



Monitor Service for Unified Communications

2019 Brochure

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Monitor Service for Unified Communications

Monitor Service for Unified Communications is a subscription-based report and advisory service from the Eastern Management Group. The focus is on unified communications.

- ▶ What You'll Find – Each global report – delivered throughout the year - contains a current and forward-looking market assessment of one or more unified communications products, services, applications, and networks
- ▶ How We Do It – All data is acquired from thousands of primary research surveys, and interviews with service providers, and technology vendors. The Eastern Management Group performs all of the worldwide research

To the survey data, the Eastern Management Group adds decades of quarterly shipment information, and pricing from our firm's Monitor database when required

Our consulting team then creates models from the data and analyzes it to report on each technology comprehensively

Monitor Service for Unified Communications cont.

▶ Technologies – Current and upcoming reports are an examination of the world market for:

- Hosted PBX
- SIP
- IPPBX and Traditional PBX
- Collaboration and Video
- Server Virtualization
- Integrations
- CPaaS
- Contact Center as a Service (CCaaS)
- Managed Services
- Open Source
- Services and Equipment Pricing and Promotions
- Unified Communications

Monitor Service for Unified Communications cont.

- ▶ Report Contents – Each report has an exhaustive global examination of total market size, sales by customer size (nine employee size segments), vertical market shipments (20 vertical market segments), sales by region, vendor shipments, and more. Forecasts are five to seven years. Six market research reports come out yearly.
- ▶ Inquiry Service – We include free unlimited inquiry service to help customers receive full value from the subscription. It's always available, so you won't have to schedule a callback. You can even reach our CEO John Malone anytime directly at jmalone@easternmanagement.com or 1.212.738.9402 Ext. 2201
- ▶ One Low Price – We do not charge separate license fees for each “seat” or department that needs the service. There is just an **\$11,000** price per subscriber company for a yearly subscription to Monitor Service for Unified Communications. There is a **\$500** discount for credit card payments. We also offer a less expensive half-year subscription.
- ▶ Respected – See why Fortune Magazine has called us the leading analyst in this space

Unequaled Subscription Value

Subject Matter	We specialize in research on communications products, services, applications, and networks
Audience	Reports are developed for communications technology companies and service providers
Scope	All reports cover the world by region or country, vertical market, and customer size
Affordable	Because we have no seat license fees, annual corporate subscriptions are priced at \$11,000. Half year subscriptions are less
Licensing	We make it easy for you to reuse our report data in employee training, customer presentations, and marketing collateral
Primary Research	Each report is based on primary research, modeling, and analysis
Thousands of Surveys	We do thousands of surveys and interviews for each report
Instant-On	Our inquiry service is always available. You can even reach our CEO John Malone directly at jmalone@easternmanagement.com or 1.212.738.9402 Ext. 2201
Respected	Fortune Magazine has called us the leading analyst in this space

Subscription Includes

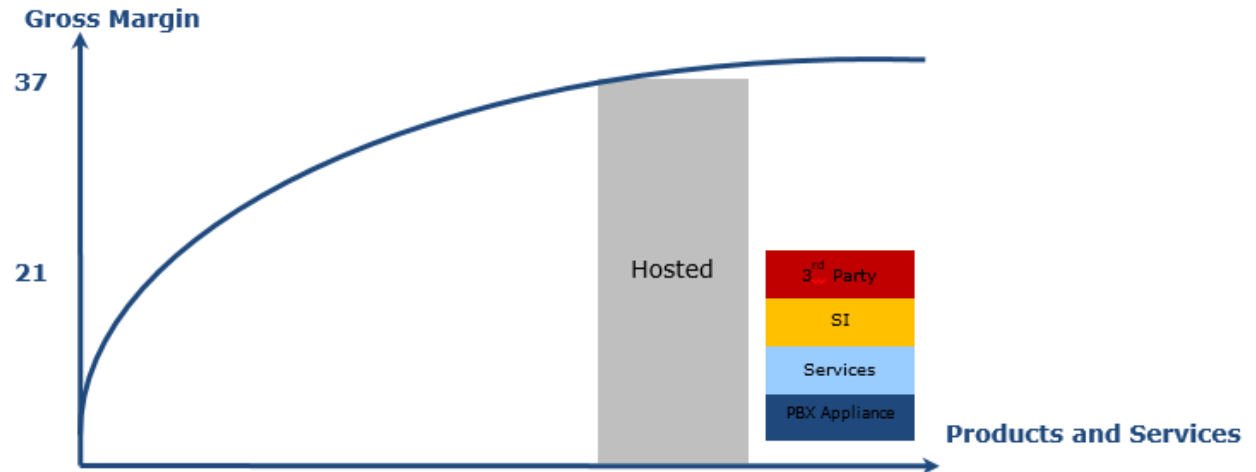
- ▶ Monitor Service for Unified Communications planned reports for 2019 are:
 - Hosted PBX
 - SIP
 - IPPBX and Traditional PBX
 - Collaboration and Video
 - Server Virtualization
 - Integrations
- ▶ Inquiry Service
 - Unlimited half-hour inquiries
 - 20 Hours custom research
- ▶ Custom Engagement Discount
 - 15%
- ▶ Price
 - \$11,000 annual subscription
 - \$500 additional savings with credit card purchase
 - \$7,000 6-month subscription

Reports - 2019

Report Series

Hosted PBX

- ▶ Hosted PBX sales are 18.1% of the total PBX market, up from 3.6% in early in the decade, based on Eastern Management Group research
- ▶ The average hosted sale is 11-12 users, but for established vendors, the average deal is getting larger. UC services are also being added, with good monthly recurring revenue (MRR)
- ▶ Hosted PBX exists on every continent, and it is quickly displacing premises PBXs

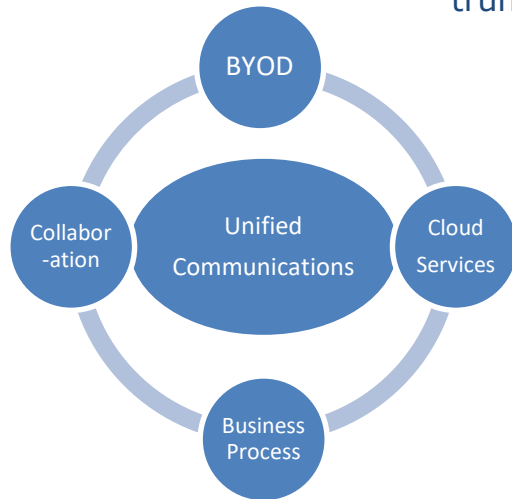


Source: The Eastern Management Group, Inc.

Reports - 2019



- ▶ SIP has made possible an array of services that once seemed unthinkable: internet conferencing, IP telephony, instant messaging, presence, voice and video communication, data collaboration, online gaming, application sharing, and much more
- ▶ SIP is the primary driver in the acceleration of the IP telephony evolution
- ▶ Eastern Management Group SIP reports include market data for SIP trunking, SIP phones, and SBCs



Operating System	Percent of Softphones
Android	56%
Apple iOS	32%
BlackBerry	1% ¹
MeeGo	1% ¹
Symbian	1% ¹
Windows phone	11%

Source: Eastern Management Group SIP Research (n = 1,527 IT Managers)

Reports - 2019

IPPBX and Traditional PBX

- ▶ Each PBX product sale generates an additional 36% in pull thru revenue for the provider
- ▶ Eastern Management Group research shows there is still a market for traditional PBXs
- ▶ IPPBXs were 57% of new PBX purchases in the past year
- ▶ Pull through sales like systems integration increase total profit by 75% on partner led sales

Phone System Purchases	
	Installed
Traditional PBX (Premises)	13.7%
IPPBX (Premises)	60.8%
Hosted PBX (Cloud)	
Hybrid (Premises and Cloud)	
Server Virtualization	

Reports - 2019

Collaboration and Video

- ▶ 80% of companies worldwide believe video and other collaboration technologies like presence are valuable applications
- ▶ Eastern Management Group ongoing research shows there are more than 100 viable video companies

Server Virtualization

- ▶ Server virtualization accounted for 11% of the PBX market shipments in 2018 according to Eastern Management Group research
- ▶ According to Eastern Management Group research of 3,000 IT managers, LATAM is the world's second-largest market for server virtualization behind the United States

Reports - 2019

Integrations

- ▶ Integrations are a vital element of UC services. They improve customer productivity and are a revenue producer for PBX vendors and their partners
- ▶ Eastern Management Group research shows bundle prices often range from \$29-49 (MRR)

CTI and Click-to-call Integrations	Cloud Storage	Enterprise
Salesforce	Box	Salesforce
Zendesk	Dropbox	Zendesk
Office 365	Google Drive	Google Calendar
Outlook	One Drive	Net Suite
Skype for Business	Share Point	Salesforce Service Cloud
Google G Suite	Adobe	Jira
Microsoft Explorer		Microsoft Dynamics GP
Firefox		Microsoft Dynamics CRM
G Mail		Service Now
Google Calendar		Zoho
		Bullhorn
		Sugar CRM
		Eloqua
		Marketo
		Salesforce Marketing Cloud
		Salesforce Pardot
		Servicemax
		SAP Anywhere
		Action

Reports - Upcoming

Open Source

- ▶ Reliance on proprietary technology does three things for the bottom line. It increases equipment and operating cost; it slows the ability to innovate; and it locks one to the future of a particular vendor, according to Red Hat and others
- ▶ Open source today touches everything in communications technology and services

Contact Center as a Service CaaS

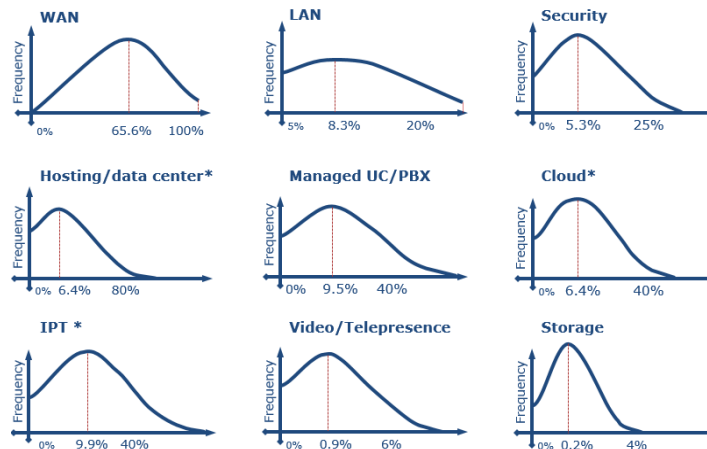
- ▶ Eastern Management Group research shows 53% of businesses with a contact center have it as an application on the PBX; but the equipment versus cloud situation is fluid
- ▶ By 2023 more than 40% of companies will have a contact center either in the cloud or on equipment according to a 2019 Eastern Management Group survey

Reports - Upcoming

Managed Services

- ▶ Almost 100% of communications equipment sales include managed services according to an Eastern Management Group research study
- ▶ For every ten cloud licenses sold, two are for services our survey found
- ▶ 80% of channel partners make managed services investments
- ▶ 60-70% of projected partner revenue growth comes from managed services and cloud services, according to Eastern Management Group research

SP Managed Services Revenue



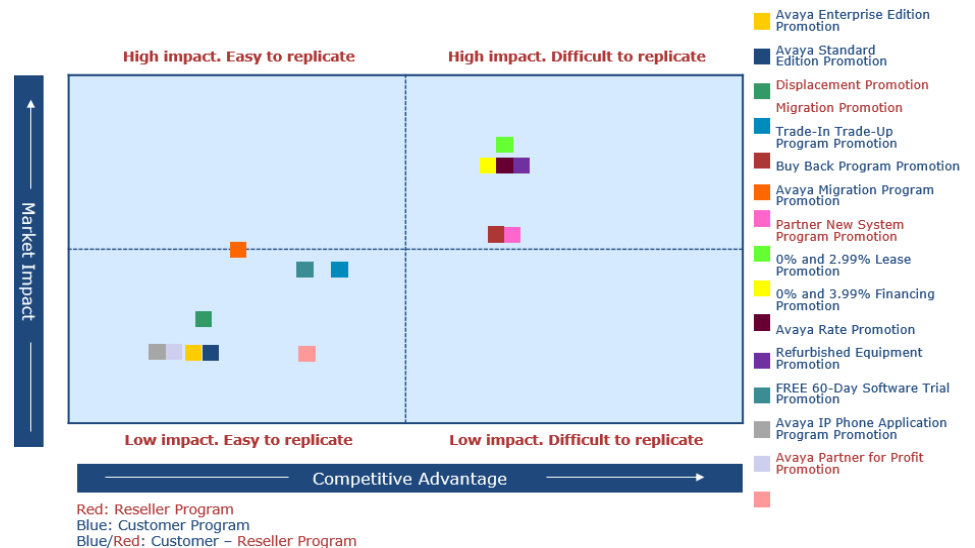
* Includes double counting (e.g., IPT and data center)
Source: Eastern Management Group

Reports - Upcoming

Services and Equipment Pricing and Promotions

- ▶ Deal prices on premises equipment are declining as demand slows
- ▶ Cloud prices are steadily increasing as churn proves not to be a material factor
- ▶ To understand costs requires understanding list price, street price, deal price, discounts, margins, rebate programs, and more
- ▶ Discounts and promotions are rampant and fluid across the entire communications industry

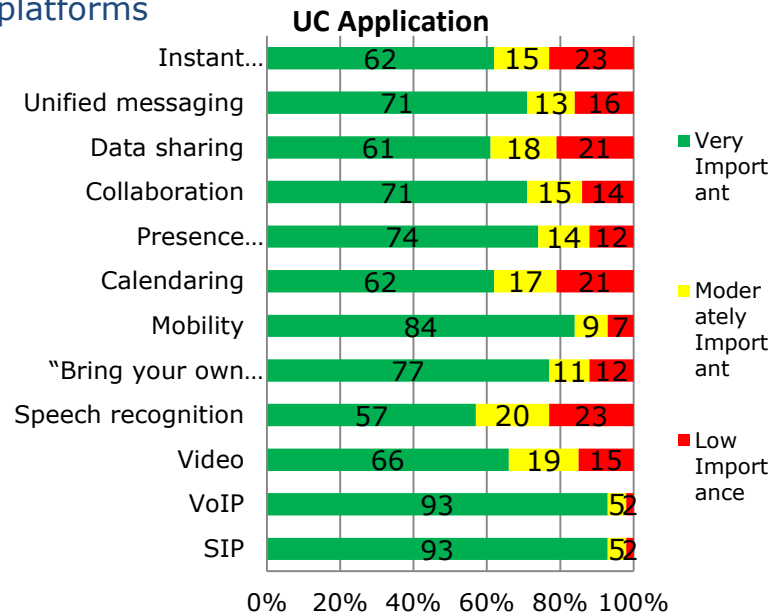
Item	Requested SKU	Current SKU	Description	List Price	Street Price
Product	H3C 9500E	A9500	HP A9500 Switch Series	Series	Series
Product	LS-9505E-H3	JC124B	HP A9505 Switch Chassis	\$5,527	\$4,025
Product	LS-9508E-V-H3	JC474A	HP A9508-V Switch Chassis	\$9,635	\$9,635
Product		JC125B	HP A9512 Switch Chassis	\$11,044	\$7,877
Service		UX016E	HP Next Day Exchange HW Support 3 year	\$8,843	\$8,820
Service		UX017E	HP 4-Hour 13x5 Onsite HW Support 3 year	\$17,196	\$17,846
Service		UX018E	HP 4-Hour 13x5 Onsite HW Support 4 year	\$22,746	\$22,827
Service		UX019E	HP 4-Hour 13x5 Onsite HW Support 5 year	\$28,051	\$28,036
Service		UX020E	HP 4-Hour 24x7 Onsite HW Support 3 year	\$19,110	\$18,647
Service		UX021E	HP 4-Hour 24x7 Onsite HW Support 4 year	\$30,062	\$24,995
Service		UX022E	HP 4-Hour 24x7 Onsite HW Support 5 year	\$31,121	\$30,657
Service		UX023E	HP Support Plus 24 for Networks 3 year	\$19,469	\$19,542
Service		UX024E	HP Support Plus 24 for ProCurve 4 year	\$25,765	\$25,444



Reports - Upcoming

Unified Communications

- ▶ Unified communications are the integration of various communications platforms for seamless user experience. They are part of more future-oriented architectures for businesses
- ▶ Eastern Management Group surveys 3,000 IT managers annually on their use and plans for unified communications applications and platforms



Reports - Upcoming

CPaaS

- ▶ Many CPaaS companies are well positioned to meet the global needs of communications vendors and service providers that want to deliver a flexible hosted PBX solution quickly
- ▶ CPaaS companies often have a broad footprint – some selling into 80 or more countries
- ▶ Cisco, Metaswitch, Ribbon, and Huawei control much of the CPaaS market for UCaaS

	N.A. + Americas		EMEA		APAC	
	Soft-switch	CPaaS	Soft-switch	CPaaS	Soft-switch	CPaaS
Cisco						
Metaswitch						
Ribbon						
Huawei						
Other	15%	<10%	20%	<10%	10%	25%

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On the WEB – Tell us you are interested in “Monitor Service for Unified Communications”. <https://easternmanagement.com/Contact---Eastern-Management-Group.aspx>

Email – Email our CEO John Malone at jmalone@easternmanagement.com

Phone – Call us direct. The number is +1 212 738 9402 Ext. 2201

You can learn more about The Eastern Management Group on our web site.

www.easternmanagement.com

Appendix A **About The Eastern Management Group**

The Eastern Management Group is an American technology company. We are one of the top communications research and consulting businesses in the world. Since our founding in 1979, we have maintained a concentration on global markets and vertical industries. And because we know products, services, applications, markets, suppliers and customers, we can conduct research and consulting assignments that meet our clients' needs.

The Eastern Management Group researches and advises clients on market behavior, and benchmark practices. Our expertise, industry contacts, database, and analytical skills help thousands of clients manage effectively in an ever-changing technology world.

With a database of market information built and managed over decades, the information we collect, retain, and have available to our analysts and clients is unequalled.

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