Enterprise Connect 2018
March 2018, Dave Michels

1. Overview

1. Enterprise Connect is the largest annual, multi-vendor event focused on enterprise communications.
2. The conference took place March 12-15, 2018, in Orlando, Florida.
3. This year there were five keynote presentations from executives at Amazon, Cisco, Facebook, Microsoft, and Slack.
4. This year, EC added Industry Vision Presentations. These were presented by executives from 8x8, Google, Mitel, RingCentral, and Vonage. These were similar to the keynotes, but a little shorter and without demos.
5. There was much higher participation from end user customers on panels this year.
6. Organizers reported "record attendance" and about 190 exhibitors in the expo hall.

2. General Observations

1. There were two strong themes this year: workstream collaboration and contact center. However, the show was much broader than in the past.
2. RingCentral dominated the signage in and around the event.
3. All of the Keynote presenters were first-time keynoters at EC (although only Facebook and Slack were first-time keynote companies).
4. Large notable booths included: Avaya, Microsoft, Ribbon, RingCentral, Vonage, and ZaiLab.
5. New or Back: Avaya, Huawei, Nuance, Sharpen, ZaiLab, and Zoho.
6. Show attendance was up; there were record numbers of exhibitors.

3. Selected Announcements

1. There were numerous contact center announcements including: Avaya announced a Mobile Experience and a new blockchain-based IDaaS; Genesys improved its Salesforce integration and acquisition of Altocloud; NewVoiceMedia announced its spring release; RingCentral announced Pulse; Talkdesk announced its Enterprise Platform (and 17 other press releases); Twilio announced Flex; Vonage released its skills-based router; ZaiLab arrives in the US.
2. Workstream messaging announcements included 8x8 announced an integrated chat solution coming to its client this summer, Avaya announced workstream collaboration in Equinox, and RingCentral announced a meetings client for conferencing and Glip. IBM was back to EC with its Watson Workspace (released last fall). Zoho exhibited its Cliq application. The new G-Suite Hangouts Chat, announced weeks before EC, now has integrations with Dialpad and RingCentral.
3. Regarding conferencing, there were two disruptive huddle room solutions: Solaborate announced its low-cost, Android-powered Hello 2. The Dolby Voice Room system offers its

audio capabilities with auto-framing and whiteboard de-skewing. NEC announced an alliance with Vidyo. StarLeaf intends to crash the Skype Room System party with its self-certified solutions (for SfB and Teams). Nureva debuted audio solutions for large rooms.

4. Microsoft Teams supports six new features including cloud recording and background video blur, and enabled a Direct Routing option that connects trunks to Teams.
5. Vonage announced several CPaaS-related enhancements.
6. Amazon announced a new usage-based pricing model for its Chime conferencing service. Meetings can now be hosted for $3 per day up to $15 per month.
7. 8x8 revised the features and services within its X-series portfolio. X4 gets Sameroom, and X6-X8 include expanded contact center features.

4. Keynote Pointz

Bob Davis, CVP Microsoft

1. Everything around us is becoming more intelligent (thermostats, cars, watches, etc.). As objects become more intelligent, we save time, know more, and accomplish more.
2. It's time for intelligent communications, built on a base of UC and leveraging O365, Azure, and AI. The result will be an increase in connectivity, insights, and ability to be proactive.
3. Microsoft presented its vision that integrates UCaaS and conferencing services into Teams. Broadcast services are coming next quarter.
4. Companion experience allows users to join a conference with two devices. This enables, for example, a smartphone to control a presentation or be used as a handheld camera.
5. A new native Teams experience was presented on Yealink and AudioCodes endpoints. Microsoft also previewed a new Logitech enhancement with auto-framing, and a new smartphone desktop dock from Plantronics.

Collin Davis, GM, Alexa for Business, Amazon

6. Evolution of the computer interface: character mode, GUI, web, mobile, to voice.
7. Voice enables "ambient computing." Natural and spontaneous.
8. Conversational experience enables new possibilities, such as asking for a song by its lyrics instead of by name.
9. A voice UI abstracts the underlying tech. For example, "Alexa, start my meeting" can work the same in each room regardless of the equipment and/or solution deployed in that particular room.
10. Voice offers a new dimension of multitasking as it allows a user to get answers without losing focus on the task or app at hand.
11. Private skills can be created for site/job-specific workflows.
12. Alexa can also act as a virtual assistant during meetings by providing responses to inquiries or tracking action items (future).

Frerk-Malte Feller, Director of Workplace Ecosystem Partnerships, Facebook

13. Facebook has transformed your personal life, and Workplace can do the same for your life at work.
14. Email, IRC-style chat, social Internet apps – are all obsolete.
15. Workplace connects employees with a UI and navigation that they already know.
16. Five principles of Workplace: security, inclusiveness, mobility, transparency, and integration.
17. Complementary to Office 365 and G-Suite.
18. No need for a demo because you already know it.

Cal Henderson, Co-Founder and CTO, Slack

19. This keynote was an interview format; Alan Lepofsky interviewed Cal.
20. The interview largely focused on why team collaboration apps (in general) are important.
21. Three forces driving the popularity of workstream collaboration: popularity of similar apps with consumers, the steady increase of app suppliers in an enterprise, and the increase in importance of teams.
22. Channels are one of two key pillars to Slack (the other wasn't mentioned). Channels organize conversational data into logical groupings (unlike email inboxes).
23. Slack is committed to using AI technologies to make information more discoverable and actionable.

Jonathan Rosenberg, CTO Cisco Collaboration

24. The age of the individual genius is over – innovation now occurs in teams, and teams require different types of tools with a focus on meetings.
25. Four big focus areas of Spark: data security, ad-hoc meetings, improving remote work, and improving interoperability.
26. Data breaches are increasing. The traditional approach of "end-to-end" encryption was built around client/server architecture. The "servers" in the cloud are distributed services. Cisco's "breach lock" keeps customer data encrypted in the cloud. This is a significantly different, more complex, and more secure approach.
27. Ad-hoc and remote technology that works are about creating a more seamless and intuitive experience. This encompasses UI improvements and passive technology such as SpeakerTrack.
28. Multivendor interop zeroed in on Microsoft applications and services.

5   Industry Vision Addresses

This year, EC added a new set of industry vision sessions, though most turned into corporate infomercials.

1. 8x8: A very confusing presentation. He started with the disruptive iPhone in 2007, but concluded it didn't change enterprise communications. He then shared how he'd solved a problem the previous night using FaceTime. The key is there should be one system of engagement with multiple modalities.

2. Avaya: The presentation began with a recap of announcements over the past few months including NYSE, the completion of its acquisition of Spoken, and the announcement of Equinox Meetings Online, and then its EC18 announcements. The key messages were that Avaya is now about innovation and cloud-first/mobile-first.

3. Google: This presentation started with the exponential power of Metcalfe's Law and the implication that Google's extensive user base and apps give it insights. Machine learning got a lot of attention as it can hide the "junk" (such as framing video, scheduling people and rooms, etc.) and thus maximize human ingenuity.

4. Mitel: Mitel has revised its portfolio to include subscription services that deliver great, upgradeable experiences. Mitel's newly announced CloudLink is part of its mission to make everything cloud-capable, and deliver cloud-borne services to premises-based solutions. CloudLink has gateway, platform, and application components and can leverage the cloud and IoT to deliver digital transformation.

5. RingCentral: This presentation stressed how a single application can benefit productivity and simplify support. The vision of collaborative communications consolidates numerous communications services into a single app from a single provider.

6. Vonage: Vonage did focus more on the industry than its service and presented a clear case for blended communications. Specifically, that it's time to stop thinking about UC, CPaaS, and CCaaS and instead focus on communications enabled outcomes. The best outcomes include improvements in productivity, connections, and digital transformation.

6   Dave's Thoughts

General

1. Enterprise communications has gone through many transitions. The big ones include analog to digital, digital to VoIP, and VoIP to UC. In each of these the industry moved as a whole. This time is different.

2. The vendors are extending into adjacent segments. Popular adjacencies are contact center, messaging apps, and CPaaS, but many more exist.

3. Each of these adjacencies has another set of vendors – pure plays. The result is the EC18 expo hall had more vendors than ever before. The conference also had first-time keynotes from Slack and Facebook.

4. What's critical now for each vendor is to clearly articulate its vision so that prospects can align with the most appropriate vendor. This is easier said than done.

5. Workstream collaboration is no longer new or really necessary to define. It is rapidly moving from the "future of work" to "table stakes" – at least in terms of vendor portfolio and vision. Very few vendors are sharing adoption details. Microsoft shared that 200,000 organizations are using Teams (included with O365 subscriptions), but no vendor has provided recent daily active user counts (Slack was around 6 M DAU last fall).

6. The larger vendors are attempting to revise/recreate the full-stack solution (monolithic application), but this time around it will be architected with APIs and microservices. For

example, Amazon and Microsoft are building out a smorgasbord of loosely connected, internal services.

7. The Dolby Video Room got a lot of attention. Auto-framing video devices are likely to become more available soon, but for now Dolby offers a compelling value. It comes to market with a potentially disruptive partnership with Highfive and Dimension Data.

8. The theme for the Innovation Showcase this year was speech technologies, and there were some very compelling use cases and technologies. You can read more about the showcase here.

9. The vendor landscape is changing rapidly. In addition to Facebook and Slack, Google appears to be ramping up its enterprise communications portfolio. Google confirmed with me that it does intend to offer UCaaS. Google is poised to disrupt the sector with a comprehensive offer. It launched Hangouts Chat (workstream collaboration) with a bot framework just weeks before EC. It already has room video systems and its Jamboard e-whiteboard. G-Suite includes Calendar and Drive, and it demonstrated advanced scheduling bots in its Industry Vision presentation. Not to mention the company has Chrome, Chromium devices, and Android endpoints.

On Keynotes

10. Enterprise Connect, a formal event just a few years ago, has become increasingly casual. Cal's trademark ugly shirt combined with shorts may be enough to reverse the trend.

11. Microsoft was the only keynote to include product announcements.

12. Among the keynote solutions, Microsoft is the furthest along (in the US) on delivering an integrated public UCaaS and workstream solution. RingCentral and Unify offer this today, and soon Cisco, 8x8, and Avaya will. Depending on the success of integration with BroadSoft, Cisco could pass the others with a global offer. The other approach is an integrated or dual app solution, advocated by Facebook and Slack.

13. Microsoft included a confusing testimonial from GE toward the end of its (Teams) keynote. Most of the keynote was about Teams, and GE said it was looking forward to Teams but just deployed SfB to 220k (of 300k) employees in 170 countries.

14. The GE CTO said they are consuming 5.5 B minutes a day of (SfB) conferencing. That's over 18.3k minutes or 305 hours per employee per day (at 300k employees).

15. Rather than focus on a specific enterprise communications solution, Amazon focused on the power of a voice-UI with Alexa. It is a compelling solution with widespread potential – enterprise communications applications only represent a small portion of this opportunity. The presentation did not address concerns around security.

16. The Facebook keynote stressed the benefits of employees already knowing the consumer Facebook application. Facebook will likely continue to do well in distributed, non-office environments (such as Walmart and Starbucks) where it is less likely to replace email or other tools and instead will connect the unconnected. In addition to retail, the logo slide included airlines, manufacturing, and transportation companies.

17. Facebook stressed the importance of video broadcast. This came up in several keynotes.

18. The interview format of the Slack keynote did not appear to be rehearsed.
19. Lepofsky carried Henderson with leading questions. For example, Lepofsky introduced the ideas of transparency and the importance of Slack's partner ecosystem and Henderson agreed.
20. Henderson explained the value of workstream collaboration, but he did not convey any unique or compelling attributes of Slack.
21. Slack's keynote had a negative impact on me regarding both vision and brand proposition. It was borderline disrespectful in format (unprepared) and attire (shorts?).
22. Cisco's use of "breach lock" is an upgrade from "end-to-end encryption." This is a significant differentiator for Spark that confuses many. Spark keeps customer data in the cloud encrypted at all times. This means Cisco itself, Spark's services, and even Spark's CPUs (think Meltdown) don't have access to customer data.
23. Conversely, Microsoft, Slack, and Facebook access user data to create services. A featured example is the ability to find subject matter experts or track assigned tasks from a meeting. Organizations need to weigh the benefits of these services vs. privacy risks.
24. Cisco, as expected, had no announcements. It closed on its acquisition of BroadSoft last month and scheduled its Collaboration Summit for next month. Announcements and details related to the merger are expected there. For now, I'm sticking with my FAQ from last November.
25. Four of the five keynotes were very strong. Excluding Slack, they each offered a vision and illustrated key differences in solution and approach.
26. The most common element throughout these keynotes was the importance of meetings – this is where the collaborative rubber meets the road. Every keynote (except Slack) emphasized easy meetings, though their approaches were different. Meetings are at the intersection of UC/UCaaS, workstream collaboration, conferencing equipment and services, mobility, and AI.

On Contact Center

27. The contact center was a strong theme of EC18. There were significant contact center announcements from Avaya, NewVoiceMedia, RingCentral, Talkdesk, Twilio, and Vonage. There were no major contact center announcements from Amazon, Five9, or Genesys.
28. Additionally, South Africa-based ZaiLab launched in the US with a big booth (vehicle), and there was also buzz around Sharpen.
29. Twilio, as expected, launched Twilio Flex with significant fanfare and drama. Conceptually similar was Vonage's launch of a skills-based communications router, with no fanfare.
30. Contact centers have always required considerable customization. Last year, Amazon launched Connect as a contact center onramp to other AWS services. Twilio and Vonage take extensibility further with what's effectively a contact center SDK.
31. Twilio Flex moves its APIs off the top shelf to the center shelf, with improved accessibility and packaging. Twilio has plenty (years) of proven use cases that demonstrate the effectiveness of its programmable approach.
32. Traditional contact center vendors are becoming more extensible, while Twilio offers drag-and-drop tools such as Twilio Studio. There's still a gap in the skills required for design, but the question of support is more complex.

33. RingCentral Pulse integrates contact center alerts with team collaboration. It allows contact center performance notifications (such as threshold crossings) to be sent to teams within Glip.

On Twilio Flex

34. Twilio arranged a launch event and presentation at EC18.
35. Flex is largely a repackaging of existing services with a new UI for agents and supervisors.
36. Key benefits are: customization, omnichannel, contextual intelligence, and scalability.
37. Pricing was not announced.
38. While there's no question that extensibility and APIs are a critical component of any contact center strategy, the SDK approach is not without risk.
39. Twilio's move up the application stack could cause some application partners (even beyond contact centers) to reevaluate their relationship. Serenova, Talkdesk, and Zendesk all use underlying services from Twilio. Vonage takes a different approach by offering an open-source task router to application partners rather than competing with them.
40. There's also risk for the customer. Twilio and Vonage are enabling a highly customized solution, which transfers the bulk of development, support, and maintenance from vendor to customer. It also increases the necessary customer skills as these approaches require developers rather than administrators.
41. However, organizations that require heavy customization and have the necessary skills and support infrastructure will find Twilio's (and Vonage's) approach obvious and invaluable.
42. We have seen before how open source technologies and SDKs enable a higher level of customization (think Asterisk), but the supportability of packaged solutions is hard to beat.

On Avaya Mobile Experience

43. Avaya's Mobile Experience announcement is complex. It's significant, and without doubt there will be many attempts to imitate it.
44. There are many parts to the announcement. In its simplest form, Avaya is now a mobile carrier – though it is not intending to be a wireless service provider. Avaya wants to be the carrier of choice for (wired) contact centers.
45. Mobile Experience is the result of 1) Avaya's background in carrier networks, 2) its contact center expertise, and 3) timing (most calls to contact centers now originate from mobile devices).
46. Avaya believes the current toll-free model, the default approach of most contact centers, is obsolete. Few care about the cost of long distance, the ANI information is not that useful any more, and toll-free voice is a limited communications modality.
47. Avaya's MNO designation enables it to receive carrier-to-carrier signaling. Mobile networks carry and share more information than traditional wired networks. This has nothing to do with cellular vs. wired; it's about signaling and leveraging the data channel.
48. Initially, as an MNO, Avaya can, at a network level, intercept native mobile calls with an option to redirect them to a richer mobile experience. Traditional POTS services will not be impacted.

49. This intercept service can work with any contact center that ports its toll-free numbers to Avaya.

50. As the Mobile experience matures, Avaya will presumably add new capabilities to its contact center solutions to take advantage of this richer signaling. It will also likely update its mobile SDK to allow companies to create rich, contextual agent experiences within smartphone apps.

51. Mobile Experience will close the gap between the telephone experience and the web experience. For example, a website user can request agent assistance and receive contextual experience (such as assistance with their specific cart). However, telephone support seems to always start back at square one. Avaya intends to enable more contextual experiences for mobile callers that could conceivably leverage device capabilities such as location awareness and cameras.

52. Though imitation is likely, Avaya has filed for patents on this approach and, as an MNO today, has a good head start.

Final Thoughts

53. Overall, Microsoft, Avaya, and Vonage appear to be moving the fastest year-over-year. All three have come a significant way since EC17.

54. I don't see Slack Enterprise Grid as a viable contender in the enterprise space. Slack simply can't compete with the engineering, marketing, selling, and account control that Microsoft, Google, Facebook, IBM, and Cisco have. Slack will retain momentum as a community or LoB tool. Small businesses will likely favor integrated or bundled services from UCaaS providers or other providers. Google, Microsoft, Zoho, and Evernote have added messaging services to existing bundles. Seems like Netscape or Novell again.

55. One of the surprises in the Expo hall was Mavenir, now backed by Siris Capital. Mavenir appears to be on the cusp of enabling a next generation of UCaaS tightly integrated into mobile wireless. It's still a future, but Mavenir's decision to exhibit at EC, its relationship with T-Mobile US, and its role with T-Mobile Digits suggests to me that a next generation of OneTalk-like services is approaching.

56. Polycom is getting squeezed in both audio (Yealink, Grandstream) and video (Logitech, Dolby). Microsoft didn't offer its usual endorsement either. The Polycom aspects featured in the Microsoft keynote were its older Skype Room System and its continued promise to deliver a Teams interoperability service. Microsoft excitedly previewed new hardware models and partnerships from Yealink, AudioCodes, Plantronics, and Logitech.

57. There was notable swagger this year. Most vendors and customers are feeling confident about growth.