



DIGITAL TRANSFORMATION

WHITE PAPER

Prepared by

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ABOUT THE AUTHOR

Zeus Kerravala is the founder and principal analyst with ZK Research. Kerravala provides tactical advice and strategic guidance to help his clients in both the current business climate and the long term. He delivers research and insight to the following constituents: end-user IT and network managers; vendors of IT hardware, software and services; and members of the financial community looking to invest in the companies that he covers.

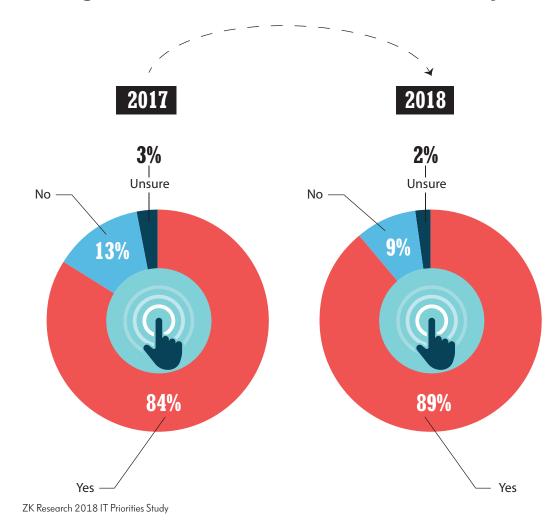
INTRODUCTION: DIGITAL SUCCESS IS BASED ON THE SPEED OF INFORMATION

Digital transformation is a top initiative for business and technology leaders. According to the ZK Research 2018 IT Priorities Study, 89% of companies now have at least one digital initiative underway, up from 84% in 2017 (Exhibit 1). Fueling this trend is the fact that digital transformation enables companies to create new products and services, evolve business processes and dramatically increase revenue while reducing costs.

Businesses that master being digital will thrive and will successfully maintain their market leadership, while those that cannot do so will struggle to survive. Evidence of this is visible today,

Exhibit 1: Digital Momentum Has Increased

Does your organization have at least one digital transformation initiative underway?



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as 55% of the year 2000's Fortune 500 companies have disappeared. Also, current economic data shows that the digital leaders control 79% of their respective industries' profits and have an average of 71% market share.

Becoming a digital leader is no longer based on which company has the lowest costs, superior products or the best people. Rather, market leadership will be determined by a company's ability to recognize shifts in the market landscape and adapt to these trends faster than their competition. This means being able to make the best decision as quickly as possible while involving the right people, regardless of their location.

A digital organization must be an agile one in which teams can come together quickly, make a decision or complete a project and then move on to the next project. This approach puts an emphasis on workers' agility and ensuring they have the right information at their fingertips at all times. The transition to digital has driven tremendous innovation in many areas of technology such as the cloud and mobile computing. However, the one area that has stood still is the desktop phone. Although there has been a rise in new form factors, color displays and other design changes, workers ultimately use these devices the same way they did 30 years ago. If companies are to harness the full potential of the worker in the digital era, the desktop phone must evolve now.

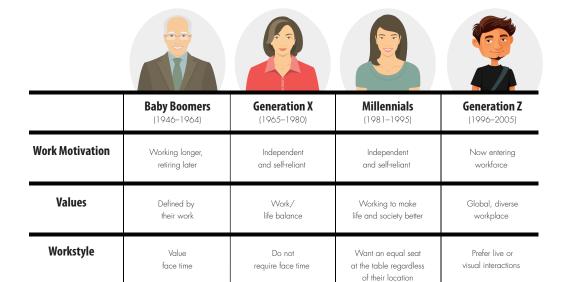
SECTION II: INTRODUCING AVAYA VANTAGE™

Avaya Vantage represents the first major evolutionary change to the desktop communications device. Although Vantage has a phone form factor, it is much more than a phone. A good analogy is the evolution of mobile devices. Prior to the iPhone®, there were many attempts to revolutionize the mobile phone. (iPhone is a trademark of Apple Inc., registered in the U.S. and other countries.) Although several new features were brought to new phones, their primary use case was making calls—then the iPhone came, and everything changed. The tightly integrated experience has made it possible for the iPhone to become the ultimate consumer device. It's a music player, camera, social media interface and so much more. In fact, voice calling is one of the least used features among the millennial generation. The Avaya Vantage desktop device has the potential to make the same kind of impact on the business worker's desktop.

The goal of Avaya Vantage is to make engaging with other people and content fast and easy. The multimedia communications device is ideally suited for today's workers, who need instant access to coworkers and data. The all-glass, eight-inch touch screen with cordless handset is a unique design for desktop units and creates a simple, familiar experience for workers who have a consumer technology mind-set. Vantage also offers other options including a physical keyboard and a corded handset. In total, Vantage has nine different form factors, making it ideal for the quad-generational workforce (Exhibit 2). Each generation of workers has preferences when it comes to collaboration, and Avaya's Vantage device can be used by all of them.

Any communications application can be used on Vantage including voice calling, video, chat and other collaboration apps. Avaya Vantage is powered from the cloud and works with Avaya Aura® and

Exhibit 2: Avaya Vantage Meets the Needs of the Quad-Generational Workforce



ZK Research, 2018

Avaya IP Office platforms and also operates on Avaya-approved third-party call control platforms, enabling customers to enjoy the Vantage Basic experience with the cloud service they are using today and then migrate to Aura over time for the more feature-rich Avaya Equinox® experience.

Other highlights of Avaya Vantage include the following:

- Connectivity with WiFi and Ethernet
- Runs native Android™ operating system with support for millions of Android apps (Android is a trademark of Google LLC.)
- Highly customizable application programming interfaces (APIs) to create vertical applications (e.g., healthcare, hospitality, retail and entertainment)
- Designed for outstanding audio quality, including directional microphones
- Support for "off hook" dialing
- Works with all types of typical desk phone headset connections
- Integrated camera for video calls (optional)

It may be hard to understand why this much horsepower is needed for a desktop device, but doing so requires a rethink of the entire desktop experience. When cameras were first introduced as an attachment to mobile phones, many questioned their usefulness. As long as the main use case for a mobile phone was calling, the camera was not needed. Today, the world has changed, and social media ranks as one of the top reasons to have a mobile device—making the camera a core component.

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Similarly, it's important to *not* think of the way people worked at their desk in the past and instead consider the possibilities of having an always-on device to complement a worker's computer and mobile phone. Company alerts, stock quotes, social media feeds and other sources of data can be streamed to a worker's desktop, which could have a direct impact on user productivity and customer service. Business and IT leaders should consider Avaya Vantage an excellent starting point for a company's unified communications strategy.

SECTION III: AVAYA VANTAGE CREATES AN OMNICHANNEL DESKTOP EXPERIENCE

Unified communications (UC) has been a market in the making for almost two decades. One of the biggest challenges with UC is that until recently, the communications tools weren't truly unified, as businesses bought separate tools for voice, video, desktop collaboration and other functions. This meant the user was forced to be the integration point for the different collaboration applications. Recently, the concept of omnichannel communications has been on the rise, where all of a worker's communications tools are available from a single vendor and tied together. This enables a user to start with a chat and quickly promote the conversation to a call or video. The term "omnichannel" has been most closely associated with the contact center industry, as it enables a superior customer experience. Avaya is bringing the benefits of omnichannel to the desktop with Vantage.

Compared to contact center applications, there is one stark difference in Vantage's version of omnichannel—it includes seamless access to applications. The Google Play store contains more than 3 million applications that can run on Vantage. Many of these can be used to help workers streamline their jobs. Every worker needs instant access to certain company information, such as calendar, directory, stock price and customer satisfaction. Employees can access this with just a few taps on the Vantage screen instead of having to flip through different desktop or mobile applications. The ability



Benefits of Video Results for the Organization Improved learning Attendees learn 200% more with video than with voice only. **Increased content retention** Participants in a meeting that includes video retain 28% more information than in audio-only meetings. Faster decision making Meetings that include video finish on time 73% more often than those that utilize audio only. Faster absorption Video meeting attendees absorb of information information 40% faster than those participating in traditional voice calls. Video users report that the power of Improved persuasiveness persuasion is improved 43% over audio or written communications. Video increases the impact of **High-impact communications** communications by 67%.

Exhibit 3: Quantifying the Benefits of Business Video

ZK Research, 2018

to customize the screen means all workers can configure the screen to their exact needs, including such features as background, color and placement of apps.

Also, many Android apps are available, and providing quick access to these apps saves time for workers. For example, there are more than 300 calculators, including accounting, scientific and other types. A worker who needs a specific type of calculator could just bring one up when needed instead of having to go hunt for one.

In addition, the Avaya Vantage finally brings the voice assistant to the desktop in a way that makes sense. The Avaya Vantage Voice Assistant is a front end that leads to OK Google. You can

Avaya Vantage

can completely

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now basically ask your desk phone any question and obtain the answer. Avaya's front end adds additional customization and special call control capability, such as having the ability to just say, "Join my next call."

Another interesting application is video streaming. Workers could watch training videos, a CEO presentation, news feeds or other visual information at their desk. Since Vantage is a fully multimedia device, it can also be used to play music or enable the worker to play one of thousands of Android-based games. Some employers may not view this as business critical, but this article from Forbes talks about the importance of creating a "fun" workplace. A similar article from Fast Company quantifies that happy employees are 12% more productive. Providing access to music and games certainly is not a panacea to all employee woes, but it does go a long way toward creating a more employee-friendly workplace.

Avaya Vantage isn't just for fun and games; it can completely change the desktop experience. The use of video in the workplace has been steadily growing, but it hasn't reached critical mass yet. One of the biggest inhibitors is that the products can often be difficult to use. However, using Vantage-based video is as simple as using a mobile app. A call can be placed and automatically joined by users who have a similar device or Avaya-based software. Exhibit 3 shows many of the benefits that video brings to an organization, highlighting the productivity gains that a device like Vantage delivers.

There are other use cases for video besides just person-to-person calls. Vantage could be configured to receive a real-time video feed for monitoring purposes. For example, a construction foreman could monitor the activity at a work site through Vantage. Also, clinicians could initiate video calls with remote patients, or a factory floor could be monitored from a remote office. It should be noted that other video conference participants don't have to use Vantage; they can use the Android app on the device of their choice.



Avaya Vantage

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In addition to being an excellent video endpoint, the Vantage device can start meetings with a single tap. Think of the device as the control point for meeting spaces. ZK Research has found that 15 minutes of every one-hour meeting are wasted just setting up the technology. With the single-click access that Vantage provides, participants no longer need to hunt through emails for PIN codes or access numbers. The value of this benefit can be quantified by data from the U.S. Bureau of Labor Statistics, which shows that the average employee compensation is \$35.52 per hour worked in March 2018. If the time to join a meeting can be reduced from 15 minutes to one minute, Vantage can provide a cost savings of 14 minutes times \$0.59 per minute, or \$8.26 per employee, per meeting. If an employee attends an average of just three meetings a week, that's a total savings of \$1,289 per employee, per year. This is just the average. Executive compensation is much higher, and the time given back to business leaders could make the difference between a company being a market leader or a laggard.

Avaya Vantage can also be used as a recruitment tool to attract millennials. According to this Forbes article, millennials will constitute 46% of the workforce by 2020, making them the largest group of workers.

Earlier, we highlighted the value of Vantage to traditional knowledge workers, but it can also appeal to younger people entering the workforce. Millennials like having access to the latest and greatest technology. Also, one in three millennials prioritizes social media freedom and device flexibility over salary in accepting a job offer—and Vantage provides both. Social media isn't well understood by older generations, but it has a significant impact on younger consumers. In fact, the Forbes story highlights that one of the benefits of employing millennials is that they can be a "social media megaphone" for the company, as the "friends of fans represent a set of consumers 34x larger than fans themselves."



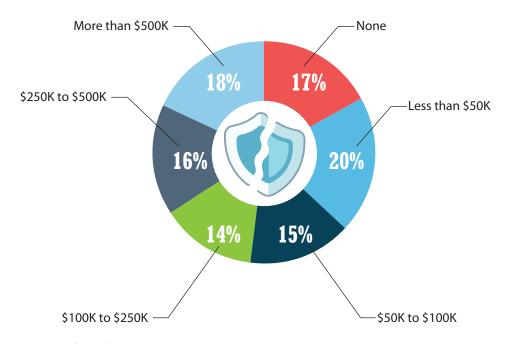
Avaya Vantage vs. Bring Your Own Device (BYOD)

One argument against Avaya Vantage would be to let employees bring their own devices into the workplace. The ZK Research 2018 Security Survey found that 83% of companies now have a BYOD policy in place. Offloading device management to a user obviously seems very attractive, but doing so can cause a security headache. Here are other interesting data points that highlight the problem:

- 6 out of 10 workers admit to sharing devices with other employees or family members.
- 70% of workers admit to disobeying policies.
- 68% of companies do not remove company data from devices when employees leave.
- 58% of businesses that allowed BYOD were breached by an employee-owned device.
- The cost of a mobile breach was greater than \$250,000 for a little over one-third of companies (Exhibit 4).
- 75% of IT and security leaders feel mobile security is their biggest challenge.

Exhibit 4: Mobile Breaches Cost Big Dollars

What is the average cost of a mobile breach in your organization?



ZK Research 2018 Security Survey

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The most obvious and meaningful benefit of Vantage is that it gives the employee many of the benefits of a personal consumer device without the associated risk to the business. Many workers do not want to spend their own money on a mobile device to bring into the workplace, but they do so because they feel the technology in the workplace is falling behind. Vantage offers a consumerized experience on the worker's desktop but enables the company to maintain its security policies. Also, the IT staff can control the version of Android used, providing assurance that whatever apps are rolled out will work on it.

With Vantage, another difference from BYOD is that the IT organization can offer greater support because it owns the device and will find troubleshooting or replacing it easier than with a personal device. Users benefit because their problems are solved faster and the experience is consistent from device to device if they happen to change locations.

SECTION IV: LOOKING AHEAD AT THE FUTURE OF VANTAGE

Although Avaya has offered no formal road map, ZK Research speculates on what's possible with a device such as Vantage. The device creates an entirely new type of experience, so it's important to shed conventional thinking around a desktop phone and imagine what's possible with a device that can be customized to the user, has rich omnichannel capabilities and has a large touch screen as an interface.

Here are some examples of what's possible:

Real-time translation: Advancements in natural language processing and machine learning make it possible to conduct a video call in two different languages. Each participant could speak his or her own native language and have Vantage translate the speech, convert it to text and display it under the video window.

Facial recognition: Workers could conduct one-on-one video calls using Vantage, and each person's name could be displayed under their face. This would make meetings more effective, as each person would know who is on the call.

Integration with the Internet of Things (IoT): Unified communications has been used to enable people to talk to other people. But what if machines were given a voice? The integration of UC and IoT would enable devices to send messages directly to Avaya Vantage. For example, a Vantage device in a manufacturing facility could display the status information for every piece of equipment. If it noted a failure, the user could tap on the screen and drill down on that specific device, improving troubleshooting capability.

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Contextual information: Vantage's large omnichannel screen makes it possible to display multiple forms of content simultaneously. Through the use of artificial intelligence (AI) and other technologies, it's possible to conduct a video call and display contextual information along with the speakers. This could include information such as location information, relevant content, ongoing projects, user status and anything else that would add relevancy to the conversation.

Meeting room control point: The large touch screen display makes the Vantage device an excellent option to be the "brains" of a meeting space. Most meeting rooms are filled with disjointed technology, so systems such as digital whiteboards, projectors, video systems and audio phones need to run separately. Avaya Vantage could be used as the central control point, as all of those systems could be controlled from the display. Also, with minor IoT integration, the device can be used to control other components of a meeting space including lights, air conditioning and window blinds. With the infusion of Al, a user could walk in a room, and then the device would recognize the person, automatically connect the content and audio bridge, set the temperature and do more to personalize the meeting settings.

SECTION V: CONCLUSION

The digital transformation era has arrived, and this is causing companies to think differently about the way they operate. Companies that don't change will be challenged to remain viable, no matter how big or how strong they are today. In the digital era, change is constant, and most of today's CxOs have embraced the vision of being agile and dynamic at the business process level.

However, this change must filter down to the workers and the tools that they use. Traditional desktop phones are highly inflexible and offer no customizability or worker agility. Personal devices are a nice option, but they expose the company to new security risks and can't be managed by the IT department. The Avaya Vantage multimedia communications device is the best of both worlds, where it offers a highly flexible, dynamic and personal work experience as well as the necessary levels of control and manageability to ensure the company is protected. Business and IT leaders tasked with enabling a more agile and dynamic workforce should consider Avaya Vantage.

To maximize the value of Vantage, ZK Research makes the following recommendations:

Cloud UC providers should use Avaya Vantage to differentiate their offerings. Most cloud providers view the desktop phone only as a necessary cost, but Vantage can be used to create tiered levels of cloud services. For example, a Tier 1 service could include only voice and video calling, while Tier 2 could also provide social apps access. Other tiers could include Spotify with a subscription. The service provider can "whitelist" the apps allowed to ensure security. Another option is to offer a video help desk function. Cloud UC providers should think more entrepreneurially like mobile service providers and not just be an IT voice alternative based in the cloud.

ZK RESEARCH | Avaya Vantage Can Accelerate Digital Transformation

IT leaders should use business-level metrics to justify the Avaya Vantage purchase decision to executive management. This approach is similar to justifying digital transformation investments, where key performance indicators (KPIs) are tracked and the performance improvement is measured. Possible KPIs include employee satisfaction, turnover, customer service improvements, net promoter score and new hires. Vantage is also a flexible, digital communications platform for the future, so other KPIs can be developed as time goes on.

Employees should customize Avaya Vantage to their own workstyle. Avaya Vantage is a flexible omnichannel desktop device that lets users work the way they want. Workers should take advantage of this and customize the device to their own liking using custom backgrounds, applications, news feeds, speed dials and other settings. Employees should have the freedom to work the way they want, and Avaya Vantage enables this.

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