Mitel Focuses on Modernizing UC that Goes Beyond UCaaS

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EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: Mitel Focuses on Modernizing UC that Goes Beyond UCaaS

This IDC Market Note discusses key highlights of the Mitel analyst event held on March 9, 2022. The event, which marked the vendor's first after a long hiatus, showcased three key presentations followed by a question-and-answer session. The key message of the event was that Mitel is very much in business and will focus on helping clients modernize UC solutions and providing life-cycle management services. It is developing a portfolio that can offer flexibility and choice in terms of preferred UC stack and consumption model.

Key Takeaways

- Mitel is now focusing on helping customers modernize UC solutions and providing life-cycle management services, which will involve offering guidance, solutions, and support to upgrade to the next UC stage.

- Mitel will utilize its core assets to help clients modernize UC and partner with others such as RingCentral to offer options that it does not have in house.

- Mitel believes that there are ample opportunities as digital communication becomes an integral part of business process and the final destinations for UC solutions are varied.

- Mitel is focusing on delivering innovation to UC, with new launches including enhanced data analytics capabilities designed to be intuitive and easy to digest.

- Going forward, Mitel is focusing on both organic and inorganic growth. Its partner community is an integral part of Mitel's go-to-market strategy and it has developed a detailed partner program.

Source: IDC, 2022

This IDC Market Note discusses key highlights of the Mitel analyst event held on March 9, 2022. The event, which marked the vendor's first after a long hiatus, showcased three keynote presentations followed by a question-and-answer session. The event kicked off with a keynote speech from President and CEO Tarun Loomba, in which he laid out the strategy, mission, and vision for Mitel. During his presentation, he held a fireside chat with Carson Hostetter, chief revenue officer at RingCentral, during which they discussed the benefits of the strategic partnership between Mitel and RingCentral. Tarun Loomba's speech was followed by a presentation on Mitel's new products while the final part was a presentation on Mitel's go-to-market strategies.

Mitel's Mission, Vision, and Strategy

The key highlight of the event was that Mitel is now focusing on modernizing UC experience for its customers by offering flexibility and choice to meet current communication needs while helping businesses develop future-proof communication technologies that can support long-term business goals.

Communication needs for businesses are proliferating and becoming intricate as digital communication becomes an integral part of workflow/business processes. At the same time, technology is becoming complex due to a variety of cloud formats, more scopes for integration on account of open platforms and APIs, and various deployment formats including hybrid, which in itself can take many shapes and forms.

Mitel sees ample opportunities within this multiplying market. Tarun Loomba assured that Mitel is very much in business and intends to take advantage of the expanding market scopes, paraphrasing a Mark Twain quote, "the news of my death was exaggerated," indicating that not developing its in-house public cloud UCaaS does not spell its demise. In fact, according to Mitel, public cloud UCaaS is one of many components that make up modern business communication technology infrastructures and its standardized nature cannot meet the intricate needs of some businesses.

Mitel is now focusing on its core assets (i.e., call control platform) in the form of installed base and dedicated instances, UC applications, contact center, and devices including desktop IP devices, headsets, and desk phones. It continues to innovate to enhance the capabilities of its solutions while providing the option for public cloud UCaaS through its partnership with RingCentral for a full breadth of UC&C coverage. Mitel admits that the complex and intricate communication needs of organizations require a wide variety of technologies that it may not have in house and aims to fill such gaps through strategic partnerships with other providers.

Product Innovation Focus

Mitel took a deep dive into its core assets/portfolio to assess areas that need further enhancements through innovation. The primary focus for Mitel in 2022 is to enable seamless integration of Mitel products across a complex network of communication technologies that support modern businesses as well as expand its deployment options beyond simple on-premises and cloud infrastructures to include hybrid arrangements.

Innovation is based on four key drivers: hybrid and edge, proactive road map, vertical solutions, and customer centered. Hybrid and edge is the primary focus and involves enhancing its single-instance dedicated hosted offerings as they can meet customers' complex business needs; offer greater control over data residency, transmission, and faster application response times; and

provide flexible commercial models. Innovations in hybrid and edge can also lend to other vectors of innovation as with vertical solutions including healthcare, hospitality, and manufacturing.

Mitel's enhancements in 2022 will include deploying MiVB in Amazon following the announcement that MiVB can be deployed in Azure. It also improves the Mitel CloudLink gateway to support all of its primary solutions, including MX-ONE, MiVoice Business, MiVoice 5000, and MiVoice Office 400 in cloud. This is in addition to cloud-based APIs that will enable partners and customers to customize solutions to suit their business needs. Mitel will introduce enhancements to softphones and provide additional antimicrobial DECT handsets

During the event, Mitel stated that it has come a long way from leveraging hardware-centric communication to using software-based solutions and can enable modern deployment using the latest technology such as virtualization, containers, and public cloud deployment models. UC and CC products have improved leveraging CloudLink and other technologies.

Go-to-market strategy

Mitel's go-to-market strategy is rooted in its Global Partner Program (GPP), which now has incorporated customer life-cycle management as a key strategic initiative going forward. Mitel's strategy is to develop deeper relationships with partners by listening to them, proactively educating them about evolving business communication needs, and helping them to grow their business by monetizing these new opportunities and driving better customer experience.

Mitel relies on a data-driven approach to demonstrate the value of modernizing UC solutions as well as develop joint business plans with partners, which is novel in the space. The vendor believes that its unique selling proposition lies in the fact that it can offer its partners a wide range of options to suit their varying and unique communication needs, be it deployment, pricing, or consumption models. Moreover, Mitel can also guide customers about how they should update their UC stacks depending on their needs based on its long-standing experience working with clients and deep expertise of the industry.

It offers specific incentives for migration to RingCentral UCaaS and this includes price match, an arrangement that enables Mitel customers to carry on paying the same amount. Mitel certifies its 6900 IP series phones to ensure continuity even when its clients migrate to RingCentral UCaaS and this will be extended to the IP400 Series. Mitel offers three months of free service to businesses that migrate to RingCentral for contracts stretching up to three years. The vendor ensures easy and seamless migration to cloud with modern migration tools.

Mitel is confident that it will continue to add net-new clients as many clients do not see UCaaS as the ultimate destination, seeking either on-premises, hybrid, or private cloud, in which the vendor is a leader.

IDC'S POINT OF VIEW

It was good to hear from Mitel after a long hiatus and the vendor's strategy is compelling, particularly its focus on modernizing UC and customer life-cycle management.

With hybrid work, reliance on remote communication technology is increasing as colleagues are rarely in one place. Digital communication tools are now imperative for facilitating smooth/disruption free workflows and business processes that eventually determine how well a business can achieve its ultimate goals. There is no doubt that businesses will have to update their UC infrastructures to cater to the contemporary way of working and Mitel is positioned well for this opportunity.

Businesses' need to upgrade their UC solutions creates ample opportunities for UC vendors/providers, but the process of upgrading UC solutions is not simple. For one, workflow varies from business to business and at a higher level by persona, vertical, and business size. Hence, UC solutions will have to be designed to meet the unique needs of each business. Also, businesses are at different stages in their DX journeys and vendors will have to be able to upgrade UC solutions based on where businesses are in terms of that journey. Third, despite the much-touted benefits of public cloud UCaaS, the standardized nature of the service is not suitable for all types of businesses; vendors will have to acknowledge that the final destination can, and in many cases will, be a different option to public cloud UCaaS. This is especially true for highly regulated verticals such as healthcare and government.

It is good to see that Mitel has rightly identified the market dynamics and the underlying opportunities it provides UC vendors. As a starting point, the key question Mitel aimed to answer is if it can help businesses upgrade their solutions to meet their future goals. It prudently assessed the strengths and weaknesses of its portfolio and realized that its greatest strength lies in providing UC life-cycle management support, which means guiding its customers to the next level of UC solutions while providing relevant offerings and support.

Mitel is among the key leaders in on-premises and private cloud UC infrastructure and has cloud-based collaboration applications. It can continue to support on-premises solutions for customers that intend to retain them and can help clients migrate to private cloud if they intend to benefit from cloud infrastructure but under a more secure environment. It can also offer hybrid arrangement by combining on-premises and cloud infrastructures. Mitel correctly acknowledged that some customers may want public cloud UCaaS option, which it aims to fulfill through its partnership with RingCentral, and CloudLink can make the migration smoother and more seamless.

Mitel now offers flexibility in terms of consumption model by offering subscription- and license-based fee structures. It is, however, not just Mitel's solutions or the flexibility and choice it offers that will attract customers. Assurance from proactively advising customers on the best UC options and then walking them through the process is what will draw in new customers as the fear of moving to an unfamiliar territory often serves as a major deterrent to upgrading UC solutions.

Mitel's new innovations and launches are promising, including data analytics, which are easy to navigate and digest. Deploying MiVoice in AWS and Azure enables more integration with modern business applications including AI/ML and automation. Closely engaging with partners to make its strategy a success makes Mitel's overall approach holistic and comprehensive. Success in UC&C can hardly be achieved without the support of the partner community. Mitel deserves credit for not just identifying where it can play best by utilizing its core strengths but also for coming a long way from being a hardware-based to a software-based company ideal for effectively supporting long-term customer life-cycle management.

Despite the impressive strides, UC&C is a fiercely competitive market and Mitel will need to continue to innovate. Verticalization and persona-driven solutions, particularly frontline workers, will drive future growth in the industry. Mitel will have to closely align its solutions with business process/workflows by vertical and persona and provide solutions for frontline workers. It will benefit from highlighting its partnership with Microsoft given that Microsoft's collaboration platform has the deepest penetration in the market and can complement Mitel's voice portfolio.

Data analytics must also be expanded to cover more areas as this has become a key source for insights, which drive business strategies. Overall, the momentum that Mitel demonstrated was encouraging and it has made the industry curious about how it develops going forward.

Related Research

- *European Contact Center Forecast, 2019-2025* (IDC #EUR148361821, November 2021)
- *European Unified Communications and Collaboration Forecast, 2021-2025* (IDC #EUR147162920, October 2021)
- *European Unified Communications as a Service Market Shares, 2020: Vendors Shaping 2020* (IDC #EUR148158621, October 2021)
- *European Enterprise Communications Survey, 2021: Attitudes Toward Unified Communications Solutions* (IDC #EUR146497221, September 2021)
- *Business Collaboration Solutions in the New Normal* (IDC #EUR147591821, April 2021)

Synopsis

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