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Criteria for Selecting a Collaboration Solution

Evaluating Amazon Chime against Key Enterprise Needs

A Wainhouse Research eBook



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Chime

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Topic Overview and Methodology

This eBook seeks to provide simple and straight forward guidance for the enterprise decision maker to identify and prioritize key success criteria for their organization when considering Amazon Chime in a strategy for communications and collaboration.

Why we're interested: Amazon has demonstrated its ability to successfully support the enterprise market as the de facto leader in providing cloud infrastructure and platform as a service. Amazon is looking to extend this success deeper into the organization and provide competitive business line applications that compete against Google G Suite and Microsoft O365. Cloud-native applications such as Amazon WorkDocs, Amazon WorkMail, and Amazon Chime are applications that can further drive enterprise value by leveraging AWS's data analytics, machine learning and artificial intelligence capabilities. Amazon Chime is a natural work flow extension for Amazon as its use can provide valuable data insight to the organization for enhanced productivity, but also benefit greatly from the security, reliability and reach inherent within the AWS cloud infrastructure. While Amazon is early on as an office productivity and enterprise communications vendor, most view AWS as a trusted cloud platform provider – and therein lies Amazon's unique selling position for Chime. "If you can trust us with your website and as a development platform, why not trust us for real-time communications?" Additionally compelling is that Amazon Chime integrates with Alexa for Business, enabling users to initiate or control Amazon Chime meetings with Alexa voice commands. Finally, Amazon's foray into cloud contact centers via Amazon Connect furthers the premise that Amazon is focused on enterprise digital engagement via unified communications.

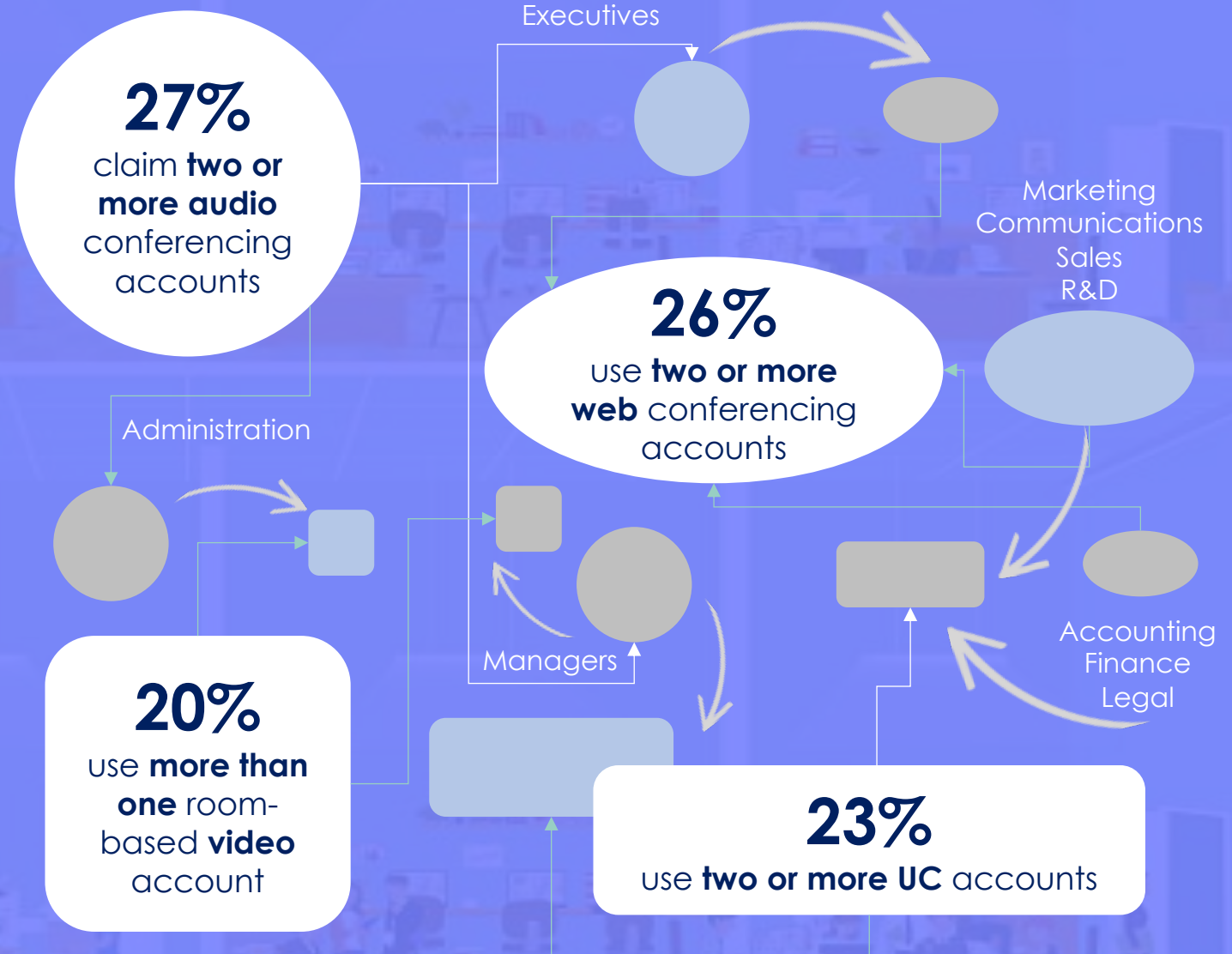
Full disclosure: Amazon Web Services (AWS) has sponsored this eBook. However, we want to reinforce that this is an objective, research-oriented work, and we are not endorsing any specific AWS product. We encourage the reader to evaluate potential benefits and target solutions against their own unique enterprise requirements, environment, and user preferences.

Too Much Complexity

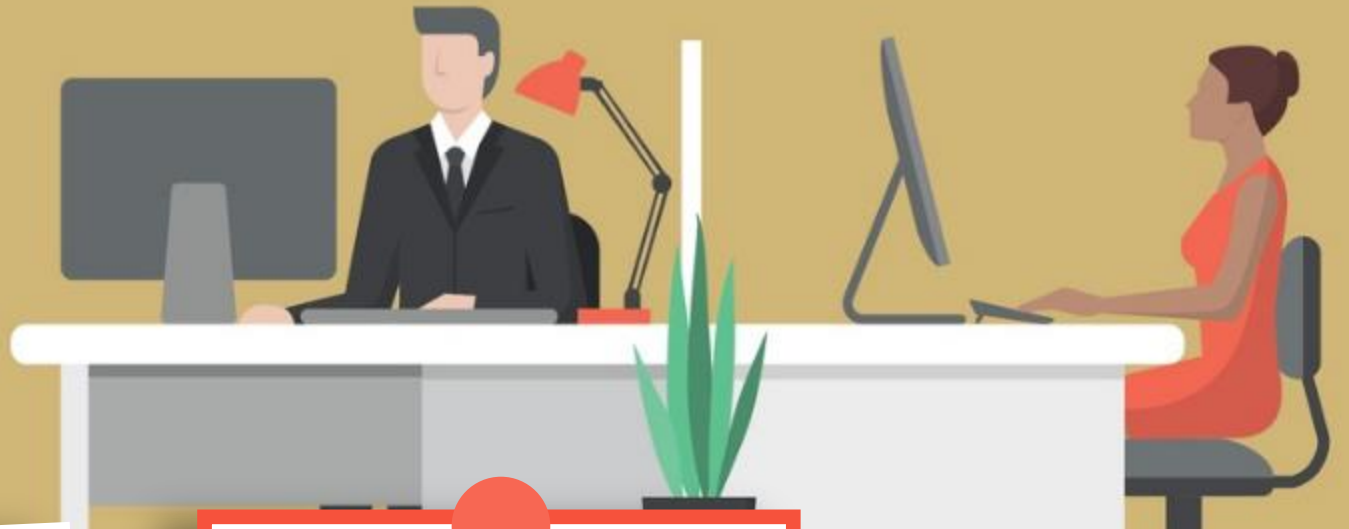
Most organizations today already understand the value of providing their staff communication and collaboration services that enable them to easily and effectively connect and engage with their peers, customers, and trading partners. However, the array of options is staggering.

- There are standalone services for voice, audio conferencing services, web conferencing, video conferencing, and messaging.
- There are integrated services that combine one or more services, e.g. messaging + sharing, voice + conferencing.
- Services are available from technology providers, Telco's, and resellers.
- Multiple applications with differences in data monitoring and management lead to a greater propensity for data leakage or security threats.
- Different roles in your organization require or prefer different services.

This has resulted in organizations where employees typically have 2-4 different products for each type of workload.



Too many platforms lead to missed communication and inefficient workflow



Confusion

Training Complexity

When joining and running meetings (different join options and credentials)

Inconsistent Experience

Meeting logistics may overwhelm the actual meeting agenda (an array of features of which only a few are used, and control options that are placed differently in each service)



Expensive and overlapping services

Often not aligned with actual usage – in fact for one of the most popular web conferencing services it is estimated monthly **active use is only 35-40%** of licensed users – leaving **60-65% paid for, but unused**

Data Islands and Isolated User Groups

Information made invisible to other people within the organization

Important information is isolated on siloed platforms and outside users are either unaware of this data and associated work flow or utilize redundant platforms to make all key stakeholders aware

Subsequently, *enterprise decision makers are faced with both an opportunity and challenge today* – how to equip their organizations with advanced communication and collaboration tools, but to do so, in a consistent and cost-effective manner – *deploying services employees want and use in a secure and manageable way.*

How People Meet is Changing

How employees communicate has dramatically changed over the last ten years. WR estimates that over 10 years ago, the two most dominate forms of communicating were meeting in person, and person-to-person telephone calls. Communication share by type was approximately:

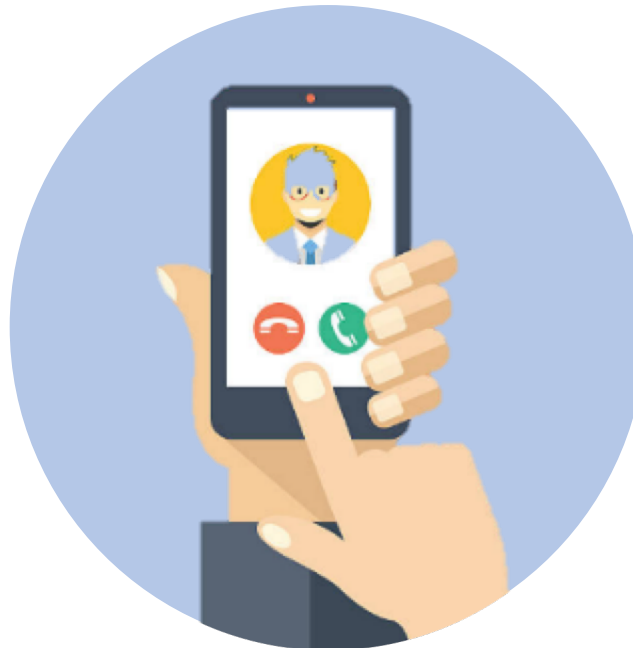
50%

in-person (e.g. in a conferencing room with others or one-on-one)



35%

person-to-person telephone call



15%

multi-party conference call
(audio, video, or web sharing)



Today, Employees Use Many More Collaboration Services

Meeting in-person is still the most dominant form of communicating - comprising 40-50% of all communications – however, the use of instant messaging (IM) and collaboration services has exploded. In some organizations, IM and group conference calls significantly outnumber 2-way calling. In fact, WR surveys of enterprise users indicate they are just as likely to IM a colleague or to be on an audio or video conference call, then they are to be in a person-to-person call.

Today's collaborative work environments require seamless transition from text-to-audio-to-visual communications. Users are gravitating towards a single frame to support whatever mode of communication the situation dictates.



Usage Differs by Enterprise Size & Type

But of course, usage differs by size and type of the organization. Wainhouse estimates:

50-75%

of all **Large Enterprise** calls will be conference calls

Large

35-50%

of all **Medium Enterprise** calls will be conference calls

Medium

15-25%

of all **Small Enterprise** calls will be conference calls

Small

These are also industries with a high percentage of Knowledge Workers.

Top Industries for Collaboration

Professional Services



Finance



Technology



Pharma



And the numbers bear out this explosion in collaboration: **Between 2012 and 2017** world-wide use of **conferencing almost doubled – growing 95%**, or from 109B to 213B in meeting minutes. Looking ahead, **WR forecasts this to grow by 119B more minutes** to 332B in 2022.

What's driving use?

Successful Communication

"Developments in mobile, web services, VoIP, and video technology are enabling users to access real time tools that break down traditional barriers to successful communication."

Cloud Migration

"Public cloud SaaS is becoming mainstream and expected to reach 45% of total application software spending by 2021."

Workforce Transformation:

"Falling communications costs, globalization, and the increasing specialization of knowledge-based work have made collaboration within and among organizations more important than ever. As "tacit" interactions replace more routine economic activity and the scale and complexity of many corporations creep upward, the need to manage collaboration is growing..."

<https://www.gartner.com/newsroom/id/3871416>

<https://www.mckinsey.com/business-functions/organization/our-insights/mapping-the-value-of-employee-collaboration>



One-click

It has become easier to join meetings – one -click access replaced 20 -digit DTMF access and passcodes.



Device/Network Flexibility

Increasingly, any meeting can be joined from whatever device and network you are on – e.g. mobile/desk phone/conference room.



Silos Out, Unification In

The array of siloed solutions (audio-only, web-only, video-only) is narrowing - whereby more organizations are buying all-in-one solutions that includes audio, web, and video – creating one product familiarity with users, ease of administration, and lower enterprise costs.



Cloud Native

New, cloud-native services dynamically keep up with the pace of innovation providing feature and security updates that require no action on behalf of the enterprise and typically cost no more. Enterprise on-premises solutions often require both.



Collaborative Culture

More organizations have developed and fostered a collaborative culture that aligns well with today's modern communication services – people trust they can gain information and make better decisions with the right people involved. In fact, a McKinsey survey indicated that 80% of senior executives believe effective coordination across product, functional, and geographic lines was crucial for growth.



Accessible Pricing

Pricing and licensing structures as well as cloud-based/cloud-native software as a service (SaaS) have made these services more accessible and affordable to a larger group of people.

Criteria for Success

Determine what staff really use

Survey user's needs – whether via an informal or formal survey – either will uncover what really gets used and what doesn't. Different roles will have different needs and preferences, but you'll probably be surprised that the feature list will be shorter than expected.

Rank what matters. Fewer people are using services that are hard to get into and use – consider ranking ease of access and ease of use as #1 and #2. Of course, quality of experience (audio/video quality), security, price, and ease of administration should rank highly. Keep it short and relevant to your organization. Prioritize capabilities based on the various personas within the organization and how their requirements map to business objectives.

Untangle the array of services that have permeated throughout your enterprise. As stated earlier, while most organizations don't know until they conduct an audit, it is likely your organization has 3+ different collaboration services. Narrowing this down to 1-2 services will eliminate confusion, improve user experience, reduce administrative hassle, lower costs, and likely ensure better security.

Choosing a Collaboration Service

- ✓ **Simplicity & Ease of Use:** No one uses what is complicated or too difficult to learn. Focus on easy to buy, easy to understand, simple to use.
- ✓ **Feature Right:** There's a popular story amongst communication vendors that legacy PBX phone systems have 250 features, but organizations only use 9, and any employee might use 6 at most. Whether true, or not, it's common that many popular collaboration services have "feature creep" and have become bloated with too many options. Focus on what is "feature-right" for your organization and users – eliminating services that are designed for someone else's needs.
- ✓ **Easy to Access:** Many meetings are scheduled, therefore iCalendar integration (Google, Microsoft, etc.) is important. One click meeting access from desktop or mobile, and call out features for PSTN audio are also features that make it easy to start and join meetings.



Choosing a Collaboration Service



Native Cloud: On-premises and hosted collaboration applications are often static instances of the service that lack dynamic capabilities to be current and resilient to failure and are costly to maintain. The future is cloud native. The benefits of cloud native services are:

- a) **Flexible Scalability** - Availability of the application can match user demand through virtualized expansion or contraction;
- b) **Auto Redundancy** - There is no single point of failure as all processing and data is replicated throughout the cloud;
- c) **Auto-updates** - The service is multi-tenant where all users have the same experience and are always on the newest version of code.



Choosing a Collaboration Service

"The pricing book for a popular collaboration service is 40 pages. This includes 3 tiers of pricing for each of 6 products, over 9 buying models, and over 7 meeting add-on costs."

- ✓ **Security:** Organizations should insure that the collaboration service and its data privacy and protection capabilities are compliant with the organization's data security policy. Part of the cloud native value proposition is that security is designed as part of the software architecture – not bolted on as an adjunct capability. Additionally, granular controls should be available to enable role-based permissions. Consider services that encrypt all data and include monitoring and management tools to ensure only authenticated users have service access.
- ✓ **Pricing Policy:** Simple, consumption-based pricing that is transparent and inexpensive for all (not just at volume). Why consumption-based pricing? Organizations should only be charged for users, who actively use their service. This is consistent with the modern pricing methodologies of cloud-based services. Why simple? Running a business is hard enough, you shouldn't need to decode a vendor pricing matrix to use their service.



Wainhouse Research Summary and Analysis

As stated in the introduction, there are a lot of choices when considering a collaboration service today. Most are going to have a value proposition based on a product architecture. We believe understanding that value proposition is critical to the selection process. Additionally, it is important to understand a vendor's completeness of vision – how well do they rank in the criteria that matters to your organization? For WR, that vision must include the right balance of features, ease-of-use, security, and pricing policy.

Today, organizations understand that the nature of work has changed. Enterprises have moved away from monolithic, centralized command and control toward inclusive, collaborative, interdependent relationships. WR believes aligning your communication and collaboration services with how work gets done is critical to your organization's success.

So, how well does Amazon Chime align with our selection criteria? See the next page.

How Does Amazon Chime Align with the Selection Criteria?

Amazon Chime is an online meetings and group chat application built atop the AWS Cloud platform. The solution supports messaging, audio, video, web collaboration across multiple endpoints including browser, desktop, mobile or room-based video. Like other AWS services, Chime is priced based on usage and is a native cloud application. Amazon describes Chime as a *"secure, real-time, unified communications service that transforms meetings by making them more efficient and easier to conduct."*

How do they align with our criteria?

| | Pros | Cons |
|--------------------------|--|---|
| Simplicity & Ease of Use | <ul style="list-style-type: none">✓ Simple interface✓ Marriage of group messaging and online meetings✓ Simple scheduling✓ Online training/help✓ Ubiquitous reach (mobile, web, PC) | <ul style="list-style-type: none">• No Telephone support• Limited participation (up to 100 simultaneous participants) |
| Feature Right | <ul style="list-style-type: none">✓ No legacy PBX or conferencing service requiring it to carry forward decades of feature creep | <ul style="list-style-type: none">• Lacking some feature parity against more mature solutions |
| Ease-Of-Access | <ul style="list-style-type: none">✓ Service calls out to you, one click access | <ul style="list-style-type: none">• N/A |
| Native Cloud | <ul style="list-style-type: none">✓ A pioneer in native cloud services, chances are your organization may already be using AWS capabilities for other capabilities | <ul style="list-style-type: none">• N/A |
| Security | <ul style="list-style-type: none">✓ AES 256-bit encryption✓ AWS CloudTrail✓ Ability to lock meetings | <ul style="list-style-type: none">• Data stored and managed by Amazon in the cloud – no on-premises or hybrid option |
| Pricing Policy | <ul style="list-style-type: none">✓ Similar to all AWS services, consumption-based. \$3 per meeting day, up to a maximum of \$15 per user, per month | <ul style="list-style-type: none">• Potentially high per-minute pricing on PSTN usage• Deterministic pricing enterprise wide |

About Wainhouse Research

Wainhouse Research (<http://www.wainhouse.com>) provides strategic guidance and insight on products and services for collaboration and conferencing applications within Unified Communications. Our global client base includes established and new technology suppliers and service providers, as well as enterprise users of voice, video, streaming, and web collaboration solutions. The company provides market research and consulting, produces conferences on technology trends and customer experiences, publishes a free weekly newsletter, and speaks at client and industry events.

About the Authors



Marc F. Beattie is a Senior Analyst & Partner at Wainhouse Research, LLC where he focused on cloud-based unified communications. He has authored public and private reports on product strategies, distribution structures, emerging technologies and industry applications. He regularly consults with end users, established vendors, emerging companies, and the financial community. Prior to joining Wainhouse Research, Marc was an early member of PictureTel and Polycom - holding positions in product management, business development and sales management - and spent 13 years working within the industry? He has been an independent analyst and consultant since co-founding Wainhouse Research in 1998. He can be reached at mbeattie@wainhouse.com.



Jeremy DuPont is an Analyst with Wainhouse research covering Unified Communications and Conferencing (UC&C) and more specifically helps to lead coverage of UC as a Service (UCaaS) by providing his unique, experience-driven perspectives from the service provider and enterprise end user viewpoints. He also brings these perspectives to client consulting projects - specifically (but not limited to) strategic UC services planning, custom customer research, and sales enablement efforts. Jeremy brings over twenty years of industry experience to WR, which includes product management roles at Voyant, Genesys Conferencing, and, most recently, Level3 Communications where he was a Senior Product Manager of Unified Communications & Collaboration services. He is a graduate of the University of Colorado with a B.S.B.A in Marketing and an MBA focusing on Technology Innovation Management. Jeremy is based in Denver Colorado from which he serves WR clients globally. He can be reached at jdupont@wainhouse.com.