White Paper

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The 3rd Platform and Implications for the Channel

Foreword

Information is King but Knowledge is Power

We live at a time when changes are happening all around us. Look at any period over the last 30 years and the timeline will reveal some fundamental technological change or innovation that has changed both the way we live and the way we work today.

The Third Platform is a powerful concept and argument for today and the coming years developed by global industry analyst firm IDC.

Essentially they see three key changes within the IT and communications landscape that have occurred in these modern times.

Firstly, the use of mainframe computing which was followed by the entrance of the PC and resultant LAN, Internet and client server architecture of the 1980's and 90's.

The third change, and platform, being the omnipresent IP based networking and connectivity that has given us anytime, anyplace access and multiple device experiences.

I have in my working life experienced all three platforms. When I started work in the Ministry of Technology at the National Physical Laboratory it took me three days to get a mainframe computer to generate a simple table of stress measurements. If I made just a one-character input error you started over on another three-day wait.

Whilst working for BT I became a very early adopter of personal computing and had a company provided PC at home. Of course it was an information island – there was no connectivity and if I could have blagged a modem as well the data transfer rate at the time was miserable.

My first experience of Voice over IP took place in Brighton at a late 1990's TMA show – the world was changing and I liked what it had to offer.

It would be easy to say that the 'rest is history' but in reality the story is still developing

The four pillars of the Third Platform are Cloud, Big Data, Analytics and Social Media. These are said by IDC and others to be consuming more than 50 percent of IT spends right now and forecast to continue to do so for the next five years – or about as far as we dare look in to the technological future.

Around ten years ago I began transitioning to this Third Platform.

I decided to use the Internet for what it was good at - providing an awful lot of connected computing power wherever I was based and on whatever device I wanted

to use. I decided that all the information and data I held as being precious and valuable to me would be backed up. Not just by an existing external hard drive, but also by a service provider in 'The Cloud'.

Around me the nascent hosted telephone market was making inroads in to the CPE based telephony market and progressively many other ITC applications were making their way to the cloud. So I purchased Office 365 for home use, saved a fortune and always have a current copy of the latest software with Dropbox access to all my data on five devices – all for the price of a packet of cigarettes and a pint of beer a month.

I just love this third platform.

Big Data and Analytics fascinate me as numbers and their interpretation offer up so many opportunities for business. Of course many believe that big data is just for big companies and in a way they are right but if you look at how smaller firms can use Business Intelligence (BI) then you can see the relationship.

When it comes to the SME I tend to equate Big Data with BI which is why I was fascinated to see how Tollring were positioning their iCall Suite within the technology themes that the Third Platform addresses.

I have always thought that call management was an undervalued product in that, sure it provided a record of calls made, but it offered so much more as well. It offered an insight in to how a company was performing and interpretations of the data it recorded offered the business guidance and suggestions as to how to serve their customer more efficiently. That's to say how to increase productivity and profitability.

As Enterprises large and small are finding that their business data is an increasingly vital ingredient in the overall business mix iCall Suite extends that capability and whilst information is king, Tollring demonstrates that knowledge is power.

Having data on company performance is all well and good but how this data is analysed and interpreted is more important.

That is why, in this Third Platform era of IT and communications, enterprises need tools, such as the Tollring iCall Suite, to both capture data and to provide flexible application features and reports that can be tailored to each business need to analyse this data for the betterment of their business.

Ian Hunter

Editor, Comms Business Magazine

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Introduction

The 3rd Platform is transforming the way people relate to technology by combining mobile, social media, cloud computing and big data/analytics. The '3rd Platform' has become the latest hot topic and with the cloud at its core, offers considerable opportunities to both existing providers and new entrants.

IDC provides clarity on the 3 platforms; the 1st platform describes the mainframe environment, with thousands of applications and millions of users. The 2nd platform encompassed the LAN/internet and the client/server architecture and saw the rise of PC users and applications. The IT industry has now shifted towards the 3rd platform with anyplace, anytime access to applications.
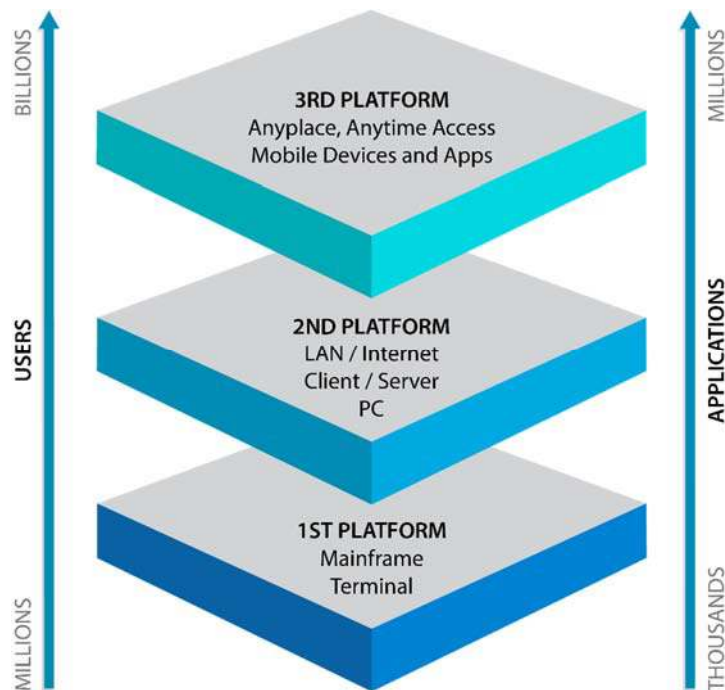
Traditional Value Added resellers who have been wedded to their on-premise solutions must now look at how they can move into the world of hosted voice, SIP, unified communications (UC), collaboration applications and the cloud. The opportunities are considerable but change is required; a daunting prospect for those that rarely mention the term 'cloud' when dealing with customers.

The sad truth is that as this technology develops, the big companies of today may not be around in four or five years' time, whilst the big players of 2020 may not yet be established. The new wave of competitors entering the market can be anything from 'one-man-bands' capable of delivering a suite of voice and UC services that previously required a team of engineers.

Defining the 3rd Platform

Since 2007, IDC has predicted and analysed the industry's remarkable shift to what it calls the 3rd Platform, built on the 4 Pillar technologies of the cloud, mobility, big data/analytics and social business. Now IDC predicts that virtually all of enterprises' new strategic IT investments through to 2020 will be built on 3rd Platform technologies and solutions. IDC reports legacy IT growth in 2015 was 0.7% whereas 3rd Platform growth was 15% for the same period.

According to IDC, the 3rd platform is enabling businesses to change… how they engage with customers; the speed at which they deliver products and services; how they innovate; the reliability of their operations; and their overall resiliency.

For its part, Gartner has coined the phrase 'Nexus of Forces' to describe how the next few decades will see a convergence of social, mobile, cloud and information patterns. Although these forces are innovative and disruptive on their own, Gartner says that together they are revolutionising business and society, disrupting old business models and creating new leaders. As such, the Nexus of Forces is the basis of the technology platform of the future.

Gartner describes the forces of the Nexus as being intertwined to create a user-driven ecosystem of modern computing:

- Information is the context for delivering enhanced social and mobile experiences.
- Mobile devices are a platform for effective social networking and new ways of working.
- Social links people to their work and each other in new and unexpected ways.
- And the Cloud enables delivery of information and functionality to users and systems.

The Importance of Analytics

For those delivering telecoms services, the exciting area of this 3rd Platform phenomenon is the cloud-based analytics. Over the years, the main focus has been on generating analytics that deliver clarity to telecoms data. Now with access to mobile, social, UC and cloud data from across an enterprise, organisations can make the analytics far more valuable.

Vendors and their customers don't have to make a total switch to these new technologies. The 3rd Platform offers incremental recurring revenues that can be tacked on to an existing business rather than needing a complete shift from one to another. This is perfect for those organisations that are still successfully delivering volume placements; they can now add on hosted analytics that generate incremental revenues. It enables a reseller to dip their toe in the water with no risk to traditional revenue streams.

The 3rd Platform arena can deliver high value information and analytics but using data derived from traditional voice services and billing streams using a hybrid model. The key is that once a customer has analytics and has high value information about the workings of their business and they've built their own workflows and reporting around it, it becomes extremely difficult for them to consider changing supplier. This is where the partner can add true value as well as monetise reporting and analytics as a service.

Hybrid – A Step in the Right Direction

For those still tentative about the cloud, a hybrid model provides an ideal route to the 3rd Platform by enabling organisations to use a mix of on-premises, private cloud and public cloud services with orchestration between the platforms. This delivers a transition into the cloud using a disruptive rather than a destructive approach, thus

allowing organisations to experiment and to build cloud services on to their existing services.

This is particularly valuable for larger private and public sector organisations with extensive data centres and legacy technology. These organisations can't just shoehorn legacy technology into the cloud and equally, they do not want to be destructive by ripping out old technology and replacing it with new. It offers a practical and pragmatic approach, where they can pick the best data from their old systems and connect it to the cloud to achieve significant gains, with less investment. And for legacy vendors, it gives them a way to talk to their customers and join them on this journey to the cloud.
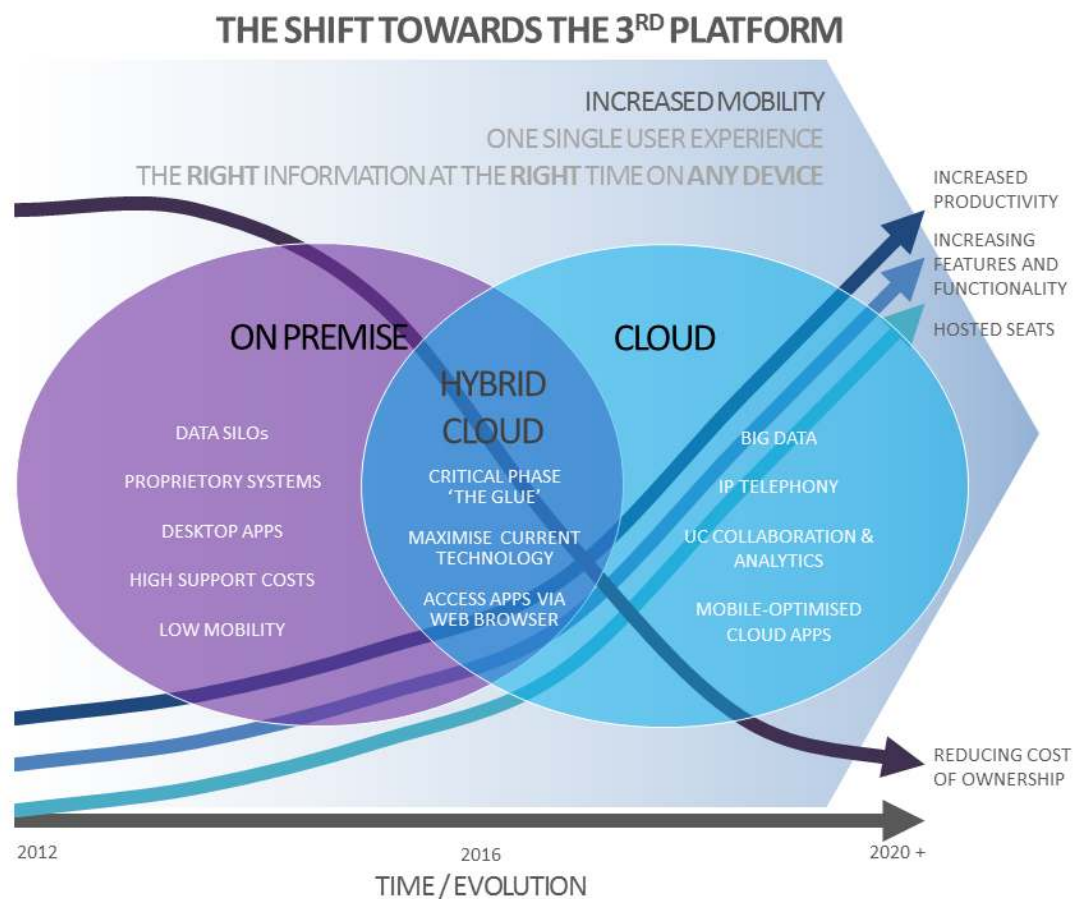
Accessing Big Data

In the past, accessing and analysing data from legacy PBX telephony and billing systems enabled providers and their customers to see where and when calls are answered, how many times the caller contacted an organisation, whether the person spoke to another department and when the call was finally resolved.

Now in the world of the 3rd Platform and the hybrid cloud, the focus has moved from not just analysing call records, but to matching caller details with other rich data sources such as the Contact Centre, DDIs, UC, social media, call recordings and CRM. The latest tools can aggregate and harmonise multiple streams of both historical and real-time information to make it timelier, more accessible and more valuable to decisions makers.

This level of information can be delivered on real-time dashboards, live wallboards and charts that are easy to query. Previously, it would have taken analysts many days to produce basic reports, resulting in disjointed out-of-date information. Now key decision makers, team leaders, site managers and employees can access valuable information on any device in a timely manner. It allows them to react quicker and make better decisions as well as making them more accountable.

A key enabler is the use of APIs (application program interface). APIs can access different systems and databases and consolidate the data from multiple applications into a single reporting portal. As an Over the Top (OTT) fully managed service, Tollring has existing APIs to access data from traditional premise-based telephony systems as well as the newer cloud-based services such as hosted voice, UC, CRM and Web Chat. The aim is to strip away the noise, attribute the customer activity and deliver high value analytics via a web browser on any device. Vendors and their customers can thus make better and faster decisions that impact the bottom line and make them more competitive.

For example, by matching the credentials of a caller with their details on a CRM system, a dashboard can show that the caller queuing is one of the company's highest value customers, who has recently placed a major order. Alternatively, it

may be a customer who responded to a marketing campaign and has called three times that morning already but has hung up every time without managing to speak to anyone. Missed call = Missed Opportunity = Dissatisfied Customer = Increased Churn.

The Dilemma

The 3rd Platform future offers huge opportunities but resellers face some big issues as they start to take their first steps into this new world:

- Are they, as resellers, prepared to re-invest and move away from their present low risk business model that accompanied on-premise investments in hardware, software and integration service?
- How long will these types of customers and orders be available?
- Will their existing customers begin to look at alternative "cloud centric" vendors?
- And are they willing to re-engineer their businesses and re-train their people to the new utility consumption-based model that comes with cloud-based services?

Mobile Resellers had to adapt to a whole new business model a couple of years ago as their commission payments went from upfront (regardless of customer value), to a percentage share of customer monthly spend. Unfortunately for some, this new model has not yet delivered the dream they had hoped.

The cloud-based subscription model means profitability is often achieved in the last few months of a multi-year contract. And the commercial risk transfers from the customer to the vendor, requiring resellers and vendors to retain the customer for many years to come. This is now a long-term commercial, consumption-based model, where cash disappears and sales teams receive commission payments over the life of the customer contract.

So keeping customers for the long term is now the top priority, as is cross and upselling additional products and services and, at the same time, continuing to deliver high value business insights that helps the customer to control costs, reduce risk and remain competitive.

Monetising Services

Although recurring revenue opportunities are synonymous with the cloud, the immediacy of cloud applications and the convergence of services can make revenue management a particular challenge for vendors. "Are we billing for all of the services our customers are using?" "Are there any discrepancies between what is provisioned and what has been consumed?"

The availability of online provisioning has empowered the channel to manage their own customers and allow them to react quickly to customer demand, upselling or adding/removing licenses when required; however online provisioning can still result in reactive channel behaviour.

Cloud-based call analytics offers a solution by providing a real-time view of usage, showing how many users are active/inactive as well as which services are used and when. Call management applications can 'self-learn' and accurately profile usage, resulting in an improved understanding of revenues.

The channel not only has the ability to proactively advise on products and services based on customer usage profiles, but also to protect their revenue streams through rich real-time data feeds that highlight any variances to the billing team. Revenue assurance tools are becoming not only a way for the channel to bill accurately, but even more importantly, a way to differentiate themselves, adding real value to their service offering.

A New Sales Approach

To realise these new opportunities, sales teams must focus on the information that is important to the end customer such as a missed sales opportunity or a customer complaint. As Tollring's director of Strategic Partners, Carl Boraman says, "Analytics is the oil of the business engine and it requires our partners to develop a deeper understanding of their customers' wider business needs and day to day challenges."

This focus on selling business benefits, opportunities and outcomes takes selling a solution to the next level. In addition to identifying the need, sales people must know their customer's market; understand how their business works and then how the products/services they offer are going to solve the customer's problems. They may then need to pull together a mix of legacy and cloud (hybrid) to fulfil that requirement.

> "Analytics is the oil of the business engine ... "

The traditional buyer has also changed. The sales person now faces a committee of people from finance, operations, the CFO, CTO and CIO, with no single individual signing off the order. It's a very different sales environment to the one we've been used to.

Moreover, this is now a consultative sell where the sales person is expected to have a deeper understanding of the market and use this knowledge to educate the customer. And products and services may need to be tailored to each individual customer with a business case that de-risks the purchase.

Conclusion

The 3rd Platform is efficient, agile, accessible, secure, and has the ability to put the right information in the right format at the fingertips of those who need it. The analytics element via both a complete cloud or a hybrid model offers considerable opportunities in a changing and highly competitive marketplace that will see those who embrace change take a leading role.

However, the recurring revenue stream of the cloud requires continuous support. As a vendor, Tollring gets involved in educating our partners by sharing our knowledge and expertise. We help our partners to sell analytics on top of a phone system by focusing on the opportunities and benefits they can deliver to their customers.

But these analytics are not just for customers, they also benefit our channel partners. A high level insight into how their own channel business is performing helps them to motivate or penalise staff, to create targeted marketing programmes or identify niche vertical markets that have been successful.

New for 2016

This summer, Tollring launched its new iCall Suite 2016 to deliver a unified platform for both its traditional on-premise partners and for those extending into the 3rd Platform.

For our on-premise friends, they no longer need to choose between the previous desktop version or the online version, they can now use one system with no loss of features. This gives them access to the new world of cloud applications whilst still allowing them to maximise existing revenue streams.

Carl Boraman
Commercial Director, Tollring

The refreshed look and feel of iCall Suite 2016 with its extensive set of APIs makes it fast and easy to commission new customers, and information can be personalised easily for specific recipient's roles and requirements.

**For further information please contact Tollring on 01895 478899
or visit www.tollring.com.**