




High-tech Companies: How to Win the Innovation Race with Advanced Communication and Collaboration Tools

A Frost & Sullivan Executive Brief

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50 Years of Growth, Innovation and Leadership

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As technology innovators, high-tech companies drive in the IT fast lane. They are relentlessly looking to get ahead with innovations in Artificial Intelligence (AI), the Internet of Things (IoT), cloud computing, and mobility, among other things. However, significant market shifts in recent years have resulted in intense competition from new entrants, greater commoditization, shorter product lifecycles, and faster market consolidation. To turn these transformational shifts into growth opportunities, high-tech companies are treating investments in next-generation communication and collaboration technologies as a strategic priority.

The adoption of digital technologies is reshaping many sectors of the global economy. High-tech companies, in particular, are at the leading edge of digital transformation and must lead by example. The dynamics of the modern workforce—increasingly remote and unstructured, highly interdependent, and digitally savvy—are compelling businesses to adopt more advanced communication and collaboration tools as a strategic asset to operate in a fast-paced environment.

Businesses are moving away from legacy communication systems as they tap into the power of IP-based Unified Communications and Collaboration (UCC) solutions that unify messaging, voice, and video into one comprehensive platform. A single platform supporting IP voice, online meetings, marketing and training webinars, business chat/instant messaging, file sharing, and integration with leading third-party platforms improves operational efficiencies and addresses the challenges associated with siloed communications and fragmented user experiences.



Modern UCC tools help high-tech firms:

- Innovate faster by supporting high-velocity collaboration across globally distributed teams.
- Improve employee productivity and reduce time to market by streamlining communications.
- Attract and retain talent through better employee engagement.
- Enhance customer service.
- Improve profitability by reducing travel time and costs.

UCC solutions are becoming a must-have. The rapid migration to cloud-based UCC, in particular, is transforming businesses globally. Frost & Sullivan research shows that the global cloud-based IP telephony and Unified Communications-as-a-Service (UCaaS) user base is exploding. UCaaS revenues reached \$13.71 billion worldwide in 2018, with the global market forecasted to experience 18.6% five-year revenue CAGR. In 2018, there were 57.4 million installed UCaaS users globally, an increase of 27.4% over 2017. User growth is forecasted at 24.1% from 2017 through 2024.

In a Frost & Sullivan survey (Exhibit 1), C-level decision makers responded that the rapid adoption and usage of UCC is transforming the way they do business.

EXHIBIT 1: UCC IMPACT ON KEY FACETS OF BUSINESS



Source: Frost & Sullivan—An End User Perspective on Workplace Communications and Collaboration, Global, 2017

IMPROVE PRODUCTIVITY ACROSS GLOBAL TEAMS

Today's workforce is increasingly global and virtual. To tap into global talent in a highly competitive labor market, successful high-tech firms are relying more on a distributed workforce composed of employees who work remotely from around the world. However, distributed teams often run into the challenge of collaborating effectively on design, development, and testing, which leads to significant lags in product development times and higher costs. In addition, many businesses today have discovered the pitfalls of traditional models that keep R&D teams isolated from the rest of the business and are switching to open collaboration with customers, partners, suppliers, industry organizations, and even competitors.

Today's globalized and distributed high-tech teams need modern UCC tools that connect them better internally as well as with external parties. Seamless content sharing and video conferencing allow teams to bring ideas to life by meeting face to face to brainstorm and share concepts, regardless of their location or time zones. Participants can share ideas in real time and contribute and interact with the content over an interactive display or over their personal mobile devices. These digital interactions lead to engaging conversations for faster decision making and shorter time to market.

ATTRACT AND RETAIN THE BEST DIGITAL TALENT

In a recent Consumer Technology Association's (CTA) Future of Work survey, 74% of respondents said that finding employees with the right skills is getting harder. Tech companies are especially vulnerable to a growing digital skills shortage, with demand far exceeding supply. In addition, the tech sector is notorious for high staff turnover with employees regularly switching jobs to further their career and, in turn, taking their specialist skills with them. Last but not least, workers need constant upskilling and reskilling to keep up with the dizzying pace of technology evolution.

Ongoing workplace and workforce transformation requires businesses to be agile and ready to accommodate newer ways of working. More businesses today are relying on dynamic teams—full-time and part-time employees, remote workers, freelancers, gig economy workers, and crowdsourcing to get work done. The distributed, dynamic, and on-demand workforce requires unprecedented mobility, connectedness and, most importantly, top-notch experiences to stay engaged and productive. Today's workforce, which is increasingly comprised of millennials and Gen Z, is showing a strong preference for mobile and flexible workstyles. Creating a work environment that promotes employee engagement and higher morale is a key strategic initiative. To build rapport and trust among the dynamic teams of today, there is a strong need for next-generation, ad-hoc, rich collaboration solutions such as virtual team spaces that offer real-time presence, group chat, and rich audio, video, and web conferencing.



REIMAGINE SERVICE AND SUPPORT TO ENHANCE CUSTOMER EXPERIENCE

High-tech businesses are under pressure from a rapidly evolving market and changing customer expectations. Customer loyalty in this hyper-competitive environment hinges on consistently exceeding the expectations of demanding customers across all touch-points in their journey. Instant and easy-to-use UCC tools that include video conferencing and screen sharing add a critical dimension to customer interactions.

User behaviors are shifting and digital customers today expect more engaging experiences than voice and text-only communications. UCaaS users find web and video conferencing and team collaboration tools to significantly enhance their customer interactions. It lets them improve the relationship and quality of each interaction. Specifically, video and web conferencing enable:

- Engaging Communications – By enabling face-to-face communications, businesses can establish a more personal relationship with their customers—an experience that is head and shoulders above basic phone interactions.
- Drive Sales – High-quality content sharing and video interactions with prospects enhance the sales process and also provide upsell/cross-sell opportunities.
- Greater Customer Satisfaction and Loyalty – Video conferencing can be used to show clear examples of complex procedures for problem resolution in tech support scenarios. Furthermore, contact center agents can make better decisions, informed by the caller's body language and demeanor.

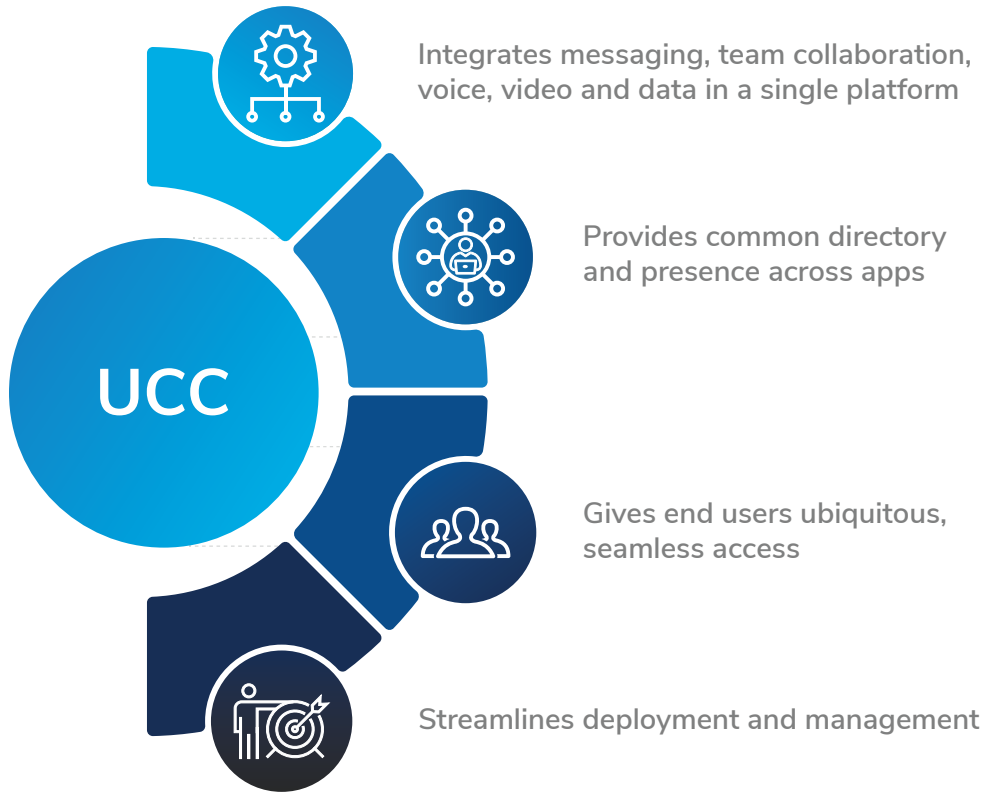
SIMPLIFY COMMUNICATIONS

High-tech firms are at the leading edge of technology and innovation. With so many collaboration and communications tools now easily available, digital-savvy employees are increasingly adopting multiple communication apps to connect with each other. Growing consumerization and “Shadow IT” have led to disconnected technology purchases by users. The resulting communication siloes and fragmented user experiences have created user management and operational challenges.

High-tech companies are increasingly looking to invest in a single unified enterprise platform that offers a consistent user experience across video meetings, content collaboration, phone systems, webinars, team chat, and file sharing to streamline workflows across desktops, mobile devices and meeting rooms of all sizes. In addition, IT has one simple-to-manage solution for a simple, affordable price. Plus, modern UCC tools offer best-in-class mobility, allowing users convenient access anywhere, anytime, on any device and network.

EXHIBIT 2: UCC AND A SINGLE VENDOR SOLUTION SUPPORT NATURAL FLOWS OF INTERACTION

Move seamlessly from asynchronous to real time, from messaging to voice to video, and from one-on-one to multi-party communications for flexible and productive collaboration



Source: Frost & Sullivan

A single pane of glass is the focal point. Investing in UCC creates a single environment for multiple communication modalities—voice, video and data—to reduce the inefficiencies of fragmented communications while providing IT the benefits of simplified vendor management and a unified product roadmap.



Leading UCC providers, like **GoTo** by LogMeIn, offer a comprehensive Unified Communications & Collaboration suite to meet the needs of today's high-tech firms.

GoTo combines the power and reliability of cloud VoIP phone systems with web, audio and video conferencing tools. When employees can meet, talk, chat, text and collaborate seamlessly through a single application, they're more productive, engaged and connected. The hassle and expense of managing multiple collaboration solution providers are eliminated, yet users can access robust meeting and cloud VoIP features for a fixed low price.

The end result: Your users are more productive while IT has a single pane of glass to manage across the entire UCC solution.

CONCLUSION

In an increasingly competitive and globalized environment, high-tech companies can no longer operate efficiently and serve their customers well by using yesterday's communications tools. Business leaders are realizing that they can experience game-changing business transformation when they empower their employees with modern communications and collaboration tools. Today's UCC solutions drive frictionless communications and are proven to reduce costs, grow revenues, speed decision-making and lead to effective ways of doing business. High-tech companies that want to excel must catch on or get left behind.

NEXT STEPS >

- > **[Schedule a meeting with our global team](#)** to experience our thought leadership and to integrate your ideas, opportunities and challenges into the discussion.
- > Interested in learning more about the topics covered in this white paper? Call us at 877.GoFrost and reference the paper you're interested in. We'll have an analyst get in touch with you.
- > Visit our **[Digital Transformation](#)** web page.
- > Attend one of our **[Growth Innovation & Leadership \(GIL\)](#)** events to unearth hidden growth opportunities.

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