

Magic Quadrant for Unified Communications

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The customer premises equipment market for unified communications has reached maturity. This research serves to validate vendor selection as part of a program of upgrades or platform consolidation as new investments shift to services from cloud-based UC providers.

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, voicemail 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 (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 2018)

Vendor Strengths and Cautions

ALE

Paris-based ALE, operating under the Alcatel-Lucent Enterprise brand, is 100% privately owned by China Huaxin. ALE's OpenTouch Suite (OTS) is its flagship multimedia UC suite. It is available through ALE's partner network, which has a strong presence across EMEA and parts of Asia/Pacific, but a limited presence across the Americas and Japan.

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 OmniPCX Enterprise Communication Server scales for 100 to 100,000 users in a single image and can be deployed along with the OTS. 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. The suite can be delivered as a premises-based solution or as a private/hybrid cloud solution (OpenTouch Enterprise Cloud).

Alcatel-Lucent positions Rainbow as a cloud-based service incorporating workstream collaboration functionality. The solution offers presence, voice and video conversation, multiparty conferencing (i.e., audio, video, web), file-sharing, search and tagging capabilities, as well as chatbot services, and it integrates with ALE's telephony portfolio. It also offers 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 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 EMEA from which to sustain continued investment in broader UC product and market development.
- ALE's go-to-market developments enable enhanced value-added business services to be acquired through its partner community. Rainbow cloud services, with the addition of multiparty video meetings, and OpenTouch Enterprise Cloud expand its breadth of business applications and capabilities.

Cautions

- Although ALE is introducing promising solutions in the areas of unified communications as a service (UCaaS) and workstream collaboration, it must close the visibility gap with rivals that have already introduced similar functionality.
- China Huaxin purchased the enterprise division of Alcatel-Lucent in October 2014 with the stated intention of doubling this business in five years through acquisition and expansion into

new markets. Since then, there has been limited investment in ALE, which brings into question China Huaxin's long-term commitment to the enterprise UC business.

- ALE has a strong partner base across Europe and certain Asia/Pacific geographies but lacks a significant base of ALE-dedicated partners across the Americas and parts of Asia.

Avaya

Avaya is a U.S.-based public company. Its lead UC offer centers on Equinox, the converged experience for mobility, conferencing and collaboration. Avaya Equinox Meetings Online was introduced in September 2017 as a cloud meeting experience. Avaya Breeze and the Avaya Breeze Client SDK are its core application development platforms. The Avaya DevConnect Marketplace 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.

Zang Spaces has workstream collaboration capabilities, including persistent team collaboration and meeting solutions integrated with voice, video and tasks. The beta integrations to the Equinox client strengthen the combination of UC with persistent team collaboration.

Consider Avaya Equinox if you have significant investments in Avaya Aura Platform and you wish to leverage meetings capabilities with Avaya. Also consider Avaya if your enterprise has significant contact center requirements and would benefit from integration using Breeze.

Strengths

- Avaya has strong brand recognition for its telephony and contact center businesses, which remain central to its portfolio. It can support the requirements of midsize to large organizations and multinational enterprises.
- The suite licensing approach enables Avaya's customers to take advantage of upgrading to Equinox, which includes meetings capabilities as a server or cloud service.
- Consumption licensing, and Avaya's cloud and managed service offers are making it easier for customers to outsource their Avaya infrastructure and application services to Avaya and its partners.

Cautions

- The combination of Avaya partners moving to multivendor and Avaya recruiting from the channel to fill vacancies could dilute channel skills to support Avaya's new product portfolio.
- Avaya has recruited many technology strategists at a senior level and only recently clarified their roles, which may challenge a cohesive approach to product strategy and execution. It also lacks more structured CMO and CIO positions key to business growth.
- While it is positive that Avaya is investing more in cloud services, Equinox Meeting is still very new and lacks demonstrability of Avaya's primary competitors.

Cisco

Cisco is a public company based in San Jose, California, U.S. It offers a broad range of UC solutions that span premises-based, hybrid and cloud deployment options. The premises-based solution is built around Cisco Unified Communications Manager (UCM), which brings together voice, video, mobility, messaging, presence, customer care and conferencing, including Cisco TelePresence and Cisco Meeting Server. 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 small and midsize businesses (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 recently rebranded its Cisco Spark portfolio to leverage its popular Webex brand. This change has resulted in a renaming and repositioning of its cloud-based offerings to Cisco Webex Calling, Cisco Webex Meetings and Cisco Webex Teams for workstream collaboration. The Cisco Webex portfolio will see further enhancements in the future as Cisco integrates the recently acquired BroadSoft solution capabilities for voice and UC services.

Cisco has a wide array of endpoints to deliver its premises-based and cloud-based solutions to desktops, huddle spaces and conference rooms of all sizes.

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

Strengths

- Cisco continues to innovate across several elements of its premises-based portfolio with the most notable advancements in meetings solutions and user experience (UX) enhancements using the Jabber mobile app with Apple devices.
- Cisco's flexible hybrid solutions enable customers with premises-based solutions to integrate with Cisco Webex cloud for calling, meeting and team collaboration.
- Cisco has a strong financial foundation. Revenue growth in its collaboration business has been good. 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 with differing user experiences in its UC portfolio, especially for customers evaluating its premises-based solutions as well as its newly updated cloud-based

Webex solutions. The inclusion of the BroadSoft capabilities to power the Webex Calling service may further complicate the migration decision for premises-based UCM customers.

- Cisco has three distinct licensing options for customers acquiring new solutions or renewing support agreements: discrete perpetual software licenses, Cisco Enterprise Agreements and the Cisco Collaboration Flex Plan. Cisco reseller partners and enterprise procurement departments face a challenge when trying to determine which licensing option is best for their Cisco deployments.
- From inquiry with Gartner clients, there is more frustration than satisfaction when integrating Cisco's UCM with the Microsoft Skype for Business client for click-to-call and presence synchronization. IT planners are challenged to decide whether to deploy both Cisco and Microsoft UC soft clients to satisfy their organizations' use cases for collaboration.

Huawei

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

The Huawei Enterprise Communications (EC) 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 its portfolio, adding a new intelligent video endpoint called the VPT300 that offers speaker tracking and auto framing. To support the growing use of UC services from browsers and mobile devices, Huawei introduced a WebRTC gateway and support for the Opus codec.

Huawei offers both private and public cloud deployment options, which share the premises-based Unified Session Manager software platform. Hybrid deployments are supported as well for full-range UC use cases, including IP telephony, video conferencing and collaboration. The hybrid model is enhanced by an updated management system called e-Sight Application Manager that offers centralized service provisioning and device management. In the past year, Huawei created a solution specifically geared toward the SMB market, supporting up to 3,000 IPT users, and associated audio and video conferences. This package is built to support Huawei's reseller partners to grow its business into the smaller and midmarket segments with an easy-to-deploy operational model.

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 EMEA continue to grow.

Strengths

- Huawei's UC solutions span the carrier, large-enterprise and SMB segments. The company's approach using a single software platform enables it to provide scalable and cost-effective UC offerings increasingly outside of China into Europe and the Middle East.

- Huawei has a full portfolio of UC products, including cloud and hybrid deployment models, which offers enterprises more choices 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 their end-to-end solutions using a common platform.

Cautions

- Although Huawei has shown incremental innovation and organic growth, it continues to have limited visibility in this mature market, judging from our discussions with Gartner end-user clients.
- With a high percentage of Huawei's business deriving from Asia/Pacific and emerging markets, enterprises in other regions should confirm that experienced service support resources are available locally.
- Huawei still 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

Please note: Microsoft chose not to participate in this year's Magic Quadrant research process. Therefore, we used other sources of information, including Gartner Peer Insights and discussions with users of Gartner's client inquiry service, to draw our conclusions.

Microsoft is a U.S.-based public company. It offers UC licensed as part of the cloud-based Office 365 portfolio and its on-premises Office offering. The cloud UC solution Skype for Business Online (SfBO) is being merged with Microsoft Teams, a cloud-based workstream collaboration solution. Microsoft has not yet announced any further software update for Skype for Business Server (SfBS) beyond SfBS 2019, due for release in October 2018. Microsoft plans to retire all 2019 server-based software support by the end of 2025.

SfBS is used by many Gartner clients as a partial (and sometimes complete) replacement for legacy IP PBXs or UC platforms. Conversely, we find clients using SfBO more as a messages and meetings solution with limited enterprise telephony features. Microsoft has enhanced the SfB portfolio by forging partnerships with companies such as Polycom, Logitech and Crestron for its meeting solutions portfolio, and with multiple companies for customer service. However, most of Microsoft's future development effort is in replicating SfB functionality in Microsoft Teams.

Within the Microsoft portfolio, SfBS remains the most suitable platform for a broad range of enterprises' UC requirements. 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 continue with SfBS as a UC solution today. They should operate Microsoft Teams as a parallel solution until it becomes a suitable replacement for employees' communications needs. Working with a Microsoft Skype

partner will help 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 collaboration strategy by merging SfBO with Microsoft Teams and more readily enabling customers to continue to roll out SfBS as a parallel UC capability. The pressure to adopt SfBO and Microsoft as a telecom provider is lessened for large organizations.
- 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 suppliers for conferencing services for business-critical use cases, where they think this is necessary.
- Further product development of SfBS is replaced by a deeper focus on replicating functionality in Microsoft Teams. However, there is currently no clear roadmap for SfB partners with add-on, enhanced front-office functionality such as a contact center.
- Deploying SfBS requires the selection of multiple technology partners for a complete UC solution.

Mitel

Mitel is a global, publicly traded company based in Ottawa, Ontario, Canada. In September 2017, Mitel closed its acquisition of ShoreTel, expanding its base of North American UC and contact center customers. 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 (i.e., 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 small and midsize enterprises.

Mitel offers flexible delivery approaches for UC, with a significant installed base of solutions deployed on virtual systems. For cloud delivery, Mitel's MiCloud portfolio includes MiCloud Flex (multi-instance and private cloud offered globally), MiCloud Connect (formerly ShoreTel Connect Cloud) and two white-label solutions designed for service providers (MiCloud Telepo in Europe and

Clearspan in the U.S.). Mitel also introduced its CloudLink portfolio (i.e., gateway, platform and applications), designed to enable communications applications to be consumed as cloud services via both on-premises-based and cloud-based platforms. Its first release is for the Mitel 250 platform.

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

Strengths

- 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.
- Mitel has increased its focus on customer care initiatives to promote positive front-end solution adoption experiences and smooth onboarding transitions.

Cautions

- Mitel has made significant vendor acquisitions and now 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.
- Mitel is transitioning many of its partners that it had supported directly to a two-tier distribution model. While Mitel might achieve operational efficiencies through this approach, it risks reduced partner loyalty. Its ability to be in tune with customer requirements with two-tier distribution is also challenged.
- 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.

NEC

Based in Tokyo, Japan, NEC is a global provider of IT and communications products and services. NEC's "Smart Enterprise" framework draws on its entire portfolio of products and services, and includes the NEC Enterprise UC solutions and services.

NEC offers two premises-based UC solutions: UNIVERGE 3C (U3C) and UNIVERGE SV9500. U3C is the lead offer and is a software-based, fully integrated UC suite for large enterprises scaling up to 60,000 users. U3C is based on a web-oriented and service-oriented architecture (SOA) and open standards, with centralized administration. The suite's functionality encompasses enterprise telephony, a broad range of meeting capabilities, and instant messaging and presence. It includes multiple client options, such as Session Initiation Protocol (SIP) desk phones, desktop clients and

mobile apps for iOS and Android mobile devices. U3C can be procured through perpetual licenses or license rental. The UNIVERGE SV9500 is a converged software solution, with similar UC capabilities, but scales to 4,000 users, and supports both digital and IP stations.

UNIVERGE BLUE is NEC's UCaaS platform. It is based on the U3C software and hosted by NEC. NEC has expanded the UNIVERGE BLUE footprint from the U.S. to Canada, and plans to add Western Europe and Australia by the end of 2018, and Latin America in 2019. UNIVERGE BLUE adds the ability to offer subscription-based licenses to an on-premises deployment. NEC has not developed native workstream collaboration for UNIVERGE BLUE. It has said it will partner with a third-party provider to deliver this capability in 2019, along with an integration to Microsoft Teams. NEC's UC Connector supports telephony integration with Microsoft Skype for Business and Office products.

Consider NEC's U3C solution if you want a complete software UC suite based on SOA that can scale and be extended through open interfaces. Enterprises with existing NEC telephony platforms can 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. It has notable strengths in Japan and the U.S.
- NEC is leveraging UNIVERGE 3C within its Smart Enterprise framework of products and services to create innovative, vertically focused solutions in verticals such as healthcare, hospitality and financial services.
- NEC has expanded its network of channel partners by 88 for UNIVERGE 3C and UNIVERGE BLUE. NEC also combined U.S. and European sales and operations organizations to deliver a more consistent customer experience across multiple geographic markets.

Cautions

- Although UNIVERGE 3C UC software clients have a wide range of capabilities and support various platforms, the user experience is in need of a refresh.
- 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 decision to partner and not develop native capabilities in workstream collaboration does not prepare it well for the next generation of enterprise collaboration.

Unify

Unify is a wholly owned subsidiary of Atos, a global system integration and outsourcing business based in Bezons, France. Unify operates and brands its UC solution portfolio under its own name.

The Unify OpenScape portfolio offers a full range of UC capabilities. OpenScape is offered in four editions:

- OpenScape Enterprise employs a modular/distributed architecture for very large organizations.
- OpenScape Cloud is a cloud (i.e., public, private or hybrid) version of OpenScape Voice fully integrated with Unify Circuit.
- OpenScape Enterprise Express is an all-in-one UC prepackaged solution for organizations with up to 5,000 users.
- OpenScape Business is an all-in-one package for small businesses.

OpenScape Fusion, an add-on for OpenScape, provides client preintegrations for other application environments, including Microsoft Office, Microsoft Skype for Business, IBM and Google G Suite.

Unify Circuit is a cloud-based workstream collaboration solution. It is web-based, and supports rich, persistent threaded team messaging, presence, notifications, audio and video conferencing, file and screen sharing, recording, mobile clients, integration into office suites (e.g., Microsoft), and other collaboration capabilities. Circuit also supports desk phones, and provides integration into all OpenScape editions and to third-party communications solutions.

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

Evaluate the OpenScape UC suite if your company is looking for a comprehensive and cost-effective UC solution that can be extended via open-standards integration into third-party solutions.

Strengths

- OpenScape is a mature solution and offers a full range of UC capabilities. It is available in four editions, each designed for different market segments, and can be integrated with various existing telephony deployments and applications.
- Circuit has added a significant set of collaboration innovations in the last year, complements OpenScape and allows existing Unify customers to leverage their investments in OpenScape or third-party SIP-enabled platforms. New programs that convert perpetual licenses to subscriptions further encourage and enable migration.
- 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.

Cautions

- Unify lacks strong reference customers for the OpenScape Enterprise platform. Gartner clients have reported customer experience challenges.
- The lack of penetration in key markets (e.g., the U.S.) limits the options Unify customers have to outsource the management of OpenScape, as the pool of enabled managed service providers is small.

- Unify has been slow to capitalize on the growing demand for workstream collaboration with Circuit.

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

No vendors were added.

Dropped

ShoreTel was acquired by Mitel.

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:
 - Telephony
 - Meeting solutions, including audio, web and video conferencing, which can be offered via partnerships
 - IM and presence
 - Messaging, which can be offered via integration with email, voicemail and various forms of UM
 - Clients for multiple environments
 - 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 communication platform as a service (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 2018)

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 2018)

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 UC 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 customer premises-based deployment by midsize and large organizations. Cloud UC products are covered in "Magic Quadrant for Unified Communications as a Service, Worldwide."

"Critical Capabilities for Unified Communications" provides additional information about the solutions reviewed in this document. It includes relevant use cases for each vendor technology under evaluation.

We maintain the same weightings for Ability to Execute and Completeness of Vision as last year's Magic Quadrant. Gartner considers on-premises-based UC to be a mature market. In a mature market, it is important organizations can be confident in a strategy of continued investment with a supplier. For this reason, within Ability to Execute, the weightings for "product or service" and "overall viability" are classified as "high" while the other ratings remain at a medium weighting. For Completeness of Vision in a mature market, marketing strategy and vertical/industry strategy are classified as "high," while all other ratings remain at medium.

Market Overview

The customer premises-based unified communications market is mature. We expect the majority of interest in this Magic Quadrant will be focused on one of the following three scenarios:

- Validating vendor selection for upgrading existing installations
- Selecting a vendor for platform consolidation of CPE
- Selecting a UC platform for organizations that are unable to move to a cloud infrastructure for unified communications

In most of our inquiry, though, it is clear that organizations investing in new UC capabilities are looking primarily to cloud-based solutions, which are covered in the "Magic Quadrant for Unified Communications as a Service" and "Critical Capabilities for Unified Communications as a Service, Global." We encourage clients with a focus on customer premises-based UC to annually assess their readiness for UCaaS with the "Toolkit: Is UCaaS a Good Fit for Your Enterprise?"

The primary goal of all UC solutions is to improve user productivity and enhance the business processes related to communications and collaboration. Gartner defines UC products (i.e., equipment, software and services) as those that facilitate the use of multiple enterprise communications methods to obtain that productivity goal. UC products integrate communications

channels (media), and networks and systems, as well as IT business applications and, in some cases, consumer applications and devices.

While the market for UC has been maturing, we are witnessing, from a user perspective, the disaggregation of UC. Core capabilities of instant messaging and meetings start to appear in other collaboration platforms (see "Embrace Workstream Collaboration to Transform Team Coordination and Performance"). As digital workplace employees increasingly adopt nonroutine ways of working, the value of core telephony capabilities, the centerpiece of the UC market, is challenged. Here we see an opportunity for application leaders to shift their focus away from the UC suite toward evaluating communications in terms of messages, meetings and call (see "Digital Workplace Employees Need Enterprise Communications to Be More Harmonized Than Unified").

With these market shifts in mind, we expect that these UC characteristics will continue to have an important effect on the success of UC products and user satisfaction in the following ways:

- **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 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 longer-term success of UC vendors is influenced by their success in one or more of these adjacencies:

- **Cloud and hybrid services** — The integration of premises-based 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 premises-based and cloud-based. Most of the UC vendors in this Magic Quadrant have a contact center solution integrated with UC.
- **Midsized UC** — There is product and go-to-market synergy between UC solutions for the larger and more demanding midsized 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 on-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 partnerships.
- **cPaaS** — cPaaS is increasingly seen as an important option for partners and clients wishing to develop cloud-based digital business initiatives (see "Market Guide for Communications Platform as a Service"). Few vendors in this year's Magic Quadrant have added this capability to their UC or UCaaS portfolios.
- **Megabundles** — The larger vendors in the UC market are incorporating UC into very large bundled cloud 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.

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"

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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