haven’t figured out, for instance, how to get **remote wipe** onto smartphones, and that is the most basic form of security¹⁰”. A new [study](#) by iPass, the world’s largest commercial Wi-Fi network, found that (only) 55 percent of mobile workers have remote wipe on their smartphones - and even fewer tablets have it¹¹. The reason, according to ComputerWorld UK, “Tablet technology still has a long way to go to justify itself and sit alongside smartphones as essential business equipment”.

“Much uncertainty remains in the BYOD world”, according to Eric Krapf, Program Co-Chair of the Enterprise Connect events. “There are clearly more security breaches than we should be comfortable with, despite some efforts to prevent them¹².”

“Employees have new attitudes about technology. Seven of ten admit to knowingly disregarding corporate IT policies on a regular basis.”

— Cisco 2011 Connected World Report

New employee attitudes about technology also affect enterprise security with regard to consumerization. In its 2011 Connected World Report¹³, Cisco found that three of five employees believe they are not responsible for protecting corporate information and devices. And 7 of 10 admit to knowingly disregard corporate IT policies on a regular basis. They download noncompliant apps from consumer app stores and use the cloud to share files.

⁸ Mobile Consumerization Trends & Perceptions, IT Executive and CEO Survey, Decisive Analytics, LLC, August 2012

⁹ Decisive Analytics, Mobile Consumerization Trends & Perceptions, August, 2012

¹⁰ BYTE Newsletter, Sept. 13, 2012 <http://www.informationweek.com/byte/personal-tech/wireless/costly-byon-complicates-byod-movement-su/240006692>

¹¹ iPass Global Mobile Workforce Report, Q32012

¹² <http://www.nojitter.com/post/240006428/byod-security-and-costs>

¹³ <http://www.cisco.com/en/US/netsol/ns1120/index.html>

Mobile Device Management (MDM) is another piece of the BYOD puzzle. Today, IT organizations look to control, manage, and secure consumer devices with third-party MDM software. In its first Magic Quadrant report on Mobile Device Management, Gartner found that, "Although some vendors and products have been around for a long time, MDM is a nascent market, and the vendors' offerings have little consistency. It takes multiple types of mobile software to manage policy, support, and security¹⁴."

"Eighty-six percent of mobile workers think their companies should pay for their domestic and international charges."

— iPass Global Mobile Workforce Report, Q32012

The cost of supporting enterprise voice **and** data on employee-owned devices is another consideration to account for, according to Eric Krapf. "Costs **may** be lower, though I think it's still too early to tell whether this will continue to be the case as the cost of wireless data plans rises for end users, who may be inclined to push for reimbursement of the newer, higher rates¹⁵". John Murray of Active Business Network, a telecom expense management company, commented, "Enterprises that push mobility costs off onto their BYOD employees can find this move backfiring; if reimbursement stipends are inadequate - or at least perceived as such - the employees may respond by simply not using the mobile devices as much¹⁶". The iPass study found that, "fear of big phone bills is preventing some mobile workers from using basic productivity apps such as email and Web browsing¹⁷".

Whether BYOD environments could or should be offered to every employee - especially for corporate collaboration - will need to be seriously considered by each individual enterprise. In the meantime, IT-owned and -managed communications technology, such as IP desk phones, can continue to play a prominent and useful role in the enterprise.

3. Will Mobile Devices Take Over on the Desktop?

What do users think when it comes to replacing desk phones with mobile phones in the office? Research suggests that opinions vary. Recently, Tech Crunch¹⁸ published an article entitled, "Office Endangered Species". The article offered a list, based on a LinkedIn study of more than 7000 professionals, who looked at what office tools and trends will most likely go away by the year 2017. Desk phones were number five on the list. Thirty-five percent, or roughly a third of those surveyed, said the desk phone was "endangered". What may be more interesting, though, is that 65 percent (or roughly two-thirds) did **not**.

Although mobility **is clearly** increasing, many people still prefer the fixed function utility, reliability, and familiarity of the traditional desk phone, including employees who still do the bulk of their work from behind a desk, whether that desk is at company headquarters, a remote branch office, or a home office. There are also employees who prefer a more traditional workspace with a PC and a desk phone.

¹⁴ Gartner Magic Quadrant for Mobile Device Management Software, April 2011

¹⁵ <http://www.nojitter.com/post/240006428/byod-security-and-costs>

¹⁶ Enterprise Connect Enews: BYOD and Going All-Mobile, October 15, 2012

¹⁷ iPass Global Mobile Workforce Report, Q3 2012

¹⁸ <http://techcrunch.com/2012/10/08/linkedin-10-office-tools-and-workplace-norms-that-are-going-extinct/>

Other reasons people have expressed preference for using desktop phones in their office include ease of use and voice clarity, and the fact that they do not have to worry about cell phone coverage, battery life, or losing a desk phone. According to a July 2012 article in InformationWeek.Com, “Momentum carried the corporate desk phone this far into the 21st century and it won’t vanish any time soon¹⁹”.

“It’s very unlikely that a large enterprise will be best served by junking desktop communications across the board, in favor of mobiles only.”

— Robin Gareiss, Nemertes Research, Enterprise Connect Enews: BYOD and Going All-Mobile, Oct. 2012

Nemertes Research believes it is “very unlikely” that a large enterprise will be best served by eliminating desktop communications across the board, in favor of “going all-mobile”. In a recent article, Robin Gareiss wrote, “Every few years, IT staffs evaluate the question of going all-mobile. It’s become more relevant now because of the broad acceptance of mobile devices. Ultimately, I believe the best approach for most companies is a hybrid solution.” Robin believes that “IT staffs must weigh productivity and employee benefits with cost savings to determine what type of device makes sense for which employees and under what type of ownership model²⁰”.

“Tossing out all desk phones everywhere seems neither appealing for certain classes of end-users nor wise from an enterprise perspective.”

— Enterprise Connect Enews: BYOD and Going All-Mobile, Oct. 2012

Eric Krapf, co-chair of the Enterprise Connect events, concurs. In a recent article, he said, “Mobility is a boon to enterprise productivity for many workers - but not necessarily for all. A broad-brush solution of tossing out all desk phones everywhere seems neither appealing for certain classes of end-users, nor wise from an enterprise perspective²¹”. There are, in fact, many current use cases²² (Table 2) where companies have selected IP desktop phones as part of their overall communication mix because they were the right device for the user and the job.

Table 2. The Right Device for the User and the Use Model

IP Phones Are Part of the Mix for These Enterprises
Biesse America This Italian manufacturer uses unified IP desktop phones to simplify conferencing and collaboration. The phones shorten time for customers to get answers and save the company US\$5000 daily by reducing repair visits to customer sites.
Inteligo Financial Services S.A. This PKO Bank Polski S.A. subsidiary uses unified IP desktop phones in its virtual contact center to cut costs while improving services.
Concentrix This provider of outsourced customer service solutions in Ireland uses unified IP desktop phones and on-demand web conferencing to enable global customer interaction.
Barwon Health This medical center in Australia uses unified IP desktop phones to simplify clinical collaboration and speed access to experts.
Kettle Produce This Scottish produce distributor improves communications across sites with unified IP desktop phones that also enable easy moves, ads, and changes for cost savings.

¹⁹ <http://www.informationweek.com/byte/personal-tech/smart-phones/desk-phones-are-their-days-numbered/240003951>

²⁰ Robin Gareiss, Nemertes Research, Enterprise Connect Enews: BYOD and Going All-Mobile, Oct. 2012

²¹ Enterprise Connect Enews: BYOD and Going All-Mobile, Oct. 2012

²² http://www.cisco.com/en/US/products/sw/voicesw/products_category_customer_case_studies.html

IP Phones Are Part of the Mix for These Enterprises

Crown Entertainment

This Australian Entertainment Complex uses unified IP desktop phones with touch screen menus to provide a world-class guest experience. Guests can just touch a screen to request room service, call housekeeping, check the weather or check a flight, and more.

Complete case studies available @ cisco.com

4. Will Every Phone Be a Soft Phone?

Are all communications going “soft”? According to TechTarget.com, “A softphone deployment could be a cost-effective alternative (to IP desktop phones). Desktop administrators can quickly install a VoIP client on users’ computers and equip them with a relatively cheap and easy to use headset that they can plug into a USB port. Software clients are also very portable, enabling a user with a laptop or smartphone to stay connected anywhere on the enterprise network²³”.

So why not simply shift to soft phones for everyone? TechTarget indicated that, “It’s important to consider the messenger” when evaluating a complete transition to soft phones. According to Brian Riggs, Research Director for Enterprise Communications at Current Analysis, “There are two types of companies that think the desk phone’s days are numbered: software-centric UC solution developers - as opposed to PBX-centric ones - and mobile operators”.

“End users are holding up the shift to softphones.”

— TechTarget.com, The enterprise desk phone: Who really wants it?, April 2011²⁴

Not all end users agree that the days of the desk phone are numbered; according to TechTarget, “The end users are the major stumbling block for UC managers who want to transition to softphones. While the cost savings and benefits of an all-software solution may appeal to IT and finance departments, many users resist dumping the desk phone. For many users, desk phones are simply the easiest and quickest way to communicate and collaborate in the office. A user can make and receive calls on a desk phone while his laptop is still booting up in the morning.”

“We’ve heard one enterprise say that while 70 percent of managers wanted to consolidate devices, 70 percent of end users didn’t.”

— Alaa Saayed, Industry Analyst for Unified Communications, Frost & Sullivan

Why are end users holding up the shift to soft phones? Alan Weckel of Dell’Oro Group says, “Wired phones still tend to have better sound quality than wireless and for softphones, the PC’s reliability and startup times are issues²⁵”. Blogger Michael Graves offered a user perspective when he wrote, “My desk phone has never blue-screened. [It has] Never shown me a “sad mac” icon. It doesn’t react poorly to the various goings on within my desktop PC. It seldom requires a reboot. It doesn’t even require power near my desk as it’s powered via a POE switch on a UPS in the wiring closet²⁶”.

²³ <http://searchunifiedcommunications.techtarget.com/feature/Do-enterprises-want-to-dump-the-desk-phone-for-a-softphone>

²⁴ <http://itknowledgeexchange.techtarget.com/unified-communications/the-enterprise-desk-phone-who-really-wants-it/>

²⁵ <http://www.pcworld.com/article/132277/article.html>

²⁶ <http://www.mgraves.org/2011/06/counterpaths-bria-for-ipad-obsolete-desk-phones-conference-phones/>

Finally, Alaa Saayed, industry analyst for unified communications at Frost & Sullivan, believes that, “While soft clients are gaining traction, the reality for many enterprises does not support an across the board mobile UC client approach.”

“Rather than disappearing, the enterprise desk phone is changing roles.”

— Brian Riggs, Research Director for Enterprise Communications, Current Analysis²⁷

5. Are Desk Phones Equipped to Support New Collaboration Capabilities Such as Personal Video?

Brian Riggs, Research Director for Enterprise Communications at Current Analysis, believes that, “Rather than disappearing, the enterprise desk phone is changing roles. Some unified communications vendors are offering desk phones that also support native video conferencing, while others are seeing tablets like the iPad as a new type of endpoint device that supplements the laptop and the desk phone.”

Does this mean the days of personal video communications for the select few are gone? Research would suggest the answer is yes:

- Forty-five percent of decision makers strongly agree that video saves time.²⁸
- Fifty-two percent say collaboration technologies increase speed of access to experts.²⁹
- Fifty-three percent strongly agree that video enables richer and more productive business relationships.³⁰
- Seventy-five percent of business leaders believe “in-person” collaboration is critical.³¹
- Seventy-seven percent say collaboration technologies improve speed of access to knowledge³².

According to a Q32012 Forrester Wave Report³³, “Executives want video for better work-life balance, managers want it to see that their direct reports aren’t distracted, and multicultural organizations want it to foster the trust and improved communication that comes with being able to read the body language of remote team members”.

“Many enterprises are turning to desktop videoconferencing to improve virtual meetings.”

— Forrester Wave Report: Room -Based Videoconferencing, Q32012 report

²⁷ <http://searchunifiedcommunications.techtarget.com/feature/Do-enterprises-want-to-dump-the-desk-phone-for-a-softphone>

²⁸ The Power of In Person, Economist Report, 2012

²⁹ Rise of the Networked Enterprise: Web 2.0 finds its payday, McKinsey Global Institute, No. 22, Spring 2011

³⁰ The Power of In Person, Economist Report, 2012

³¹ Salire Partners (via McKinsey)

³² Rise of the Networked Enterprise: Web 2.0 finds its payday, McKinsey Global Institute, No. 22, Spring 2011

³³ Forrester Wave Report:: Room-Based Videoconferencing

³⁴ <http://searchunifiedcommunications.techtarget.com/feature/Do-enterprises-want-to-dump-the-desk-phone-for-a-softphone>

Most of the more than 1000 firms surveyed by Forrester said they plan to adopt desktop videoconferencing. According to Forrester, “In a work culture dominated by virtual meetings, more firms are looking to videoconferencing to replicate the in-person experience that people prefer”. Forrester identifies numerous videoconferencing market trends. Among them:

- Momentum toward desktop and mobile videoconferencing
- Sourcing models that lower costs and skills barriers to using video
- Interest in integrating with unified communications environments

Gartner agrees. In its 2012 MarketScope for Telepresence and Group Video Systems, Gartner said that, “Technology innovation in 2012 has been focused on extending the options for personal video calls, as enterprises prefer to employ different ratios of UC endpoints, dedicated video softclients, and appliance-based desktop endpoints to extend the group video experience”. The goal is to make video more affordable and practical, so organizations can:

- Make better decisions faster
- Provide immediate access to experts
- Bring the organization together

“More companies will support mixed environments, where some users have UC clients only, others have cell phones only, and others traditional desk phones only.”

— Brian Riggs, Research Director for Enterprise Communications, Current Analysis³⁴

Whether it is “hybrid” or “mixed” environments, there is a recurring theme among many analysts and industry experts who believe IP desktop phones will remain on the desktop as part of an ever-expanding mix of communications and collaboration options to maximize employee productivity.

The Future Is All About Choice

The revolution in enterprise communications has resulted in new ways for companies to increase productivity and build competitive advantage. And while mobility continues to grow in importance, the analysts and experts cited in this document believe that:

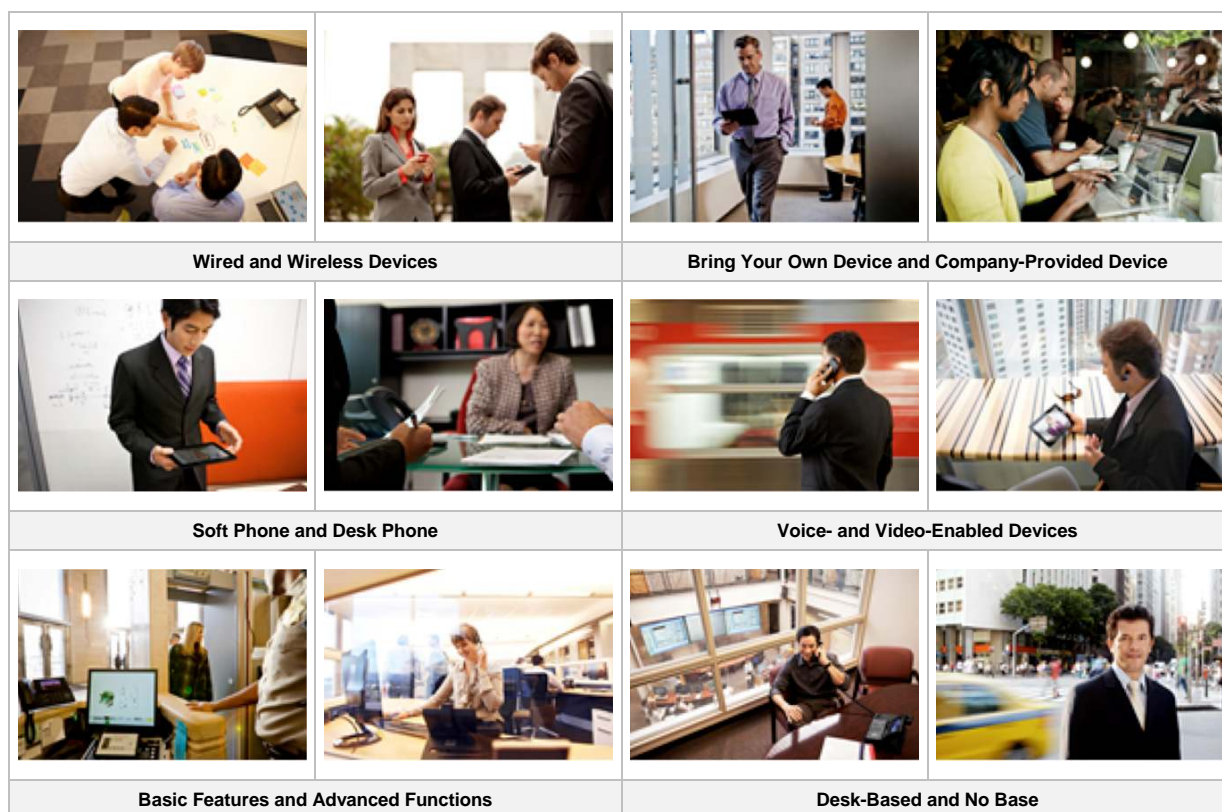
- Desk phones are not going away anytime soon.
- The BYOD trend is “unstoppable”, but as an enterprisewide strategy is not yet practical.
- It is unlikely that a large enterprise will be best served by going all mobile.
- End users are the major stumbling block for unified communications managers who want to transition to soft phones.
- IP desktop phones will be part of an ever-expanding mix of video collaboration options.

For enterprise communications, the future could not be brighter. There is a rich endpoint environment with many options for enterprise users. Some workers may choose smartphones or tablets for their main communications devices. Others may choose the IP desk phone. Some may use different devices at different times: smartphones while out of the office and a desk phone while in the office.

Cisco Supports the Right to Choose

Our goal is to deliver collaboration to anyone, anytime, on any device, with any content, from any place...including the desktop. At Cisco, we support them all, because when it comes to communications and collaboration in the Post PC Era, no one size fits all. It is about providing customers with the right devices for their right interactions (Figure 2).

Figure 2. The Future Is All About Choice



Since the inception of the IP desktop phone market, Cisco has been the market leader and continues to invest and innovate in enterprise endpoints. According to Synergy Research, Cisco is now the number one overall voice vendor in the world and the leader in most unified communications categories, including web and audio conferencing and messaging. Cisco has provided IP communications services and applications longer than any other vendor.

With Cisco Unified IP Phones, you can help your business benefit from the productivity-building capabilities of next-generation computing, communications, and collaboration. Our industry-leading IP endpoints are designed to maximize network-powered communications and collaboration by providing:

- An exceptional computing and multimedia communications experience
- Advanced collaborative services
- A broad suite of Cisco and third-party development partner endpoint applications

Choose Cisco

If you are planning a communications investment in the near future, be sure to account for your users' work tendencies, preferences, and roles - in addition to traditional considerations around costs, network security, and IT policies. Think carefully about the insights shared from industry analysts and experts in this white paper as you plan your strategy - and know that Cisco is here to help you, whatever your choice may be.



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