A Strategic Approach to Reducing Communications and Collaboration Spending in Light of COVID-19

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Initiatives: Digital Workplace Applications and 1 more

The COVID-19 pandemic is forcing application leaders responsible for digital workplace applications to reassess their spending on communications and collaboration tools. This document identifies three strategic imperatives for controlling and reducing this expenditure.

Overview

Key Challenges

- The COVID-19 pandemic and resulting economic stress are forcing most organizations to reduce their IT spending ahead of an expected decline in revenue.

- Simultaneously, the shift to remote working has forced most organizations to rapidly migrate to, or scale up their use of, cloud-based communications and collaboration tools to enable productive remote working.

- Adoption of new communications and collaboration tools without proper strategic planning would result in higher-than-necessary spending.

Recommendations

Application leaders responsible for digital workplace applications who want to reduce spending on communications and collaboration tools should:

- Uncover unnecessary spending by identifying communications and collaboration tools with overlapping meeting and messaging capabilities. They should consolidate, whenever possible, on foundational services, such as those provided by cloud office suites, while allowing for exceptions when business needs require them.

- Reduce workers’ dependency on physical devices — to create additional cost-saving opportunities — by encouraging the use of soft clients and applications in place of, rather than in addition to, physical endpoints.

- Lower enterprise telephony spending by reevaluating, and maximizing the use of, less expensive, mobile options and voice-enabled collaboration applications.
Strategic Planning Assumption(s)

By 2021, enterprises will have increased their spending on cloud-based collaboration tools by an average of 25%, compared with pre-COVID-19 levels.

By 2021, over 50% of employees will be provided with only a softphone, up from approximately 32% in 2018.

Introduction

The COVID-19 pandemic has forced a large percentage of the global workforce to shift to remote working. Communications and collaboration tools have played a critical role in enabling these, now physically isolated, workers to remain productive. Most organizations with mature digital workplace programs and existing investments in cloud-based productivity and collaboration suites have been able to quickly scale these tools to support newly remote workers. Meanwhile, organizations at earlier stages of digital transformation have had to find ways to extend existing capabilities to remote workers, while implementing new, cloud-based applications to fill any gaps.

The increased adoption of communications and collaboration tools is currently necessary for business continuity. However, as the financial impact of the pandemic threatens budgets, application leaders responsible for digital workplace applications must take a strategic approach to reducing spending on communications and collaboration tools. The earlier steps are taken to realign an organization’s strategy and identify cost optimization opportunities, the greater the likelihood of avoiding the worst impacts of the pending economic recession.

This document details a three-step approach that application leaders should take to eliminate unnecessary spending on communications and collaboration tools. They are summarized in Figure 1.

Figure 1: Three Steps to Eliminate Unnecessary Spending on Communications and Collaboration Tools

Three Steps to Eliminate Unnecessary Spending on Communications and Collaboration Tools

<table>
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<th>Eliminate Unnecessary Spending</th>
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Source: Gartner
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Analysis

Eliminate Overlapping Communications and Collaboration Tools

An organization may acquire communications and collaboration capabilities from multiple sources, as outlined in Table 1. Tools are often implemented for a specific use case, but many general capabilities may overlap with other tools in an organization’s environment. Identifying these overlaps and understanding where duplication of features and functionality occurs is the first step toward consolidation.

Table 1: Sources of Communications and Collaboration Capabilities

<table>
<thead>
<tr>
<th>Sources of Communications and Collaboration Capabilities</th>
<th>Examples</th>
</tr>
</thead>
</table>
| Productivity suites                                     | Google G Suite  
Microsoft Office 365 |
| Unified communications (UC) solutions                   | Avaya Intelligent Xperiences (IX)  
Workplace  
Cisco Unified Communications Manager (CUCM)  
RingCentral Office |
| Cloud conferencing/meeting solutions                     | Cisco Webex Meetings  
LogMeIn GoToMeeting  
Zoom Meetings |
| Group videoconferencing systems                          | Cisco Webex Rooms Series  
Poly (formerly Polycom) RealPresence products |
| Workstream collaboration solutions                        | Slack  
Symphony |
| Fixed-line services                                      | PSTN services  
ISDN services  
Session Initiation Protocol (SIP) services |
| Mobile service providers                                 | Deutsche Telekom (T-Mobile)  
Verizon Wireless  
Vodafone |
For most organizations, no single solution or offering will meet all their requirements. It is equally unlikely that an organization will be able to find the tools to meet all its requirements without any overlapping functionality. Some level of overlap will have to be tolerated.

Application leaders must therefore manage a set of communications and collaboration tools as a portfolio, while aiming to use as few applications as necessary to meet their needs. The life cycles of the tools in this portfolio must be carefully monitored, and application leaders must plan to replace technologies as they age. They must also periodically reassess the elements of this portfolio for the value they contribute and for alignment with the organization’s desired future state. Tools that no longer provide value for the organization, or that no longer align with its desired future state, should be eliminated.

Given the unique challenges posed by the COVID-19 pandemic, it may not be wise to rationalize a portfolio of communications and collaboration tools immediately. Instead, application leaders should divide this task into a series of short- and long-term actions.

Short-term actions:

- Establish governance policies for rapid digital transformation in support of remote workers — for example, a remote work policy and a security policy.
- Use Gartner’s ACME framework when selecting new communications and collaboration tools (see “How to Select Collaboration Technology Using Gartner’s ACME Framework”).
- Ensure that new tools are deployed only when there is a clear business need, such as a specific use case that is not supported by current tools.
Where possible — depending on risk, security and other implications — fill functionality gaps with enterprise-grade, “freemium” offerings to keep costs down.

Resist the urge to begin complex migrations (such as from on-premises telephony to cloud unified communications as a service [UCaaS]) while “stay at home” orders remain in effect. The “human bandwidth” available to undertake and support requirement assessment, implementation, configuration and training activities will be limited. Prioritize meeting the immediate needs of remote workers instead.

Identify and categorize the communications and collaboration tools currently in use by workload or the set of use cases they support. Highlight any areas where different tools’ capabilities overlap.

Long-term actions:

- Refine the governance of applications within the portfolio in light of the long-term digital workplace strategy.
- Establish a routine for reassessing each application's value and alignment with future strategic collaboration goals. Include any tools acquired as part of a broader suite of applications (such as Office 365 or G Suite), even if they have not yet been adopted, to see if they can meet new requirements, before purchasing additional solutions.
- Eliminate applications that fail this assessment. Just because an application has unique features or functionality does not automatically mean that it is worth continuing to support. Only functionality necessary to meet current needs is of immediate value.
- Functionality that addresses only future needs may have some value, but this must be carefully weighed against any costs involved. Is the cost of acquiring and maintaining a solution until it is needed less than the likely cost of acquiring it in the future when there is an immediate need for it (include switching and training costs in this assessment)?

Reduce the Number of Devices Deployed for Workers

Many organizations are discovering that employees working remotely due to the pandemic are meeting their telephony needs using mobile or laptop softphone clients, mobile phone services, or alternatives such as the calling capabilities in meeting solutions and other tools. The expensive desk phones currently gathering dust in their offices are not being missed in the slightest.

The cost of purchasing (or renting) and maintaining a phone on every desk is significant. A typical midtier desk phone costs between $120 and $140 to purchase, or $4 to $5 per month to rent. Premium phones can easily cost twice as much. Application leaders should reassess their device strategy to see if they can reduce the number of desk phones they support.
Eliminating all desk phones may not be possible. An employee who makes heavy use of their desk phone and has expanded its buttons with an add-on keyset or sidecar may lose productivity if switched permanently to a softphone client. Common-area phones may also be required to meet emergency calling or other requirements. Therefore, the aim, as with the portfolio of collaboration tools, should be to supply the minimum number needed to meet the organization's requirements.

Most part-time remote workers will have already been provided with both a headset (to use with their softphone client while working remotely) and a desk phone. This situation presents a clear opportunity to phase out the desk phone in future. Even many office-bound workers with no option to work remotely have headsets to use with their meeting solutions or just to block out noise in the office. Giving these workers the option to have a desk phone and no headset, or to have a headset and no desk phone, will eliminate this overlap with minimal impact on workers’ productivity.

This shift in device strategy does not have to start and end with desk phones. Gartner’s March 2020 Finance Leader Pulse found that 74% of the 317 organizations surveyed plan to permanently shift at least 5% of their workforce to remote working once the world returns to “normal” after the COVID-19 pandemic. Fewer workers in the office means reduced demand for other types of devices as well, including expensive conference room solutions.

Application leaders should take the following short- and long-term actions.

Short-term actions:

- Encourage adoption of softphone clients and other alternatives to support remote workers.
- Provide headsets to employees planning to rely on a PC softphone client. For the typical employee, a relatively inexpensive, wired headset will suffice. For those who require a headset that can connect to both a PC and a mobile device, a more expensive, wireless headset will be required.

Long-term actions:

- Reassess the organization's long-term device strategy to reduce the number of options enabled for workers. Many workers currently have the ability to connect via desk phones, mobile devices and headsets, but most don’t necessarily have the usage patterns to justify these investments. Incorporate emergency calling, end-user training, voice quality and headset cost and breakage rate into your reassessment.
- Work with facilities managers to measure the usage of conference room endpoints and other shared devices following a return to the office. If usage declines, reduce future investment in these devices. In many instances, smaller systems in huddle rooms and personal video endpoints may suffice to support meeting sessions, as opposed to large executive meeting solutions.
Use Less Expensive, Mobile Options to Reduce Enterprise Telephony Spending

Organizations typically provide enterprise telephony services through blanket deployment of a UC solution and fixed-line telephony services. However, of the calling, messaging and meeting services at the core of any UC solution, calling (telephony) capabilities are the least utilized and most expensive for many organizations. Planned conversations are more frequently scheduled via a meeting solution than as phone calls. And unplanned calls are typically preceded by a message to check whether the other party is available, before both parties start a phone call or meeting to converse. This culture of first messaging (or checking a user’s presence status) is partly responsible for the decline in recent years of the use of voicemail (another service to consider eliminating).

Beyond customer service scenarios, usage of most telephony features has declined significantly in recent years. For users with only basic telephony needs, flat-rate mobile plans offer a cost-effective alternative to including them in an organization’s UC deployment. Plans offering unlimited minutes are now very common, and Wi-Fi calling provides a more affordable alternative for those still on pay-per-minute plans.

Application leaders should therefore explore the following short-term and long-term actions.

Short-term actions:

- Identify the groups of users who can be switched to mobile-only telephony by evaluating current usage data across telephony features.
- Encourage employees to use the integrated VoIP or computer audio options within meeting solutions, rather than costly audioconferencing dial-out or toll-free dial-in options.
- Consider changing the default template for internal meetings to remove expensive toll-free dial-in numbers.

Long-term actions:

- Incorporate a bring your own device (BYOD) program into your digital workplace strategy.
- Eliminate fixed-line PSTN service for most employees (especially those who do not typically make external calls) and switch to mobile or “over the top” voice services.

Recommended by the Authors

Cost Optimization: The Mobile Phone Is the Only Phone the Digital Workplace Employee Needs
Three Easy Steps to Reduce Audioconferencing Expenses
Prioritize Your Cost Optimization Initiatives Using Gartner’s Decision Framework
Top 3 Considerations When Moving From Premises-Based Unified Communications to Cloud-Based UCaaS

How to Choose Your Best-Fit Vendor for Unified Communications and Collaboration

How to Maximize Unified Communications Adoption Inside the Digital Workplace

Adoption of Meeting and Workstream Collaboration Solutions Spikes in Response to Coronavirus (COVID-19) Pandemic

Conducting Board and Committee Meetings in a Remote Work Environment

A Strategic Framework for Communicating With Frontline Workers in Times of Anxiety

Workforce Resilience in the Eye of the Pandemic: Overcoming the Current Remote Work Situation While Planning for the Future

Recommended For You

On-Premises Collaboration Suite Options Are Dwindling

Market Guide for Content Collaboration Tools

Adoption of Meeting and Workstream Collaboration Solutions Spikes in Response to Coronavirus (COVID-19) Pandemic

Gartner Peer Insights ‘Voice of the Customer’: Unified Communications

Market Guide for Workstream Collaboration