Magic Quadrant for Unified Communications

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This Magic Quadrant evaluates vendors of enterprise UC solutions that are intended for on-premises deployment by midsize and large organizations. Its assessments of nine vendors will help application leaders find the most suitable provider and solution for their needs.

Market Definition/Description

All unified communications (UC) solutions are intended principally to improve user productivity and enhance business processes that relate to communications and collaboration. Gartner defines UC solutions — equipment, software and services — as offerings that facilitate the use of multiple enterprise communications methods to achieve those aims. UC solutions integrate communications channels (media), networks and systems, as well as IT business applications and, in some cases, consumer applications and devices.

UC offers the ability to significantly improve how individuals, groups and companies interact and perform. The UC solutions that enterprises deploy range from stand-alone suites from single vendors to integrated applications and platforms from multiple vendors. UC is often deployed to extend and add functionality to established communications investments.

UC solutions are used by individuals to facilitate personal communications, and by enterprises to support workgroup and collaborative communications and business workflows. Some solutions may extend UC beyond company boundaries to enhance communications between organizations, to support interactions among large public communities, or for personal communications.

UC applications are increasingly being integrated with, or offered in concert with, collaboration applications to form unified communications and collaboration (UCC) solutions. In some cases, they are being integrated with business applications and workflows, or are being targeted at vertical user groups.

It is useful to divide UC into six broad communication product areas:

- **Telephony —** This area includes fixed, mobile and soft telephony, as well as the evolution of PBXs and IP PBXs. This category includes options for voice and video that bypass traditional connectivity methods such as direct internet-based connections.

- **Meeting solutions —** This area includes multiparty voice (audio) conferencing, videoconferencing, web conferencing (including document- and application-sharing capabilities), and various forms of unified meeting capabilities and infrastructure.

- **Messaging —** This area includes email, which has become an indispensable business tool, voice mail and various approaches to unified messaging (UM).

- **Presence and instant messaging (IM) —** IM enables individuals to send textual and other information to individuals or groups in real time. Presence services enable individuals to see the status of other people and resources.

- **Clients —** Unified clients enable access to multiple communication functions from a consistent interface. They may take different forms, including thick desktop clients, thin browser clients and clients for mobile devices (such as smartphones and tablets), as well as specialized clients embedded in business applications.

- **Communications-enabled business processes —** The ability to integrate a UC solution with other business and communications applications creates significant value for users. An example is the integration of UC with field service or purchasing applications.

Magic Quadrant

Figure 1. Magic Quadrant for Unified Communications

Source: Gartner (July 2017)

Vendor Strengths and Cautions

ALE

Paris-based ALE, operating under the Alcatel-Lucent Enterprise brand, is 100% privately owned by China Huaxin, which recently purchased the 15% previously owned by Nokia. ALE's Alcatel-Lucent OpenTouch suite (OTS) is its flagship multimedia UC suite. It is available through ALE's partner network, the main strength of which is in Europe, although it includes global representation.

OTS offers a fully unified and integrated UC solution that scales up to 5,000 users and 15,000 endpoints. Above those limits, its components can be deployed physically separately, but as a single logical system for up to 20,000 users. The Alcatel-Lucent OmniPCX Enterprise Communication Server scales for between 100 and 100,000 users in a single image, and can be deployed along with the OTS. Alcatel-Lucent OpenTouch Conversation is a client experience that operates across mobile and PC devices, consolidating both user experience and licensing. OTS can be deployed as an overlay on third-party telephony switches, providing a migration path for new customers.

Alcatel-Lucent Rainbow, a cloud-based service incorporating workstream collaboration functionality, is at an early stage of maturity. It includes presence, voice and video conversation, file-sharing, search and tagging capabilities, as well as chatbot services, and it integrates with ALE's telephony portfolio. It also offers communications platform as a service (cPaaS) capabilities and APIs for extensibility.

Existing ALE customers should evaluate OTS if they are looking for a complete software UC suite. Potential ALE customers should check that ALE offers sufficient service and support presence in their region.

Strengths

- ALE's OTS can operate on-premises, in the cloud or with hybrid functions. OpenTouch Enterprise Cloud enables organizations to subscribe to consumption licensing, as well as a traditional perpetual license paid for out of capital expenditure.

- ALE has a strong telephony market share in Europe from which to sustain continued investment in broader UC product and market development.

- The cloud-based Rainbow solution is now on general release. With its integration into the ALE voice portfolio, ALE has clarified important elements of its long-term roadmap and the expected evolution options for customers.

Cautions

- Although ALE is introducing promising solutions in the areas of unified communications as a service (UCaaS), hybrid and workstream collaboration, it must close the visibility gap with rivals that have already introduced similar functionality.

- ALE's sales are condensing into its stronghold of Western Europe, which limits its exposure to, and potential to support, other regions and multinational organizations based in Europe.

- It is almost three years since China Huaxin purchased the enterprise division of Alcatel-Lucent with the stated intention of doubling this business in five years through expansion into new markets. Since then, there has been very limited investment in ALE, which brings into question China Huaxin's long-term commitment to the enterprise UC business.

Avaya

Avaya is a privately held company with its headquarters in Santa Clara, California, U.S. It is owned by the private equity firms TPG and Silver Lake. In January 2017, Avaya filed for Chapter 11 bankruptcy reorganization in the U.S. courts in an effort to reorganize its balance sheet and restructure debt. As a result of this process, it is likely that the company's ownership structure will change; the public notice of the ongoing bankruptcy proceedings is available online.[1]

Avaya's lead UC product for enterprises is the Avaya Aura Platform, which includes Communication Manager, Session Manager, System Manager and Presence Services, and a series of Avaya Aura applications for messaging and contact centers. Avaya Equinox is the company's converged experience for mobility, conferencing and collaboration needs. Avaya Breeze and the Avaya Breeze Client SDK are its core application development platforms. The Avaya Snapp Store facilitates a series of reusable communications and collaboration modules ("Snap-ins") for commercial use in its contact center and collaboration portfolio. Avaya IP Office Platform is aimed at small and midsize businesses (SMBs) with 100 to 3,000 endpoints and up to 150 locations.

Zang Spaces is a recent addition to Avaya's UCaaS platform. It has workstream collaboration capabilities, including persistent team collaboration and meeting solutions integrated with voice, video and tasks.

Consider the Avaya Aura Platform if you have significant investments in Avaya or legacy Nortel solutions that you wish to migrate to a next-generation UC solution, or if your enterprise has significant contact center requirements, or if you are looking for an open system to integrate with business processes and applications. Risk-averse organizations may not want to consider evaluating Avaya's solutions until it shows significant progress in reorganizing its capital structure and exiting Chapter 11 bankruptcy protection.[2]

Strengths

- Avaya has strong brand recognition for its telephony and contact center businesses, which remain central to its portfolio. It can support requirements spanning midsize to large and multinational enterprises.

- As a wholly owned subsidiary of Avaya, Zang has been able to rapidly develop a range of cloud communications services with the aid of a developer portal. As a result, it has added key communications applications that integrate with Zang Spaces and Avaya Breeze environments.

- The introduction of consumption licensing, along with Avaya's cloud and managed service offerings, is making it easier for organizations to outsource their Avaya infrastructure and application services through Avaya and its partners.

Cautions

- At the time of writing, Avaya is under Chapter 11 bankruptcy protection as it seeks to restructure its debt. If this process lasts for a year or more, it will make Avaya's task of business recovery more difficult.

- Discussions with users of Gartner's client inquiry service, together with evidence from Gartner Peer Insights, indicate that Avaya is struggling with after-sales support across its portfolio. This is likely to hamper the introduction of new services such as Equinox.

- Although Avaya now offers public cloud solutions in the UC space, with Zang and Zang Office, its primary focus is on meeting customers' needs for private cloud solutions. This could limit its ability to meet the broader market's needs for public UCaaS.

Cisco

Cisco is a public company based in San Jose, California, U.S. It offers a broad range of UC solutions that span on-premises, hybrid and cloud deployment options. The on-premises solution is based on the well-established Cisco Unified Communications Manager (UCM), which brings together voice, video, telepresence, messaging, presence and several forms of conferencing, including Cisco TelePresence and Cisco Meeting Server (formerly Acano Server) video solutions. Cisco offers UCM for large enterprises with up to 80,000 users. UCM Session Management Edition helps organizations centralize and simplify the management of large, distributed deployments. Cisco also has packaged offers for easier configuration by large enterprises (Cisco Business Edition 7000), midsize enterprises (Cisco Business Edition 6000) and SMBs (Cisco Business Edition 4000).

Cisco also offers UCM as part of a cloud-based service — Cisco Hosted Collaboration Solution (HCS) — hosted and offered by its partners. Cisco's cloud-based services are complemented by its WebEx portfolio.

Cisco Spark is a cloud UCaaS service that offers business messaging, calling and persistent meeting spaces that support workstream collaboration use cases. Cisco Spark Board is a new interactive virtual whiteboard and video endpoint for collaboration within a conference room and virtually across any device using the Cisco Spark client. There are also new room endpoints — the Cisco Spark Room Kit series expands meeting room options for small and midsize meeting spaces.

Cisco's UC solution, available from resellers globally, is an attractive proposition for midsize, large and multinational corporations requiring strong voice, video or conferencing capabilities.

Strengths

- Cisco has introduced new video collaboration endpoints and Cisco Meeting Server to create an on-premises video collaboration solution that offers connectivity between standards-based video endpoints, as well as Cisco Jabber and Microsoft Skype for Business clients.

- Cisco's hybrid solutions enable customers with on-premises solutions to integrate with Cisco Spark Cloud for messaging, calling, meeting and persistent team spaces. Hybrid deployments smooth the migration path, both technically and financially, if customers later decide to shift to fully cloud-based consumption.

- Cisco has a strong financial foundation. Revenue growth in its collaboration business has been good, and the company merits a Positive rating, according to Gartner's financial statement scorecard methodology, due to its strong profit margins, ability to generate cash and balance sheet.

Cautions

- Cisco has overlapping functionality in its UC portfolio, especially for customers evaluating both on-premises solutions and the newer Cisco Spark solution set. Although this provides flexible options for deployment, it makes understanding Cisco's UC solutions challenging for planners who have to determine the best long-term strategy in terms of the user experience and pricing.

- Cisco has three distinct licensing options for customers acquiring new solutions or renewing support agreements: traditional perpetual software licenses, Enterprise Licensing Agreements and the Spark Flex Plan. Enterprise procurement departments face a challenge to understand which licensing option is best for their Cisco deployments.

- Cisco's UC solutions, including hardware, software licenses and maintenance costs, are typically priced higher than those of its competitors in this Magic Quadrant for large enterprise installations.

Huawei

Huawei is a privately owned company based in Shenzhen, China. It offers a comprehensive portfolio of communications products and services.

The Huawei eSpace Unified Communications solution comprises a broad range of applications. It supports telephony, presence, messaging, conference room endpoint, video collaboration and contact center functions. Huawei's UC architecture is based on a virtualized software platform called the Unified Session Manager, which enables the eSpace solution to run on Huawei servers, standard servers and virtualized platforms. Huawei continues to expand the software APIs within its ecosystem Software Development Kit (eSDK) platform to enable integration with productivity suites, business intelligence applications and collaboration tools.

In the past year, Huawei has introduced both private and public cloud deployment options, which share the on-premises Unified Session Manager software platform. Hybrid deployments are supported as well. Additionally, a soft multipoint control unit (MCU) architecture has been added to serve enterprises looking for a more flexibly scalable and cost-effective solution for video collaboration across conference rooms, desktops and mobile devices.

Consider Huawei if you are looking for a comprehensive networking solution that includes UCC functionality. Huawei operates in many regions, and although its UC support in North America and Japan is limited, its capabilities in Europe continue to grow (albeit modestly).

Strengths

- Huawei's UC solutions span the carrier, large-enterprise and SMB segments. The company's ability to reach across market segments using a common virtualized software platform enables it to provide scalable and cost-effective UC offerings.

- Huawei has a full portfolio of UC products, including cloud and hybrid deployment models, which offers enterprises more choice when acquiring UC solutions.

- Huawei's UC solution suite is often bundled with a broader set of IT services and infrastructure. This enables customers to manage fewer technology vendors.

Cautions

- Although Huawei has shown incremental innovation and organic growth, it still has limited visibility in an already mature market, judging from our discussions with Gartner end-user clients.

- With the vast majority of Huawei's business deriving from Asia/Pacific and emerging markets, enterprises in other regions should check that experienced service support resources are available locally.

- Huawei faces political, trade-related and intellectual-property-related trust issues in the U.S. market. This limits its ability to provide collaboration solutions to global organizations.

Microsoft

Microsoft is a publicly listed, global company based in Redmond, Washington, U.S. It offers a broad range of UC solutions under the umbrella brand of Skype for Business (SfB). The on-premises UC solution is Skype for Business Server (SfBS). The cloud UC solution is Skype for Business Online (SfBO), which is licensed as part of the Office 365 portfolio. The SfBS deployment, with significantly more telephony capabilities than the SfBO configuration, has proven itself an IP PBX replacement for many organizations, so it is critical that planners distinguish between these two offerings when considering replacing legacy telephony systems. Microsoft also has some additional UC configurations, most notably Skype for Business hybrid with "split domain" capabilities.

Microsoft continues to enhance the SfB portfolio, especially by forging partnerships with companies such as Polycom, Logitech and Creston for its meeting solutions portfolio, and with multiple companies for customer service. However, most of Microsoft's SfB development and marketing improvements focus on the Office 365 portfolio, and with it SfBO. Microsoft has added France and Spain to the countries served by SfB PSTN Calling; PSTN dial-in conferencing capabilities for more than 90 countries; and auto-attendants and call queuing for front-office requirements.

Within the Microsoft portfolio, SfBS remains the most suitable platform for a broad range of enterprises. Organizations with advanced telephony and video requirements should check that the necessary functions are supported and (as for any VoIP deployment) undertake a thorough network-readiness assessment.

Most organizations committed to Microsoft for Office 365 should evaluate SfBS as a UC solution today, and plan to migrate to SfBO in the next few years. Working with a Microsoft Skype partner will help to ensure that the deployment is as successful as possible and that the roadmap is executed to the satisfaction of users.

Strengths

- Microsoft bundles SfB as part of Office 365, which includes a broad range of well-established business, collaboration and cloud office products. This enables Microsoft to capitalize on its dominance in enterprise IT and office productivity solutions.

- Microsoft has strengthened its roadmap for migration to Office 365 by introducing the SfB Cloud Connector Edition to ease hybrid SfB deployments. It has also partnered with Polycom to access the latter's RealConnect solution and thereby strengthen the SfB experience across multiple device and infrastructure environments.

- Microsoft's financial position is strong. It merits a Positive rating, according to Gartner's financial statement scorecard methodology, due to its strong profit margins, ability to generate cash and balance sheet.

Cautions

- Some enterprises report dissatisfaction with the quality and capabilities of SfB's audioconferencing and videoconferencing functionalities. They maintain separate conferencing services for business-critical use cases, where they think this is necessary.

- Microsoft has a strong focus on moving customers to the cloud with Office 365 and SfBO. In addition, SfBO's telephony functionality is still maturing, is new to the market and has a limited number of reference customers. Organizations should take a "try before they buy" approach to ensure everything works as required by users in all locations.

- Deploying Skype requires you to select multiple technology partners for a complete UC solution. Microsoft has more than 900 partners in its SfB certification program, which means that, although Microsoft is improving its partner program, determining which partners to select remains a challenge for most IT organizations.

Mitel

Mitel is a global, publicly traded company based in Ottawa, Ontario, Canada. Mitel's MiCollab is the UC suite that aligns with its MiVoice telephony platforms and serves as the access point for its MiTeam workstream collaboration solution. MiCollab supports meeting solutions (audio, video and web conferencing), IM, presence, UM and calendar integration. MiTeam features collaboration for

group meetings, including persistent collaboration, chats, document sharing and storage, project management features, and search and analytics capabilities. The MiVoice portfolio includes two primary call management platforms, MiVoice MX-One, which is primarily aimed at large enterprises, and MiVoice Business, which is aimed at midsize enterprises.

Mitel has a longstanding presence in the field of virtualization and offers flexible delivery approaches for UC, with a significant installed base of solutions deployed on virtual systems. Its UC solutions can be consumed via flexible deployment models (premises-based, cloud-based or hybrid). The same software code is used across the MiVoice and MiCollab solutions. Functionality is consistent across deployment modes, which enables customers to use the same interfaces and applications in the context of multiple provisioning models.

Consider Mitel MiCollab UC and MiVoice call management solutions for price-sensitive implementations. Mitel has reliable telephony and messaging delivery capabilities, which are offered in flexible provisioning modes. Check that integration and channel partner expertise is available for collaboration-centric or significant third-party UC integration work.

Strengths

- Mitel offers solutions at competitive prices. Reference customers frequently identified cost savings and the total cost of ownership as factors that influenced their decision to acquire Mitel UC.

- Mitel's UC portfolio supports flexible provisioning models and architectures, enabling customers to acquire UC elements in their desired deployment modes.

- Mitel has had success selling to specific vertical segments, including hospitality, healthcare, state and local government, and education. To support this focus, Mitel has increased the amount of API development associated with CloudLink, an ecosystem to support rich vertical integrations with Mitel's UC portfolio.

Cautions

- Mitel has made significant vendor acquisitions and therefore has a mix of solutions and a mix of partners that are familiar (and unfamiliar) with various UC products and services. Confirm that its partners' expertise suits your specific project before implementation.

- Although most Mitel customers use its telephony, UM and audioconferencing capabilities, limited adoption of Mitel's broader UC functions might constrain rollout of updates to the MiTeam workstream collaboration solution.

- Under the MiVoice brand, Mitel supports two telephony platforms that use common MiCollab UC functions. Splitting research and development between platforms might dilute overall platform investment.

NEC

NEC, which is based in Tokyo, Japan, is a global provider of IT and communications services and products. Its focus on "empowering the smart enterprise" gives it an opportunity to build industry-oriented solutions that draw on its entire portfolio of products and services, including NEC Enterprise's UC applications and services.

NEC's offers two UC solutions: Univerge 3C (U3C) and Univerge SV9500. U3C is the lead offer for a fully integrated UC suite. U3C is based on a web-oriented and service-oriented architecture (SOA) and open standards, with enterprise scalability, security and centralized administration. The suite's functionality encompasses telephony, video and all forms of meeting solutions, presence, IM and messaging. It includes multiple client options, such as hardphones, softphones and Session Initiation Protocol (SIP) phones, as well as a full set of mobile capabilities for a broad range of mobile devices. The Univerge SV9500 has very similar UC capabilities, with strengths in hybrid time division multiplexing/Internet Protocol (TDM/IP).

Univerge Blue is NEC's UCaaS platform. It is based on the U3C solution and hosted by NEC. It is offered through partners in North America. There are no plans to offer this platform internationally. Univerge Blue adds the ability to offer subscription-based licenses to an on-premises deployment, which gives organizations a broader range of licensing options. There is currently no workstream collaboration product. NEC's UC Connector supports telephony integration with Microsoft SfB and Office products.

Consider NEC's U3C solution if you want a complete software UC suite based on SOA that can be extended. Enterprises with existing NEC telephony platforms may consider U3C as a migration path.

Strengths

- NEC is a financially strong, global company with established UC sales operations, and support channels in multiple regions.

- NEC's "empowering the smart enterprise" initiative represents an opportunity for the NEC Enterprise division to position its entire communications and networking portfolio as part of a broader, global initiative by NEC.

- NEC has a strong network of channel partners and a good distribution of sales across multiple geographic markets. It has notable strengths in Japan and the U.S.

Cautions

- NEC takes various approaches to market, and its products and services are available inconsistently in different regions. This makes it difficult for multiregion or global organizations to consolidate their UC strategy with NEC.

- NEC's inability to provide reference customers for this Magic Quadrant raises doubts about customers' commitment to its Univerge portfolio.

- NEC's UCaaS proposition is limited to North America. In addition, NEC's lack of products for workstream collaboration initiatives does not prepare it well for the next generation of enterprise collaboration.

ShoreTel

ShoreTel is a publicly traded company based in California, U.S. It competes in this market with the ShoreTel Connect solution, which has a single code base and a consistent user interface across its three versions. It is available as a premises-based solution (Connect Onsite), a cloud-based solution (Connect Cloud) and a hybrid solution (Connect Hybrid).

ShoreTel Connect has the UC functionality that most organizations desire, but does not offer multipoint video natively (ShoreTel relies on its partnership with StarLeaf for MCUs). Connect Onsite provides telephony, peer-to-peer video, web and audio conferencing and collaboration, and IM.

In 2017, ShoreTel released its team collaboration solution, ShoreTel Teamwork. It is currently available only for Connect Cloud users, but ShoreTel plans to release it for Connect Onsite users toward the end of 2017.

ShoreTel continues to focus on enhancing its integration capabilities. In the meeting solutions segment, it has expanded its integrations with Microsoft SfB and Google G Suite to make it easier to schedule and set up meetings. ShoreTel has released Connect Telephony for Microsoft and Connect for Chrome browser to enable native integrations into common workflows. In 2Q17, ShoreTel announced a significant go-to-market shift: Channel partners currently working directly with ShoreTel for Connect Onsite will gradually start to procure this solution through ScanSource, another partner.

ShoreTel is suited to multisite organizations headquartered in North America. ShoreTel has delivery capabilities via partners in EMEA and parts of Asia/Pacific, but over 90% of its business continues to be generated in the U.S.

Consider ShoreTel Connect if your company is a multisite organization with headquarters in the U.S. that desires tight integration with Microsoft or Google, or if your organization is looking for provisioning flexibility.

Strengths

- ShoreTel's Connect Onsite solution provides the UC features and functions most organizations desire in a reliable and intuitive solution.

- The common user interfaces and software streams between the Connect Onsite, Connect Cloud and Connect Hybrid versions enable flexible provisioning.

- ShoreTel's integration with common office suites and applications enables users relying on core office applications to use its UC functionality.

Cautions

- ShoreTel has a limited geographic footprint outside the U.S. ShoreTel's expertise is not widely available in most of the world's regions.

- In 2Q17, ShoreTel announced an expansion of its relationship with ScanSource, whereby channel partners, the majority of whom already work with ScanSource, will procure their solutions and support through ScanSource. Although this move could improve response times for acquiring solution parts and addressing technical support issues, it could also slow next-level service support for issues that might be better addressed by ShoreTel directly.

- Although ShoreTel's UC features will satisfy most midsize businesses, its video capabilities are not as feature-rich as those of some of its competitors.

Unify

Unify is a wholly owned subsidiary of Atos, a global system integration and outsourcing business based in Bezons, France. However, Unify, which is based in Munich, Germany, operates under its own name and retains its UC product portfolio.

The Unify OpenScape portfolio offers a full and integrated suite of UC functionality. OpenScape is offered in three configurations: OpenScape Enterprise is a distributed architecture for large organizations; OpenScape Enterprise Express is an all-in-one UC solution aimed at organizations with up to 5,000 users; OpenScape Business is an all-in-one package aimed at small businesses. OpenScape Fusion integration enables the OpenScape client to be embedded in other application environments, including those of Microsoft, IBM, Google (G Suite) and social media tools.

Unify Circuit is a team collaboration offering, specifically a SaaS-based workstream collaboration solution. It supports rich textual messaging, audioconferencing and videoconferencing, file and screen sharing, and other collaborative functions. Unify plans to integrate Circuit more deeply into the OpenScape portfolio and third-party communications solutions.

OpenScape is available on-premises, in the cloud (via partners) and as a hybrid solution. Circuit is a cloud-based offering.

Evaluate the OpenScape UC suite if your company is looking for a standards-based, comprehensive and cost-effective UC software suite that can be extended via integration with third-party solutions. Enterprises with HiPath 4000 can also consider OpenScape as a migration path.

Strengths

- The OpenScape family of UC solutions is mature and offers a full range of UC functions. It is available in a variety of configurations for different market segments, and can operate with various existing telephony deployments.

- Unify's collaboration solutions are a core component of the Atos Digital Workplace proposition, which enables Unify to benefit from Atos' broader marketing of its digital workplace services.

- The merger of Unify's services with Atos' Infrastructure & Data Management business unit leaves Unify's Software and Platforms business to focus more clearly on product development and product management opportunities, to satisfy all its customers.

Cautions

- Unify lacks strong reference customers for the OpenScape Enterprise platform. It also faces a challenge to improve its customer experience, judging from our discussions with users of Gartner's client inquiry service and Gartner Peer Insights.

- Although Unify continues to put significant resources into Circuit, as its next-generation UCaaS solution, the company has been slow to capitalize on the growth of the workstream collaboration market.

- Unify has yet to offer a UCaaS platform, which limits organizations' ability to migrate from on-premises to cloud and hybrid solutions with Unify's technology.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

- None.

Dropped

- Interactive Intelligence. This vendor has been acquired by Genesys, and its focus has switched almost entirely to customer experience.

Inclusion and Exclusion Criteria

To be included in this Magic Quadrant, vendors had to:

- Offer a unified solution in all six core communications areas defined in Gartner's UC model. Briefly stated, the six areas are:

    1. Telephony

    2. Meeting solutions, including audio, web and video conferencing, which can be offered via partnerships

    3. IM and presence

4. Messaging, which can be offered via integration with email, voice mail and various forms of UM

5. Clients for multiple environments

6. The ability to integrate with other business and communications applications, such as collaboration software and contact centers, as well as application development environments such as cPaaS.

- Integrate their UC functionality in each area into a complete solution presented via a consistent interface; nonintegrated functionality was not considered part of a unified solution.

- Have a significant market presence in telephony and in three or more of the six areas identified above; market presence could be demonstrated by significant market share or differentiating innovation. Each vendor had to have a minimum revenue of $150 million from enterprise communications.

- Offer their UC solution in multiple regions, including North America, Europe and Asia/Pacific.

- Provide evidence of sales, revenue and operational investments that support market objectives — this Magic Quadrant focuses on the large and very large enterprise market (vendors focused on SMBs are not included).

- Provide proof of enterprise on-premises UC product capability for a full UC solution.

Evaluation Criteria

Ability to Execute

Gartner analysts evaluate UC product providers based on the quality, efficacy and overall maturity of the products, systems, tools and procedures that enhance individual, group and enterprise communications. Ultimately, UC providers are judged on their ability and success in capitalizing on their vision.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product or Service	High
Overall Viability	High
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Medium
Marketing Execution	Medium
Customer Experience	Medium
Operations	Medium

Source: Gartner (July 2017)

Completeness of Vision

Gartner analysts evaluate UC product providers on their ability to convincingly articulate logical statements about current and future market directions, innovations, customer needs and competitive forces, and how well those map to Gartner's overall evaluation of the market. Ultimately, UC product providers are rated on their understanding — over a multiyear time frame — of how market forces can be exploited to create opportunities for themselves and their clients.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	Medium
Marketing Strategy	High
Sales Strategy	Medium
Offering (Product) Strategy	Medium
Business Model	Medium
Vertical/Industry Strategy	High
Innovation	Medium
Geographic Strategy	Medium

Source: Gartner (July 2017)

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Quadrant Descriptions

Leaders

Leaders have a full UC offering and strong market presence, and can demonstrate success in the field. They have a strong presence in related markets to help them expand their UC footprint. These vendors and their channel partners have experience of delivering UC to a broad range of enterprise types and to most geographic regions.

Challengers

Challengers offer solutions and capabilities that give them potential to move into a leadership position, but they are lacking in one or more critical areas. Typically, they are lacking in the area of market presence, or in not selling successfully in key regions. In other cases, a Challenger may be strong in all regions, but have elements of its portfolio that are not selling well.

Visionaries

Visionaries offer a strong and differentiating approach to one or more core areas. However, these vendors have a limited ability to execute across the entire set of requirements and markets, or have marketing and distribution limits to their ability to challenge the leading providers.

Niche Players

Niche Players offer solutions that are particularly strong in some, but not all, UC areas, or they have solutions of limited market reach or appeal.

Context

The focus of this Magic Quadrant is vendors of enterprise UC solutions that are intended for on-premises deployment by midsize and large organizations. Cloud UC products are covered in "Magic Quadrant for Unified Communications as a Service, Worldwide." The forthcoming "Critical Capabilities for Unified Communications" will provide additional information about the solutions reviewed in this document and include relevant use cases for each vendor technology under evaluation. Although UCaaS solutions' market share is growing, relative to that of on-premises UC solutions, on-premises UC still accounts for 70% of the solutions sold in the midsize- and large-enterprise market (see "Forecast: Unified Communications, Worldwide, 2014-2021, 2Q17").

Gartner considers premises-based UC — the focus of this Magic Quadrant — to be a mature market. It is now more than 12 years since Gartner first produced a Magic Quadrant for UC. Maturation of a market has many implications, and the key ones for the UC market have prompted us to adjust some of the evaluation criteria weightings this year to yield a more accurate analysis of the market's participants.

Among the Ability to Execute criteria, we have increased the weighting for "overall viability" from medium to high. It is important for organizations that invest in premises-centric UC technologies that they have a clear migration path toward cloud services with partners that are commercially and operationally viable. This year alone we have seen Avaya enter Chapter 11 bankruptcy protection in January to restructure its debt, and a restructuring at Toshiba in March resulted in the winding down of its UC business in the U.S., Canada and Mexico. Volatility in the UC market demands a stronger focus on overall viability. All other weightings for Ability to Execute criteria are unchanged.

Among the Completeness of Vision criteria, we have reduced the weighting for "market understanding" from high to medium. All vendors in this Magic Quadrant demonstrate a similar understanding of how the market is evolving. As there is no clear differentiation in this regard, we have lowered the importance of this criterion.

We have increased the weighting for "marketing strategy" from medium to high. In a mature market with minimal product differentiation it is important for vendors to have a clear strategy for how they will influence customers in order to increase their market share.

We have also increased the weighting for "vertical/industry strategy" from medium to high to reflect the need to focus on market specializations, especially when in competition with megavendors that have strong brand recognition across all sectors.

Market Overview

Mainstream UC solutions are now available from most vendors. This means that best practices for users, administrators and system integrators, as well as for service and support partners, have generally been defined. It also means that many buyers and users are familiar with these solutions. Although there is variation in terms of maturity between users and enterprises, the levels of sophistication and overall expectation are those of a mature market.

This market's maturation is apparent from several developments relating to the UC portfolio for organizations with long-term planning commitments to UC:

- The integration of premises-based UC with cloud and hybrid variations. This includes the addition of consumption licensing as an alternative to perpetual-right-to-use licenses, as a way of delivering flexibility in payment options for premises and private cloud-based solutions.

- The advancement of meeting capabilities, including the availability of some workstream collaboration functionality, to augment or replace existing UC messaging solutions (see "Embrace Workstream Collaboration to Transform Team Coordination and Performance").

- The introduction of cPaaS and advanced integration options, partly to offer verticalized solutions and support communication-dependent digital business initiatives.

- The increased focus on UC overall as part of digital workplace transformations.

Four UC solution characteristics will continue to have an important effect on the success of UC products and the satisfaction of users:

- **User experience —** The quality, intuitiveness and effectiveness of the user experience across all devices and contexts significantly influence a solution's effectiveness, adoption rate, usage and, ultimately, enterprise productivity.

- **Mobility —** Users consistently have expectations regarding mobility. Mobile users now expect a good user experience, including video and full UC functionality across a range of devices. Emerging needs for mobile UC that include voice over Long Term Evolution (VoLTE) are starting to influence planning.

- **Interoperability —** Enterprises want to avoid "walled gardens" (where the vendor or service provider has control over applications, content and media) and vendor lock-in, while enabling B2B, business-to-partner and B2C federation. Many enterprises find their needs are best served by using several vendors in order to meet budget and workgroup objectives. WebRTC support continues to grow in importance.

- **Broad solution appeal —** Successful UC solutions must be attractive to a broad and diverse audience of decision influencers within enterprises. Influencers span traditional IT audiences, but more recently have also included departmental and internal project groups.

Adjacent markets also play a crucial role in UC's evolution. The success of UC vendors is therefore influenced by their success in these adjacencies:

- **Cloud and hybrid services —** The integration of on-premises UC with cloud and hybrid UC services plays an increasingly important role as these options mature. All the UC vendors in this Magic Quadrant have a cloud UC solution, but these are at different levels of adoption.

- **Contact center —** There remains significant interest in and demand for contact center functionality as an integrated part of a UC solution. This applies both on-premises and in the cloud. Most of the UC vendors in this Magic Quadrant have a contact center solution integrated with UC.

- **Midsize UC —** There is both product and go-to-market synergy between UC solutions for the larger and more demanding midsize enterprises (100 to 1,000 users) and those for large enterprises (more than 1,000 users). Gartner's midmarket contextualization associated with this Magic Quadrant serves to relate vendors' offers with the needs of midsize businesses.

- **Workstream collaboration —** As users become more familiar with digital workplace tools, interest in team and workgroup solutions is growing. Most of the vendors in this Magic Quadrant have added this capability to their UC portfolios, typically as part of their UCaaS cloud roadmap, or bundled with their UC offering.

- **Video interoperability —** Video as a service (VaaS) enables users with different video endpoints to interact over a cloud-based service. Multicodec MCUs are premises-based equivalents to VaaS. At least three of the UC vendors in this Magic Quadrant have, or are planning to introduce, this type of service either directly or through strategic partnership.

- **cPaaS —** cPaaS is increasingly seen as an important option for partners and clients wishing to develop digital business initiatives. Half of the vendors in this year's Magic Quadrant either have

already added this capability to their UC portfolios or will have done so by the end of 2017, typically as part of their UCaaS cloud roadmap.

- **Megabundles —** The larger vendors in the UC market are incorporating UC into very large bundled cloud office offerings, notably Microsoft Office 365 and Google G Suite. Enterprises will need to determine whether their needs are better met by a targeted UC solution or by a UC solution that is delivered as one part of a large bundle of office functionality.

Acronym Key and Glossary Terms

cPaaS	communications platform as a service
IM	instant messaging
IP	Internet Protocol
SIP	Session Initiation Protocol
SMB	small or midsize business
TDM	time division multiplexing
UC	unified communications
UCaaS	unified communications as a service
UCC	unified communications and collaboration
UM	unified messaging
UX	user experience
VaaS	video as a service
VoLTE	voice over Long Term Evolution

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"How Markets and Vendors Are Evaluated in Gartner Magic Quadrants"

"Magic Quadrant for Unified Communications as a Service, Worldwide"

"Magic Quadrant for Group Video Systems"

"Magic Quadrant for Web Conferencing"

"Market Guide for Communications Platform as a Service"

"Critical Capabilities for Unified Communications"

"In the Digital Workplace, Conferencing Markets Are Evolving Into a Meeting Solution Market"

"Understanding the Methodology Behind Gartner's Financial Statement Scorecard for Public Companies"

"UC: The Battle of the Megabundles Versus the Best-of-Breeds"

Evidence

[1] See Avaya Inc. (17-10089), Prime Clerk, for updates on Avaya.

[2] Consult "Avaya's Chapter 11 Debt Restructuring Filing Requires Risk Mitigation for Unified Communications and Contact Center Customers" for strategies to mitigate risk.

Sources of information for this Magic Quadrant include:

- Feedback from Gartner inquiry calls

- Vendors' responses to questionnaires specific to this Magic Quadrant

- Interviews with the vendors' channel partners

- Interviews with the vendors' customers

- One-on-one briefings with the vendors

- Generally available information, news, and data in financial and industry publications

- Discussions with Gartner analysts in relevant research communities

- Gartner managers' reviews, Gartner analysts' reviews, and vendors' reviews and confirmations

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering

the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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