

Collaboration Times

Alliances from the East

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The Glocal Cisco

"This is not bad, but the pace of globalisation has surpassed the capacity of the system to adjust to new realities of a more interdependent and integrated world."
– Anna Lindh

The world has become a place with no time zones and no boundaries for business. If a company cannot reach the current and future markets simultaneously and talk the local language, it stands to lose its edge. The global corporation cannot be present in every corner of the world through their direct offices. That is when **Strategic Alliances** in a global world come in.

The primary driver for strategic alliances is the emergence of intense global competition, which has rendered the time tested strategies ineffective. Alliances offer a significant advantage in terms of coverage, culture resonance and special complementary skills support. Sometimes **economic advantage** is the driver for strategic alliances while other times it could be **Customer proximity** that is the driver.

Strategic Alliances in the Global world allow to create "networks" of intricate relationships amongst major corporations on a worldwide level.



Pascal Turchi

It is not about two headquarters being aligned. You need to stretch Globalisation to the local level for mutual success and a benefit to customer. Region to region, account manager to account manager, we must have alliance interactions right up to the level of the two customer facing organizations; to give one unified view to the customer. The energies of both alliance partners must be focused on building synergies and complementing the strengths to build a unique value proposition. This is what we call **Glocalisation** – bringing Global best practices and process to align with locally available resources and skills to create a mass marketable solution.

Firms must innovate to stay ahead of the global competition. The need for innovation is not restricted to products and technologies, but the business model itself. **Cisco's Globalisation Center** is one such innovative business strategy which allows Cisco to recast entrepreneurially their competitive strategies in response to Globalisation. The center envisions using Cisco technologies and products in conjunction with skills and resources of Local partners to create new solutions. The solutions are targeted at worldwide customers but they are developed based on need identification from emerging markets and neo-developed markets like MEA.

Glocalisation to some firms – who are exceedingly west focused – is to move resources near the markets like India and China. But for Cisco, it is about innovating to create a new business model which caters to ever-changing needs of customers by being close to them and by aligning with those who understand the markets and solutions well. We believe that the way to do business will be about monetization of core skills as an IP. The revenues will be based on services used and not on products sold. The products will only be facilitators for those services and therefore free! The well known **ARPU** (Average Revenue per user) will come into the picture and for the customer, this model promises to be a **“Zero Capex. Low Opex”** model of managing their IT infrastructure.

One of the important things that firms will need to glocalise successfully is to develop local **Ecosystems** of every conceivable service provider for a particular set of customers. As an example, if Cisco proposes to develop the IT infrastructure for a real estate firm, it may be an innovative idea to build the whole setup and own/operate through its partners. The customer will market the facilities of the real estate to the user.

So Cisco's **Customer** and the **user** are two different entities with different requirements. To do this successfully, Cisco must form a well-knit, compatible, stretchable and functional network of all the players who go into the service delivery framework.

So the big questions are: How does one balance Alliance growth and ARPU elevation? How does an organization cover its risk against the changing landscape of competitors and partners? How do you build Optimum Capability – not too large to compete with alliances, not too small to leave markets for the competition? **Strategic Alliances at Global levels with local handshakes** – is the answer.

Why has Cisco Chosen India for its Globalisation and alliance integration required for glocalisation? There are many compelling reasons for that. India has a GDP growth rate of 8+%. Its technological

capability is strong. Infrastructure is sound and improving. Government is mostly helpful and at worst unobtrusive. Talent availability is good and cost is low. It houses world respected services companies like Wipro, Tata, Infosys, HCL Satyam and many others. It is the most preferred destination of IT outsourcing, now moving away from being the world's call center to being a vital feeder to the global knowledge industry. India's economic base is vast – 4th largest in the world in terms of purchasing power parity and 12th largest in terms of per capita GDP. It is projected to become one of the five largest economies in the world by 2050 along with China and Brazil. Its markets are huge, with the current consumer class estimated to be around **350 million**, about the size of the entire European Community.

The combined economies of India and China are already bigger than that of the EU countries put together. At the present rate of growth, the consumer class in the two countries will reach about a billion people within the next decade. But per capita incomes remain low and income disparities are wide in both countries in international comparisons. These developments have far-reaching implications for the two countries themselves and the world at large in the 21st century.

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With the likes of China Mobile (with 300 million subscribers and a \$177 billion market capitalization), telecom gear maker Huawei Technologies, and India's Tata on the prowl for acquisitions overseas, China and India are "reshaping the global economy." This reshaping is bound to intensify as India moves more into low-wage manufacturing, a Chinese specialty. Both must create 15 million new jobs every year just to keep their young people employed. (*"The Dragon's Way or the Tiger's?" Business Week, Nov. 20, 2006, p. 55*). This is the reverse form of Glocalisation when large firms from the East will need to spread across the globe and therefore they will need to learn the business practices of more successful markets.

The Alliances also contribute to furthering the technology messaging of Cisco and ensuring that the technology is available to everyone through their innovative business models. A case in point is Tata Communications from India. They have taken the game-changing TelePresence technology of Cisco and using a rental model of service ensured a great value creation for its customers (refer to box above). The flexibility, coverage and innovation of the new world alliances is evident from this Rent-A-Center of videoconferencing. Tata is a carrier out of India, and it has opened five TelePresence centers in India in 2008.

As Robert Reich (1991) said in his well-known book *"The Work of Nations"*, there are no truly national economies any more. India and China are no exceptions. A global power shift – a glocalisation is indeed occurring though it is not obvious to many. But unless we ally with local partners and think globally with them, it is going to be tough for old-world companies.

Strategic alliances East is proud to be a contributor in shaping this new world order and defining a new business mantra for Cisco: **Go Glocal!**

Source: Cisco

Pascal Turchi
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Cisco Globalisation Center, Bangalore, India



Cisco, Tata Take Public TelePresence Beyond India

Stephen Lawson, IDG News Service

Cisco and Tata Communications have expanded a network of public TelePresence meeting centers to the U.S. and U.K., with plans to set up 100 of the high-end videoconferencing centers around the world by the end of next year.

Tata, an India-based telecommunications carrier, opened five of the centers in India earlier this year. They are available by the hour for meetings between individuals or companies that can't or don't want to invest in their own TelePresence systems. Tata operates the facilities and uses its international backbone network to link them.

TelePresence is a conference system that includes high-quality video and audio as well as presentations. It comes in configurations that range from a single screen for a home or branch office to a three-screen setup with two rows of seats. Prices range from US\$34,900 to \$349,000. It is a major focus for Cisco, which has said it uses about 300 TelePresence systems internally, slashing travel expenses and boosting collaboration.

Tata has now set up public TelePresence sites at Taj brand hotels in London and Boston, and the companies held a media briefing Tuesday at another public center in the headquarters of Cisco's WebEx division, in Santa Clara, California. The facilities are available for booking immediately, with rates ranging from \$299 to \$899 per hour, depending on room size.

The Santa Clara facility has seven conference rooms for meetings with up to 18 participants. Before customers go into the meeting rooms, they can familiarize themselves with the city from which their counterparts will be joining them, with local weather and news and Webcam images projected on the wall in the reception area.

Cisco said it has sold about 1,000 TelePresence systems to approximately 200 customers, chiefly large enterprises. The public suites are ideal for small and medium-sized businesses that can't afford the capital investment, but also for large enterprises that want to meet virtually with partners, the company said. Although Cisco TelePresence interoperates with other videoconferencing systems, quality and ease of use are best in sessions between Cisco units, said Marthin De Beer, senior vice president and general manager of Cisco's Emerging Technologies Group.

The 100 sites to be open by the end of 2009 will be distributed across six continents, but not all the locations have yet been chosen, according to Peter Quinlan, director of TelePresence Managed Services at Tata. The carrier plans to target major business centers but also locations that are important to business and are hard to reach because of distance, poor infrastructure or security issues, he said.

De Beer said Cisco plans to tighten interoperability with meeting systems from rivals such as Hewlett-Packard, Tandberg and Polycom. Tata has an interest in improved interoperability, since that would increase opportunities for high-quality conferences between the public Cisco TelePresence suites and existing corporate systems from other vendors, Quinlan said.

High-quality virtual meetings can take the place of many in-person meetings, not only saving travel time and expense but allowing companies to move more quickly, according to Cisco. For example, product development teams spread across the world can collaborate more frequently and companies can more quickly close a deal with a potential customer by getting top executives in a meeting on shorter notice. De Beer also expects consumers to use the suites on weekends to get together with family and friends far away.

Most high-level executives at Cisco have TelePresence systems in their own offices, and De Beer said he frequently uses the technology to meet with co-workers who are just on the other side of Cisco's sprawling San Jose, California, campus. In the past, he frequently would spend an hour a day driving from building to building, De Beer said. In addition, his administrative assistant works outside the state but appears virtually in the front room of his office, greeting and talking with visitors via a TelePresence system.

Source: Cisco



Cisco TelePresence

- A breakthrough technology for remote collaboration
- A complete portfolio of endpoints for all meeting needs
- Complete solution with multipoint, interoperability and intercompany

Developing an Enterprise Unified Communications Road Map

Communications planners and managers face difficult choices: They must maximize returns on a wide range of existing communication investments, while also prioritizing and providing direction for new ones. Developing a road map can assist in this decision process. Even companies that decide to delay unified communications (UC) investments will benefit from understanding their options.

Key Findings

- Companies must develop a road map for migrating to UC, understanding that no single vendor solution can meet all of their needs.
- A UC center of excellence (UC COE) can assist in defining a vision, developing a plan and bridging the multiple parts of the organization.
- Developing a vision, scenarios and examples for UC will help communicate the value to a broader enterprise audience.
- UC is not a one-time fix. It should be viewed as a process of continuous improvement, where plans, vendors and products are reviewed annually and adjusted according to need.

Recommendations

- Companies must develop an enterprise road map for migrating to UC. One way to do this is to use a two-phase approach.
- The first phase of the road map should include an inventory of current communications products, contracts and vendors on an enterprisewide basis. It should also include defining a broader strategic direction and a vision.
- The second phase of the road map should align the plans of strategic partners with each others' products and with the enterprise's needs.

ANALYSIS

Developing an enterprise's UC capabilities should be treated as a process of continuous improvement through migration and integration of current capabilities. Communications today are highly siloed. However, over time, these separate silos will become increasingly integrated with each other and, in some cases, also integrated with IT applications through Web service interfaces. Enterprises cannot simply acquire a completed UC solution for two primary reasons. First, UC is at an early stage of maturity and has yet to go through significant evolution. Although partial solutions are available, they will be improving and changing rapidly during the next five years. Second, enterprises have a significant installed base of communications infrastructure that performs reliably and that would be expensive and risky to quickly replace, even if suitable replacements are available. Because UC sits on top of network infrastructure, this infrastructure must be capable of supporting the speed and reliability required.

We provide a high-level overview for developing an enterprise UC road map based on two broad phases. The Summary of Areas to Consider as Part of the Road Map section of this research provides a summary of UC technology areas. Figure 1 provides an example overview of the UC technology areas deployed at one company. The Checklist for Developing a UC Road Map (at the end of this research) provides a summary of the steps in the road map. We define UC pragmatically as the convergence of those technologies outlined in the Summary of Areas to Consider as Part of the Road Map. These areas are converging with each other, as well as with business IT applications.

Evaluate Current Products and Plans While Also Developing a Vision and Strategy

Overview of the First Phase

In the first phase, enterprises should identify their installed base of communication solutions and develop a vision and strategy for how a new generation of UC could transform their enterprises. The result of this phase is a detailed communications asset and service inventory, a communications vision and strategy, business cases for specific high-value projects and a high-level road map.

Description of the First Phase

First, planners should identify and inventory current communication products and services that are used for each of the key UC technologies outlined in Figure 1. Most enterprises have a mixture of vendors and products. Often, these were originally acquired by different departments and groups, based on entirely independent sets of requirements. This inventory includes understanding the business owners, the specific vendors, products, revision levels, the licensing and support contracts, and plans for advancing each technology area. This inventory process can take time but it can also proceed in parallel to other activities in this initial phase. Planners may also wish to rank the products and vendors as strategic, tactical or "sunset," because this may assist in defining a longer-term road map.

Planners should also develop an enterprise vision for how a new approach to communications can make the enterprise more effective and competitive. This vision then assists in defining the UC broader strategy and the specific capabilities in

FIGURE 1
Technology Areas to Consider as Part of a UC Road Map

Current Partners		A	B	C	D	E
Voice	Fixed	Green	Light Blue	Blue	Blue	Light Green
	Mobile	Green	Light Blue	Blue	Blue	Light Green
	Softphone	Green	Light Blue	Blue	Blue	Light Green
Conferencing	Audio	Green	Light Green	Blue	Blue	Light Green
	Web	Green	Light Green	Blue	Blue	Light Green
	Video	Green	Light Green	Blue	Blue	Light Green
IM/Presence	IM	Green	Light Green	Blue	Blue	Light Green
	Rich Presence	Green	Light Green	Blue	Blue	Light Green
	Persistent Chat	Green	Light Green	Blue	Blue	Light Green
Messaging	E-Mail	Grey	Light Green	Blue	Blue	Light Green
	Unified Msg.	Grey	Light Green	Blue	Blue	Light Green
	Voice Mail	Green	Light Blue	Blue	Blue	Light Green
Clients	Thick	Green	Light Blue	Blue	Blue	Light Green
	Thin-Web	Green	Light Green	Blue	Blue	Light Green
	Mobile	Green	Light Blue	Blue	Blue	Light Green
Applications	Collaboration	Grey	Light Blue	Blue	Blue	Light Green
	Contact Center	Green	Light Blue	Blue	Blue	Light Green
	CEBP	Green	Light Blue	Blue	Blue	Light Green

 = Current Products

Evaluate products and plans:

- ✓ Inventory products, partners, business owners, stakeholders and plans.
- ✓ Develop a communication vision and high-level strategy to drive the business case. Evaluate your network and application infrastructure.

Identify strategic partners and road map:

- ✓ Evaluate your partners' product directions, their integration options and plans.
- ✓ Fit your plan to vendors' plans and their plans for interoperating with each other.
- ✓ Select partners; define road maps, migrations and contracts; and start evaluations and trials.

Continuously:

- ✓ Re-evaluate partner performance.
- ✓ Expand function and rollout incrementally.
- ✓ Use roles to define requirements.
- ✓ Meet the challenge of organizational issues.
- ✓ Evaluate how UC can produce transformational change.

Source: Gartner (July 2008)

which the enterprise may be willing to invest. The vision provides direction and a goal that can be communicated and understood by the business units and management, while the strategy defines how the communication changes advance the companies' overall objectives.

The vision should provide specific examples of how individuals and groups would benefit from UC. One approach to communicating the vision is to develop scenarios for how new, converged communication functions enable new solutions. Often these scenarios will effectively combine elements from the different, formerly separate communication

areas shown in Figure 1. For instance, one scenario could demonstrate how presence, voice and location services could be leveraged to enhance a business process. There are many possible scenarios, so UC planners should select and articulate those that are most relevant to the specific audiences in their companies.

The vision scenarios should show how the enterprise could be using communications in a five-year planning period. These can then be discussed and evaluated with users and executives who can help to define those that seem the most valuable. Without this vision and the accompanying strategy, there is the risk that UC will be perceived as “technology for technology’s sake.” Once support for the vision and strategy is developed, planners can start to quantify specific improvements and to define hard and soft benefits.

Additional benefits may also be identified in the areas of infrastructure or administrative consolidation enabled through UC. In some cases, aging systems are no longer supported, so the standard replacement cycle may allow new functions to be delivered. But it is critical that, in all cases, the direction defined in the business case be consistent with the strategic direction.

Identify Strategic Provider Partners and Whether They Match the Enterprise Road Map

Overview of the Second Phase

The second phase should align the products and potential strategic provider partners’ directions to the enterprise’s road map, as well as to the plans of other potential partners. The result of this phase should be a detailed road map, identified user groups, a specific plan for deployment and the selection of the specific strategic UC provider partners.

Description of the Second Phase

A key task of this phase is to evaluate possible strategic provider partners and their plans. Most enterprises have separate communications partners for each siloed communication product. For instance, many companies have Cisco, Microsoft and Avaya as partners. Others may have IBM, Nortel and AT&T as partners. Although these companies have some competing products, different products can often fit together into a single, compatible enterprise plan. However, products that do not integrate well are difficult to place into the same plan.

Because of this, provider partner plans should be aligned with the enterprise’s high-level vision and plans, and the plans of potential partners should be aligned with each other. The most-promising vendor solutions should then be evaluated in more-detailed plans. Solutions that match the most promising scenarios from Phase 1 should be considered, and although all six technology areas outlined in Figure 1 should be considered, not all areas need to be changed at the same time.

Managing the strategic provider partners is key to successful UC planning. No single vendor has a complete solution, so enterprises will need to support multiple vendors. Because of this, it is important that partners be able to work together and that their products integrate well. However, if there are too many partners, then solutions and relations are difficult to manage. As a result, enterprises should expect to always have at least several provider partners. Additionally, enterprises will find themselves with reduced negotiating leverage if they have too strong of a dependency on any one partner. Part of the provider partner planning process should also include a review of provisioning alternatives, including hosted and managed services.

Treat UC as a Continuous Improvement Process

UC is not a single solution that is deployed once and then it is done. It should be viewed as a process of continuous improvements in capabilities and integrations: Plans, products and vendors are reviewed annually and adjusted according to need. UC involves multiple technology areas, each of which continuously matures separately, while also increasingly integrating with each other and with business applications. This creates a constantly evolving environment. Additionally, the vendor solutions are themselves evolving. As a result, enterprises must expect to update the state of their projects, their plans and their strategic relationships on an ongoing basis.

Often, enterprise UC road maps start with pilots and trials with targeted groups and then proceed to incremental and broader rollouts. During the initial phases, planners should ensure that they do not purchase more licenses than they will use. The best practices for some UC functions have yet to be defined, and some functions will be new to users, so planners should include extra time for user training and defining the best practices for their enterprise.

It is important to re-evaluate UC technology provider partners regularly. If they are not performing as expected, enterprises should be prepared to look elsewhere, even if change is difficult. Selecting strategic partners results in fewer partners over time. However, enterprises should not expect to end up with just one partner. In most cases, enterprises will require multiple partners to achieve a complete UC solution. Not all users will need the same level or type of UC capability, so identifying the communication requirements of different job roles will assist in planning. For instance, an enterprise may characterize its workforce as having five general types of job roles, ranging from highly mobile and communications-intensive individuals to desk-based workers with limited communication needs. This role approach will assist in the planning and budgeting process. As deployment is expanded, the types of communications offered to each role can be refined as needed.

The most challenging part of UC deployment will be dealing with organizational issues. One approach to managing this problem is to develop a UC COE. This enables knowledgeable individuals from different parts of the organization to share their areas of expertise and knowledge. This group can assist from the early planning, vision and strategy definition phase through the later deployment and evaluation phase. This reference group can also provide direction and guidance for any operational or organizational changes that would be needed to properly deploy and use the new communication technologies.

Summary of Areas to Consider as Part of the Road Map

- **Voice and Telecommunications:** Includes fixed voice, mobile voice and softphones. Can include within building as well as remote access.
- **Conferencing:** Includes audio, video, and Web conferencing. Can also include meeting room technologies, multipoint Webcam approaches, and unified or integrated conferencing solutions.
- **Messaging** Includes e-mail, voice mail and unified messaging.
- **Instant Messaging (IM)/Presence:** Includes IM, presence and rich presence aggregation (the ability to aggregate and publish presence and location information from multiple sources).
- **Clients:** Includes thick clients, thin Web clients and mobile clients. This may also include limited software dashboard clients for imbedding within IT applications.
- **Applications:** Includes applications that have integrated communication functions. Four key application areas are consolidated administration tools, collaboration applications, notification applications and contact center applications. Over time, however, many other applications will be communication-enabled.

Checklist for Developing a UC Road Map

Phase 1: Evaluate current products and plans, while also developing a vision and strategy

- Identify inventory of communications products and solutions.
- Use the six areas in Figure 1 as a starting place for what to include.
- Identify partners, business owners, stakeholders, current plans and contracts for each.

- Develop a communication vision and strategy to drive the business cases.
- Have at least three future scenarios for each area in Figure 1. This will help communicate and clarify the benefits of UC.
- Often, these scenarios will combine elements from multiple technology areas, for example, presence and telephony.
- Evaluate network and application infrastructure.
- Do the LAN and WAN have sufficient capacity and reliability for voice and video?
- What is the enterprise application architecture? For instance, is it largely a “Java shop” or a “.NET shop”?
- How will wireless solutions be integrated into the broader communications architecture and applications?
- Define the high-level enterprise UC road map.
- Feedback from business units on scenarios will provide prioritization guidance.
- Include plans for all the areas in Figure 1 on the road map, but it is not necessary to evolve all areas at the same time.
- Ensure that separate area plans are integrated into the broader plan.

Phase 2: Identify strategic provider partners and whether they match to the enterprise road map

- Evaluate current and potential strategic partners.
- Include products and services.
- Review plans for each area in Figure 1.
- Compare road maps and plans.
- Match potential partner plans to enterprise plans.
- Understand which partners can work together.

- Balance the preservation of existing investments with the need for new or additional functionality.
- Make the initial decisions for strategic partners and the road map.
- Develop a detailed enterprise road map.
- More detail for the first and second years, less for three to five.
- Include all the areas in Figure 1.
- Prioritize and use phases.
- Conduct pilots and trials.
- New technologies require more evaluation and training.
- Select trial groups that provide meaningful data.

Treat UC as a Continuous Improvement Process

- Form a UC COE.
- This group should draw from key communication, IT and business groups.
- The UC COE enables UC to more easily go across the organizational and application boundaries.
- Consider forming this group as part of first phase.
- Re-evaluate partner performance.
- Have performance objectives and be prepared to discontinuing underperformers.
- Define and then refine user roles.
- Start with only few types; over time, refine them.
- Continuously review business processes.
- Understand how UC can be leveraged into business applications.

Source: Gartner RAS Core Research Note G00157758, Bern Elliot, 1 July 2008

Adding to the Bottom and Top Lines Today



Manjula Talreja

IP-telephony and unified communications are a critical tool in strategic efforts to both reduce total cost of ownership (TCO) and transform business.

A converged IP-based networked communications platform (that is, unified communications) is a growing business priority because UC is helping companies achieve compelling benefits. Companies are realizing 20 to 40 percent reductions in their annual voice operating costs compared with legacy time-division

multiplexing (TDM)-based networks. The reasons for deployment, though, go far beyond simple expense reduction.

Companies are starting to regard an IP-based communications platform and the new capabilities it provides as an essential tool to achieving their corporate goals.

Every organization is different; each has a unique, diverse set of requirements and goals. Current deployments, however, provide valuable insights for a business considering the implementation of an IP-based communication platform. This article will review how a few companies made their decisions, and how they calculated the total cost of ownership (TCO) and derived business transformation benefits.

Making the Decision

Clearly, the future of communications platforms is IP-based. Still, a company needs to decide exactly when and how it should move to a next generation communications platform. An organization should generally consider three key points when making its decision:

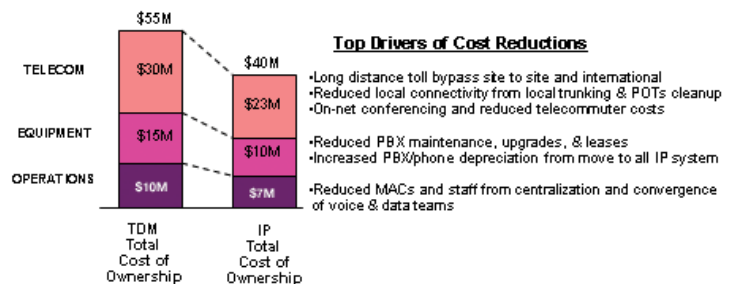
- **Convergence-driven TCO** – Many IT departments do not attain the potential 20 to 40 percent benefit from IP communications because they evaluate costs in a very narrow way. Companies that experience the largest benefits tend to assess the economic return in light of two key factors. First and foremost, they analyze their baseline comprehensively: What are they spending today on TDM communications equipment, operations and telecom usage? The overall costs to the company for voice are not fully visible to IT departments, as many elements are hidden in the operating costs of other business functions (for example, telecommuting, hotel long-distance connections and mobility costs are typically expensed outside IT). Second, when mapping savings and benefits from IP communications against that baseline, companies should evaluate at a global or at least country or regional level.

- **Productivity via collaboration** – Organizations today are facing time and process inefficiencies due to high “human middleware” interventions in globally distributed processes. Without new solutions, these processes will become more inefficient and costly. An IT department, in partnership with the business, needs to figure out how the platform helps employees better collaborate to reduce communication inefficiencies. While these savings can be “soft”, they enable organizations to grow without increasing headcount.
- **Business transformation benefits** – The ultimate benefit of deploying IP and unified communications is achieved when the new capabilities are integrated into applications and key business processes to transform decision-making and customer interactions. Companies that use the platform to transform and re-engineer core processes will help the company drive measurable revenue growth via new and faster business processes and converged channels of customer interaction.

Companies have done this before. In the 1990s, online operations drove both employee productivity and business process transformation. Most organizations used online transactions to change the way they operated, empowering customers with greater choice, flexibility and convenience. IP and unified communications can take this transformation even further, allowing companies to improve how they interact with their customers, partners and suppliers—for example, improving the customer experience and as a result minimizing customer churn, maximizing up-sell and cross-sell opportunities and meeting constantly rising customer expectations for fast, accurate and secure services.

High Tech Customer Example of 20-30% Reduction in Total Voice Operating Costs

\$ Millions Annual Total Cost of Ownership (TCO) for major GEO



Here are some real examples:

TCO in the Real World

When estimating the TCO savings from IP/unified communications deployments, some companies focus on reducing the costs of continuing operations; others want to slash expenses associated with conferencing or support and maintenance. Most companies try to reduce several cost areas at once. Where-and how-you reduce your TCO depends on the specifics of your company. How communications-intensive is your company? How geographically dispersed is it? What types of employees do you have?

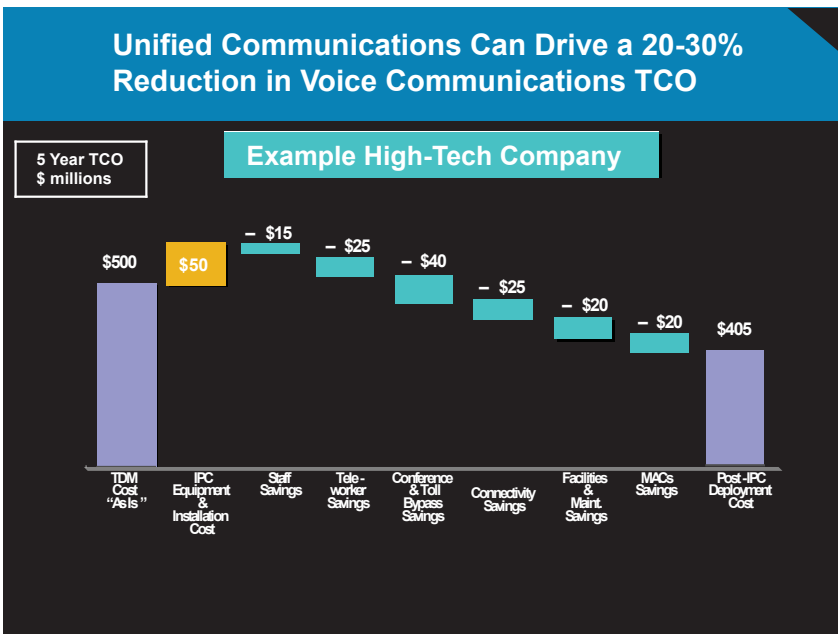
For example, one major high-technology company wanted, above all, to reduce the escalating operating expenses of its extensive voice communications infrastructure. Its internal system was encumbered with the complexity of more than 500 PBXs and 750 locations, each with growing support, relocation and conferencing costs. To reduce its TCO, this company put an aggressive plan in place to replace the hundreds of traditional PBX systems with fewer than 15 centralized clusters for IP call control. It will migrate more than 200,000 employees worldwide to the new platform over five years.

“We will drive a 25 to 30 percent savings in voice expense by moving to IP communications,” stated the director of the company’s global voice initiative (Figures 1 and 2).

In addition to the drop in phone costs, the integrated infrastructure will deliver numerous other benefits to the company. When complete, the deployment is expected to deliver 3 million hours in near-term productivity time efficiencies, which should save the company more than \$25 million a year just in its North American operations. For instance, it will help accommodate the needs of an increasingly mobile workforce, which now comprises about 40 percent of all users. Moreover, it will transform the company’s voice communications operation into a more strategic, collaborative environment that will support robust interactive applications, such as instant messaging, Web conferencing and other on-demand capabilities.

A second global company faced a challenge that’s becoming increasingly common for multinationals: reducing voice conferencing expenses. As this company’s global workforce ballooned, so did its need for constant collaboration across continents via virtual meetings. More and more, the company employed voice conferences, which were provided, as they are in most companies, through an off-network service. Over the years, these voice conferencing expenses mounted to unacceptable levels.

To remedy this situation, the company decided to deploy an IP communications infrastructure for phones as well as a multimedia conferencing solution that provides fully integrated voice, video and Web conferencing capabilities for real-time remote meetings. In other words, the company took its voice conferencing in-house, transforming an expensive, externally provided service to a far less expensive, on-net, on-demand, managed service.



To date, the solution has been rolled out to about 25,000 users, already resulting in savings of \$20 million over the first two years, according to a post-deployment study. When the deployment is complete, the new infrastructure will have about 100,000 users. The company expects cost reductions to exceed \$100 million over just the next few years. Furthermore, this company’s post-deployment study found that a pure IP solution (versus hybrid) was essential to capturing this value by enabling lower costs, consolidation of staff, and a standards based open platform architecture that was quickly deployable to any location around the world.

Enhancing Productivity In The Manufacturing/ Distribution Industry

JJ Food Service is a UK-based company that delivers food to restaurants. The company has approximately 650 employees and annual revenues of \$206 million. Eighty percent of JJ Food Service’s contact with its customers comes in through its call center.

As a result, the company receives an average of more than 3,000 calls a day, with each call lasting approximately 2.5 minutes.

One of JJ's primary goals was to improve customer service. In their new contact center environment, when a customer calls, the system queries the company's customer relationship management (CRM) system for information about how the calling party should be treated. Eighty percent of the time, JJ has that information available. In cases where the customer has a new or a different number, the agent inputs that number and the system automatically enters this number into JJ's CRM system, making that system more valuable.

Having information about the customer enables the system to route the call to an appropriate agent, which means that the call is answered by the agent who talked to the customer last, or one of the agents that spoke to the customer in the recent past. It also means that when the agent answers the call, they can answer in the customer's preferred language, greet the customer by name and be more effective in their interaction with the client because their screen has been populated with pertinent information such as the client's credit rating.

"Being able to intelligently route the call to an appropriate agent also reduced the number of times that a call was transferred, or a customer had to be called back, by more than 162,000 instances a year," said Rif Kiamil, who manages all IT for JJ Foods. "Not only did this improve customer satisfaction, it also resulted in a \$6.5 million productivity gain. Developing this capability required 10 days of work on the part of the JJ Food Service's Web developer." A traditional contact center deployment with similar integration and capability would have cost more than 50 times this deployment's cost, according to our estimates.

Business Transformation In The Retail Industry

For many companies, IP/unified communications is deployed primarily to reduce TCO, which is certainly an important objective. Some businesses, though, have even loftier goals and are using the technology to transform the way they operate and interact with customers. Such is the case with Mitsukoshi, which runs a worldwide chain of exclusive department stores.

Mitsukoshi, by design, attracts a very high-end consumer. In a demanding environment, Mitsukoshi is trying to increase sales while minimizing costs and maximizing use of its limited floor space.

Fitting rooms are especially difficult areas for retailers. The rooms take up valuable floor space that could otherwise be used to display merchandise. In addition, the use of fitting rooms is highly inefficient. A customer may go back and forth between the room and the sales

floor many times, trying to find suitable sizes and styles, thereby occupying the room for long periods. In other cases, customers try on clothes, but don't opt to buy them-and then the shopper leaves immediately. How can a retailer improve this situation? How can it increase customer satisfaction and sales?

Mitsukoshi's answer was especially creative. As part of a pilot for the "Japan Future Store," the company deployed a communications platform in the jeans department fitting rooms at its Ginza store, installing IP phones outfitted with radio-frequency identification (RFID) tag readers. The communication platform has been integrated with the supply chain application. As a result, a customer who enters a fitting room is able to swipe a RFID tag attached to a pair of jeans against a reader. The supply chain application then displays to the customer which other sizes of that item are available in that store. It can also inform the customer of complementary styles.

The results have been impressive. Mitsukoshi customers at the pilot site now spend 20 percent less time shopping for a pair of jeans, because the changing rooms are more available. Over six months, the company increased sales of high-end jeans by 113 percent at the pilot store. Anecdotally, customers report much greater satisfaction with the overall buying experience.

Mitsukoshi is also exploring how it may integrate its communications infrastructure with additional applications to provide further innovative and unique customer experiences. One application, for instance, will automatically notify sales associates-who will be equipped with wireless IP phones-which clothes items a customer in a changing room is looking for. A salesperson will be able to bring the apparel to the fitting room proactively, again speeding the sale and dramatically improving the customer experience. Another application will tell customers of possible complementary purchases based on their past purchases and the feedback of other customers. In this case, the IP phone display might read, "Customers who bought these jeans also bought this shirt." This additional information and service should lead to greater up-sell and cross-sell opportunity.

Business Transformation in the Financial Services Industry

Financial services have a high potential for business transformation through IP/unified communications because of the importance of improving customer interactions to drive revenue growth. One of many emerging examples is a leading bank in a rapidly growing emerging market economy that is deploying an IP-based communications infrastructure to speed growth, improve customer service and boost the bottom line.

This bank struggled to hire and train people to keep up with the rapidly growing emerging market environment in the small/medium

business (SMB) banking segment. Furthermore, even a few days' delay in providing credit to rapidly growing SMBs meant business lost to the bank's competitors. In addition, local branch staff frequently had a limited understanding of off-mainstream products and loan requirements, a shortcoming which became a growth bottleneck. To make matters worse, local account executives often did not have easy access to contact information for the right specialists in HQ when help was required.

With an IP/unified communications system, a banker who receives an unfamiliar customer request can immediately call up a "menu" of product managers on the IP phone screen, with an indication of those product managers' "presence" availability to join a customer conversation. The constantly updated menu lists experts in such areas as investment loans, small-business products and loans.

With a single click, the banker connects with an available specialist (either via a voice call or immediate videoconference), and that specialist will help the banker make the sale or will jointly serve the customer.

Based on a deployment of this virtual expert solution in the summer of 2007, the bank is projecting a business case with three major components:

- **Stop revenue leakage** – Clients receive the needed service on the spot even when a branch specialist is not available, without the need to schedule a later visit-no more lead loss, and immediate lead qualification. Customer and specialist can even discuss likely approval and rates so clients can start the application process right away, reducing the chances of the customer searching for the same services/advice at a competing institution.
- **Capture interest premium from rapid response** – Customers in urgent need of working capital to buy raw materials or staff to fulfill growing orders are willing to pay a premium to shave weeks off loan funding lead time.
- **Accelerate new banker ramp-up and increase cross-product share of mind** – The product specialist discussion with the customer happens in front of the banker, allowing him to learn on the job about the product fit, sales process and how to handle the unique requirements of that particular product.

Overall, the bank conservatively estimates these three benefits from the Virtual Expert solution will add 7 percent in profit to the business banking bottom line. Furthermore, this will be a key enabler of its continued rapid growth by freeing up 20 percent of the organizational bottleneck.

A Unified Future

Unified communications is already changing the way businesses sell to consumers, interact with customers and operate internally. Looking ahead, these advances will only become more dramatic, as more organizations deploy an IP-based infrastructure. In fact, it's easy to envision a time when IP-technology will help unify organizations of all types, bringing greater productivity, improved efficiencies and deeper, real-time interactions on a worldwide basis.

An organization's IT professionals, of course, will have an essential role to play in this future. Often, the most intriguing ideas on how to make the best use of technology come from the IT department, and the evolution to unified communications will be no exception. Therefore, the IT staff should lead the initial steps for the deployment, such as approaching key executives, discussing the possibilities with business unit leaders, and perhaps even beginning a TCO and business transformation analysis. If necessary, they should pull in a business adviser or outside partner who already has the trust of management.

Longer term, selling the solution internally will likely take a dedicated effort focused on business value. IT workers tasked with this project will need an understanding of how unified communications fits in with the company's goals, mission and strategy. Then they will have to build a clear, concise business case for the solution. They'll have to explain its value in terms of cost reductions, enhanced productivity and business transformation, as well as the operational benefits of a streamlined voice, video, data and mobility infrastructure. If they succeed, the benefits to the organization will be dramatic.

Companies Mentioned In This Article

JJ Food Service (<http://www.jjfoodservice.com/>)

Mitsukoshi (<http://www.mitsukoshi.com.hk/>)

Source: Cisco

Manjula Talreja is VP Strategy & Business Ops, Collaboration Software Group
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WIPRO Technologies – A Strong Voice for Unified Communications



Achuthan Nair

Unified Communications (UC) is the much needed business infrastructure in today's business scenario. And the implementation of a UC solution encompasses not only communications infrastructure but also business applications and processes. A true UC solution works at choke points in the current business process architecture that are dependant on manual intervention(s) and fine tunes that part of the

application/infrastructure to smoothen the process. And many a time the architecting of a UC solution lends itself to application of creative thinking beyond the conventional experience.

Jill is the store manager at a prominent retail chain. Her organization has implemented the best of IT solutions and is always experimenting to increase productivity of its employees, reduce the TCO and increase the velocity of product off take. In a conversation with Jill, it was found that there were still challenges in the areas of strategic communication (between the corporate office and the store floor employees – new schemes, price rebates etc.); general communication between management and staff in the store (calendarising events, KPI tracking, simple messaging etc.); customer service and sales (especially at peak hours); staff performance and activities (rescheduling training requests, rostering etc.); personnel activities (claiming SPIFF rewards, employee self service etc.).

A simple UC application was written and a Cisco VoIP was put in each bay. The floor staff could access the application through the VoIP phone, and could initiate – as well as receive – communication inputs. Thus, an application that could use the VoIP display footprint addressed multiple issues and increased the productivity of the floor staff manifold.

The above is just one example of creative implementation of a UC solution. Wipro differentiates itself on the following grounds :

1. Our deep knowledge of the customer's application landscape gives us an edge in discovering the choke points that could be smoothened by the use of UC solutions.
2. We have built a practice on the Cisco – Microsoft interoperability architecture as email/voice integration can have its challenges.
3. A strong understanding of the IP Call centre technologies, scalable capabilities and relevant experience means that our ability to integrate the voice infrastructure with enterprise applications helps create new solutions for our customers.

4. A strong business model around the Global Delivery Model helps us reduce the TCO for such solutions.
5. A deep practice that has more than a decade of implementation experience around Cisco technologies reduces the implementation risk for our customers.

To summarize, Unified Communication is an essential technology for improving organizational productivity. UC can transform an organization – moving it from costly and ineffective silos of communication to a simplified, common user interface for communications of all types. Wipro Technologies sees great opportunity in participating with our various clients, across verticals, to discover newer areas of using UC solutions to enable better collaboration within the enterprise.

Wipro Technologies is the No.1 provider of integrated business, technology and process solutions on a global delivery platform. Wipro Technologies is a global services provider delivering technology-driven business solutions that meet the strategic objectives of our clients. Wipro has 40+ 'Centers of Excellence' that create solutions around specific needs of industries.

- Wipro is the world's largest independent R&D Services Provider
- Worlds 1st PCMM Level 5 software company
- Wipro one among the few companies in the world to be assessed at maturity level 5 for CMMI V1.2 across offshore and onsite development centers, 2007
- Worlds 1st IT Services Company to use Six Sigma
- World's first SEI CMM/CMMI Level 5 IT services company
- Among the top 3 offshore BPO service providers in the world
- Over 50 industry facing 'Centers of Excellence'
- 647 clients - 72000+ employees
- 53 development centers across globe

Source: Cisco

Achuthan Nair is a Vice President and Business Head with Wipro Technologies. He is responsible for the Cisco Business within Wipro; both from the customer and vendor perspective spanning all geographies. He has the responsibility of leading Cisco relationship as a customer – for Engineering Services, IT services and BPO; and as partners in global markets. His aggressive and clear vision will take this relationship to the next level. He has been with Wipro for more than 17 years and has worked in various capacities. He has been predominantly in the Sales and Marketing function managing geographies and businesses. Prior to his position as Business Head, Achuthan was heading Wipro's Recruitment Function.

He has done his BE from Mumbai University and Post Graduate Diploma in Management from Indian Institute of Management, Bangalore. He is a voracious reader and has avid interest in Fiction, Indian Politics and Biographies.

Infosys Technologies Limited: Network as a platform in a flat world



Ram Kumar

Founded in 1981, Infosys defines designs and delivers IT-enabled business solutions that help Global 2000 companies win in a flat world. Infosys creates solutions for its clients by leveraging its domain and business expertise along with a complete range of services.

Headquarters – Bangalore, India, URL: <http://www.infosys.com/>
Employee Strength – Infosys has over 94,000 employees covering 67 nationalities.

Geographical Presence – Global Footprint with offices in 26 countries and development centers in India, China, Australia, the UK, Mexico, Canada and Japan in over 60 cities.

Infosys Services

1. Business Level – Consulting, Modular Global Sourcing
2. Process Level – Process Re-engineering, BPO, Enterprise Architecture, Enterprise Security
3. Application Level – Packaged applications (evaluation, implementation, rollouts, upgrades, maintenance), custom applications (design, development, maintenance), Enterprise Application Integration, Independent Testing Services
4. Infrastructure Level – Planning, design, optimization, support and maintenance
5. Product Engineering – Design, development, R&D, testing, maintenance and enhancement

Financials

- Publicly listed in India (NSE, BSE) and US (NASDAQ: INFY)
- Revenue (6/30/08): \$4.4 USD Million
- Market Capitalization (6/30/08) = \$25Bn
- 55 continuous quarters of growth in top & bottom-line
- Over 97% repeat business; 90+ % on time delivery

Cisco – Infosys Relationship

As part of Cisco's objective to drive product revenue through Unified Communication (UC) applications and thought leadership around the "Network as a platform in a flat world", Cisco and Infosys will be jointly going to market to help companies with their Unified Communications and Collaboration needs. The two companies' roles

are complimentary: Cisco will leverage its core UC and multi-media capabilities to provide technologies such as security, telepresence, real-time presence, IP Based Transport of voice, video & data over wired and wireless networks and collaboration and communications. Infosys will provide software solution components, UC-enabled applications infrastructure development, integration with applications and support.



How Companies can benefit from UC

Infosys has seen that, generally, when companies face challenges such as the ones described below, they can best benefit from Unified Communications.

- Wants to deliver enhanced customer experience leveraging their existing technologies
- Needs communication methods to make instant contact with key personnel, avoid phone tags and real-time decision making & intervention
- Has a globally-based workforce that needs to collaborate with each other
- Lacks tracking capabilities of its key personnel
- Converge disparate modes of communication
- Needs to reduce delays added by human intervention
- Needs to transform business processes to improve efficiency
- Obtain competitive advantage through the use of Unified Communication

UC Solutions

Infosys has built solutions for many industries and continues to add new solutions. Starting with the flagship solution for the Retail Banking industry known as the Infosys Virtual Banker, Infosys has other solutions for the Banking, Healthcare, Retail and Hospitality industry. In addition, Infosys has built solutions that can be applied to a wide range of industries to jump start a client's UC enablement efforts.

"Unified communications-based collaboration can be powerful in alleviating key pain points in a business. For example, it can reduce the latency in the business workflow and produce collaboration in real time. The Infosys Virtual Banker (IVB) is an example of a UC solution that helps banking and financial institutions provide personalized customer service with geographically distributed experts collaborating at the same time. In banking, trained and licensed financial advisors aren't always available in a bank branch each and every day and, as a result, business can be lost. The Infosys Virtual Banker allows customers to experience a personalized

interaction with product experts in real time regardless of where that bank employee may be located. By virtue of IVB being integrated with Banking/CRM systems and Cisco UC infrastructure, it can help banks up-sell and cross-sell to increase revenues.

Infosys attaches great importance to the growing demand for UC-based products and is committed to creation of UC based solutions that can work with multiple UC architectures in vertical segments such as Retail, Healthcare, Hospitality etc.” – Ram Kumar, AVP Product Engineering Group, Infosys Technologies Ltd.

Infosys Virtual Banker “Addressing the customer’s information needs the first time, every time”

The Infosys Virtual Banker (IVB) solution improves the current retail banking processes, integrates with existing banking systems to connect & deliver information using Cisco’s Collaboration and UC Technologies.

Key benefits include:

1. Increase Revenue: Increase revenues by stemming leakage through the use of real-time service and instant closures
2. Additional Revenue Streams: Increase up-sell and cross-sell opportunities through instant access to financial advisors, product information and timely service.
3. Reduce Costs: Reduce costs by better utilizing a limited number of financial / investment advisors and infrastructure resources in a shared service environment
4. Exceed Customer Expectations: Meet customer needs the first time, every time. This leads to increased satisfaction and loyalty.

Significant features include:

- Responsive Customer Service: Meet the customer needs first time, every time.
- Limited Resources Optimization: Ensure availability of limited advisors by leveraging a business rules engine while maximizing their productivity
- Virtual Advisors: Leverage audio, web and video conferencing to respond to customer requests even if the advisor is not physically located in a branch.
- Customized Business Rules: Enable account or product-specific workflows to ensure more effective interactions. Select the best available match to customer needs.
- Multi-Channel, Multi-Party Communication: Bring the expert into a conference by video or voice based on the optimal channel.
- CRM Integration: Integrate the CRM application into the conference to give virtual experts access to customer info, for current service, up-sell /cross-sell.

- Banking Systems Integration: Financial services layer that integrate with other banking systems such as Security Systems, BI, Databases etc.
- User Interface: Provide a consistent user interface across bank representatives, virtual experts and customers.



Infosys’ UC Capabilities

To supplement its deep knowledge of Cisco products and experience working with UC technologies, Infosys has built tailored and replicable solutions that compliment its knowledge of multiple industry processes. Infosys offers a range of services to help companies that want to have communications enabled business processes such as:

1. UC-enabled business transformation solutions
2. 3rd party infrastructure / Enterprise application integrations services
3. Multi-vendor & converged services such as messaging, presence, conferencing, call services, streaming etc.
4. UC consulting services (analyze, strategize, plan, Implement and support UC transition)
5. IP Telephony applications
6. UC system integration & management services
7. UC application development & maintenance
8. UC Solution Center

Source: Cisco

Ram Kumar, Associate VP, Product Engineering is responsible for the growth of the worldwide R&D services portfolio at Infosys. He has a track record of executive and operational leadership in building businesses around computing and communication infrastructure products and services. Most recently, as founder and CEO of WIncNet Corp., focused on enterprise seamless mobility and previously, as CEO of Voiceworkz Inc., a unified communications technology infrastructure firm. Ram has also held executive management positions at Scient, SAP and Open Software Foundation. Ram has a Masters degree in Computer Science and also in Business Administration from Boston University. He has a strong background in SOA, Networking and wireless infrastructure, security, mobility management and protocols and has published in industry magazines and spoken widely at industry conferences. Ram lives in San Francisco, CA with his wife and two children.



It brings people together,
to see eye to eye
without them traveling
from place to place.
It creates understanding,
where once there were walls.
It creates ideas instead of emissions.
It's the human network effect.
The effect that is changing the world.
When technology meets
humanity on the human network,
the way we work changes.
The way we live changes.
Everything changes.

that's the
human network effect